PRICING SUPPLEMENT
(TO OFFERING MEMORANDUM DATED MARCH 27, 2014)

YPF Sociedad Anónima

(incorporated in the Republic of Argentina)

U.S.$175,000,000 8.875% Senior Notes due 2018

U.S.$325,000,000 8.75% Senior Amortizing Notes due 2024

2018 Notes Principal Amount: U.S.$175,000,000
2024 Notes Principal Amount: U.S.$325,000,000
Issue Date: February 9, 2015
Specified Currency: U.S. dollars
2018 Notes Issue Price: 101.194% of the principal amount
2024 Notes Issue Price: 98.833% of the principal amount
2018 Notes Gross Proceeds to Company: U.S.$179,246,618
2024 Notes Gross Proceeds to Company: U.S.$331,081,382

Accrued Interest: Purchasers of New 2018 Notes, as defined below, will be required to pay accrued interest totaling U.S.$2,157,118, or U.S.$12.326 per U.S.$1,000 principal amount of New 2018 Notes from December 19, 2014 to but excluding February 9, 2015, the date we expect to deliver the New 2018 Notes. Purchasers of New 2024 Notes, as defined below, will be required to pay accrued interest totaling U.S.$9,874,132, or U.S.$30.382 per U.S.$1,000 principal amount of New 2024 Notes from October 4, 2014 to but excluding February, 9 2015, the date we expect to deliver the New 2024 Notes.

New Notes: The New 2018 Notes are being offered as additional debt securities (the "New 2018 Notes") under supplemental indentures pursuant to which, on December 19, 2013 we issued U.S.$500.0 million and on and April 4, 2014 we issued US$86.6 million of our 8.875% Senior Notes due 2018 (the "Initial 2018 Notes" and, together with the Initial 2024 Notes, the "Initial Notes"). The New 2024 Notes are being offered as additional debt securities (the "New 2024 Notes") under a supplemental indenture pursuant to which, on April 4, 2014, we issued U.S.$1.0 billion of our 8.75% Senior Amortizing Notes due 2024 (the "Initial 2024 Notes"). The New 2018 Notes and New 2024 Notes (collectively, the "New Notes") constitute "additional notes" under the corresponding indentures. Each series of New Notes will have identical terms and conditions as the corresponding Initial Notes, other than their issue price, issue date and first interest payment date, and will constitute part of the same series as, and vote together as a single class with, the corresponding Initial Notes, except that the New Notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary ISIN and CUSIP numbers during a 40-day distribution compliance period. See "Listing and General Information–Clearing Systems" for more information. References to the "Notes" refer to the Initial Notes and the New Notes collectively, unless the context otherwise requires.

Principal Payment: Principal on the 2018 Notes will be payable on December 19, 2018. Principal on the 2024 Notes will be payable on each of April 4, 2022, April 4, 2023 and April 4, 2024 in the percentages set forth in the schedule described in "Additional Terms and Conditions to the 2024 Notes—Amortization." We may, at our option, redeem all, but not less than all, of the 2018 Notes, or part or all of the 2024 Notes, at any time prior to their final maturity, at a price equal to 100% of the principal amount plus accrued and unpaid interest plus the Applicable Redemption Premium (as defined herein). If we undergo a change of control, we may be required to make an offer to purchase the Notes. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the Notes.

Interest Payment: Interest on the New 2018 Notes will be payable semi-annually in arrears on June 19 and December 19 of each year, commencing on June 19, 2015, with accrued interest from December 19, 2014. Interest on the New 2024 Notes will be payable semi-annually in arrears on April 4 and October 4 of each year, commencing on April 4, 2015, with accrued interest from October 4, 2014.

Status and Ranking: The New Notes will constitute *obligaciones negociables simples no convertibles en acciones* under Argentine law. The New Notes will constitute our unconditional and unsubordinated general obligations and will rank at least *pari passu* in priority of payment with the Initial Notes and all of our present and future unsubordinated and unsecured obligations.

Listing: Application has been made to have the New Notes listed on the Luxembourg Stock Exchange for trading on the Euro MTF market and listed on the *Mercado de Valores de Buenos Aires* ("MVBA") through the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*). This Pricing Supplement and the accompanying Offering Memorandum constitute a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended.

Minimum Denominations: U.S.$1,000 and integral multiples of U.S.$1,000 in excess thereof. **Form:** Global Notes (Rule 144A and Regulation S)

2018 Notes CUSIP Numbers:	Rule 144A: 984245 AJ9	Regulation S: P989MJ AU5	Temporary Regulation S: P989MJ BC4
2018 Notes ISIN Numbers:	Rule 144A: US984245AJ90	Regulation S: USP989MJAU54	Temporary Regulation S: USP989MJBC48
2024 Notes CUSIP Numbers:	Rule 144A: 984245 AK6	Regulation S: P989MJ AY7	Temporary Regulation S: P989MJ BD2
2024 Notes ISIN Numbers:	Rule 144A: US984245AK63	Regulation S: USP989MJAY76	Temporary Regulation S: USP989MJBD21

Settlement: The Depository Trust Company and its direct and indirect participants, including Euroclear S.A./N.V. and Clearstream Banking, société anonyme.

This Pricing Supplement is supplementary to, and should be read together with, the accompanying Offering Memorandum (including our Annual Report on Form 20-F for the year ended December 31, 2013, which attaches our Audited Consolidated Financial Statements as of December 31, 2013) and our Form 6-K of November 13, 2014 (which attaches our Unaudited Consolidated Interim Financial Statements as of September 30, 2014).

Investing in the Notes involves significant risks. See "Risk Factors" on page S-81 of this Pricing Supplement and on page I-6 of the Offering Memorandum and see "Item 3. Key Information—Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2013 included therein.

We have not registered, and will not register, the New Notes under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. The New Notes may be offered only in transactions that are exempt from registration under the Securities Act and the securities laws of other jurisdictions. Accordingly, the New Notes are being offered and sold only (1) in the United States to qualified institutional buyers, as defined in Rule 144A under the Securities Act, and (2) outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. For a description of certain restrictions on resale and transfer of the New Notes, see "Transfer Restrictions" in the Offering Memorandum and "Plan of Distribution" in this Pricing Supplement. The New Notes are being offered pursuant to an exemption from the requirement to publish a prospectus under Directive 2003/71/EC (as amended and supplemented from time to time, the "Prospectus Directive"), of the European Union, and this pricing supplement has not been approved by a competent authority within the meaning of the Prospectus Directive.

Joint Bookrunners and Joint Lead Managers

Citigroup **Itaú BBA** **J.P. Morgan**

The date of this Pricing Supplement is February 4, 2015.

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This Pricing Supplement relates to our additional U.S.$175.0 million 8.875% Senior Notes due 2018 Series XXVI, which are being offered as additional debt securities to our U.S.$586.6 million 8.875% Senior Notes due 2018, and our additional U.S.$325.0 million 8.75% Senior Amortizing Notes due 2024 Series XXVIII, which are being offered as additional debt securities to our U.S.$1.0 billion 8.75% Senior Amortizing Notes due 2024, and are a series of notes to be issued under our Global Medium-Term Note Program in an aggregate principal amount at any time outstanding not to exceed U.S.$5,000,000,000 or the equivalent amount in other currencies (the "Program"). This Pricing Supplement is supplementary to, and should be read together with, the accompanying Offering Memorandum (including our Annual Report on Form 20-F for the year ended December 31, 2013, which attaches our Audited Consolidated Financial Statements as of December 31, 2013) and our Form 6-K of November 13, 2014 (which attaches our Unaudited Consolidated Interim Financial Statements as of September 30, 2014). To the extent that information contained in this Pricing Supplement is not consistent with the Offering Memorandum, this Pricing Supplement will be deemed to supersede the Offering Memorandum with respect to the Notes. Unless otherwise defined herein, capitalized terms used in this Pricing Supplement shall have the meanings given to them in the Offering Memorandum. In this Pricing Supplement, we use the terms "YPF," the "Company," "we," "our" and "us" to refer to YPF Sociedad Anónima and its controlled companies; "YPF Sociedad Anónima" and "YPF S.A." refer to YPF Sociedad Anónima alone.

The creation of the Program was approved by resolution of our shareholders at a meeting held on January 8, 2008 and by resolution of our Board of Directors approved on February 6, 2008. The size of the Program was subsequently increased to U.S.$.5,000,000,000 by resolutions of our shareholders dated September 13, 2012 and April 30, 2013 and by resolutions of our Board of Directors dated October 18, 2012 and May 9, 2013.

The issuance of the New Notes was approved by our Board of Directors at meetings held on May 8, 2014, on November 5, 2014 and December 16, 2014.

The offering of the New Notes was authorized by resolution of the Argentine National Securities Commission (*Comisión Nacional de Valores*) (the "CNV") dated February 3, 2015. This authorization means only that the applicable information requirements have been met. The CNV has not rendered any opinion in respect of the accuracy of the information contained in this Pricing Supplement or the Offering Memorandum. We are responsible for the information contained in this Pricing Supplement or the Offering Memorandum. The information in this Pricing Supplement or the Offering Memorandum is based on information provided by us and other sources we believe to be reliable and is accurate only as of the date of this Pricing Supplement, regardless of the time of delivery of this Pricing Supplement and the Offering Memorandum or when any sale of the New Notes occurs. This Pricing Supplement and the Offering Memorandum may be used only for the purposes for which they have been published.

We are a stock corporation *(sociedad anónima)* incorporated under the laws of Argentina and the liability of our shareholders is limited to their subscribed and paid-in capital under Law No. 19,550. Prospective purchasers acknowledge and agree that neither our shareholders, nor our affiliates or subsidiaries, will be liable for any obligation under the Notes.

We have not, and the initial purchasers have not, authorized anyone to provide you with any other information, and we and the initial purchasers take no responsibility for any other information than anyone else may provide you. We are not, and the initial purchasers are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Pricing Supplement is accurate as of any date other than the date of this Pricing Supplement.

In making your decision whether to invest in the New Notes, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. You should not construe the contents of this Pricing Supplement or the Offering Memorandum as legal, business, financial or tax advice. You should consult your own advisors as needed to make your investment decision and to determine whether you are legally permitted to purchase the securities under applicable legal investment or similar laws or regulations. You should be aware that you may be required to bear the financial risks of an investment in the New Notes for an indefinite period of time.

The Notes will constitute *obligaciones negociables simples no convertibles en acciones* under the Argentine Negotiable Obligations Law No. 23,576, as amended by Argentine Law No. 23,962 (the "Negotiable Obligations Law"), will be entitled to the benefits set forth therein and subject to the procedural requirements established therein and in Law No. 26,831 and the applicable CNV resolutions.

The offer of the New Notes shall be conducted by means of an offering that qualifies as a public offering under Argentine law and the regulations of the CNV. In order to comply with those regulations, the placement of the New Notes in Argentina will be done through a public auction (*Subasta Pública*) under the tender module of the SIOPEL system (the "SIOPEL system") of the *Mercado Abierto Electronico S.A.* ("MAE"), in accordance with applicable CNV tender rules See "Plan of Distribution–Argentina–Placement Efforts."

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a

promise or representation by the initial purchasers as to the past or future. The initial purchasers assume no responsibility for the accuracy or completeness of any such information.

The initial purchasers participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes, including over-allotment, stabilizing and short-covering transactions in the Notes, and the imposition of a penalty bid during and after this offering of the Notes. Such stabilization, if commenced, may be discontinued at any time. For a description of these activities, see Plan of Distribution.

The modifications or replacements of certain items in the accompanying Offering Memorandum included in this Pricing Supplement do not affect respective rights of holders of other series of notes issued under the Program.

TERMS AND CONDITIONS OF THE NOTES

The following items describe the particular terms and conditions that relate to the Notes and should be read together with the "Description of the Notes" in the Offering Memorandum, which sets forth certain material terms of the Notes not set forth in this Pricing Supplement.

Issuer	YPF Sociedad Anónima.
Series No.	2018 Notes: Series XXVI under the Issuer's U.S.$5,000,000,000 Global Medium-Term Note Program. 2024 Notes: Series No. XXVIII under the Issuer's U.S.$5,000,000,000 Global Medium-Term Note Program.
Title of the New Notes	2018 Notes: U.S.$175,000,000 8.875% Senior Notes due 2018. 2024 Notes: U.S.$325,00,000 8.75% Senior Amortizing Notes due 2024. The New 2018 Notes are being offered as additional debt securities under supplemental indentures pursuant to which, on December 19, 2013 we issued U.S.$500.0 million and on April 4, 2014 we issued US$86.6 million of our 8.875% Senior Notes due 2018.The New 2024 Notes are being offered as additional debt securities under a supplemental indenture pursuant to which, on April 4, 2014, we issued U.S.$1.0 billion of our 8.75% Senior Amortizing Notes due 2024. The New 2018 Notes and the New 2024 Notes are referred to herein as the New Notes and constitute additional series to the corresponding Initial Notes. The New Notes constitute "additional notes" under their corresponding indentures. The New Notes will have identical terms and conditions as the corresponding Initial Notes, other than their issue price, issue date and first interest payment date, and will constitute part of the same series as, and vote together as a single class with, the corresponding Initial Notes, except that the New Notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary ISIN and CUSIP numbers during a 40-day distribution compliance period. See "Listing and General Information–Clearing Systems."
Principal Amount of the New Notes	2018 Notes: U.S.$175,000,000 2024 Notes: U.S.$325,000,000
New Notes Issue Price	2018 Notes 101.194% of the principal amount, plus accrued interest. 2024 Notes 98.833% of the principal amount, plus accrued interest. Purchasers of New 2018 Notes will be required to pay accrued interest totaling U.S.$2,157,118, or U.S.$12.326 per U.S.$1,000 principal amount of New 2018 Notes from December 19, 2014 to but excluding February 9, 2015, the date we expect to deliver the New 2018 Notes. Purchasers of New 2024 Notes will be required to pay accrued interest totaling U.S.$9,874,132, or U.S.$30.382 per U.S.$1,000 principal amount of New 2024 Notes from October 4, 2014 to but excluding February 9, 2015, the date we expect to deliver the New 2024 Notes.
New Notes Issue Date	February 9, 2015 (the "Issue Date").
Specified Currency of Settlement and Payments	U.S. dollars or as otherwise described in "Use of Proceeds."
2018 Notes Stated Maturity	December 19, 2018 100.0%
2024 Notes Amortization	Principal on the Notes will be payable on each of April 4, 2022, April 4, 2023 and April 4, 2024 in the percentages set forth below, subject to reduction on a *pro rata*

	basis in accordance with the indenture upon any partial redemption of the Notes: April 4, 2022 30.0% April 4, 2023 30.0% April 4, 2024 40.0%
Interest Rate	2018 Notes: 8.875% per annum. 2024 Notes: 8.75% per annum.
Interest Payment Dates	Interest on the New 2018 Notes will be payable semi-annually in arrears on June 19 and December 19 of each year, commencing on June 19, 2015, with accrued interest from December 19, 2014. Interest on the New 2024 Notes will be payable semi-annually in arrears on April 4 and October 4 of each year, commencing on April 4, 2015, with accrued interest from October 4, 2014.
Regular Record Dates	The 15th calendar day preceding an Interest Payment Date.
Day Count Basis	360-day year consisting of twelve 30-day months.
Indenture	2018 Notes: The Indenture dated October 3, 2013, among us, U.S. Bank National Association and First Trust of New York, N.A, Permanent Representation Office in Argentina (the "Base Indenture") as supplemented by the Second Supplemental Indenture, dated as of December 19, 2013 (the "2018 Notes Supplemental Indenture"), among us, U.S. Bank National Association and First Trust of New York, N.A, Permanent Representation Office in Argentina, Banco Santander Río S.A. and Banque Internationale à Luxembourg S.A., as further supplemented by the Third Supplemental Indenture dated January 27, 2014 and the Fourth Supplemental Indenture dated April 4, 2014 (the Base Indenture as supplemented by the 2018 Notes Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the "2018 Notes Indenture"). 2024 Notes: The Base Indenture as supplemented by the Fifth Supplemental Indenture dated April 4, 2014 (the "2024 Notes Supplemental Indenture"), among us, U.S. Bank National Association, First Trust of New York N.A., Permanent Representation Office in Argentina, Banco Santander Río S.A. and Banque Internationale à Luxembourg S.A. (the Base Indenture as supplemented by the 2024 Notes Supplemental Indenture, the "2024 Notes Indenture"). The 2024 Notes Indenture and 2018 Notes Indenture are collectively referred to herein as the "Indenture" unless the context requires otherwise.
Status and Ranking	The New Notes will constitute *obligaciones negociables simples no convertibles en acciones* under Argentine law. The New Notes will constitute our unconditional and unsubordinated general obligations and will rank at least *pari passu* in priority of payment with the Initial Notes and all of our present and future unsubordinated and unsecured obligations.
Redemption for Taxation Reasons	We may redeem the Notes, in whole but not in part, at a price equal to 100% of the principal amount plus accrued and unpaid interest and any Additional Amounts (as defined in the Offering Memorandum) upon the occurrence of specified Argentine tax events. See "Description of the Notes—Redemption and Repurchase—Redemption for taxation reasons" in the accompanying Offering Memorandum.
Optional Redemption	2018 Notes: At any time prior to maturity, we may at our option, redeem the 2024 Notes, in whole but not in part, at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of redemption, plus the Applicable Redemption Premium. "Additional Terms and Conditions to the 2018 Notes—Optional Redemption" below.

	2024 Notes: At any time prior to maturity, we may at our option, redeem the 2024 Notes, in whole or in part, at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of redemption, plus the Applicable Redemption Premium. See "Additional Terms and Conditions to the 2024 Notes—Optional Redemption" below.
Change of Control Offer	Upon the occurrence of a Change of Control, as defined below, each holder of Notes will have the right to require us to redeem all or a portion of such holder's Notes at a redemption price equal to 101% of the outstanding principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of purchase. See "Additional Terms and Conditions to the 2024 Notes—Change of Control Offer" and "Additional Terms and Conditions to the 2018 Notes—Change of Control Offer" below.
Covenants	The Indenture will, among other things, limit our ability and the ability of our subsidiaries to: • incur additional indebtedness and guarantee indebtedness; • pay dividends or make other distributions or repurchase or redeem our capital stock; • prepay, redeem or repurchase certain debt; • make loans and investments; • sell, transfer or otherwise dispose of assets; • incur or permit to exist certain liens; • enter into transactions with affiliates; and • consolidate, amalgamate, merge or sell all or substantially all of our assets. These covenants will be subject to a number of important exceptions and qualifications. See "Additional Terms and Conditions to the 2024 Notes" and "Additional Terms and Conditions to the 2018 Notes" below.
Events of Default	Upon the occurrence of an event of default, the Notes may, and in certain cases shall, become immediately due and payable. See "Events of Default" in the accompanying Offering Memorandum.
Withholding Taxes; Additional Amounts	We will make our payments in respect of Notes without withholding or deduction for any Taxes imposed by Argentina, or any political subdivision or any taxing authority thereof. In the event that such withholdings or deductions are required by law, we will, subject to certain exceptions, pay such Additional Amounts (as defined in the Offering Memorandum) as are necessary to ensure that the holders receive the same amount as the holders would otherwise have received in respect of payments on the Notes in the absence of such withholdings or deductions.
Additional Notes	In the future, we may issue additional Notes from time to time and without notice to or the consent of holders of the Notes; provided that such additional Notes have the same terms and conditions in all respects as the Notes described herein (except for the Issue Date, the Issue Price and the first Interest Payment Date); provided, that additional notes will not bear the same CUSIP number as the Notes, unless such additional notes are part of the same "issue" or issued in a "qualified reopening" for U.S. federal income tax purposes or such additional notes and the Notes are issued with no more than a de minimis amount of original issue discount for U.S. federal income tax purposes. In that case, any such additional Notes will constitute a single series and will be fully fungible with the Notes offered hereby.
Use of Proceeds	We will use the net proceeds from the sale of the New Notes in accordance with the requirements established by Article 36 of the Negotiable Obligations Law, for

	the purposes set forth in "Use of Proceeds."
Transfer Restrictions	We have not registered, and will not register, the New Notes under the Securities Act, and the New Notes may not be transferred except in compliance with the transfer restrictions set forth in "Transfer Restrictions" in the accompanying Offering Memorandum and "Plan of Distribution" in this Pricing Supplement.
Form and Denomination of the Notes	Notes will be represented by one or more Global Notes without interest coupons, registered in the name of The Depository Trust Company ("DTC") or its nominee. The Notes will be issued in minimum denominations of U.S.$1,000 and integral multiples of U.S.$1,000 in excess thereof.
International Rating	The Notes are rated "Caa1" by Moody's and "CCC" by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning Rating Agency without notice.
Listing and Trading	There is a current trading market for the Notes. Application has been made to have the New Notes listed on the Luxembourg Stock Exchange for trading on the Euro MTF market and listed on the MVBA through the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*). The initial purchasers are not obligated to make a market in the Notes, and any market making with respect to the Notes may be discontinued without notice. Accordingly, there can be no assurance as to the maintenance or liquidity of any market for the Notes.
Settlement	The New Notes will be delivered in book-entry form through the facilities of DTC and its direct and indirect participants, including Euroclear S.A./N.V., Clearstream Banking, société anonyme and Caja de Valores S.A.
CUSIP Number	2018 Notes Rule 144A: 984245AJ9 2018 Notes Reg S: P989MJ AU5 2018 Notes Temporary Reg S: P989MJ BC4 2024 Notes Rule 144A: 984245 AK6 2024 Notes Reg S: P989MJ AY7 2024 Notes Temporary Reg S: P989MJ BD2
ISIN Number	2018 Notes Rule 144A: US984245AJ90 2018 Notes Reg S: USP989MJAU54 2018 Notes Temporary Reg S: USP989MJBC48 2024 Notes Rule 144A: US984245AK63 2024 Notes Reg S: USP989MJAY76 2024 Notes Temporary Reg S: USP989MJBD21
Governing Law	New York State law; *provided* that all matters relating to the due authorization, execution, issuance and delivery of the Notes by us, and matters relating to the legal requirements necessary in order for the Notes to qualify as *obligaciones negociables* under Argentine law, will be governed by the Negotiable Obligations Law together with Argentine Business Companies Law No. 19,550, as amended and other applicable Argentine laws and regulations.
Trustee, Co-Registrar, Principal Paying Agent and Transfer Agent	U.S. Bank National Association
Registrar, Paying Agent and Transfer Agent	Banco Santander Río S.A.
Representative of the Trustee in Argentina	First Trust of New York N.A., Permanent Representation Office in Argentina

Luxembourg Listing Agent, Paying Agent and Transfer Agent	Banque Internationale à Luxembourg S.A.
Risk Factors	See “Risk Factors” on page S-81 of this Pricing Supplement and on page I-6 of the Offering Memorandum and see “Item 3. Key Information—Risk Factors” in the 2013 20-F for a discussion of certain risks that you should consider prior to making an investment in the Notes.

ADDITIONAL TERMS AND CONDITIONS OF THE 2018 NOTES

The following is a description of certain additional terms and conditions of the 2018 Notes. This description supplements, and should be read in conjunction with, the description of the terms and conditions of notes described under "Description of the Notes" set forth in the accompanying Offering Memorandum. See "Description of the Notes" beginning on page I-9 of the accompanying Offering Memorandum. All references, to "we," "us," "our" and "our company" set forth in the "Description of the Notes" in the accompanying Offering Memorandum shall mean YPF Sociedad Anónima, unless the context suggests otherwise. The terms and conditions of the 2018 Notes differ from the general description of the terms and conditions of the notes described in the accompanying Offering Memorandum. To the extent that the following description of additional terms and conditions of the 2018 Notes is inconsistent with that set forth in the accompanying Offering Memorandum, the following description supersedes that in the accompanying Offering Memorandum.

The New 2018 Notes are being offered as additional debt securities under a supplemental indentures pursuant to which, on December 19, 2013 we issued U.S.$500.0 million and on and April 4, 2014 we issued U.S.$86.6 million of our 8.875% Senior Notes due 2018, or the Initial 2018 Notes. The New 2018 Notes constitute "additional notes" under the indenture. The New 2018 Notes will have identical terms and conditions as the Initial 2018 Notes, other than their issue price, issue date and first interest payment date, and will constitute part of the same series as, and vote together as a single class with, the Initial 2018 Notes, except that the New 2018 Notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary ISIN and CUSIP numbers during a 40-day distribution compliance period. See "Listing and General Information–Clearing Systems."

Optional Redemption

At any time prior to maturity, the issuer, YPF Sociedad Anónima or "YPF", may at its option redeem the 2018 Notes, in whole, but not in part, at a redemption price equal to 100% of the principal amount of the 2018 Notes plus the Applicable Redemption Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

YPF will give not less than 30 days' nor more than 60 days' notice of any redemption. See "Description of the Notes—Notices" in the accompanying Offering Memorandum. 2018 Notes called for redemption will become due on the date fixed for redemption. YPF will pay the redemption price for the 2018 Notes together with accrued and unpaid interest thereon, and Additional Amounts, if any, to the date of redemption. On and after the redemption date, interest will cease to accrue on the 2018 Notes as long as the YPF has deposited with the Paying Agents funds in satisfaction of the applicable redemption price pursuant to the Indenture. Upon redemption of the 2018 Notes by YPF, the redeemed 2018 Notes will be cancelled.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi- annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Applicable Redemption Premium" means, with respect to a Note at any redemption date, the excess, if any, of (A) the sum of the present values at such redemption date of the remaining scheduled payments of principal and interest on the 2018 Notes (exclusive of interest accrued to the date of redemption) discounted to the redemption date for the 2018 Notes on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 50 basis points, together with accrued and unpaid interest, if any, over (B) 100% of the principal amount of the 2018 Notes.

Change of Control Offer

If a Change of Control occurs, YPF will make an offer to purchase all of the 2018 Notes (a "*Change of Control Offer*") (in integral multiples of U.S.$ 1,000, *provided* that the principal amount of such Holder's Note will not be less than U.S.$ 1,000) at a purchase price in cash equal to 101% of the principal amount of the 2018 Notes plus accrued and unpaid interest, if any, to the date of purchase (a "*Change of Control Payment*").

"*Change of Control*" shall mean any circumstance under which any Person, individually or collectively, other than the Permitted Holders has the power (whether by ownership of the capital stock of YPF, contract or otherwise) to control YPF's management or its policies.

YPF will give a notice of such Change of Control Offer to the Trustee within 30 days following any Change of Control, for further distribution to each holder of 2018 Notes no later than 15 days following the Trustee's receipt thereof, stating:

(a) that a Change of Control Offer is being made and that all 2018 Notes properly tendered pursuant to such Change of Control Offer will be accepted for purchase by YPF at a purchase price in cash equal to 101% of the principal amount of such 2018 Notes plus accrued and unpaid interest, if any, to the date of purchase;

(b) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given) (the "*Change of Control Payment Date*"); and

(c) the procedures determined by YPF, consistent with the Indenture, that a holder of 2018 Notes must follow in order to have its 2018 Notes repurchased.

On the Business Day immediately preceding Change of Control Payment Date, YPF will, to the extent lawful, deposit with the Paying Agents an amount equal to the Change of Control Payment in respect of all 2018 Notes or portions of 2018 Notes so tendered.

On the Change of Control Payment Date, YPF will, to the extent lawful:

(a) accept for payment all 2018 Notes or portions of 2018 Notes (of U.S.$1,000 or integral multiples of U.S.$1,000 in excess thereof) properly tendered and not withdrawn pursuant to the Change of Control Offer; and

(b) deliver or cause to be delivered to the Trustee for cancellation the 2018 Notes so accepted together with an officers' certificate stating the aggregate principal amount of 2018 Notes or portions of 2018 Notes being purchased by YPF in accordance with the terms of this covenant.

If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).

YPF will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by YPF and purchases all 2018 Notes validly tendered and not withdrawn under such Change of Control Offer.

If a Change of Control Offer occurs, there can be no assurance that YPF will have available funds sufficient to make the Change of Control Payment for all the 2018 Notes that might be delivered by holders seeking to accept the Change of Control Offer. In the event that YPF is required to purchase outstanding 2018 Notes pursuant to a Change of Control Offer, YPF may seek third–party financing to the extent YPF does not have available funds to meet its purchase obligations and any other obligations it may have. There can be no assurance, however, that YPF will be able to obtain necessary financing or that such third-party financing will be permitted under the terms of the Indenture and its other indebtedness.

Other existing and future indebtedness of YPF may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that Indebtedness be purchased upon a Change of Control.
Moreover, the exercise by the Holders of their right to require YPF to repurchase the 2018 Notes upon a Change of Control may cause a default under such Indebtedness even if the Change of Control itself does not.

YPF will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of 2018 Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, YPF will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in the Indenture by virtue of doing so.

"Permitted Holders" means, any of (i) the holders of class D shares of YPF subject to expropriation in accordance with the Expropriation Law, (ii) the Republic of Argentina, *provided that* it holds no less than the Government Interest, and *provided further* that the Expropriation Law provides for the assignment by the Government of Argentina of 49% of the Government Interest to the governments of the Argentine provinces that compose the National Organization of Hydrocarbon Producing States (the Government of Argentina shall retain the remaining 51% of the Government Interest), and (iii) one or more Permitted Acquiring Entities.

Currency Indemnity

The covenant set forth under "Description of Notes—Judgment Currency Indemnity" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

This is an international debt issuance transaction in which the specification of U.S. dollars and payment in New York City is of the essence, and YPF's obligations under the 2018 Notes and the Indenture to the Trustee and the holders of the 2018 Notes to make payment in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency the payee may in accordance with normal banking procedures purchase U.S. dollars in the amount originally due with the judgment currency. If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due under the 2018 Notes and the Indenture in U.S. dollars into another currency (in this paragraph called the "judgment

currency"), the rate of exchange shall be that at which, in accordance with normal banking procedures, such payee could purchase such U.S. dollars in New York, New York with the judgment currency on the Business Day immediately preceding the day on which such judgment is rendered. YPF's obligation in respect of any such sum due under the 2018 Notes and the Indenture shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by the relevant payee of any sum adjudged to be due under the 2018 Notes and the Indenture in the judgment currency the relevant payee may, in accordance with normal banking procedures, purchase and transfer dollars to New York City with the amount of the judgment currency so adjudged to be due (giving effect to any set-off or counterclaim taken into account in rendering such judgment). Accordingly, YPF hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify each of the holders of the 2018 Notes and the Trustee against, and to pay on demand, in U.S. dollars, the amount (if any, the "*Excess*") by which the sum originally due to the holders of the 2018 Notes or the Trustee in U.S. dollars under the 2018 Notes and the Indenture exceeds the amount of the U.S. dollars so purchased and transferred.

YPF agrees that, notwithstanding any restriction or prohibition on access to the foreign exchange market (*Mercado Único y Libre de Cambios*) in Argentina, any and all payments to be made under the 2018 Notes and the Indenture will be made in U.S. dollars. Nothing in the 2018 Notes and the Indenture shall impair any of the rights of the holders of the 2018 Notes or the Trustee or justify YPF in refusing to make payments under the 2018 Notes and the Indenture in U.S. dollars for any reason whatsoever, including, without limitation, any of the following: (i) the purchase of U.S. dollars in Argentina by any means becoming more onerous or burdensome for YPF than as of the date hereof and (ii) the exchange rate in force in Argentina increasing significantly from that in effect as of the date hereof. YPF waives the right to invoke any defense of payment impossibility (including any defense under Section 1198 of the Argentine Civil Code), impossibility of paying in U.S. dollars (assuming liability for any force majeure or act of God), or similar defenses or principles (including, without limitation, equity or sharing of efforts principles).

Additional Covenants

Conduct of Business, Maintenance of Property and Existence

YPF will conduct its business in accordance with industry practices and standards of persons engaged in the same or similar business in the same or similar location, maintain all Property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted, except in each case where failure to comply could not reasonably be expected to have a Material Adverse Effect and maintain its corporate existence and qualify and remain qualified to do business as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by YPF therein or in which the transaction of YPF's business is such that the failure to qualify could reasonably be expected to have a Material Adverse Effect.

YPF will keep its Property and business insured with financially sound and reputable insurers and reinsurers against loss or damage in accordance with international industry practices, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. YPF will punctually pay any premium, commission and any other amount necessary for effectuating and maintaining in force each insurance policy required pursuant to the 2018 Notes.

Reporting

The provision set forth under "Description of the Notes—Reports to Trustee" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

If YPF (i) ceases to file as a public company with the CNV, (ii) terminates its reporting obligations with the SEC, (iii) becomes delisted from the NYSE or the BASE or (iv) fails to comply with any of its obligations with the SEC, NYSE, CNV or BASE, YPF will furnish to the Trustee: (A) as soon as available, but, in any event within 90 days after the end of each of the first three quarters of each Fiscal Year: (i) two copies of YPF's unaudited financial statements and YPF's consolidated Subsidiaries for such quarter, together with any notes thereto; (ii) a description of any related party transactions consummated during such quarter; and (iii) any other information which the Trustee (acting pursuant to written instructions from the holders of at least 51% in aggregate principal amount of outstanding 2018 Notes) may reasonably request; (B) as soon as available but, in any event, within 120 days (or solely with respect to a change in YPF's independent auditors, within five Business Days after the time required under applicable law to file such item) after the end of each Fiscal Year: (1) two copies of YPF's complete audited financial statements for such Fiscal Year, including YPF's audited balance sheet and the audited balance sheet of YPF's consolidated Subsidiaries as of the end of such Fiscal Year, the related audited consolidated statements of income and expense, retained earnings, paid in capital and surplus and changes in financial position of YPF and YPF's consolidated Subsidiaries, which will be in agreement with YPF's books of account and prepared in accordance with Argentine GAAP or IFRS, as applicable; (2) a report on such financial statements of Deloitte & Co. S.A. (a firm member of Deloitte Touche Tohmatsu Limited), or another of the four most prominent firms of independent public accountants of internationally recognized standing, which report shall be unqualified; (3) an officers' certificate certifying that, since YPF's most recent delivery of financial statements pursuant to this provision, no Default or Event of Default has occurred or is continuing or, if such Default or Event of Default has occurred and is continuing, specifying its nature, the period of its existence and the action taken

or proposed to be taken to remedy such Default or Event of Default; (4) a description of any related party transactions consummated during such Fiscal Year; (5) a report reflecting the consolidated results from the application of environmental parameters by YPF, including without limitation, quarterly conclusions and observations related to the affected values or deviations therefrom and the results of an annual external audit or its corresponding certification; (6) YPF's 2012 20-F as filed with the SEC; and (7) any other information which the Trustee (acting pursuant to written instructions from the holders of at least 51% in aggregate principal amount of outstanding 2018 Notes) reasonably requests, including, without limitation, financial projections.

The Trustee shall have no obligation to determine if YPF is required to file any report or other information pursuant to this provision, nor be responsible or liable for determining or monitoring whether or not YPF has otherwise delivered any report or other information in accordance with the requirements specified in the foregoing paragraph.

Licenses and Other Permits

YPF will obtain and maintain in force (or where appropriate, promptly renew) all licenses, permits, registrations, approvals, authorizations, or consents necessary or advisable for carrying out YPF's business and operations generally; and perform and observe all the conditions and restrictions contained in, or imposed on YPF by, any such licenses, permits, registrations, approvals, authorizations, or consents, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Corporate Governance

YPF will comply with the corporate governance standards of the NYSE and the reporting requirements of Sections 12, 13 and 15(d) of the Exchange Act. In the event that YPF's securities cease to be listed on the NYSE or are not required to remain subject to the reporting requirements of Section 12, 13 or 15(d) of the Exchange Act, YPF will continue to comply with the corporate governance standards of the NYSE and to file with the SEC such annual reports and such information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which are specified in Sections 12, 13 and 15(d) of the Exchange Act.

Trustee Access to Books and Records

The covenant set forth under "Description of the Notes—Maintenance of Books and Records" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will keep books and records reflecting all of YPF's business affairs and transactions in accordance with appropriate accounting standards and furnish promptly to the Trustee such information as the Trustee may from time to time reasonably request and take all necessary action to permit the Trustee's representatives to (i) visit with reasonable prior notice, and, if a Default or Event of Default has occurred and is continuing or is discovered as a result of such visit, at YPF's expense, YPF's premises if the Trustee indicates that such visit(s) is related to the administration or enforcement of the 2018 Notes and the Indenture, and (ii) subject to reasonable prior notice, to have access to YPF's books and YPF's auditors within working hours and on working days.

Notice of Default and other Notices

The covenant set forth under "Description of the Notes—Notice of default" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will, promptly, and in any event within three Business Days after it obtains knowledge thereof, notify the Trustee following the occurrence of (i) any Default or Event of Default; (ii) any event, development or circumstance which would cause the financial statements most recently furnished to the Trustee to fail to present fairly, in accordance with IFRS, YPF's financial condition and operating results as of the date of such financial statements; (iii) any change in YPF's corporate name; (iv) the condemnation or threat of condemnation with respect to any Property necessary to YPF's conduct of business if the effect thereof could reasonably be expected to have a Material Adverse Effect; and (v) any other development in YPF's business or affairs or any of its Subsidiaries if the effect thereof could reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action YPF proposes to take with respect thereto.

Compliance with Exchange Controls, Environmental and Social Laws

YPF will comply (i) in all material respects, with all applicable requirements of law, including but not limited to, all applicable environmental and social laws and regulations and all applicable Argentine exchange controls; and (ii) with all material obligations, covenants and conditions contained in any of YPF's contractual obligations, except, with respect to this provision (ii), where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Effectiveness of Covenants

If, following the Issue Date:

(a) the 2018 Notes are rated Investment Grade from at least two Rating Agencies; and

(b) no Event of Default has occurred and is continuing under the Indenture,

YPF will not be subject to the provisions of the Indenture summarized under the headings below:

"—Limitation on the Incurrence of Debt";
"—Limitation on Restricted Payments";

"—Limitation on Transactions with Affiliates"; and

"—Limitation on Sale and Lease-back Transactions";

(collectively, the "*Suspended Covenants*"). If at any time the 2018 Notes' credit rating is downgraded from Investment Grade by any Rating Agency such that the 2018 Notes are no longer rated Investment Grade from at least two Rating Agencies or if an Event of Default occurs and is continuing, then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended (the "*Reinstatement Date*") and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the 2018 Notes subsequently attain a rating of Investment Grade from at least two Rating Agencies and no Event of Default is in existence (in which event the Suspended Covenants shall no longer be in effect for such time that the 2018 Notes maintain a rating of Investment Grade from at least two Rating Agencies and no Event of Default is in existence); provided, however, that no Event of Default or breach of any kind shall be deemed to exist under the Indenture or the 2018 Notes respect to the Suspended Covenants based on, and YPF shall bear no liability for, any actions taken or events occurring during the Suspension Period (as defined below), regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between the date of suspension of the covenants and the Reinstatement Date is referred to as the "*Suspension Period.*"

On the Reinstatement Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to the first paragraph of "—Limitation on Incurrence of Debt" or one of the clauses set forth in the second paragraph of "—Limitation on Incurrence of Debt" (in each case to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reinstatement Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reinstatement Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to the first or second paragraph of "—Limitation on Incurrence of Debt", such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified under clause (2) of the second paragraph of "—Limitation on Incurrence of Debt." Calculations made after the Reinstatement Date of the amount available to be made as Restricted Payments under "—Limitation on Restricted Payments" will be made as though the covenant described under "—Limitation on Restricted Payments" had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of "—Limitation on Restricted Payments."

"*Investment Grade*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P and Fitch, in each case, with a stable or better outlook.

"*Rating Agency*" means each of Standard & Poor's Ratings Group, Inc., or any successor thereto ("*S&P*"), Moody's Investors Service, Inc., or any successor thereto ("*Moody's*"), and Fitch, Inc., or any successor and thereto ("*Fitch*").

Limitation on Incurrence of Debt

YPF will not, and will not permit any of its Subsidiaries to, directly or indirectly, incur any Indebtedness; *provided* that YPF or any of its Subsidiaries may incur Indebtedness if, at the time of and immediately after giving pro forma effect to the incurrence thereof and the application of the net proceeds therefrom:

(a) its Consolidated Coverage Ratio would not be less than 2.00 to 1.00; and

(b) its Consolidated Leverage Ratio would not exceed 3.00 to 1.00.

The first paragraph of this covenant will not prohibit the incurrence, by YPF or any of its Subsidiaries, of the following Indebtedness:

(1) Indebtedness represented by the 2018 Notes (other than any additional 2018 Notes);

(2) Indebtedness of YPF and its Subsidiaries in existence on the Issue Date;

(3) intercompany Indebtedness among YPF and its Subsidiaries or among YPF's Subsidiaries;

(4) guarantees of Indebtedness by YPF or its Subsidiaries permitted to be incurred under this covenant;

(5) Indebtedness of Persons incurred and outstanding on the date on which such Person became a Subsidiary or was acquired by, or merged into, YPF or any Subsidiary (other than Indebtedness incurred (a) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Subsidiary or was otherwise acquired by YPF or (b) otherwise in connection with, or in contemplation of, such acquisition; *provided* that at the time such Person is acquired, either

(i) YPF would have been able to incur U.S.$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving pro forma effect to the incurrence of such Indebtedness and such transaction, as if such Indebtedness were incurred and such transaction consummated at the beginning of its most recent four consecutive fiscal quarters for which consolidated financial statements are made available under the Indenture; or

(ii) (x) YPF's pro forma Consolidated Coverage Ratio is higher and (y) YPF's pro forma Consolidated Leverage Ratio is lower, in each case, than such ratios immediately prior to such acquisition or merger;

(6) Indebtedness under Hedging Obligations that are incurred in the ordinary course of business (and not for speculative purposes);

(7) Indebtedness (including Capitalized Lease Obligations) of YPF or a Subsidiary incurred to finance the purchase, lease, construction or improvement of any property, plant or equipment used or to be used in the business of YPF or such Subsidiary (and any refinancing thereof) in an aggregate outstanding principal amount which, at any time outstanding, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (7) and then outstanding, will not exceed the greater of (x) U.S.$25.0 million and (y) 1.0% of YPF's total consolidated assets (as set forth, for any date of determination, on YPF's most recent consolidated financial statements prepared in accordance with IFRS and filed with the CNV), after giving pro forma effect to the transaction;

(8) Indebtedness incurred by YPF or its Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, customer deposits, performance, bid, surety, advance payment, appeal and similar bonds and completion guarantees (other than for borrowed money) provided in the ordinary course of business;

(9) Indebtedness arising from agreements of YPF or a Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any of YPF's business or assets or any business, assets or Capital Stock of a Subsidiary;

(10) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within fifteen (15) business days of incurrence;

(11) the incurrence or issuance by YPF or any Subsidiary of Refinancing Indebtedness that serves to refund, refinance or replace any Indebtedness incurred as permitted under the first paragraph of this covenant and clauses (1), (2), (5) and this clause (11) of the second paragraph of this covenant, or any Indebtedness issued to so refund or refinance such Indebtedness, including additional Indebtedness incurred to pay premiums defeasance costs, accrued interest and fees and expenses in connection therewith; and

(12) Indebtedness of YPF and its Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (12) and then outstanding, will not exceed 5.0% of YPF's total consolidated assets (as set forth, for any date of determination, on YPF's most recent consolidated financial statements prepared in accordance with IFRS and filed with the CNV).

For purposes of determining compliance with and the outstanding principal amount of, any particular Indebtedness incurred pursuant to and in compliance with this covenant:

(a) the outstanding principal amount of any item of Indebtedness will be counted only once;

(b) in the event that an item of Indebtedness meets the criteria of the first or second paragraph above or more than one of the types of Indebtedness described in the second paragraph of this covenant, YPF, in its sole discretion, may divide and classify such item of Indebtedness on the date of incurrence and may later classify such item of Indebtedness in any manner that complies with the second paragraph of this covenant and only be required to include the amount and type of such Indebtedness in one of such clauses under the second paragraph of this covenant;

(c) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness, but may be permitted in part by such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(d) accrual of interest, accrual of dividends, the accretion of accreted value, the amortization of debt discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of

Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness for purposes of this covenant;

(e) the amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount or the aggregate principal amount outstanding in the case of Indebtedness issued with interest payable in kind and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 (thirty) days past due, in the case of any other Indebtedness; and

(f) guarantees of, or obligations in respect of letters of credit or similar instruments relating to, Indebtedness which are otherwise included in the determination of a particular amount of Indebtedness will not be included.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a non-U.S. currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, or in the case of revolving credit Indebtedness, first committed; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that YPF may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

YPF will not, and will not permit any of its Subsidiaries to directly or indirectly, take any of the following actions (each, a "*Restricted Payment*"):

(a) the declaration or payment of dividends or the making of any distribution (whether made in cash, securities or other property) on or in respect of YPF or any of its Subsidiaries' Capital Stock (including any payment in connection with any merger or consolidation involving YPF, or any of its Subsidiaries) other than:

(1) dividends or distributions payable solely in YPF's Capital Stock (other than Disqualified Capital Stock)

(2) dividends or distributions to YPF and/or any of its Subsidiaries; and

(3) dividends or distributions by a Subsidiary, so long as, in the case of any dividend or distribution on or in respect of any Capital Stock issued by a Subsidiary, YPF or the Subsidiary holding such Capital Stock receives at least its pro rata share of such dividend or distribution;

(b) the purchase, redemption, retirement or other requisition for value, including in connection with any merger or consolidation, of any Capital Stock of YPF or any direct or indirect parent of YPF held by Persons other than YPF or a Subsidiary other than,

(1) in exchange for YPF Capital Stock (other than Disqualified Capital Stock); and

(2) purchases of YPF Capital Stock owned, directly and indirectly, by Persons that are not Affiliates in an amount that does not exceed 3.0% of YPF's total Capital Stock in any calendar year;

(c) the making of any principal payment on, or the purchase, repurchase, redemption, defeasement, or the acquisition or retirement for value, prior to any scheduled repayment, scheduled sinking fund payment or scheduled maturity, any Subordinated Obligations (excluding (x) any intercompany Indebtedness between or among YPF and/or any Subsidiary or (y) the purchase, repurchase or other acquisition of Indebtedness that is contractually subordinate to the 2018 Notes, purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case within one year of such date of purchase, repurchase or acquisition); or

(d) make any Restricted Investment;

if at the time of the Restricted Payment immediately after giving pro forma effect thereto:

(I) a Default or an Event of Default shall have occurred and be continuing;

(II) YPF is not able to incur at least U.S.$1.00 of additional Indebtedness pursuant to the first paragraph of "— Limitation on Incurrence of Debt;" or

(III) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof shall exceed the sum of:

(A) 60% of YPF's cumulative Consolidated Net Income or, if such cumulative Consolidated Net Income is a loss, minus 100% of the loss, accrued during the period, treated as one accounting period, beginning on the first day

of the fiscal quarter during which the Issue Date occurs to the end, for any date of determination, of the most recent fiscal quarter for which YPF's consolidated financial information is available; plus

(B) 100% of the aggregate net cash proceeds received by YPF from any Person from any:

(i) contribution to YPF's equity capital not representing an interest in Disqualified Capital Stock or issuance and sale of its Capital Stock (other than Disqualified Capital Stock), in each case, on or subsequent to the Issue Date, or

(ii) issuance and sale on or subsequent to the Issue Date (and, in the case of Indebtedness of a Subsidiary, at such time as it was a Subsidiary) of any Indebtedness for borrowed money of YPF or any Subsidiary that has been converted into or exchanged for Capital Stock (other than Disqualified Capital Stock or debt Securities) of YPF,

excluding, in each case, any net cash proceeds:

(x) received from one of its Subsidiaries;

(y) used to acquire Capital Stock or other assets from an Affiliate of YPF; or

(z) applied in accordance with clause (2) or (3) of the second paragraph of this covenant below; *plus*

(C) any Investment Return; *plus*

(D) 100% of any dividend or distributions received by YPF to the extent such amounts were not otherwise included in Consolidated Net Income; *minus*

(E) 100% of any Similar Business Investment in entities or vehicles that are not (x) Subsidiaries or (y) entities or vehicles jointly controlled by YPF and one or more third parties engaged in a Similar Business, *minus*

(F) 100% of any dividend declared pursuant to clause (5) of the subsequent paragraph. Notwithstanding

the preceding paragraph, this covenant does not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to the preceding paragraph; *provided, however,* that at the time of payment of such dividend, no other Default or Event of Default shall have occurred and be continuing (or result therefrom);

(2) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Capital Stock represents a portion of the exercise price thereof, and Restricted Payments by YPF to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of its Capital Stock;

(3) repurchases by YPF of its Capital Stock or options, warrants or other securities exercisable or convertible into its Capital Stock from its employees or directors or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors, in an amount not to exceed U.S.$5.0 million (or the equivalent in other currencies) in the aggregate;

(4) payments or distributions to dissenting stockholders pursuant to applicable law in connection with a merger, consolidation or transfer of all or substantially all of the assets of YPF that complies with the provisions described under the caption "—Mergers, Consolidation, Sales, Leases" below; and

(5) the declaration and payment of regularly scheduled dividends to the holders of YPF's Capital Stock during any Fiscal Year in an aggregate amount not exceeding 20% of YPF's Consolidated Net Income for such Fiscal Year; *provided, however,* that at the time of payment of such dividend, no other Default or Event of Default shall have occurred and be continuing (or result therefrom).

The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by YPF or the relevant Subsidiary, as the case may be, pursuant to such Restricted Payment.

"*Fiscal Year*" means the accounting year of YPF commencing each year on January 1 and ending on the following December 31.

Negative Pledge

The covenant set forth under "Description of the Notes—Negative Pledge" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will not, and will not permit any of its Significant Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien on any of YPF S.A or its present or future Property to secure Indebtedness unless, at the same time or prior thereto, all of the 2018 Notes are equally and ratably secured therewith, except for:

(a) any Lien existing on the Issue Date;

(b) any landlord's, workmen's, carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business (excluding, for the avoidance of doubt, Liens in connection with any Indebtedness for borrowed money) that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) any Lien on any Property securing Indebtedness incurred or assumed solely for the purpose of financing all or any part of the cost of acquisition, construction, development or improvement of such Property, provided that (i) such Lien attaches to such Property concurrently with or within 120 days after the acquisition or the completion of the construction, development or improvement thereof and (ii) the aggregate amount of Indebtedness incurred by any Liens is otherwise permitted under "—Additional Covenants—Limitation on Incurrence of Debt" and does not exceed the cost of the asset or property acquired, constructed, developed or improved;

(d) any Lien on any Property securing Indebtedness existing thereon at the time of acquisition of such property and not created in connection with such acquisition;

(e) any Lien on any Property securing Indebtedness owned by a corporation or other Person, which Lien exists at the time of the acquisition of such corporation or other Person by YPF or any of its Significant Subsidiaries and which Lien is not created in connection with such acquisition;

(f) any Lien on cash, cash equivalents or marketable securities created to secure Hedging Obligations of YPF or any Significant Subsidiary;

(g) any Lien securing any Project Financing or any guarantee thereof by any direct or indirect parent of the applicable Project Financing Subsidiary; *provided* that such Lien does not apply to any Property or assets of YPF or any Significant Subsidiary other than the Property of the applicable Project Financing Subsidiary related to the relevant project and equity interests in the applicable Project Financing Subsidiary that holds no significant assets other than those related to the relevant project or in any direct or indirect parent thereof that holds no significant assets other than direct or indirect ownership interests in such Project Financing Subsidiary;

(h) any Lien on any Property securing an extension, renewal or refunding of Indebtedness secured by a Lien referred to in (a), (c), (d), (e), (f) or (g) above, *provided* that such new Lien is limited to the Property which was subject to the prior Lien immediately before such extension, renewal or refunding and *provided* that the principal amount of Indebtedness secured by the prior Lien immediately before such extension, renewal or refunding is not increased;

(i) any Lien for taxes, assessments, governmental charges or claims or other statutory Lien, in each case relating to amounts that are not yet payable or that are being contested in good faith and for which any reserves required by IFRS have been established;

(j) Liens incurred or deposits made to secure the performance of tenders, bids, trades, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds, advance payment bonds, purchase, construction or sales contracts and other obligations of a like nature, in each case in the ordinary course of business;

(k) leases or subleases granted to others, easements, rights of way, servitudes or zoning or building restrictions and other minor encumbrances on real Property and irregularities in the title to such Property which do not in the aggregate materially impair the use or value of such Property or risk the loss or forfeiture of title thereto;

(l) judgment Liens, the judgments underlying which do not give rise to a Default or an Event of Default, and for which any reserves required by IFRS have been established and with respect to which any appropriate legal proceedings have been duly initiated for the review of such judgment and have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(m) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other types of social security benefits or obligations or other obligations of a like nature, in each case in the ordinary course of business;

(n) Liens securing the 2018 Notes or any of YPF's other securities for the purposes of defeasance thereof in accordance with the terms of the Indenture or any indenture under which such other securities have been issued;

(o) Liens arising under Section 9.343 of the Texas Uniform Commercial Code, or similar statutes of states other than Texas, in connection with the purchase by YPF or any of its Subsidiaries of oil and/or gas extracted from such state; and

(p) any other Lien on YPF's Properties or those of any of its Significant Subsidiaries, *provided* that, on the date of creation or assumption of such Lien, the Indebtedness secured thereby, together with all YPF's and its Significant Subsidiaries' other Indebtedness secured by any Lien in reliance on this clause (p), has an aggregate outstanding amount no greater than 15% of YPF's total consolidated assets (as set forth, for any date of determination, on YPF's most recent consolidated financial statements prepared in accordance with IFRS and filed with the CNV).

Limitations on Transactions and Prohibited Payments

YPF will not enter into any material transactions that do not fall within the scope of its business purpose as set forth in the by-laws as in effect on Issue Date.

YPF will not sell, transfer, lease or otherwise dispose of, or grant options, warrants or other rights with respect to, any of its Property to any person unless (i) such sale, transfer, lease or other disposition (x) is in the ordinary course of business or (y) could not reasonably be expected to have a Material Adverse Effect and (ii) if outside the ordinary course of business, the Property subject to such sale, transfer, lease or other disposition does not, in the aggregate during any Fiscal Year, that exceeds 10% of YPF's total consolidated assets, as set forth, for any date of determination, in its consolidated financial statements for the prior Fiscal Year prepared in accordance with IFRS and filed with the CNV.

YPF will not engage in any business activity, except those in which it is engaged in as of Issue Date and such activities as may be incidental or related thereto.

YPF will not use the proceeds of the 2018 Notes for any purpose other than the purposes specified in "Use of Proceeds"; in particular, YPF will not use the proceeds of the sale of the 2018 Notes in connection with any speculative related business activities.

YPF will not enter into any agreement that would violate any provision of the 2018 Notes.

"Material Adverse Effect" means, a material adverse effect on (a) the condition (financial or otherwise), operations, performance, business, properties or prospects of YPF and its Subsidiaries taken as a whole, or (b) the rights and remedies of the Trustee, or the holders of the 2018 Notes, as applicable under the Indenture or the 2018 Notes, or (c) YPF's ability to pay any amounts under the 2018 Notes or the Indenture or YPF's ability to perform its other payment obligations under the 2018 Notes or the Indenture or (d) the legality, validity or enforceability of the Indenture or the 2018 Notes.

Limitations on Sale and Lease-Back Transactions

The covenant set forth under "Description of the Notes—Limitation on Sale and Lease-Back Transactions" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will not enter into, renew or extend, or permit any of its Significant Subsidiaries to enter into, renew or extend, any transaction or series of related transactions pursuant to which YPF or any of its Significant Subsidiaries sell or transfer any Property in connection with the leasing, or the release against installment payments, or as part of an arrangement involving the leasing or resale against installment payments, of such Property to the seller or transferor ("Sale and Leaseback Transaction") except a Sale and Leaseback Transaction that, had such Sale and Leaseback Transaction been structured as a secured loan in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction, YPF or its Significant Subsidiaries would have been permitted to enter into such transaction pursuant to the terms of the covenant described under the caption "—Negative Pledge."

Limitation on Transactions with Affiliates

YPF will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into any transaction (or series of related transactions), including, without limitation, any conveyance, sale, lease or other disposition of Property, with any Affiliates, except (i) upon commercially reasonable terms that are no less favorable to YPF than those which may be obtained in a comparable arm's length transaction at the time from a person which is not an Affiliate of YPF, (ii) transactions solely among YPF's Subsidiaries, (iii) transactions solely between any of YPF's Subsidiaries and YPF, or (iv) transactions in compliance with applicable law (including, without limitation, Article 72 of Law No. 26,831 of the Argentine Congress (the *Ley de Mercado de Capitales*)).

For the avoidance of doubt, all transactions with Affiliates as in existence on the Issue Date that have been disclosed in this Pricing Supplement and the accompanying Offering Memorandum shall be deemed to comply with this covenant.

Mergers, Consolidations, Sales, Leases

The covenant set forth under "Description of the Notes—Mergers, Consolidations, Sales, Leases" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will not, and will not permit any of its Significant Subsidiaries to, merge or consolidate with or into, or convey, transfer or lease YPF's or its Significant Subsidiaries' Properties substantially as an entirety, whether in one transaction or a series of transactions, to any Person, unless immediately after giving effect to such transaction, (a) no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (b) any Person formed by any such merger or consolidation or the Person which acquires by conveyance or transfer, or which leases such properties and assets (if not YPF) (the "Successor Person") expressly assumes, by a supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of all amounts payable under the Indenture, the payment of principal, interest and premiums, if any, and Additional Amounts, if any, that may result due to withholding by any authority having the power to tax to which the Successor Person is or may be subject, on all of the 2018 Notes according to their terms, and the due and punctual performance of all of its other covenants and obligations under the 2018 Notes and the Indenture, (c) the Successor Person agrees to indemnify each holder against any tax, assessment or governmental charge thereafter imposed on such holder by a Government Agency solely as a consequence of such merger or consolidation, conveyance, transfer or lease with respect to the payment of principal, interest or premium, if any, on the 2018 Notes, (d) the Successor Person (except in the case of leases), if any, succeeds to and becomes substituted for YPF with the same effect as if it had been named in the 2018 Notes and the Indenture as YPF, and (e) the Successor Person is organized in a Qualified Merger Jurisdiction.

"Qualified Merger Jurisdiction" shall mean (i) Argentina, (ii) any country that participates in the European Union or the North American Free Trade Agreement (NAFTA), or Denmark, Sweden, Norway, Finland, Brazil, Chile, Japan, Russia or China and (iii) any other nation that has Investment Grade sovereign debt rating from two Rating Agencies.

Tax Covenant

The covenant set forth under "Description of the Notes—Covenants—Payments of taxes and other claims" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will, and will cause each of its Significant Subsidiaries to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon YPF or any of its Significant Subsidiaries, and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon the Property of YPF or the Property of any of its Significant Subsidiaries; provided that YPF will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claims where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect on YPF and its Subsidiaries' condition, financial or otherwise, earnings, operations or business, taken as a whole, or whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Certain Definitions

The following sets forth definitions for certain terms used herein, which definitions supersede the definition of any corresponding term in the accompanying Offering Memorandum. For other definitions used herein, see "Description of the Notes—Certain Definitions" in the accompanying Offering Memorandum.

"*Business Day*" means a day, other than a Saturday or Sunday, when banks are open for business in the City of New York, United States of America and the City of Buenos Aires, Argentina.

"*Capitalized Lease Obligations*" means an obligation to pay rent or other amounts under a lease of property to the extent such obligation is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS as in effect on the Issue Date, and the amount of Indebtedness represented by such obligation will be the amount of such obligation required to be capitalized at the time any determination thereof is to be made as determined in accordance with IFRS as in effect on the Issue Date, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Comparable Treasury Issue" means the U.S. Treasury security or securities selected by an independent investment banking institution of international standing appointed by YPF having a maturity comparable to the remaining term of the 2018 Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity comparable to the remaining term of the 2018 Notes.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its

principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities;" or

if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"Consolidated Coverage Ratio" means as of any date of determination, the ratio of, (x) the aggregate amount of Consolidated EBITDA of YPF and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements prepared on a consolidated basis in accordance with IFRS are made available under the Indenture to (y) Consolidated Net Interest Expense for such four fiscal quarters, *provided* that:

(1) if YPF or any Subsidiary:

(a) have incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio includes an incurrence of Indebtedness at the end of such period, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation) and the discharge of any other Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period; or

(b) have repaid, repurchased, redeemed, retired, defeased or otherwise discharged any Indebtedness since the beginning of the period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio includes a discharge of Indebtedness (in each case, other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated and not replaced), Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the first day of such period;

(2) if since the beginning of such period, YPF or any Subsidiary will have made any asset disposition or disposed of or discontinued (as defined under IFRS) any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio includes such a transaction:

(a) the Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets that are the subject of such disposition or discontinuation for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period; and

(b) Consolidated Net Interest Expense for such period will be reduced by an amount equal to the Consolidated Net Interest Expense directly attributable to any Indebtedness of YPF or any of its Subsidiaries repaid, repurchased, redeemed, retired, defeased or otherwise discharged (to the extent the related commitment is permanently reduced) with respect to YPF and its continuing Subsidiaries in connection with such transaction for such period (or, if the Capital Stock of any of its Subsidiaries is sold, the Consolidated Net Interest Expense for such period directly attributable to the Indebtedness of such Subsidiary to the extent YPF and its continuing Subsidiaries are no longer liable for such Indebtedness after such sale); and

(3) if since the beginning of such period YPF or any of its Subsidiaries (by merger or otherwise) will have made an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving pro forma effect thereto (including the incurrence of any Indebtedness) as if such acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of YPF. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligations has a remaining term in excess of 12 months). If any Indebtedness that is being given pro forma effect bears an interest rate at YPF's option, the interest rate shall be calculated by applying such optional rate chosen by YPF.

"*Consolidated EBITDA*" means (without duplication), for any period, net income *minus* interest gains on assets, *plus* interest losses on liabilities, *plus* depreciation of fixed assets and amortization of intangible assets, *plus* income tax, *plus* deferred income tax, each determined on a consolidated basis and in accordance with IFRS.

"*Consolidated Leverage Ratio*," means as of any date of determination, the ratio of: (1) the aggregate outstanding net Indebtedness of YPF and its Subsidiaries as of the end of the most recent fiscal quarter for which financial statements prepared on a consolidated basis in accordance with IFRS are available under the Indenture, to
(2) Consolidated EBITDA of YPF and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements are made available; *provided* that:

(1) if YPF or any Subsidiary:

   (a) have incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio includes an incurrence of Indebtedness at the end of such period, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation) and the discharge of any other Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period; or

   (b) have repaid, repurchased, redeemed, retired, defeased or otherwise discharged any Indebtedness since the beginning of the period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio includes a discharge of Indebtedness (in each case, other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated and not replaced), Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the first day of such period;

(2) if since the beginning of such period YPF or any Subsidiary will have made any asset disposition or disposed of or discontinued (as defined under IFRS) any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio includes such transaction:

   (a) the Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets that are the subject of such disposition or discontinuation for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period; and

   (b) Consolidated Net Interest Expense for such period will be reduced by an amount equal to the Consolidated Net Interest Expense directly attributable to any Indebtedness of YPF or any of its Subsidiaries repaid, repurchased, redeemed, retired, defeased or otherwise discharged (to the extent the related commitment is permanently reduced) with respect to YPF and its continuing Subsidiaries in connection with such transaction for such period (or, if the Capital Stock of any of its Subsidiaries is sold, the Consolidated Net Interest Expense for such period directly attributable to the Indebtedness of such Subsidiary to the extent YPF and its continuing Subsidiaries are no longer liable for such Indebtedness after such sale); and

(3) if since the beginning of such period YPF or any of its Subsidiaries (by merger or otherwise) will have made an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving pro forma effect thereto (including the incurrence of any Indebtedness) as if such acquisition occurred on the first

day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of YPF.

"*Consolidated Net Interest Expense*" means, (without duplication) with respect to any Person for any period, cash and non-cash interest expense, net of cash and non-cash interest gains, each determined on a consolidated basis and in accordance with IFRS (including, without limitation, the interest expense attributable to Capitalized Lease Obligations, if any; amortization of debt discount and debt issuance cost; commissions, discounts and other fees and charges incurred in respect of letters of credit and bankers' acceptance financing; and net costs associated with Hedging Obligations, if any, related to Indebtedness).

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in any case, on or prior to the 91st day after the final maturity date of the 2018 Notes.

"Expropriation Law" means, law No. 26,741, enacted by the Argentine Congress on May 3, 2012, providing for the expropriation of the Government Interest to the Republic of Argentina, which provides for the assignment by the Government of Argentina of 49% of the Government Interest to the governments of the Argentine provinces that compose the National Organization of Hydrocarbon Producing States (the Government of Argentina shall retain the remaining 51% of the Government Interest).

"Government Interest" means the 51% of the share capital of YPF to which the Republic of Argentina holds political rights pursuant to the Expropriation Law.

"*Hedging Obligations*" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such Person against changes in interest rates, foreign exchange rates or the prices of commodities, to the extent recorded as a liability on YPF S.A's most recent consolidated balance sheet prepared under IFRS and filed with the CNV.

"Indebtedness" means, with respect to any Person, without duplication, (a) any liability of such Person (1) for borrowed money, or (2) evidenced by a bond, note, debenture or similar instrument issued in connection with the acquisition of any businesses, properties or assets of any kind (other than a trade payable or a current liability arising in the ordinary course of business), or (3) for the payment of money relating to any obligations under any capital lease of real or personal property which has been recorded as a capitalized lease obligation pursuant to IFRS; (b) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business); (c) all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof; (d) all Disqualified Capital Stock issued by such Person (the amount of Indebtedness therefrom deemed to equal any involuntary liquidation preference plus accrued and unpaid dividends); (e) all obligations due and payable under Hedging Obligations of such Person; and (f) guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (a) through (e) above. For purposes of determining any particular amount of Indebtedness under this definition, guarantees of (or obligation with respect to letters of credit supporting) Indebtedness otherwise included in the determination of such amount shall not also be included. For avoidance of doubt, Indebtedness shall not include any obligations not specified above, including trade payables in the ordinary course of business.

"Investment" in any Person means any direct or indirect advance, loan or other extension of credit (including, without limitation, by way of Guarantee or similar arrangement; but excluding advances to customers, suppliers or operators in the ordinary course of business that are, in conformity with IFRS, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of YPF or its Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, bonds, 2018 Notes, debentures or other similar instruments issued by, such Person and shall include the retention of the Capital Stock (or any other Investment) by YPF or any of its Subsidiaries, of (or in) any Person that has ceased to be a Subsidiary.

"*Investment Return*" means, in respect of any Investment made after the Issue Date by YPF or any Subsidiary:

(1) the cash proceeds received by YPF or any Subsidiary upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of YPF and its Subsidiaries in full, less any payments previously made by YPF or any Subsidiary in respect of such Guarantee; and

(2) in the event YPF or any Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Subsidiary, the Fair Market Value of the Investment of YPF and its Subsidiaries in such Person;

in the case of each of (1) and (2), up to the amount of such Investment that was treated as a Restricted Payment under "—Limitation on Restricted Payments" less the amount of any previous Investment Return in respect of such Investment.

"Permitted Acquiring Entity" means any Person: (i) which is engaged principally in the oil and gas industry, (ii) which, at the time of the relevant transaction has a long-term foreign currency debt rating at least Investment Grade or higher by at least two of S&P, Moody´s and Fitch, and such rating would not be reduced below either such level (or, if at either such level, put on a negative watch) as a result of such transaction, (iii) is not incorporated in any country which is blacklisted under the U.S. Office of Foreign Assets Control (OFAC) or similar European directives and (iv) is domiciled in any of the countries in the European Union or North American Free Trade Agreement (NAFTA), or Denmark, Sweden, Norway, Finland, Brazil, Chile, Japan, Russia or China.

"Permitted Investment" means:

(1) an Investment in YPF or a Subsidiary or a Person which will, upon the making of such Investment, become a Subsidiary or be merged, consolidated or amalgamated with or into or transfer or convey all or substantially all its assets to, YPF or a Subsidiary; *provided* that such person is primarily engaged in a Similar Business;

(2) Temporary Cash Investments;

(3) payroll, travel, moving and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with IFRS;

(4) stock, obligations or securities received in satisfaction of judgments;

(5) Hedging Obligations;

(6) Similar Business Investments;

(7) any Investments received in compromise of obligations of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(8) other Investments having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other investments made pursuant to this clause (8) since the Closing Date, not to exceed $20 million;

(9) Guarantees of Indebtedness of YPF or any Subsidiary permitted by the covenant described under "Certain Covenants—Limitation on Incurrence of Debt;" and

(10) Investments in existence on or permitted under YPF's bylaws as of the Closing Date.

"*Refinancing Indebtedness*" means Indebtedness that is incurred to refund, refinance, replace, exchange, renew, prepay, redeem, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness (other than intercompany Indebtedness) incurred in compliance with the Indenture including Indebtedness that refinances Refinancing Indebtedness, *provided* that:

(1) the Refinancing Indebtedness has a stated maturity no earlier than the stated maturity of the Indebtedness being refinanced;

(2) the Refinancing Indebtedness has a weighted average life at the time such Refinancing Indebtedness is incurred that is equal to or greater than the weighted average life of the Indebtedness being refinanced;

(3) such Refinancing Indebtedness is incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees incurred in connection therewith); and

(4) if the Indebtedness being refinanced is subordinated in right of payment to the 2018 Notes, such Refinancing Indebtedness is subordinated in right of payment to the 2018 Notes on terms at least as favorable to the holders of the 2018 Notes as those contained in the documentation governing the Indebtedness being refinanced.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"*Similar Business*'' means

(1) the acquisition, exploration, development, operation and disposition of interests in oil, gas, chemical, hydrocarbon, mining and agricultural properties;

(2) the gathering, marketing, treating, refining, processing, storage, selling and transporting of oil, gas, biofuels, chemicals other minerals and products;

(3) the exploration for or development, production, treatment, refinery processing, storage, transportation or marketing of oil, gas, chemicals and other minerals and products, and agricultural products, produced in association therewith; evaluating, participating in or pursuing any other activity or opportunity that is primarily related to clauses (1) through (2) above; and

(4) any activity that is ancillary or complementary to or necessary or appropriate for the activities describe is clauses (1) through (4) of this definition

"Similar Business Investment" means any Investments made in the ordinary course of, and of a nature that is or shall have become customary in, the Similar Business as a means of actively exploiting, exploring for, acquiring, developing, producing, processing, gathering, refining, marketing or transporting oil and gas, chemical and agricultural products through agreements, transactions, interests or arrangements which permit one to share risks or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of Similar Business jointly with third parties, including, without limitation:

(1) ownership interests in oil and gas properties, processing facilities or gathering systems or ancillary real property interests; and

(2) Investments in the form of or pursuant to operating agreements, processing agreements, farm-in agreements, farm-out agreements, development agreements, area of mutual interest agreements, unitization agreements, pooling agreements, joint bidding agreements, service contracts, joint venture agreements, partnership agreements (whether general or limited), subscription agreements, stock purchase agreements and other similar agreements with third parties.

"*Subordinated Obligations*" means all Indebtedness of a Person which is subordinated in right of payment to the payment of the 2018 Notes.

"Temporary Cash Investment" means any of the following:

(1) direct obligations of the United States of America or Argentina or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America or Argentina or any agency thereof, in each case maturing within one year unless such obligations are deposited by YPF (x) to defease any Indebtedness or (y) in a collateral or escrow account or similar arrangement to prefund the payment of interest on any indebtedness;

(2) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America or Argentina, any state or province thereof or any foreign country recognized by the United States of America or Argentina, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $100.0 million (or the foreign currency equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of YPF) organized and in existence under the laws of the United States of America or Argentina, any state or province thereof or any foreign country recognized by the United States of America or Argentina with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities with maturities of six months or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, any province of Argentina, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's; and

(6) any mutual fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above.

"*Total Shareholder's Equity*" means YPF's consolidated total shareholder's equity, determined in accordance with IFRS, as set forth in YPF's most recent balance sheet filed with the CNV.

Governing Law; Service of Process; Submission to Jurisdiction; Immunity

The provision set forth under "Description of the Notes—Governing Law, Judgments, Jurisdiction, Service of Process, Waiver of Immunities" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

The 2018 Notes and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without giving effect to choice of law rules; *provided* that all matters relating to the due authorization, execution, issuance and delivery of the 2018 Notes by YPF, and matters relating to the legal requirements necessary in order for the 2018 Notes to qualify as "*obligaciones negociables*" under Argentine law, and certain matters related to meetings of holders of the 2018 Notes, including quorums, majorities, and requirements for calling, shall be governed by the Negotiable Obligations Law, the Argentine Business Companies Law and/or other applicable Argentine Laws and regulations. YPF will irrevocably submit to the non-exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City of New York, United States of America, any Argentine court sitting in the City of Buenos Aires, including the ordinary courts for commercial matters and the Permanent Arbitral Tribunal of the Buenos Aires Stock Exchange (*Tribunal de Arbitraje General de la Bolsa de Comercio de Buenos Aires*) under the provisions of Article 46 of Law 26,831, and any competent court in the place of YPF's corporate domicile for purposes of any action or proceeding arising out of or related to the Indenture or the 2018 Notes. YPF will designate, appoint and empower CT Corporation System, Inc. with offices at 111 Eighth Avenue New York, NY 10011, as YPF's authorized agent to receive for and on YPF's behalf service of summons or other legal process in any such action, suit or proceeding in the State of New York. Final judgment against YPF in any such action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction including the country in which YPF is domiciled by suit on the judgment.

Nothing shall affect the right of the holders of the 2018 Notes or the Trustee to commence legal proceedings or otherwise sue YPF in the country in which it is domiciled or in any other court having jurisdiction or to serve process upon YPF in any manner authorized by the laws of any such jurisdiction.

YPF will further covenant and agree that, for so long as any Note is outstanding under the Indenture, YPF will maintain a duly appointed agent for the service of summons and other legal process in New York,

New York, United States of America, for purposes of any legal action, suit or proceeding brought by any holder of the 2018 Notes or the Trustee in respect of the 2018 Notes or the Indenture and shall keep the holders of the 2018 Notes and the Trustee advised of the identity and location of such agent. YPF will further irrevocably consent, if for any reason there is no authorized agent for service of process in New York, to the service of process out of the said courts by mailing copies thereof by registered United States airmail postage prepaid to YPF at YPF's address specified herein; and in such a case YPF shall also receive by telex or confirmed facsimile, a copy of such process.

The serving of process in the manner provided in the paragraph above in any such action, suit or proceeding shall be deemed personal service and accepted by YPF as such and shall be valid and binding upon YPF for all the purposes of any such action, suit or proceeding.

In addition, YPF will irrevocably waive, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action, suit or proceeding arising out of or relating to the 2018 Notes and the Indenture, brought in the courts of the State of New York or in the United States District Court for the Southern District of New York, and any claim that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Further, YPF will irrevocably waive, to the fullest extent permitted by applicable law, any right YPF may now or hereafter have to the removal to a United States Federal Court of any action brought in a state court of the State of New York.

To the extent that YPF may, in any suit, action or proceeding brought in a court of the country in which YPF is domiciled or elsewhere arising out of or in connection with the 2018 Notes or the Indenture, be entitled to the benefit of any provision of law requiring the Trustee or the holders of the 2018 Notes in such suit, action or proceeding to post security for the costs of YPF, as the case may be, or to post a bond or guarantee (*excepción de arraigo*) or to take similar action, YPF hereby irrevocably waives such benefit, in each case to the fullest extent now or hereafter permitted under the laws of the country in which YPF is domiciled or, as the case may be, such other jurisdiction.

To the extent that YPF may be entitled in any jurisdiction to claim for itself or YPF's assets immunity, on the grounds of sovereignty or otherwise, in respect of YPF's obligations under the 2018 Notes or the Indenture from any suit, execution, attachment (whether in aid or execution, before judgment or otherwise) or other legal process or to the extent that in any jurisdiction there may be attributed to YPF or its assets such immunity (whether or not claimed), or to the extent it might have the right to have a jury trial, YPF will irrevocably waive and agree not to, as the case may be, claim or exercise such immunity and right to jury trial to the fullest extent permitted by the laws of such jurisdiction.

ADDITIONAL TERMS AND CONDITIONS OF THE 2024 NOTES

The following is a description of certain additional terms and conditions of the 2024 Notes. This description supplements, and should be read in conjunction with, the description of the terms and conditions of notes described under "Description of the Notes" set forth in the accompanying Offering Memorandum. See "Description of the Notes" beginning on page I-9 of the accompanying Offering Memorandum. All references, to "we," "us," "our" and "our company" set forth in the "Description of the Notes" in the accompanying Offering Memorandum shall mean YPF Sociedad Anónima, unless the context suggests otherwise. The terms and conditions of the Notes differ from the general description of the terms and conditions of the notes described in the accompanying Offering Memorandum. To the extent that the following description of additional terms and conditions of the 2024 Notes is inconsistent with that set forth in the accompanying Offering Memorandum, the following description supersedes that in the accompanying Offering Memorandum.

The New 2024 Notes are being offered as additional debt securities under a supplemental indenture pursuant to which, on April 4, 2014, we issued U.S.$1.0 billion of our 8.75% Senior Amortizing Notes due 2024, or the Initial 2024 Notes. The New 2024 Notes constitute "additional notes" under the indenture. The New 2024 Notes will have identical terms and conditions as the Initial 2024 Notes, other than their issue price, issue date and first interest payment date, and will constitute part of the same series as, and vote together as a single class with, the Initial 2024 Notes, except that the New 2024 Notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary ISIN and CUSIP numbers during a 40-day distribution compliance period. See "Listing and General Information–Clearing Systems."

Amortization

Principal on the notes will be payable on each of April 4, 2022, April 4, 2023 and April 4, 2024 in the percentages set forth in the schedule below, subject to reduction on a *pro rata* basis in accordance with the indenture upon any partial redemption of the notes:

Payment Date	Amortization
April 4, 2022	30.0%
April 4, 2023	30.0%
April 4, 2024	40.0%

Optional Redemption

At any time prior to maturity, the issuer, YPF Sociedad Anónima or "YPF", may at its option redeem the 2024 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed plus the Applicable Redemption Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

YPF will give not less than 30 days' nor more than 60 days' notice of any redemption. See "Description of the Notes—Notices" in the accompanying Offering Memorandum. 2024 Notes called for redemption will become due on the date fixed for redemption. YPF will pay the redemption price for the 2024 Notes together with accrued and unpaid interest thereon, and Additional Amounts, if any, to the date of redemption. On and after the redemption date, interest will cease to accrue on the 2024 Notes as long as the YPF has deposited with the Paying Agents funds in satisfaction of the applicable redemption price plus accrued and unpaid interest, if any, pursuant to the Indenture. Upon redemption of the 2024 Notes by YPF, the redeemed 2024 Notes will be cancelled. If less than all of the 2024 Notes are to be redeemed, the 2024 Notes to be redeemed shall be selected pro-rata, by lot or in accordance with DTC's procedures.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Applicable Redemption Premium" means, with respect to a Note at any redemption date, the excess, if any, of (A) the sum of the present values at such redemption date of the remaining scheduled payments of principal and interest on the 2024 Notes (exclusive of interest accrued to the date of redemption) discounted to the redemption date for the 2024 Notes on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 50 basis points, together with accrued and unpaid interest, if any, over (B) 100% of the principal amount of the 2024 Notes.

Change of Control Offer

If a Change of Control occurs, YPF will make an offer to purchase all of the 2024 Notes (a "*Change of Control Offer*") (in integral multiples of U.S.$1,000, *provided* that the principal amount of such Holder's Note will not be less than U.S.$1,000) at a

purchase price in cash equal to 101% of the principal amount of the 2024 Notes plus accrued and unpaid interest, if any, to the date of purchase (a "*Change of Control Payment*").

"*Change of Control*" shall mean any circumstance under which any Person, individually or collectively, other than the Permitted Holders has the power (whether by ownership of the capital stock of YPF, contract or otherwise) to control YPF's management or its policies.

YPF will give a notice of such Change of Control Offer to the Trustee within 30 days following any Change of Control, for further distribution to each holder of 2024 Notes no later than 15 days following the Trustee's receipt thereof, stating:

(a) that a Change of Control Offer is being made and that all 2024 Notes properly tendered pursuant to such Change of Control Offer will be accepted for purchase by YPF at a purchase price in cash equal to 101% of the principal amount of such 2024 Notes plus accrued and unpaid interest, if any, to the date of purchase;

(b) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given) (the "*Change of Control Payment Date*"); and

(c) the procedures determined by YPF, consistent with the Indenture, that a holder of 2024 Notes must follow in order to have its 2024 Notes repurchased.

On the Business Day immediately preceding the Change of Control Payment Date, YPF will, to the extent lawful, deposit with the Paying Agents an amount equal to the Change of Control Payment in respect of all 2024 Notes or portions of 2024 Notes so tendered.

On the Change of Control Payment Date, YPF will, to the extent lawful:

(a) accept for payment all 2024 Notes or portions of 2024 Notes (of U.S.$1,000 or integral multiples of U.S.$1,000 in excess thereof) properly tendered and not withdrawn pursuant to the Change of Control Offer; and

(b) deliver or cause to be delivered to the Trustee for cancellation the 2024 Notes so accepted together with an officers' certificate stating the aggregate principal amount of 2024 Notes or portions of 2024 Notes being purchased by YPF in accordance with the terms of this covenant.

If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).

YPF will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by YPF and purchases all 2024 Notes validly tendered and not withdrawn under such Change of Control Offer.

If a Change of Control Offer occurs, there can be no assurance that YPF will have available funds sufficient to make the Change of Control Payment for all the 2024 Notes that might be delivered by holders seeking to accept the Change of Control Offer. In the event that YPF is required to purchase outstanding 2024 Notes pursuant to a Change of Control Offer, YPF may seek third–party financing to the extent YPF does not have available funds to meet its purchase obligations and any other obligations it may have. There can be no assurance, however, that YPF will be able to obtain necessary financing or that such third-party financing will be permitted under the terms of the Indenture and its other indebtedness.

Other existing and future indebtedness of YPF may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that Indebtedness be purchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require YPF to repurchase the 2024 Notes upon a Change of Control may cause a default under such Indebtedness even if the Change of Control itself does not.

YPF will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of 2024 Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, YPF will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in the Indenture by virtue of doing so.

"Permitted Holders" means, any of (i) the holders of class D shares of YPF subject to expropriation in accordance with the Expropriation Law, (ii) the Republic of Argentina, *provided that* it holds no less than the Government Interest, and *provided further* that the Expropriation Law provides for the assignment by the Government of Argentina of 49% of the Government Interest to the governments of the Argentine provinces that compose the National Organization of Hydrocarbon Producing States (the Government of Argentina shall retain the remaining 51% of the Government Interest), and (iii) one or more Permitted Acquiring Entities.

Currency Indemnity

The covenant set forth under "Description of Notes—Judgment Currency Indemnity" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

This is an international debt issuance transaction in which the specification of U.S. dollars and payment in New York City is of the essence, and YPF's obligations under the 2024 Notes and the Indenture to the Trustee and the holders of the 2024 Notes to make payment in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency the payee may in accordance with normal banking procedures purchase U.S. dollars in the amount originally due with the judgment currency. If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due under the 2024 Notes and the Indenture in U.S. dollars into another currency (in this paragraph called the "judgment currency"), the rate of exchange shall be that at which, in accordance with normal banking procedures, such payee could purchase such U.S. dollars in New York, New York with the judgment currency on the Business Day immediately preceding the day on which such judgment is rendered. YPF's obligation in respect of any such sum due under the 2024 Notes and the Indenture shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by the relevant payee of any sum adjudged to be due under the 2024 Notes and the Indenture in the judgment currency the relevant payee may, in accordance with normal banking procedures, purchase and transfer U.S. dollars to New York City with the amount of the judgment currency so adjudged to be due (giving effect to any set-off or counterclaim taken into account in rendering such judgment). Accordingly, YPF hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify each of the holders of the 2024 Notes and the Trustee against, and to pay on demand, in U.S. dollars, the amount (if any, the "*Excess*") by which the sum originally due to the holders of the 2024 Notes or the Trustee in U.S. dollars under the 2024 Notes and the Indenture exceeds the amount of the U.S. dollars so purchased and transferred.

YPF agrees that, notwithstanding any restriction or prohibition on access to the foreign exchange market (*Mercado Único y Libre de Cambios*) in Argentina, any and all payments to be made under the 2024 Notes and the Indenture will be made in U.S. dollars. Nothing in the 2024 Notes and the Indenture shall impair any of the rights of the holders of the 2024 Notes or the Trustee or justify YPF in refusing to make payments under the 2024 Notes and the Indenture in U.S. dollars for any reason whatsoever, including, without limitation, any of the following: (i) the purchase of U.S. dollars in Argentina by any means becoming more onerous or burdensome for YPF than as of the date hereof and (ii) the exchange rate in force in Argentina increasing significantly from that in effect as of the date hereof. YPF waives the right to invoke any defense of payment impossibility (including any defense under Section 1198 of the Argentine Civil Code), impossibility of paying in U.S. dollars (assuming liability for any force majeure or act of God), or similar defenses or principles (including, without limitation, equity or sharing of efforts principles).

Additional Covenants

Conduct of Business, Maintenance of Property and Existence

YPF will conduct its business in accordance with industry practices and standards of persons engaged in the same or similar business in the same or similar location, maintain all Property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted, except in each case where failure to comply could not reasonably be expected to have a Material Adverse Effect and maintain its corporate existence and qualify and remain qualified to do business as a foreign corporation in each jurisdiction in which the character of the properties owned or leased by YPF therein or in which the transaction of YPF's business is such that the failure to qualify could reasonably be expected to have a Material Adverse Effect.

YPF will keep its Property and business insured with financially sound and reputable insurers and reinsurers against loss or damage in accordance with international industry practices, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. YPF will punctually pay any premium, commission and any other amount necessary for effectuating and maintaining in force each insurance policy required pursuant to the 2024 Notes.

Reporting

The provision set forth under "Description of the Notes—Reports to Trustee" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

If YPF (i) ceases to file as a public company with the CNV, (ii) terminates its reporting obligations with the SEC, (iii) becomes delisted from the NYSE or the BASE or (iv) fails to comply with any of its obligations with the SEC, NYSE, CNV or BASE, YPF will furnish to the Trustee: (A) as soon as available, but, in any event within 90 days after the end of each of the first three quarters of each Fiscal Year: (i) two copies of YPF's unaudited financial statements and YPF's consolidated Subsidiaries for such quarter, together with any notes thereto; (ii) a description of any related party transactions consummated during such quarter; and (iii) any other information which the Trustee (acting pursuant to written instructions from the holders of at least 51% in aggregate principal amount of outstanding 2024 Notes) may reasonably request; (B) as soon as available but, in any event, within 120 days (or solely with

respect to a change in YPF's independent auditors, within five Business Days after the time required under applicable law to file such item) after the end of each Fiscal Year: (1) two copies of YPF's complete audited financial statements for such Fiscal Year, including YPF's audited balance sheet and the audited balance sheet of YPF's consolidated Subsidiaries as of the end of such Fiscal Year, the related audited consolidated statements of income and expense, retained earnings, paid in capital and surplus and changes in financial position of YPF and YPF's consolidated Subsidiaries, which will be in agreement with YPF's books of account and prepared in accordance with Argentine GAAP or IFRS, as applicable; (2) a report on such financial statements of Deloitte & Co. S.A. (a firm member of Deloitte Touche Tohmatsu Limited), or another of the four most prominent firms of independent public accountants of internationally recognized standing, which report shall be unqualified; (3) an officers' certificate certifying that, since YPF's most recent delivery of financial statements pursuant to this provision, no Default or Event of Default has occurred or is continuing or, if such Default or Event of Default has occurred and is continuing, specifying its nature, the period of its existence and the action taken or proposed to be taken to remedy such Default or Event of Default; (4) a description of any related party transactions consummated during such Fiscal Year; (5) a report reflecting the consolidated results from the application of environmental parameters by YPF, including without limitation, quarterly conclusions and observations related to the affected values or deviations therefrom and the results of an annual external audit or its corresponding certification; (6) YPF's 2013 20-F as filed with the SEC; and (7) any other information which the Trustee (acting pursuant to written instructions from the holders of at least 51% in aggregate principal amount of outstanding 2024 Notes) reasonably requests, including, without limitation, financial projections.

The Trustee shall have no obligation to determine if YPF is required to file any report or other information pursuant to this provision, nor be responsible or liable for determining or monitoring whether or not YPF has otherwise delivered any report or other information in accordance with the requirements specified in the foregoing paragraph.

Licenses and Other Permits

YPF will obtain and maintain in force (or where appropriate, promptly renew) all licenses, permits, registrations, approvals, authorizations, or consents necessary or advisable for carrying out YPF's business and operations generally; and perform and observe all the conditions and restrictions contained in, or imposed on YPF by, any such licenses, permits, registrations, approvals, authorizations, or consents, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Corporate Governance

YPF will comply with the corporate governance standards of the NYSE and the reporting requirements of Sections 12, 13 and 15(d) of the Exchange Act. In the event that YPF's securities cease to be listed on the NYSE or are not required to remain subject to the reporting requirements of Section 12, 13 or 15(d) of the Exchange Act, YPF will continue to comply with the corporate governance standards of the NYSE and to file with the SEC such annual reports and such information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which are specified in Sections 12, 13 and 15(d) of the Exchange Act.

Trustee Access to Books and Records

The covenant set forth under "Description of the Notes—Maintenance of Books and Records" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will keep books and records reflecting all of YPF's business affairs and transactions in accordance with appropriate accounting standards and furnish promptly to the Trustee such information as the Trustee may from time to time reasonably request and take all necessary action to permit the Trustee's representatives to (i) visit, at YPF's expense, with reasonable prior notice, and, if a Default or Event of Default has occurred and is continuing or is discovered as a result of such visit, YPF's premises if the Trustee indicates that such visit(s) is related to the administration or enforcement of the 2024 Notes and the Indenture, and (ii) subject to reasonable prior notice, to have access to YPF's books and YPF's auditors within working hours and on working days.

Notice of Default and other Notices

The covenant set forth under "Description of the Notes—Notice of default" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will, promptly, and in any event within three Business Days after it obtains knowledge thereof, notify the Trustee following the occurrence of (i) any Default or Event of Default; (ii) any event, development or circumstance which would cause the financial statements most recently furnished to the Trustee to fail to present fairly, in accordance with IFRS, YPF's financial condition and operating results as of the date of such financial statements; (iii) any change in YPF's corporate name; (iv) the condemnation or threat of condemnation with respect to any Property necessary to YPF's conduct of business if the effect thereof could reasonably be expected to have a Material Adverse Effect; and (v) any other development in YPF's business or affairs or any of its Subsidiaries if

the effect thereof could reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action YPF proposes to take with respect thereto.

Compliance with Exchange Controls, Environmental and Social Laws

YPF will comply (i) in all material respects, with all applicable requirements of law, including but not limited to, all applicable environmental and social laws and regulations and all applicable Argentine exchange controls; and (ii) with all material obligations, covenants and conditions contained in any of YPF's contractual obligations, except, with respect to this provision (ii), where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Effectiveness of Covenants

If, following the Issue Date:

(a) the 2024 Notes are rated Investment Grade from at least two Rating Agencies; and

(b) no Event of Default has occurred and is continuing under the Indenture,

YPF will not be subject to the provisions of the Indenture summarized under the headings below:

"—Limitation on the Incurrence of Debt";

"—Limitation on Restricted Payments";

"—Limitation on Transactions with Affiliates"; and

"—Limitation on Sale and Lease-back Transactions";

(collectively, the "*Suspended Covenants*"). If at any time the 2024 Notes' credit rating is downgraded from Investment Grade by any Rating Agency such that the 2024 Notes are no longer rated Investment Grade from at least two Rating Agencies or if an Event of Default occurs and is continuing, then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended (the "*Reinstatement Date*") and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the 2024 Notes subsequently attain a rating of Investment Grade from at least two Rating Agencies and no Event of Default is in existence (in which event the Suspended Covenants shall no longer be in effect for such time that the 2024 Notes maintain a rating of Investment Grade from at least two Rating Agencies and no Event of Default is in existence); provided, however, that no Event of Default or breach of any kind shall be deemed to exist under the Indenture or the 2024 Notes in respect to the Suspended Covenants based on, and YPF shall bear no liability for, any actions taken or events occurring during the Suspension Period (as defined below), regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between the date of suspension of the covenants and the Reinstatement Date is referred to as the "*Suspension Period*."

On the Reinstatement Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to the first paragraph of "—Limitation on Incurrence of Debt" or one of the clauses set forth in the second paragraph of "—Limitation on Incurrence of Debt" (in each case to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reinstatement Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reinstatement Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to the first or second paragraph of "—Limitation on Incurrence of Debt", such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified under clause (2) of the second paragraph of "—Limitation on Incurrence of Debt." Calculations made after the Reinstatement Date of the amount available to be made as Restricted Payments under "—Limitation on Restricted Payments" will be made as though the covenant described under "—Limitation on Restricted Payments" had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of "—Limitation on Restricted Payments."

"*Investment Grade*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P and Fitch, in each case, with a stable or better outlook.

"*Rating Agency*" means each of Standard & Poor's Ratings Group, Inc., or any successor thereto ("*S&P*"), Moody's Investors Service, Inc., or any successor thereto ("*Moody's*"), and Fitch, Inc., or any successor and thereto ("*Fitch*").

Limitation on Incurrence of Debt

YPF will not, and will not permit any of its Subsidiaries to, directly or indirectly, incur any Indebtedness; *provided* that YPF or any of its Subsidiaries may incur Indebtedness if, at the time of and immediately after giving pro forma effect to the incurrence thereof and the application of the net proceeds therefrom:

(a) its Consolidated Coverage Ratio would not be less than 2.00 to 1.00; and

(b) its Consolidated Leverage Ratio would not exceed 3.00 to 1.00.

The first paragraph of this covenant will not prohibit the incurrence, by YPF or any of its Subsidiaries, of the following Indebtedness:

(1) Indebtedness represented by the 2024 Notes (other than any additional 2024 Notes);

(2) Indebtedness of YPF and its Subsidiaries in existence on the Issue Date;

(3) intercompany Indebtedness among YPF and its Subsidiaries or among YPF's Subsidiaries;

(4) guarantees of Indebtedness by YPF or its Subsidiaries permitted to be incurred under this covenant;

(5) Indebtedness of Persons incurred and outstanding on the date on which such Person became a Subsidiary or was acquired by, or merged into, YPF or any Subsidiary (other than Indebtedness incurred (a) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Subsidiary or was otherwise acquired by YPF or (b) otherwise in connection with, or in contemplation of, such acquisition; *provided* that at the time such Person is acquired, either

(i) YPF would have been able to incur U.S.$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving pro forma effect to the incurrence of such Indebtedness and such transaction, as if such Indebtedness were incurred and such transaction consummated at the beginning of its most recent four consecutive fiscal quarters for which consolidated financial statements are made available under the Indenture; or

(ii) (x) YPF's pro forma Consolidated Coverage Ratio is higher and (y) YPF's pro forma Consolidated Leverage Ratio is lower, in each case, than such ratios immediately prior to such acquisition or merger;

(6) Indebtedness under Hedging Obligations that are incurred in the ordinary course of business (and not for speculative purposes);

(7) Indebtedness (including Capitalized Lease Obligations) of YPF or a Subsidiary incurred to finance the purchase, lease, construction or improvement of any property, plant or equipment used or to be used in the business of YPF or such Subsidiary (and any refinancing thereof) in an aggregate outstanding principal amount which, at any time outstanding, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (7) and then outstanding, will not exceed the greater of (x) U.S.$25.0 million and (y) 1.0% of YPF's total consolidated assets (as set forth, for any date of determination, on YPF's most recent consolidated financial statements prepared in accordance with IFRS and filed with the CNV), after giving pro forma effect to the transaction;

(8) Indebtedness incurred by YPF or its Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, customer deposits, performance, bid, surety, advance payment, appeal and similar bonds and completion guarantees (other than for borrowed money) provided in the ordinary course of business;

(9) Indebtedness arising from agreements of YPF or a Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any of YPF's business or assets or any business, assets or Capital Stock of a Subsidiary;

(10) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within fifteen (15) business days of incurrence;

(11) the incurrence or issuance by YPF or any Subsidiary of Refinancing Indebtedness that serves to refund, refinance or replace any Indebtedness incurred as permitted under the first paragraph of this covenant and clauses (1), (2), (5) and this clause (11) of the second paragraph of this covenant, or any Indebtedness issued to so refund or refinance such Indebtedness, including additional Indebtedness incurred to pay premiums defeasance costs, accrued interest and fees and expenses in connection therewith; and

(12) Indebtedness of YPF and its Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (12) and then outstanding, will not exceed 5.0% of YPF's total consolidated assets (as set forth, for any date of determination, on YPF's most recent consolidated financial statements prepared in accordance with IFRS and filed with the CNV).

For purposes of determining compliance with and the outstanding principal amount of, any particular Indebtedness incurred pursuant to and in compliance with this covenant:

(a) the outstanding principal amount of any item of Indebtedness will be counted only once;

(b) in the event that an item of Indebtedness meets the criteria of the first or second paragraph above or more than one of the types of Indebtedness described in the second paragraph of this covenant, YPF, in its sole discretion, may divide and classify such item of Indebtedness on the date of incurrence and may later classify such item of Indebtedness in any manner that complies with the second paragraph of this covenant and only be required to include the amount and type of such Indebtedness in one of such clauses under the second paragraph of this covenant;

(c) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness, but may be permitted in part by such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(d) accrual of interest, accrual of dividends, the accretion of accreted value, the amortization of debt discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness for purposes of this covenant;

(e) the amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount or the aggregate principal amount outstanding in the case of Indebtedness issued with interest payable in kind and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 (thirty) days past due, in the case of any other Indebtedness; and

(f) guarantees of, or obligations in respect of letters of credit or similar instruments relating to, Indebtedness which are otherwise included in the determination of a particular amount of Indebtedness will not be included.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a non-U.S. currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, or in the case of revolving credit Indebtedness, first committed; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that YPF may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

YPF will not, and will not permit any of its Subsidiaries to directly or indirectly, take any of the following actions (each, a "*Restricted Payment*"):

(a) the declaration or payment of dividends or the making of any distribution (whether made in cash, securities or other property) on or in respect of YPF or any of its Subsidiaries' Capital Stock (including any payment in connection with any merger or consolidation involving YPF, or any of its Subsidiaries) other than:

(1) dividends or distributions payable solely in YPF's Capital Stock (other than Disqualified Capital Stock)

(2) dividends or distributions to YPF and/or any of its Subsidiaries; and

(3) dividends or distributions by a Subsidiary, so long as, in the case of any dividend or distribution on or in respect of any Capital Stock issued by a Subsidiary, YPF or the Subsidiary holding such Capital Stock receives at least its pro rata share of such dividend or distribution;

(b) the purchase, redemption, retirement or other requisition for value, including in connection with any merger or consolidation, of any Capital Stock of YPF or any direct or indirect parent of YPF held by Persons other than YPF or a Subsidiary other than,

(1) in exchange for YPF Capital Stock (other than Disqualified Capital Stock); and

(2) purchases of YPF Capital Stock owned, directly and indirectly, by Persons that are not Affiliates in an amount that does not exceed 3.0% of YPF's total Capital Stock in any calendar year;

(c) the making of any principal payment on, or the purchase, repurchase, redemption, defeasement, or the acquisition or retirement for value, prior to any scheduled repayment, scheduled sinking fund payment or scheduled maturity, any Subordinated Obligations (excluding (x) any intercompany Indebtedness between or among YPF and/or any Subsidiary or (y) the purchase, repurchase or other acquisition of Indebtedness that is contractually subordinate to the 2024 Notes, purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case within one year of such date of purchase, repurchase or acquisition); or

(d) make any Restricted Investment;

if at the time of the Restricted Payment immediately after giving pro forma effect thereto:

(I) a Default or an Event of Default shall have occurred and be continuing;

(II) YPF is not able to incur at least U.S.$1.00 of additional Indebtedness pursuant to the first paragraph of "— Limitation on Incurrence of Debt;" or

(III) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof shall exceed the sum of:

(A) 60% of YPF's cumulative Consolidated Net Income or, if such cumulative Consolidated Net Income is a loss, minus 100% of the loss, accrued during the period, treated as one accounting period, beginning on the first day of the fiscal quarter during which the Issue Date occurs to the end, for any date of determination, of the most recent fiscal quarter for which YPF's consolidated financial information is available; plus

(B) 100% of the aggregate net cash proceeds received by YPF from any Person from any:

(i) contribution to YPF's equity capital not representing an interest in Disqualified Capital Stock or issuance and sale of its Capital Stock (other than Disqualified Capital Stock), in each case, on or subsequent to the Issue Date, or

(ii) issuance and sale on or subsequent to the Issue Date (and, in the case of Indebtedness of a Subsidiary, at such time as it was a Subsidiary) of any Indebtedness for borrowed money of YPF or any Subsidiary that has been converted into or exchanged for Capital Stock (other than Disqualified Capital Stock or debt Securities) of YPF,

excluding, in each case, any net cash proceeds:

(x) received from one of its Subsidiaries;

(y) used to acquire Capital Stock or other assets from an Affiliate of YPF; or

(z) applied in accordance with clause (2) or (3) of the second paragraph of this covenant below; *plus*

(C) any Investment Return; *plus*

(D) 100% of any dividend or distributions received by YPF to the extent such amounts were not otherwise included in Consolidated Net Income; *minus*

(E) 100% of any Similar Business Investment in entities or vehicles that are not (x) Subsidiaries or (y) entities or vehicles jointly controlled by YPF and one or more third parties engaged in a Similar Business, *minus*

(F) 100% of any dividend declared pursuant to clause (5) of the subsequent paragraph.

Notwithstanding the preceding paragraph, this covenant does not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to the preceding paragraph; *provided, however,* that at the time of payment of such dividend, no other Default or Event of Default shall have occurred and be continuing (or result therefrom);

(2) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Capital Stock represents a portion of the exercise price thereof, and Restricted Payments by YPF to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of its Capital Stock;

(3) repurchases by YPF of its Capital Stock or options, warrants or other securities exercisable or convertible into its Capital Stock from its employees or directors or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors, in an amount not to exceed U.S.$5.0 million (or the equivalent in other currencies) in the aggregate;

(4) payments or distributions to dissenting stockholders pursuant to applicable law in connection with a merger, consolidation or transfer of all or substantially all of the assets of YPF that complies with the provisions described under the caption "—Mergers, Consolidation, Sales, Leases" below; and

(5) the declaration and payment of regularly scheduled dividends to the holders of YPF's Capital Stock during any Fiscal Year in an aggregate amount not exceeding 20% of YPF's Consolidated Net Income for such Fiscal Year; *provided, however,* that at the time of payment of such dividend, no other Default or Event of Default shall have occurred and be continuing (or result therefrom).

The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by YPF or the relevant Subsidiary, as the case may be, pursuant to such Restricted Payment.

"*Fiscal Year*" means the accounting year of YPF commencing each year on January 1 and ending on the following December 31.

Negative Pledge

The covenant set forth under "Description of the Notes—Negative Pledge" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will not, and will not permit any of its Significant Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien on any of YPF S.A or its present or future Property to secure Indebtedness unless, at the same time or prior thereto, all of the 2024 Notes are equally and ratably secured therewith, except for:

(a) any Lien existing on the Issue Date;

(b) any landlord's, workmen's, carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business (excluding, for the avoidance of doubt, Liens in connection with any Indebtedness for borrowed money) that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) any Lien on any Property securing Indebtedness incurred or assumed solely for the purpose of financing all or any part of the cost of acquisition, construction, development or improvement of such Property, provided that (i) such Lien attaches to such Property concurrently with or within 120 days after the acquisition or the completion of the construction, development or improvement thereof and (ii) the aggregate amount of Indebtedness incurred by any Liens is otherwise permitted under "—Additional Covenants—Limitation on Incurrence of Debt" and does not exceed the cost of the asset or property acquired, constructed, developed or improved;

(d) any Lien on any Property securing Indebtedness existing thereon at the time of acquisition of such property and not created in connection with such acquisition;

(e) any Lien on any Property securing Indebtedness owned by a corporation or other Person, which Lien exists at the time of the acquisition of such corporation or other Person by YPF or any of its Significant Subsidiaries and which Lien is not created in connection with such acquisition;

(f) any Lien on cash, cash equivalents or marketable securities created to secure Hedging Obligations of YPF or any Significant Subsidiary;

(g) any Lien securing any Project Financing or any guarantee thereof by any direct or indirect parent of the applicable Project Financing Subsidiary; *provided* that such Lien does not apply to any Property or assets of YPF or any Significant Subsidiary other than the Property of the applicable Project Financing Subsidiary related to the relevant project and equity interests in the applicable Project Financing Subsidiary that holds no significant assets other than those related to the relevant project or in any direct or indirect parent thereof that holds no significant assets other than direct or indirect ownership interests in such Project Financing Subsidiary;

(h) any Lien on any Property securing an extension, renewal or refunding of Indebtedness secured by a Lien referred to in (a), (c), (d), (e), (f) or (g) above, *provided* that such new Lien is limited to the Property which was subject to the prior Lien immediately before such extension, renewal or refunding and *provided* that the principal amount of Indebtedness secured by the prior Lien immediately before such extension, renewal or refunding is not increased;

(i) any Lien for taxes, assessments, governmental charges or claims or other statutory Lien, in each case relating to amounts that are not yet payable or that are being contested in good faith and for which any reserves required by IFRS have been established;

(j) Liens incurred or deposits made to secure the performance of tenders, bids, trades, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds, advance payment bonds, purchase, construction or sales contracts and other obligations of a like nature, in each case in the ordinary course of business;

(k) leases or subleases granted to others, easements, rights of way, servitudes or zoning or building restrictions and other minor encumbrances on real Property and irregularities in the title to such Property which do not in the aggregate materially impair the use or value of such Property or risk the loss or forfeiture of title thereto;

(l) judgment Liens, the judgments underlying which do not give rise to a Default or an Event of Default, and for which any reserves required by IFRS have been established and with respect to which any appropriate legal proceedings have been duly initiated for the review of such judgment and have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(m) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other types of social security benefits or obligations or other obligations of a like nature, in each case in the ordinary course of business;

(n) Liens securing the 2024 Notes or any of YPF's other securities for the purposes of defeasance thereof in accordance with the terms of the Indenture or any indenture under which such other securities have been issued;

(o) Liens arising under Section 9.343 of the Texas Uniform Commercial Code, or similar statutes of states other than Texas, in connection with the purchase by YPF or any of its Subsidiaries of oil and/or gas extracted from such state; and

(p) any other Lien on YPF's Properties or those of any of its Significant Subsidiaries, *provided* that, on the date of creation or assumption of such Lien, the Indebtedness secured thereby, together with all YPF's and its Significant Subsidiaries' other Indebtedness secured by any Lien in reliance on this clause (p), has an aggregate outstanding amount no greater than 15% of YPF's total consolidated assets (as set forth, for any date of determination, on YPF's most recent consolidated financial statements prepared in accordance with IFRS and filed with the CNV).

Limitations on Transactions and Prohibited Payments

YPF will not enter into any material transactions that do not fall within the scope of its business purpose as set forth in the by-laws as in effect on Issue Date.

YPF will not sell, transfer, lease or otherwise dispose of, or grant options, warrants or other rights with respect to, any of its Property to any person unless (i) such sale, transfer, lease or other disposition (x) is in the ordinary course of business or (y) could not reasonably be expected to have a Material Adverse Effect and (ii) if outside the ordinary course of business, the Property subject to such sale, transfer, lease or other disposition does not, in the aggregate during any Fiscal Year, that exceeds 10% of YPF's total consolidated assets, as set forth, for any date of determination, in its consolidated financial statements for the prior Fiscal Year prepared in accordance with IFRS and filed with the CNV.

YPF will not engage in any business activity, except those in which it is engaged in as of Issue Date and such activities as may be incidental or related thereto.

YPF will not use the proceeds of the 2024 Notes for any purpose other than the purposes specified in "Use of Proceeds"; in particular, YPF will not use the proceeds of the sale of the 2024 Notes in connection with any speculative related business activities.

YPF will not enter into any agreement that would violate any provision of the 2024 Notes.

"Material Adverse Effect" means, a material adverse effect on (a) the condition (financial or otherwise), operations, performance, business, properties or prospects of YPF and its Subsidiaries taken as a whole, or (b) the rights and remedies of the Trustee, or the holders of the 2024 Notes, as applicable under the Indenture or the 2024 Notes, or (c) YPF's ability to pay any amounts under the 2024 Notes or the Indenture or YPF's ability to perform its other payment obligations under the 2024 Notes or the Indenture or (d) the legality, validity or enforceability of the Indenture or the 2024 Notes.

Limitations on Sale and Lease-Back Transactions

The covenant set forth under "Description of the Notes—Limitation on Sale and Lease-Back Transactions" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will not enter into, renew or extend, or permit any of its Significant Subsidiaries to enter into, renew or extend, any transaction or series of related transactions pursuant to which YPF or any of its Significant Subsidiaries sell or transfer any Property in connection with the leasing, or the release against installment payments, or as part of an arrangement involving the leasing or resale against installment payments, of such Property to the seller or transferor ("Sale and Leaseback Transaction") except a Sale and Leaseback Transaction that, had such Sale and Leaseback Transaction been structured as a secured loan in an amount equal to the

Attributable Debt with respect to such Sale and Leaseback Transaction, YPF or its Significant Subsidiaries would have been permitted to enter into such transaction pursuant to the terms of the covenant described under the caption "—Negative Pledge."

Limitation on Transactions with Affiliates

YPF will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into any transaction (or series of related transactions), including, without limitation, any conveyance, sale, lease or other disposition of Property, with any Affiliates, except (i) upon commercially reasonable terms that are no less favorable to YPF than those which may be obtained in a comparable arm's length transaction at the time from a person which is not an Affiliate of YPF, (ii) transactions solely among YPF's Subsidiaries, (iii) transactions solely between any of YPF's Subsidiaries and YPF, or (iv) transactions in compliance with applicable law (including, without limitation, Article 72 of Law No. 26,831 of the Argentine Congress (the *Ley de Mercado de Capitales*)).

For the avoidance of doubt, all transactions with Affiliates as in existence on the Issue Date that have been disclosed in this Pricing Supplement and the accompanying Offering Memorandum shall be deemed to comply with this covenant.

Mergers, Consolidations, Sales, Leases

The covenant set forth under "Description of the Notes—Mergers, Consolidations, Sales, Leases" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will not, and will not permit any of its Significant Subsidiaries to, merge or consolidate with or into, or convey, transfer or lease YPF's or its Significant Subsidiaries' Properties substantially as an entirety, whether in one transaction or a series of transactions, to any Person, unless immediately after giving effect to such transaction, (a) no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (b) any Person formed by any such merger or consolidation or the Person which acquires by conveyance or transfer, or which leases such properties and assets (if not YPF) (the "Successor Person") expressly assumes, by a supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of all amounts payable under the Indenture, the payment of principal, interest and premiums, if any, and Additional Amounts, if any, that may result due to withholding by any authority having the power to tax to which the Successor Person is or may be subject, on all of the 2024 Notes according to their terms, and the due and punctual performance of all of its other covenants and obligations under the 2024 Notes and the Indenture, (c) the Successor Person agrees to indemnify each holder against any tax, assessment or governmental charge thereafter imposed on such holder by a Government Agency solely as a consequence of such merger or consolidation, conveyance, transfer or lease with respect to the payment of principal, interest or premium, if any, on the 2024 Notes, (d) the Successor Person (except in the case of leases), if any, succeeds to and becomes substituted for YPF with the same effect as if it had been named in the 2024 Notes and the Indenture as YPF, and (e) the Successor Person is organized in a Qualified Merger Jurisdiction.

"Qualified Merger Jurisdiction" shall mean (i) Argentina, (ii) any country that participates in the European Union or the North American Free Trade Agreement (NAFTA), or Denmark, Sweden, Norway, Finland, Brazil, Chile, Japan, Russia or China and (iii) any other nation that has Investment Grade sovereign debt rating from two Rating Agencies.

Tax Covenant

The covenant set forth under "Description of the Notes—Covenants—Payments of taxes and other claims" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

YPF will, and will cause each of its Significant Subsidiaries to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon YPF or any of its Significant Subsidiaries, and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon the Property of YPF or the Property of any of its Significant Subsidiaries; provided that YPF will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claims where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect on YPF and its Subsidiaries' condition, financial or otherwise, earnings, operations or business, taken as a whole, or whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Certain Definitions

The following sets forth definitions for certain terms used herein, which definitions supersede the definition of any corresponding term in the accompanying Offering Memorandum. For other definitions used herein, see "Description of the Notes—Certain Definitions" in the accompanying Offering Memorandum.

"*Business Day*" means a day, other than a Saturday or Sunday, when banks are open for business in the City of New York, United States of America and the City of Buenos Aires, Argentina.

"*Capitalized Lease Obligations*" means an obligation to pay rent or other amounts under a lease of property to the extent such obligation is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS as in effect on the Issue Date, and the amount of Indebtedness represented by such obligation will be the amount of such obligation required to be capitalized at the time any determination thereof is to be made as determined in accordance with IFRS as in effect on the Issue Date, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Comparable Treasury Issue" means the U.S. Treasury security or securities selected by an independent investment banking institution of international standing appointed by YPF having a maturity comparable to the remaining term of the 2024 Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity comparable to the remaining term of the 2024 Notes.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities;" or

if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"Consolidated Coverage Ratio" means as of any date of determination, the ratio of, (x) the aggregate amount of Consolidated EBITDA of YPF and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements prepared on a consolidated basis in accordance with IFRS are made available under the Indenture to (y) Consolidated Net Interest Expense for such four fiscal quarters, *provided* that:

(1) if YPF or any Subsidiary:

(a) have incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio includes an incurrence of Indebtedness at the end of such period, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation) and the discharge of any other Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period; or

(b) have repaid, repurchased, redeemed, retired, defeased or otherwise discharged any Indebtedness since the beginning of the period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio includes a discharge of Indebtedness (in each case, other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated and not replaced), Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the first day of such period;

(2) if since the beginning of such period, YPF or any Subsidiary will have made any asset disposition or disposed of or discontinued (as defined under IFRS) any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio includes such a transaction:

(a) the Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets that are the subject of such disposition or discontinuation for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period; and

(b) Consolidated Net Interest Expense for such period will be reduced by an amount equal to the Consolidated Net Interest Expense directly attributable to any Indebtedness of YPF or any of its Subsidiaries repaid, repurchased, redeemed, retired, defeased or otherwise discharged (to the extent the related commitment is permanently reduced) with respect to YPF and its continuing Subsidiaries in connection with such transaction for such period (or, if the Capital Stock of any of its Subsidiaries is sold, the Consolidated Net Interest Expense for such period directly attributable to the Indebtedness of such

Subsidiary to the extent YPF and its continuing Subsidiaries are no longer liable for such Indebtedness after such sale); and

(3) if since the beginning of such period YPF or any of its Subsidiaries (by merger or otherwise) will have made an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving pro forma effect thereto (including the incurrence of any Indebtedness) as if such acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of YPF. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligations has a remaining term in excess of 12 months). If any Indebtedness that is being given pro forma effect bears an interest rate at YPF's option, the interest rate shall be calculated by applying such optional rate chosen by YPF.

"*Consolidated EBITDA*" means (without duplication), for any period, net income *minus* interest gains on assets, *plus* interest losses on liabilities, *plus* depreciation of fixed assets and amortization of intangible assets, *plus* income tax, *plus* deferred income tax, each determined on a consolidated basis and in accordance with IFRS.

"*Consolidated Leverage Ratio*," means as of any date of determination, the ratio of: (1) the aggregate outstanding net Indebtedness of YPF and its Subsidiaries as of the end of the most recent fiscal quarter for which financial statements prepared on a consolidated basis in accordance with IFRS are available under the Indenture, to (2) Consolidated EBITDA of YPF and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements are made available; *provided* that:

(1) if YPF or any Subsidiary:

(a) have incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio includes an incurrence of Indebtedness at the end of such period, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation) and the discharge of any other Indebtedness repaid, repurchased, redeemed, retired, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period; or

(b) have repaid, repurchased, redeemed, retired, defeased or otherwise discharged any Indebtedness since the beginning of the period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio includes a discharge of Indebtedness (in each case, other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and the related commitment terminated and not replaced), Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving effect on a pro forma basis to such discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such discharge had occurred on the first day of such period;

(2) if since the beginning of such period YPF or any Subsidiary will have made any asset disposition or disposed of or discontinued (as defined under IFRS) any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio includes such transaction:

(a) the Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets that are the subject of such disposition or discontinuation for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period; and

(b) Consolidated Net Interest Expense for such period will be reduced by an amount equal to the Consolidated Net Interest Expense directly attributable to any Indebtedness of YPF or any of its Subsidiaries repaid, repurchased, redeemed, retired, defeased or otherwise discharged (to the extent the related commitment is permanently reduced) with respect to YPF and its continuing Subsidiaries in connection with such transaction for such period (or, if the Capital Stock of any of its Subsidiaries is sold, the Consolidated Net Interest Expense for such period directly attributable to the Indebtedness of such

Subsidiary to the extent YPF and its continuing Subsidiaries are no longer liable for such Indebtedness after such sale); and

(3) if since the beginning of such period YPF or any of its Subsidiaries (by merger or otherwise) will have made an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDA and Consolidated Net Interest Expense for such period will be calculated after giving pro forma effect thereto (including the incurrence of any Indebtedness) as if such acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of YPF.

"*Consolidated Net Interest Expense*" means, (without duplication) with respect to any Person for any period, cash and non-cash interest expense, net of cash and non-cash interest gains, each determined on a consolidated basis and in accordance with IFRS (including, without limitation, the interest expense attributable to Capitalized Lease Obligations, if any; amortization of debt discount and debt issuance cost; commissions, discounts and other fees and charges incurred in respect of letters of credit and bankers' acceptance financing; and net costs associated with Hedging Obligations, if any, related to Indebtedness).

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in any case, on or prior to the 91st day after the final maturity date of the 2024 Notes.

"Expropriation Law" means, law No. 26,741, enacted by the Argentine Congress on May 3, 2012, providing for the expropriation of the Government Interest to the Republic of Argentina, which provides for the assignment by the Government of Argentina of 49% of the Government Interest to the governments of the Argentine provinces that compose the National Organization of Hydrocarbon Producing States (the Government of Argentina shall retain the remaining 51% of the Government Interest).

"Government Interest" means the 51% of the share capital of YPF to which the Republic of Argentina holds political rights pursuant to the Expropriation Law.

"*Hedging Obligations*" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such Person against changes in interest rates, foreign exchange rates or the prices of commodities, to the extent recorded as a liability on YPF S.A's most recent consolidated balance sheet prepared under IFRS and filed with the CNV.

"Indebtedness" means, with respect to any Person, without duplication, (a) any liability of such Person (1) for borrowed money, or (2) evidenced by a bond, note, debenture or similar instrument issued in connection with the acquisition of any businesses, properties or assets of any kind (other than a trade payable or a current liability arising in the ordinary course of business), or (3) for the payment of money relating to any obligations under any capital lease of real or personal property which has been recorded as a capitalized lease obligation pursuant to IFRS; (b) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business); (c) all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof; (d) all Disqualified Capital Stock issued by such Person (the amount of Indebtedness therefrom deemed to equal any involuntary liquidation preference plus accrued and unpaid dividends); (e) all obligations due and payable under Hedging Obligations of such Person; and (f) guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (a) through (e) above. For purposes of determining any particular amount of Indebtedness under this definition, guarantees of (or obligation with respect to letters of credit supporting) Indebtedness otherwise included in the determination of such amount shall not also be included. For avoidance of doubt, Indebtedness shall not include any obligations not specified above, including trade payables in the ordinary course of business.

"Investment" in any Person means any direct or indirect advance, loan or other extension of credit (including, without limitation, by way of Guarantee or similar arrangement; but excluding advances to customers, suppliers or operators in the ordinary course of business that are, in conformity with IFRS, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of YPF or its Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, bonds, 2024 Notes, debentures or other similar instruments issued by, such Person and shall include the retention of the Capital Stock (or any other Investment) by YPF or any of its Subsidiaries, of (or in) any Person that has ceased to be a Subsidiary.

"*Investment Return*" means, in respect of any Investment made after the Issue Date by YPF or any Subsidiary:

(1) the cash proceeds received by YPF or any Subsidiary upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of YPF and its Subsidiaries in full, less any payments previously made by YPF or any Subsidiary in respect of such Guarantee; and

(2) in the event YPF or any Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Subsidiary, the Fair Market Value of the Investment of YPF and its Subsidiaries in such Person;

in the case of each of (1) and (2), up to the amount of such Investment that was treated as a Restricted Payment under "—Limitation on Restricted Payments" less the amount of any previous Investment Return in respect of such Investment.

"Permitted Acquiring Entity" means any Person: (i) which is engaged principally in the oil and gas industry, (ii) which, at the time of the relevant transaction has a long-term foreign currency debt rating at least Investment Grade or higher by at least two of S&P, Moody´s and Fitch, and such rating would not be reduced below either such level (or, if at either such level, put on a negative watch) as a result of such transaction, (iii) is not incorporated in any country which is blacklisted under the U.S. Office of Foreign Assets Control (OFAC) or similar European directives and (iv) is domiciled in any of the countries in the European Union or North American Free Trade Agreement (NAFTA), or Denmark, Sweden, Norway, Finland, Brazil, Chile, Japan, Russia or China.

"Permitted Investment" means:

(1) an Investment in YPF or a Subsidiary or a Person which will, upon the making of such Investment, become a Subsidiary or be merged, consolidated or amalgamated with or into or transfer or convey all or substantially all its assets to, YPF or a Subsidiary; *provided* that such person is primarily engaged in a Similar Business;

(2) Temporary Cash Investments;

(3) payroll, travel, moving and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with IFRS;

(4) stock, obligations or securities received in satisfaction of judgments;

(5) Hedging Obligations;

(6) Similar Business Investments;

(7) any Investments received in compromise of obligations of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(8) other Investments having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other investments made pursuant to this clause (8) since the Closing Date, not to exceed $20 million;

(9) Guarantees of Indebtedness of YPF or any Subsidiary permitted by the covenant described under "Certain Covenants—Limitation on Incurrence of Debt;" and

(10) Investments in existence on or permitted under YPF's bylaws as of the Closing Date.

"*Refinancing Indebtedness*" means Indebtedness that is incurred to refund, refinance, replace, exchange, renew, prepay, redeem, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness (other than intercompany Indebtedness) incurred in compliance with the Indenture including Indebtedness that refinances Refinancing Indebtedness, *provided* that:

(1) the Refinancing Indebtedness has a stated maturity no earlier than the stated maturity of the Indebtedness being refinanced;

(2) the Refinancing Indebtedness has a weighted average life at the time such Refinancing Indebtedness is incurred that is equal to or greater than the weighted average life of the Indebtedness being refinanced;

(3) such Refinancing Indebtedness is incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees incurred in connection therewith); and

(4) if the Indebtedness being refinanced is subordinated in right of payment to the 2024 Notes, such Refinancing Indebtedness is subordinated in right of payment to the 2024 Notes on terms at least as favorable to the holders of the 2024 Notes as those contained in the documentation governing the Indebtedness being refinanced.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"*Similar Business*'' means

(1) the acquisition, exploration, development, operation and disposition of interests in oil, gas, chemical, hydrocarbon, mining and agricultural properties;

(2) the gathering, marketing, treating, refining, processing, storage, selling and transporting of oil, gas, biofuels, chemicals other minerals and products;

(3) the exploration for or development, production, treatment, refinery processing, storage, transportation or marketing of oil, gas, chemicals and other minerals and products, and agricultural products, produced in association therewith; evaluating, participating in or pursuing any other activity or opportunity that is primarily related to clauses (1) through (2) above; and

(4) any activity that is ancillary or complementary to or necessary or appropriate for the activities describe is clauses (1) through (4) of this definition

"Similar Business Investment" means any Investments made in the ordinary course of, and of a nature that is or shall have become customary in, the Similar Business as a means of actively exploiting, exploring for, acquiring, developing, producing, processing, gathering, refining, marketing or transporting oil and gas, chemical and agricultural products through agreements, transactions, interests or arrangements which permit one to share risks or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of Similar Business jointly with third parties, including, without limitation:

(1) ownership interests in oil and gas properties, processing facilities or gathering systems or ancillary real property interests; and

(2) Investments in the form of or pursuant to operating agreements, processing agreements, farm-in agreements, farm-out agreements, development agreements, area of mutual interest agreements, unitization agreements, pooling agreements, joint bidding agreements, service contracts, joint venture agreements, partnership agreements (whether general or limited), subscription agreements, stock purchase agreements and other similar agreements with third parties.

"*Subordinated Obligations*" means all Indebtedness of a Person which is subordinated in right of payment to the payment of the 2024 Notes.

"Temporary Cash Investment" means any of the following:

(1) direct obligations of the United States of America or Argentina or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America or Argentina or any agency thereof, in each case maturing within one year unless such obligations are deposited by YPF (x) to defease any Indebtedness or (y) in a collateral or escrow account or similar arrangement to prefund the payment of interest on any indebtedness;

(2) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America or Argentina, any state or province thereof or any foreign country recognized by the United States of America or Argentina, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $100.0 million (or the foreign currency equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of YPF) organized and in existence under the laws of the United States of America or Argentina, any state or province thereof or any foreign country recognized by the United States of America or Argentina with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities with maturities of six months or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, any province of Argentina, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's; and

(6) any mutual fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above.

"*Total Shareholder's Equity*" means YPF's consolidated total shareholder's equity, determined in accordance with IFRS, as set forth in YPF's most recent balance sheet filed with the CNV.

Governing Law; Service of Process; Submission to Jurisdiction; Immunity

The provision set forth under "Description of the Notes—Governing Law, Judgments, Jurisdiction, Service of Process, Waiver of Immunities" in the accompanying Offering Memorandum shall be replaced, in its entirety, by the following:

The 2024 Notes and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without giving effect to choice of law rules; *provided* that all matters relating to the due authorization, execution, issuance and delivery of the 2024 Notes by YPF, and matters relating to the legal requirements necessary in order for the 2024 Notes to qualify as "*obligaciones negociables*" under Argentine law, and certain matters related to meetings of holders of the 2024 Notes, including quorums, majorities, and requirements for calling, shall be governed by the Negotiable Obligations Law, the Argentine Business Companies Law and/or other applicable Argentine Laws and regulations. YPF will irrevocably submit to the non-exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City of New York, United States of America, any Argentine court sitting in the City of Buenos Aires, including the ordinary courts for commercial matters and the Permanent Arbitral Tribunal of the Buenos Aires Stock Exchange (*Tribunal de Arbitraje General de la Bolsa de Comercio de Buenos Aires*) under the provisions of Article 46 of Law 26,831, and any competent court in the place of YPF's corporate domicile for purposes of any action or proceeding arising out of or related to the Indenture or the 2024 Notes. YPF will designate, appoint and empower CT Corporation System, Inc. with offices at 111 Eighth Avenue New York, NY 10011, as YPF's authorized agent to receive for and on YPF's behalf service of summons or other legal process in any such action, suit or proceeding in the State of New York. Final judgment against YPF in any such action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction including the country in which YPF is domiciled by suit on the judgment. Nothing shall affect the right of the holders of the 2024 Notes or the Trustee to commence legal proceedings or otherwise sue YPF in the country in which it is domiciled or in any other court having jurisdiction or to serve process upon YPF in any manner authorized by the laws of any such jurisdiction.

YPF will further covenant and agree that, for so long as any Note is outstanding under the Indenture, YPF will maintain a duly appointed agent for the service of summons and other legal process in New York, New York, United States of America, for purposes of any legal action, suit or proceeding brought by any holder of the 2024 Notes or the Trustee in respect of the 2024 Notes or the Indenture and shall keep the holders of the 2024 Notes and the Trustee advised of the identity and location of such agent. YPF will further irrevocably consent, if for any reason there is no authorized agent for service of process in New York, to the service of process out of the said courts by mailing copies thereof by registered United States airmail postage prepaid to YPF at YPF's address specified herein; and in such a case YPF shall also receive by telex or confirmed facsimile, a copy of such process.

The serving of process in the manner provided in the paragraph above in any such action, suit or proceeding shall be deemed personal service and accepted by YPF as such and shall be valid and binding upon YPF for all the purposes of any such action, suit or proceeding.

In addition, YPF will irrevocably waive, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action, suit or proceeding arising out of or relating to the 2024 Notes and the Indenture, brought in the courts of the State of New York or in the United States District Court for the Southern District of New York, and any claim that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Further, YPF will irrevocably waive, to the fullest extent permitted by applicable law, any right YPF may now or hereafter have to the removal to a United States Federal Court of any action brought in a state court of the State of New York.

To the extent that YPF may, in any suit, action or proceeding brought in a court of the country in which YPF is domiciled or elsewhere arising out of or in connection with the 2024 Notes or the Indenture, be entitled to the benefit of any provision of law requiring the Trustee or the holders of the 2024 Notes in such suit, action or proceeding to post security for the costs of YPF, as the case may be, or to post a bond or guarantee (*excepción de arraigo*) or to take similar action, YPF hereby irrevocably waives such benefit, in each case to the fullest extent now or hereafter permitted under the laws of the country in which YPF is domiciled or, as the case may be, such other jurisdiction.

To the extent that YPF may be entitled in any jurisdiction to claim for itself or YPF's assets immunity, on the grounds of sovereignty or otherwise, in respect of YPF's obligations under the 2024 Notes or the Indenture from any suit, execution, attachment (whether in aid or execution, before judgment or otherwise) or other legal process or to the extent that in any jurisdiction there may be attributed to YPF or its assets such immunity (whether or not claimed), or to the extent it might have the right to have a jury trial, YPF will irrevocably waive and agree not to, as the case may be, claim or exercise such immunity and/or right to jury trial to the fullest extent permitted by the laws of such jurisdiction.

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Our legal name is YPF Sociedad Anónima and we conduct our business under the commercial name "YPF". As used in this Pricing Supplement, "YPF", "the company", "we", "our" and "us" refer to YPF Sociedad Anónima and its controlled or, if the context requires, its predecessor companies. "YPF Sociedad Anónima" refers to YPF Sociedad Anónima only. "Repsol" refers to Repsol YPF S.A. its affiliates and consolidated companies.

We maintain our financial books and records and publish our financial statements in Argentine pesos. Throughout this Pricing Supplement references to "pesos" or "Ps." are to Argentine pesos, and references to "dollars", "U.S. dollars" or "U.S.$" are to United States dollars. Solely for the convenience of the reader, unless otherwise specified, peso amounts as of and for the nine-month period ended September 30, 2013 have been translated into U.S. dollars at the exchange rate published by the Argentine Central Bank (*Banco Central de la República Argentina* or the "Central Bank") on September 30, 2014 of Ps. 8.4643 to U.S.$1.00. The exchange rate published by the Central Bank on January 28, 2015 was Ps. 8.63 to U.S.$1.00. The U.S. dollar equivalent information should not be construed to imply that the peso amounts represent, or could have been or could be converted into U.S. dollars at such rates or any other rate. See "Item 3. Key Information—Exchange Rates and Controls" in the 2013 20-F included herein—for additional information, including defined terms.

Abbreviations:

"bbl"	Barrels.
"bcf"	Billion cubic feet.
"bcm"	Billion cubic meters.
"boe"	Barrels of oil equivalent.
"boe/d"	Barrels of oil equivalent per day.
"cm"	Cubic meters.
"dam 3"	Dekameters cubic (thousand cubic meters).
"GWh"	Gigawatt hours.
"HP"	Horsepower.
"km"	Kilometers.
"km2"	Square kilometers.
"liquids"	Crude oil, condensate and natural gas liquids.
"LNG"	Liquefied natural gas.
"LPG"	Liquefied petroleum gas.
"m"	Thousand.
"m^3"	Cubic meter
"mbbl/d"	Thousand barrels per day.
"mcf"	Thousand cubic feet.
"mcm"	Thousand cubic meters.
"mboe/d"	Thousand barrels of oil equivalent per day.
"mm"	Million.
"mmbbl"	Million barrels.
"mmboe"	Million barrels of oil equivalent.
"mmboe/d"	Million barrels of oil equivalent per day.
"mmBtu"	Million British thermal units.
"mmcf"	Million cubic feet.
"mmcf/d"	Million cubic feet per day.
"mmcm/d"	Million cubic meters per day.
"mtn"	Thousand tons.
"MW"	Megawatts.
"psi"	Pound per square inch.
"WTI"	West Texas Intermediate.

COMPANY OVERVIEW

This overview highlights and updates certain relevant information in the accompanying Offering Memorandum (including our Annual Report on Form 20-F for the year ended December 31, 2013, included in the accompanying Offering Memorandum (the "2013 20-F")). This overview does not purport to be complete and may not contain all of the information that is important or relevant to you. Before investing in the Notes, you should read this Pricing Supplement and the accompanying Offering Memorandum carefully for a more complete understanding of our business and the offering, including: our audited and unaudited consolidated financial statements and related notes included elsewhere in this Pricing Supplement; the sections entitled "Risk Factors" included elsewhere in this Pricing Supplement, in the accompanying Offering Memorandum and in the 2013 20-F; and the section entitled "Update of Operating and Financial Review and Prospects" included elsewhere in this Pricing Supplement.

Overview

YPF is a corporation (*sociedad anónima*), incorporated under the laws of Argentina for an unlimited term. Our address is Macacha Güemes 515, C1106BKK Ciudad Autónoma de Buenos Aires, Argentina and our telephone number is (011-54-11) 5441-2000. Our legal name is YPF Sociedad Anónima and we conduct our business under the commercial name "YPF." The company was incorporated on June 15, 1993 through a *Decreto del Poder Ejecutivo Nacional* Number 1106 on May 31, 1993, which was registered under *Escritura* Number 175 of June 15, 1993 before the *Escribanía General del Gobierno de la Nación* as well as registered with the *Inspección General de Justicia de Argentina* on June 15, 1993 under Number 5109 of Book 113, Volume A of Corporations. Pursuant to section 4 of YPF's bylaws, its purpose is to carry out carry out survey, exploration and exploitation activities of liquid and/or gaseous hydrocarbon fields and other minerals and also process, transport and market these products and the direct or indirect by-products thereof, including petrochemical and chemical products, whether by-products of hydrocarbons or not, as well as generation of electricity from hydrocarbons.

We are Argentina's leading energy company, operating a fully integrated oil and gas chain with leading market positions across the domestic upstream and downstream segments. Our upstream operations consist of the exploration, development and production of crude oil, natural gas and LPG. Our downstream operations include the refining, marketing, transportation and distribution of oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, LPG and bio-fuels. Additionally, we are active in the gas separation and natural gas distribution sectors both directly and through our investments in several affiliated companies. For the nine-month period ended September 30, 2014, we had consolidated revenues of Ps. 104,203 million (U.S.$12,311 million) and consolidated net income of Ps. 7,549 million (U.S.$892 million). For the year ended December 30, 2013, we had consolidated revenues of Ps. 90,113 million (U.S.$13,825 million) and consolidated net income of Ps. 5,079 million (U.S.$779 million). Due to decreased export volumes, the portion of our revenues derived from exports has decreased steadily in recent years. Exports accounted for 13.3%, 11.5% and 14.2%, of our consolidated net sales revenues in 2013, 2012 and 2011, respectively.

Until November 1992, most of our predecessors were state-owned companies with operations dating back to the 1920s. In November 1992, the Argentine government enacted the Privatization Law (Law No. 24,145), which established the procedures for our privatization. In accordance with the Privatization Law, in July 1993, we completed a worldwide offering of 160 million Class D shares that had previously been owned by the Argentine government. As a result of that offering and other transactions, the Argentine government's ownership interest in our capital stock was reduced from 100% to approximately 20% by the end of 1993.

In 1999, Repsol acquired control of YPF and remained in control until the passage of the Expropriation Law. Repsol is an integrated oil and gas company headquartered in Spain with global operations. Repsol YPF owned approximately 99% of our capital stock from 2000 until 2008, when the Petersen Group purchased, in different stages, shares representing 15.46% of our capital stock (the "Petersen Transaction"). In addition, Repsol granted certain affiliates of Petersen Energía S.A. ("Petersen Energía") an option to purchase up to an additional 10% of our outstanding capital stock, which was exercised in May 2011.

On May 3, 2012, the Argentine Congress passed the Expropriation Law (Law No. 26,741). Among other matters, the Expropriation Law provided for the expropriation of 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol S.A. ("Repsol") and its controlled or controlling entities. The Expropriation Law declared YPF's shares, previously owned directly or indirectly by Repsol S.A., of public interest and subject to 51% expropriation. The law established the temporary possession of the expropriated shares in accordance with the procedures set forth in Law No. 21,499. On February 25, 2014, Argentine Republic and Repsol reached an agreement (the "Repsol Agreement") in relation to compensation for the expropriation of 200,589,525 of YPF's Class "D" shares in conformity with the Expropriation Law and within the framework of Law No. 21,499. The Argentine Ministry of Economy and Public Finance and Repsol executed the Repsol Agreement on February 27, 2014, pursuant to which Repsol accepted U.S.$5.0 billion in sovereign bonds. Repsol withdrew judicial and arbitral claims it had filed, including claims against YPF, and waived additional claims. YPF and Repsol executed a separate agreement (the "Repsol Arrangement") on February 27, 2014, pursuant to which YPF and Repsol each withdrew, subject to certain exclusions, all present and future actions and/or claims based on causes occurring prior to the date of execution of Repsol Arrangement arising from the expropriation of the YPF shares owned by Repsol pursuant to Law No. 26,741, including the intervention and temporary possession for public purposes of YPF's shares. Likewise, YPF and Repsol have agreed to withdraw

reciprocal actions and claims with respect to third parties and/or pursued by them and to grant a series of mutual indemnities, which at the time were subject to certain conditions precedent. The Repsol Arrangement entered into force the day after Repsol notified YPF that the Repsol Agreement executed between Repsol and the Argentine Republic had entered into force. Repsol approved the Repsol Agreement on March 28, 2014 at a general shareholders meeting. Law No. 26,932 was enacted by the executive branch of the Argentine Federal Government through the issuance of Decree No. 600/2014 (BO 04/28/2014). Pursuant to Law No. 26,932, the objective of Articles 7, 11 and 12 of Law No. 26,741 and Article 12 of Law No. 21,499 were met and the Repsol Agreement was confirmed. On May 8, 2014, YPF was notified of the entrance into force of the Repsol Agreement.

The shares subject to expropriation, which have been declared of public interest, were transferred to Argentina and will be assigned as follows: 51% to the Argentine Federal Government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina— *The Argentine federal government will control the Company according to domestic energy policies in accordance with the Expropriation Law*," *"*—Risks Relating to the Argentine Oil and Gas Business and Our Business—*We face risk relating to certain legal proceedings,"* "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law" and "Item 7. Major Shareholders and Related Party Transactions" of the 2013 20-F.

In addition to the activities previously mentioned, on March 12, 2014, we acquired 100% of the stake of Apache Overseas lnc. and Apache International Finance II S.a.r.l. (together with their affiliates, "Apache") in certain foreign companies that control Argentine companies that are the owners of assets located in Argentina, including 28 concessions (23 operated and five non-operated) in the Neuquina Basin (in the Provinces of Neuquén and Rio Negro), seven concessions in Tierra del Fuego, and a significant conventional resource base. Pursuant to this transaction, YPF acquired control of all of the assets of the Apache in Argentina. The price paid for the transaction includes U.S.$786 million in cash plus the assumption of approximately U.S$31 million of bank debt relating to the companies acquired. The primary assets included in this transaction, located in the Provinces of Neuquén, Tierra del Fuego and Río Negro, produce a total of approximately 46,800 boe/d, and have an important infrastructure of pipelines and facilities, employing around 350 employees. In addition, certain assets have potential for exploration and development in the Vaca Muerta formation. In connection with this acquisition, YPF also entered into a transfer of assets agreement with Pluspetrol S.A. ("Pluspetrol") whereby for U.S.$217 million it transferred a stake in certain assets related to those acquired from Apache located in the Province of Neuquén, with the objective of jointly exploring and developing the Vaca Muerta formation with Pluspetrol.

Competitive Strengths

Largest producer, refiner and marketer of crude oil, natural gas and refined products in Argentina

After an initial effort in 2012 to increase production, YPF has achieved a growth in its oil production rate in 2013, reversing a trend over the last 10 years. In 2013, average daily crude oil production increased by 2.2% compared to 2012 and 5.6% during the nine month period ended September 30, 2014 compared with the same period in 2013, while average daily natural gas production increased by 1.4% in 2013 and 25.9% during the nine month period ended September 30, 2014 compared with the same period in 2013. In addition, average daily crude oil and natural gas production from concessions operated by the Company increased by 2.8% and 4.4%, respectively, in 2013 and increased by 9.6% and 34.5%, respectively, during the nine month period ended September 30, 2014 compared to the same period for 2013. These increases reflect the effort and resources allocated by the Company to improve production levels and increase the value of the Company. In 2013, there was a significant increase in the number of active drilling rigs, reaching a total of 65 rigs, a 41% increase compared to 2012 and a 150% increase compared to 2011. As of September 30, 2014, there were 72 rigs, an increase of 14% compared to September 30, 2013. During the nine month period ended September 30, 2014, there was an increase in extraction wells drilled of 21% in our operated areas, compared to the same period in 2013, which reached 666 wells without considering the activity of the recently acquired assets from Apache.

The Company has a strong commitment to the development of unconventional hydrocarbons, which represent an enormous potential resource. Our exploratory efforts in 2013 increased by 14% compared to 2012 based on the number of wells drilled. In conjunction with our development operations, YPF replaced approximately 158% of its production during 2013, another milestone that is unprecedented in the past 14 years of the Company's history.

Our downstream operations refine and distribute more refined products than any other company in Argentina. Despite the incident that affected our refinery in La Plata (all of which was covered by an existing insurance policy), in 2013 we accounted for more than 50% of the country's refining capacity and distributed more diesel, gasoline, lubricants, asphalts and compressed natural gas than any other distributor in 2013, according to our latest internal estimates. As of September 30, 2014, we had 1,536 YPF-branded service stations (including proprietary and franchised service stations) compared to 1,542 as of December 31, 2013. We believe, as of December 31, 2013, this figure represented approximately 34% of Argentina's network of gasoline service stations, and we accounted for approximately 54.6% of all sales of gasoline and 57.7% of all sales of diesel in 2013 based on our analysis of the information published by the Secretariat of Energy. During the nine month period ended September 30, 2014, we accounted for

approximately 57.6% of all sales of gasoline and 59.8% of all sales of diesel. We are one of the largest petrochemical producers in the Argentine market, offering a wide range of products, including aromatics and fertilizers, LAB, LAS, maleic anhydride, polybutenes, methanol and solvents.

Favorably positioned as a vertically integrated player along the entire oil and gas value chain

We participate in all phases of the oil and gas value chain, including production, refining, marketing and distribution, obtaining margins at all levels, which gives us unique flexibility in managing our portfolio in relation to our target markets. Our oil production is aimed almost entirely at our refineries. Our gas production caters not only to the residential sectors of the country but also the consumption of our own refineries and chemical complexes, and, to varying degrees, the gas needs of our portfolio companies such as Compañía Mega S.A. (separating and fractionating NGLs), Profertil S.A. (producer and marketer of fertilizers) and Refinaría del Norte S.A. (refinery located in the northwest of the country), among others. Fuels sold in our service stations are generally produced in our refineries and are complemented by fuels imported by us whenever justified by market opportunities. We believe that this effort to meet current demand contributes to strengthening our customer base and enhances our profitability through an integrated value chain.

Substantial portfolio of oil and gas concessions

As of December 31, 2013, we held interests in 142 production concessions and exploration permits in Argentina, with 100% ownership interest in 55 of these. Many of our production concessions are among the most productive in Argentina, including concessions in the Neuquina and Golfo de San Jorge basins, which accounted for approximately 84% of our total production in 2013 in operated and non-operated concessions. Although our concessions were originally granted to us until 2017, certain concessions have already been extended until, 2027, 2042 and 2048, respectively (for additional information on those concessions already extended, see "Item 4- Exploration and Production" in the 2013 20-F). The process of obtaining the extension of concessions continues according to the designed strategy of assets valuation, which determines the timing and extent of each case. For example, we have a portfolio of mature fields, including reservoirs under secondary recovery processes and gas reservoirs with low permeability ("tight gas") with geologic characteristics that are similar in many respects to those in other regions (such as those in the United States) which have been successfully rejuvenated through the use of advanced oil recovery technologies to increase field recovery factors or to enhance the permeability through reservoirs stimulation mechanisms. In addition, in early 2014 we made several strategic acquisitions to improve our portfolio. See "—Business Strategy— Optimize the value of our asset portfolio."

A majority of our fields have been in operation for several years and, as a result, approximately 76% of our total proved reserves of 1,083 mmboe as of December 31, 2013 were classified as developed.

In addition, on March 12, 2014, we acquired all of the assets of the Apache in Argentina, including 28 concessions (23 operated and five non-operated) in the Neuquina Basin in the Provinces of Neuquén and Rio Negro, seven concessions in Tierra del Fuego, and a significant conventional resource base. In connection with this acquisition, YPF also entered into a transfer of assets agreement with Pluspetrol pursuant to which it transferred a stake in certain assets related to those acquired from Apache located in the Province of Neuquén for U.S.$217 million.

Extensive refining and logistics assets

We have extensive refining assets with processing capacity of almost 320 mbbl/d as of December 31, 2013 and September 30, 2014 which we believe represents more than 50% of the country's refining capacity, according to our latest internal estimates, and have been operating at high utilization rates. Our refining system is complex, and gives us flexibility to shift some of our production resources toward higher value-added products.

Our refining assets also benefit from large scale and convenient location (e.g., our La Plata refinery is the largest in Argentina, with a capacity of 189,000 bbl/d), and they rank highly in terms of availability and maintenance.

Notwithstanding the foregoing, on April 2, 2013, our facilities in the La Plata refinery were hit by a severe and unprecedented storm, which caused a fire and consequently affected the Coke A and Topping C units in the refinery. These incidents temporarily affected the crude processing capacity of the refinery, which had to be stopped entirely. The industrial complex is insured for damage and loss of profits caused by the incident under our insurance policy. A new Coke A facility is already under construction and is expected to be commissioned by 2015, as described below.

We operated our industrial refining complexes at 86.9% of their capacity during 2013 and 90.2% of their capacity during the nine month period ended September 30, 2014. Our refining capacity during 2013 was temporarily affected by the incident at our La Plata refinery described above.

In Argentina, we also operate a network of multiple pipelines for the transportation of refined products with a total length of 1,801 km. We also own 17 plants for the storage and distribution of refined products and seven LPG plants with an approximate aggregate capacity of 1,620,000 m³. Three of our storage and distribution plants are annexed to the refineries of Luján de Cuyo, La Plata and Plaza Huincul. Ten of our storage and distribution plants have maritime or river connections. We operate 53 airplane

refueling facilities (40 of them are wholly-owned) with a capacity of 25,500 m³, and we own 28 trucks, 123 manual fuel dispensers and 17 automatic fuel dispensers. These facilities provide a flexible countrywide distribution system and allow us to facilitate exports to foreign markets, to the extent allowed pursuant to government regulations. Products are shipped mainly by truck, ship or river barge.

All of our refineries are connected to pipelines that we own or in which we have a significant ownership stake. Oil is shipped to our Luján de Cuyo refinery from Puerto Hernández by a 528 km pipeline and to our La Plata refinery from Puerto Rosales by another 585 km pipeline. We also have a 37% stake in Oleoductos del Valle S.A. (the company operating the oil pipeline from the Neuquina basin to Puerto Rosales).

Strong marketing brand

The "YPF" brand is widely recognized in the Argentine consumer market. Our more than 1,500 YPF-branded service stations are located throughout Argentina's urban, suburban and rural areas with the largest country market coverage, and we have a marketing loyalty program called "Serviclub" with more than 900,000 card members as of September 30, 2014. We also leverage our marketing and branding power to sell industrial products, such as lubricants, for which we held approximately 39% market share as of December 31, 2013 and approximately 40% as of September 30, 2014, according to the Secretariat of Energy.

Experienced management team strengthened with executives with broad experience in the industry at international levels

We are led by a highly regarded and experienced team of professionals. Several members of our senior management team have long tenures with us and significant experience in the Argentine energy sector. During 2012, the management team of the Company was strengthened with the addition of a new CEO and other executives with extensive international experience in world class companies.

Business Strategy

On August 30, 2012, the Company approved and announced the 2013-2017 Strategic Plan, which constitutes the basis for our development over the upcoming years. This plan has the commitment to create a new model company in Argentina that seeks sustainable and profitable growth that we believe creates value for our shareholders and aligns the objectives of YPF with those of the country's energy policy. YPF seeks to become a leader in the industry, to reverse the national energy imbalance and to achieve self-sufficiency in hydrocarbons in the long-term.

Our business strategy is based on a new vision of YPF as a leader of change in the energy paradigm of Argentina, combining our strong commitment to Argentina with professionalism, competitiveness and efficiency. YPF intends to play a key role in the country so that Argentina can stop being a net importer of energy, and instead, become an exporter by being able to fully exploit its hydrocarbon resources, as well as a leader in the rejuvenation of mature fields and in the exploitation of unconventional resources.

As the largest vertically-integrated oil and gas company in Argentina, we are a company committed to the country's growth and seek value-creation for all our stakeholders. We also intend to strive to improve our operating margins and to achieve a return on invested capital in line with other similar operators in the world market. We are committed to investing to increase our portfolio size in a balanced and integrated manner, focusing on exploiting the opportunities that become available to us in a cost effective and integrated manner.

The cornerstones of our strategy are as follows:

Upstream

Promote the rejuvenation of our mature fields in order to extend their life limits and by improving the recovery factor. We will seek to expand the current limits of our fields and the systematic application of techniques such as infill drilling (i.e., seeking remaining oil in the reservoir by drilling new wells in between existing wells) and water injection, gels and polymers for secondary and tertiary recovery. Many of these techniques have been successfully employed in other comparable mature basins, whose recovery factors are around 35%. The difference between the benchmark and the recovery factor of our combined sites, which is about 20%, illustrates the magnitude of the growth potential. However, like all oil projects, its nature is uncertain and the outcome will depend not only on investment and the effective implementation of the referred techniques but, to a large extent, on the geological and petrophysical behavior and nature of the reservoir affected.

Launch an intensive development of our unconventional resources. We are designing a pilot program to implement factory mode drilling, accessing the latest technology in drilling and well stimulation, an essential element for the successful development of the potential of our unconventional oil and gas reserves. Unconventional resources exist in hydrocarbon accumulations, which are generally very large and typically are in the source rock. Therefore, factory mode drilling is characterized by extensive use of specialized extraction techniques on a generally large area, requiring significant capital investment. The development of a pilot program in the Vaca Muerta basin will test different designs and well spacing, to optimize the sustained development over a larger area. Another feature inherent in the economics of factory mode drilling projects is that the performance of wells tends to improve

with increased knowledge of the reservoir and costs may be substantially reduced with the increase in size or scale of the factory. The history of the development of unconventional "plays" such as Eagle Ford, Hanesvielle or Bakken in America - against which Vaca Muerta compares more than favorably in terms of geology and others - demonstrates the evolution previously mentioned.

Optimize the value of our asset portfolio. We strive to optimize our portfolio of exploration and production assets through active management of several secondary reservoirs, including through potential partnerships with smaller operators in certain fields in order to improve operational efficiency. In addition, our efforts to optimize our portfolio covers our unconventional hydrocarbon assets; we recently farmed out a portion of the assets we acquired from Apache in Vaca Muerta to Pluspetrol (as described further below), and we also farmed out certain unconventional hydrocarbon assets in the Rincon de Magrullo area to Petrolera Pampa in 2013.

Consistent with our strategy to continue making investments that increase the value of our assets and contribute to the energy development of Argentina by means of improving production, we recently made the following strategic acquisitions to strengthen our core business:

- On January 31, 2014, we bought Petrobras Argentina S.A.'s 38.45% participation in a joint venture we had entered into with them for the exploitation of the Puesto Hernández area, located in the Provinces of Neuquén and Mendoza, for total consideration of approximately U.S.$40.7 million. We hold 100% of the concession in respect of the Puesto Hernández area, which is scheduled to expire in 2027. As a result of this transaction, we became the operator of the concession. Puesto Hernández currently produces over 10,000 boe/d of light crude oil (Medanito quality). By becoming the operator of the Puesto Hernández area, we expect to accelerate our investment plans to optimize the area's production potential until 2027.

- On February 7, 2014, we bought Potasio Rio Colorado S.A.'s 50% interest in a joint venture we had entered into with them for the exploitation of the Lajas formation area, located in the Province of Neuquén, for total consideration of approximately U.S.$25 million. We hold 100% of the concession in respect of the Lajas formation area, which is scheduled to expire in 2027.

- On March 12, 2014, we acquired all of the assets of the Apache in Argentina, including 28 concessions (23 operated and five non-operated) in Neuquina Basin (in the Provinces of Neuquén and Rio Negro), seven concessions in Tierra del Fuego, and a significant conventional resource base. The total consideration for the transaction included U.S.$786 million in cash plus the assumption of approximately U.S.$31 million of bank debt relating to the companies acquired. The primary assets included in this transaction, located in the Provinces of Neuquén, Tierra del Fuego and Río Negro, produce a total of approximately 46,800 boe/d, and have an important infrastructure of pipelines and facilities, employing around 350 employees. In addition, certain assets have potential for exploration and development in the Vaca Muerta formation.

  In connection with this acquisition, we transferred to Pluspetrol a stake in certain assets acquired from Apache located in the Province of Neuquén, with the objective of jointly exploring and developing the Vaca Muerta formation. The total consideration for this transaction was approximately U.S.$217 million.

During April 2014, YPF and subsidiaries of Chevron Corporation executed a new agreement with the objective of the joint exploration of unconventional hydrocarbons in the province of Neuquén, within the area Chihuido de la Sierra Negra Sudeste – Narambuena. The investment will be undertaken exclusively by, and at the sole risk of, Chevron. For more information, see Note 11 c) to the Unaudited Interim Consolidated Financial Statements.

In addition, we and Petronas E&P Argentina S.A. ("PEPASA"), an affiliate of Petronas E&P Overseas Ventures Sdn. Bhd. ("PEPOV") of Malaysia have executed on December 10, 2014, a Project Investment Agreement (the "Investment Agreement") aiming to perform joint exploitation of unconventional hydrocarbons in the La Amarga Chica area in the province of Neuquén. The Parties have signed the following supplementary agreements to the Investment Agreement (the "Supplemental Agreements"): a) the Assignment Agreement for 50% of the concession for the La Amarga Chica area; b) a Joint Venture Agreement (JV); c) the Joint Operating Agreement ("Joint Operating Agreement"); d) the Guaranty Assignment Agreement; e) the Right of First Offer Agreement for the sale of crude oil and f) an Assignment Agreement for hydrocarbons export rights. The Investment Agreement provides for the joint development of a shale oil pilot project (the "Pilot Plan") in three annual phases with a total investment of U.S.$550 million plus VAT, of which PEPASA will provide U.S.$475 million and YPF will provide U.S.$75 million. YPF will assign 50% of the La Amarga Chica concession to PEPASA and be the operator of the area. The concession rights will, in turn, be collaterally assigned by PEPASA in favor of YPF as security for, and until PEPASA has complied with all its obligations under the Investment Agreement. Additionally, PEPOV has executed a payment guaranty of certain of PEPASA's financial obligations under the Investment Agreement. The Pilot Plan will begin once conditions precedent to the effectiveness of the Investment Agreement and the Supplemental Agreements are fulfilled, which are required to be met before March 31, 2015 and which relate primarily to the granting of the exploitation concession for the project area with a 35-year term by the Province of Neuquén and certain provisions with respect to the project's tax structure, including promotional, tax and royalty commitments in accordance with Law No. 27,007 and the agreement executed with the Province of Neuquén (see "Additional Recent Developments–Development of non-conventional

hydrocarbons in the La Amarga Chica area in the Province of Neuquén.") When the full contributions to each of the annual phases of the Pilot Plan have been made, PEPASA will have the option to withdraw from the plan by transferring its participation in the concession and paying liabilities accrued prior to its withdrawal (without the right to 50% of the value of net production from wells drilled prior to the exercise of its right to withdraw). After the parties' total commitments have been met during the Pilot Plan, each party will be responsible for and contribute 50% of the work program and budget to develop the area as provided for by the Joint Operating Agreement. The Investment Agreement provides that over the three phases of the Pilot Plan, the parties will be required to perform a 3D seismic acquisition and processing program covering the entire concession area, drill 35 wells targeting the Vaca Muerta formation (including vertical and horizontal wells) and install facilities to transport the hydrocarbon production from this area.

Finally, in furtherance of our activities to optimize our portfolio, we have also consolidated our positions in unconventional assets, including in the Pampa de la Yeguas, Aguada de Castro, Cerro las Minas and Amarga Chica areas. We intend to continue evaluating selective opportunities to make acquisitions in our core business as part of our growth strategies.

Improve the operational efficiency of our exploration and production. Our exploration, production and upstream services business unit is carrying out a comprehensive operational improvement and cost reduction program that we expect to continue to have a positive impact on our business. These include initiatives seeking to improve well productivity through better water management, enhancing the maintenance of our facilities, optimizing the stimulation process and reducing energy costs, among others.

Invest in onshore and offshore exploration. We plan to relaunch our conventional and unconventional exploratory activity onshore. In productive basins in Argentina, our intention is to develop exploration activities on operated assets in order to put us in a favorable position with respect to the new unexplored onshore domain, for which we plan to add drilling equipment and hire additional staff. Also, for non-productive basins or frontier areas, we intend to expand our research and, eventually, our portfolio on relatively unexplored areas that offer potential based on our Exploration Plan for Argentina. We also expect to leverage our exploratory expertise in countries where we are already present such as Chile and Uruguay, and exploring new opportunities in Bolivia and Ecuador, continually reviewing our position in light of all exploration opportunities.

Additionally, we will continue the exploration of potentially productive fields in the continental platform of Argentina ("offshore"). The offshore area of Argentina has generally not been explored and is the largest area for the development of untapped areas of the country. We intend to actively participate in offshore exploration through the incorporation of new areas. We have also incorporated offshore exploration acreage in the offshore platform of Uruguay, following a pattern set by our studies. We intend to develop this specific exploratory activity in the continental platform in Uruguay with Petroleos Brasileiros S.A. ("Petrobras"), a leading global offshore exploration company. In addition, we have partnerships with other companies with specific expertise in each of the relevant offshore exploration projects in order to diversify the risks related to this activity, enhance our knowledge and expertise in this area and increase the number of projects explored, factors that typically determine the success of a portfolio of exploration projects.

Downstream

Continue to improve production and cost efficiencies in downstream businesses. We are seeking to optimize our production process to increase the utilization of existing refining capacity and increase the processing capacity of our plants through removal of "bottlenecking" and revamping of equipment. We strive to improve their flexibility by shifting capacity among certain categories of products, adapting our refineries to sustain the current leadership in competition in product quality and developing our logistics network and assets to meet the continued growth in demand. In addition, we continue to implement various cost reduction programs through our refining and logistics assets (including internal consumption reduction and centralized purchasing), marketing network (including back-office integration, loyalty program reductions) and our chemical division (including the reduction of maintenance-related production stoppages).

During 2010, we initiated the construction of a new continuous catalytic reforming plant ("CCR") in the CIE Complex in Ensenada. Our total investment was U.S.$453.1 million. The new CCR plant began operating in the third quarter of 2013. The new production from this plant is satisfying the growing demand of high octane gasoline in the local market, while at the same time providing hydrogen to the new hydrotreater unit in our La Plata refinery.

Furthermore, we are completing our first investments of approximately U.S.$650 million in hydrotreating and desulfurization units to further improve the quality of gasoline and diesel produced by our refineries in Lujan de Cuyo (Hydrotreating unit III and HTN II) and La Plata (Hydrotreating Unit B and revamping of Unit A which were finished in November 2012). The La Plata refinery will take advantage of the hydrogen generated by the CCR plant. We also plan to make investments to optimize energy use and increase the power reliability and capacity of both facilities. This project is expected to be completed during the next three years. The construction of the diesel hydrotreating unit in the La Plata refinery was completed in November 2012; our investment amounted to approximately U.S.$278 million.

Finally, the construction of the new "A" coking unit is ongoing, which is expected to increase the current production capacity of the unit by 70%, equivalent to an increase of approximately 196,000 m³/year of premium gasoline and 400,000 m³/year of diesel. We expect our investment in this unit will amount to at least U.S.$790 million and that it could start operations in 2015.

Increase value creation from petrochemicals. Our chemicals business unit will carry out a significant upgrade of its aromatics plant by migrating to state-of-the-art technology. We believe our investments will facilitate the integration of our petrochemical operations with our refining and marketing business unit through a significant increase in aromatics production, much of which will be used by our refining and marketing business unit to increase gasoline octane levels and to produce hydrogen to improve refining plant productivity.

Directors, Audit Committee, Supervisory Committee and Disclosure Committee

Board of Directors:

Pursuant to the resolutions of the General Ordinary Extraordinary Shareholders' Meeting of the Company held on April 30, 2014, the decisions taken by the Board of Directors in its meetings held on April 30, 2014, June 11, 2014, August 7, 2014, October 16, 2014 and December 16, 2014 and according to the Company's bylaws, the Board of Directors is currently composed as follows:

Position	Name	Class of Shares Represented	Term	Status
Chairman of the Board and CEO	Miguel Matías Galuccio	Class D	One fiscal year	Non Independent
Director	Axel Kicillof	Class A	One fiscal year	Independent
Director	Jorge Marcelo Soloaga	Class D	One fiscal year	Non Independent
Director	Gustavo Alejandro Nagel	Class D	One fiscal year	Non Independent
Director	Jorge Manuel Gil	Class D	One fiscal year	Independent
Director	Ignacio Perincioli	Class D	One fiscal year	Independent
Director	Omar Chafí Félix	Class D	One fiscal year	Independent
Director	Elisabeth Dolores Bobadilla	Class D	One fiscal year	Independent
Director	Héctor Walter Valle	Class D	One fiscal year	Independent
Director	Rodrigo Cuesta	Class D	One fiscal year	Non Independent
Director	José Iván Brizuela	Class D	One fiscal year	Independent
Director	Sebastián Uchitel	Class D	One fiscal year	Independent
Director	Nicolás Marcelo Arceo	Class D	One fiscal year	Non Independent
Director	Fernando Raúl Dasso	Class D	One fiscal year	Non Independent
Director	Daniel Cristian González Casartelli	Class D	One fiscal year	Non Independent
Director	Patricia María Charvay	Class D	One fiscal year	Non Independent
Director	Carlos Alberto Alfonsi	Class D	One fiscal year	Non Independent
Director	Nicolás Eduardo Piacentino	Class D	One fiscal year	Independent
Alternate Director	Cynthia de Paz	Class A	One fiscal year	Independent
Alternate Director	Sergio Pablo Affronti	Class D	One fiscal year	Non Independent
Alternate Director	Omar Gutiérrez	Class D	One fiscal year	Non Independent
Alternate Director	Francisco Ernesto García Ibañez	Class D	One fiscal year	Independent
Alternate Director	Edgardo Raúl Valfre	Class D	One fiscal year	Independent
Alternate Director	Mariana Laura González	Class D	One fiscal year	Non Independent
Alternate Director	Fernando Pablo Giliberti	Class D	One fiscal year	Non Independent
Alternate Director	Gonzalo Martín Vallejos	Class D	One fiscal year	Independent

The business address for all members of the Board of Directors is Macacha Güemes 515, Ciudad Autónoma de Buenos Aires. The experience of members of our Board of Directors appointed in 2014 follows:

Jorge Manuel Gil

Mr. Gil graduated with a certified public accountant degree from the University of Buenos Aires and is a doctoral candidate in business and economics at the Universidad Autónoma de Madrid. He served as a corporate reorganization consultant at Petroquímica Comodoro Rivadavia and provided counsel in the design and evaluation of projects regarding the plastic, wind power, industrial gases, telephone, video cables, metallurgy, melting and oil industries. From 2010 to 2012 he served as Director at Banco Del Chubut S.A. Currently, Mr. Gil is a professor at Universidad Nacional de la Patagonia San Juan Bosco, Universidad Nacional de la Patagonia Austral and Universidad Nacional de Río Negro.

Ignacio Perincioli

Mr. Perincioli graduated with a certified public accountant degree from the University of Buenos Aires and also obtained a degree in business administration. He was awarded a specialization in project management at Asociación Argentina de Evaluadores and with a specialization in management of small and medium enterprises. He served in the Department of Control of External Indebtedness of the Auditor General's Office; in the Secretariat for Coordination and Management Control and in the Provincial Roads Program

within the Ministry of Federal Planning, Public Investment and Services. Currently, Mr. Perincioli works at the Administration and Finance Management of La Opinión S.A. in Río Gallegos, in the Province of Santa Cruz.

Daniel Cristian González Casartelli

Mr. González graduated with a degree in business administration from the Argentine Catholic University. He worked for 14 years at the investment bank Merrill Lynch & Co in Buenos Aires and New York, holding the positions of Head of Mergers and Acquisitions for Latin America and President for the Southern Cone (Argentina, Chile, Peru and Uruguay), among others. While at Merrill Lynch, Mr. Gonzalez played a leading role in several of the most important investment banking transactions in the region and was an active member of the firm´s global fairness opinion committee. He remained as a consultant to Bank of America Merrill Lynch after his departure from the bank. Previously, he was Head of Financial Planning and Investor Relations at Transportadora de Gas del Sur SA. He currently is also a member of the Board of Directors of Adecoagro S.A. and Hidroeléctrica Piedra del Águila S.A. Currently, Mr. González is our Chief Financial Officer (CFO) and is the President of our Disclosure Committee.

Carlos Alberto Alfonsi

Mr. Alfonsi graduated with a degree in chemistry from Argentina's Technological University of Mendoza. Additionally, he received a degree in IMD Managing Corporate Resources from Lausanne University and has studied at the Massachusetts Institute of Technology. Since 1987, he has held various positions at the Company, serving as an operations manager, the Director of the La Plata refinery, Operation Planning Director, Director of Commerce and Transportation for Latin America, Director of Refinery and Marketing in Peru, Country Manager for Peru, and R&M for Peru, Chile, Ecuador and Brazil. Currently, Mr. Alfonsi is our Downstream Executive Vice President.

Cynthia de Paz

Ms. de Paz graduated with a degree in economics from the University of Buenos Aires. She was awarded a master's degree in public politics for social inclusion development at Facultad Latinoamericana de Ciencias Sociales (FLACSO). She was a professor of economics of social security at the School of Economics at the University of Buenos Aires. She worked as researcher at the Department of Gender of the International Society for Development. Currently, she is the Undersecretary of Economic Planning at the Secretary of Economic Policy and Development Planning of the Ministry of Economy and Public Finance of Argentina. Ms. de Paz was elected as an Alternate Director for the Class A shares by the Argentine government.

Omar Gutiérrez

Mr. Gutiérrez graduated with a certified public accountant degree from Universidad Nacional del Comahue, Province of Neuquén. He served as General Director of Administration from 1992 to 2004 and General Director of Coordination, both within the Ministry of Government of the Province of Neuquén. He was administrative prosecretary from 1999 to 2001 and Secretary in the Legislature of Neuquén from 2002 to 2003. He was a member of the Deliberate Council of Neuquén city's Municipality and President of the Committee on Finance and Budget. Currently, Mr. Gutiérrez is the Minister of Economy and Public Work of the Province of Neuquén and a Director of Gas y Petróleo del Neuquén S.A.

Edgardo Raúl Valfre

Mr. Valfre graduated with a certified public accountant degree from the Universidad Nacional de Córdoba. He previously worked as an accountant auditor under the Ministry of the Provincial Government of Santa Cruz, General Accountant of the Province of Santa Cruz, Undersecretary of Planning and Financial Evaluation, State Secretary of Finance from 2009 to 2010. He then served as a Director of Banco de Santa Cruz S.A. and Revenue Secretary of the Province of Santa Cruz from 2010 to 2014. Currently, Mr. Valfre is the Minister of Economy and Public Works of the Province of Santa Cruz.

Elisabeth Dolores Bobadilla

Ms. Bobadilla graduated with a law degree from Universidad John F. Kennedy and was awarded a master's degree in internationalization of local development, design and small and medium enterprises at Universidad Nacional de La Plata - Universitá di Bologna in Argentina. From 1997 to 2009, she worked at Medanito S.A. negotiating sales of liquid petroleum gas, natural gas and oil, promoting investment for cultivated forests, and analyzing commercial and banking contracts related to oil and gas sector and forestry. Currently, Ms. Bobadilla works at the Ministry of Economy and Finance of the Province of Formosa addressing contractual and legislative issues related to oil exploitation.

Mariana Laura González

Ms. González graduated with a degree in economics from the University of Buenos Aires; and was awarded a PhD in social sciences from Facultad Latinoamericana de Ciencias Sociales (FLACSO). Between 2004 and 2005 she worked at the office of the Undersecretary of Technical Programming and Labor Studies, Ministry of Labor, Employment and Social Security and as a consultant for the Strategic Studies Centre's Labor and Employment of Argentina. She served in the Programming Area in the Ministry of Education of the Government of Buenos Aires City and participated in the Institutional Strengthening Program of the Economic Policy Secretary of the Ministry of Economy of the Nation. Currently, Ms. González works at the office of the Undersecretary of Economic Planning at the Secretary of Economic Policy and Development Planning of the Ministry of Economy and Public Finance of Argentina.

Fernando Pablo Giliberti

Mr. Giliberti graduated with a certified public accountant degree from the Argentine Catholic University, was awarded a master's degree in business administration from the Argentine University of the Enterprise, a postgraduate diploma in management and economics of natural gas from the College of Petroleum Studies, Oxford University, and a master's degree in the science of management from the Sloan Program at Stanford University. Among other positions, he previously served as Head of Accounting and Finance at our headquarters in Mendoza, South Division Business Support Manager of the El Guadal-Lomas del Cuyo Pilot Economic Unit, Business Development Manager and Exploration and Production Business Development Director at San Antonio (Pride International), South Division Business Support Manager and Vice President of the Latin America Business Unit and Vice President of Business Development at Pioneer Natural Resources of Argentina. In 2006, he founded Oper-Pro Services S.A. Currently, Mr. Giliberti is our Strategy and Business Development Vice President.

Gonzalo Martín Vallejos

Mr. Vallejos graduated with a degree in business administration from Universidad de San Andrés, and he was awarded a master's degree in finance and a master's degree in business administration from the Universidad Austral-IAE. He was a corporate banking senior analyst at Itaú Bank until 2006. He served as CFO of EMEGE S.A. between 2006 and 2008 and as PUENTE's Director and Head of Investment Banking. Currently, Mr. Vallejos is Managing Director and Head of Capital Markets at Advanced Capital Securities Argentina S.A.

SELECTED FINANCIAL AND OPERATING DATA

The following tables present our selected financial and operating data as of September 30, 2014 and December 31, 2013 and for the nine month periods ended September 30, 2014 and 2013, which is derived from our unaudited consolidated interim financial statements as of September 30, 2014 and December 31, 2013 and for the nine month periods ended September 30, 2014 and 2013 (the "Unaudited Interim Consolidated Financial Statements"). You should read this information in conjunction with our audited consolidated financial statements as of December 31, 2013, 2012 and 2011, and for the years ended December 31, 2013, 2012 and 2011 (the "Audited Consolidated Financial Statements") included in our 2013 20-F, and our Unaudited Interim Consolidated Financial Statements, included in our Report on Form 6-K furnished on November 13, 2014, both included elsewhere in this Pricing Supplement, and their respective notes, as well as the information under "Update of Financial and Operating Data" included elsewhere in this Pricing Supplement.

Our Unaudited Interim Consolidated Financial Statements are presented in accordance with International Accounting Standard ("IAS") No. 34, "Interim Financial Reporting". The adoption of such standard, as well as all the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), was required by Technical Resolution No. 26 (ordered text) issued by Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") and the Regulations of the Argentine Securities Commission ("CNV").

Certain figures included in this update have been subject to rounding adjustments. Accordingly, figures shown as totals may not sum due to rounding. Solely for the convenience of the reader, unless otherwise specified, peso amounts as of and for the nine month period ended September 30, 2014 have been translated into U.S. dollars at the exchange rate published by the Argentine Central Bank (*Banco Central de la República Argentina* or the "Central Bank") on September 30, 2014 of Ps. 8.4643 to U.S.$1.00.

The following table shows our results for the nine-month periods ended September 30, 2014 and 2013 and our financial position as of September 30, 2014 and December 31, 2013.

	For the nine-month period ended September 30,		
	2014	**2014**	**2013**
	(in millions of U.S.$)	**(in millions of pesos)**	
Consolidated Statement of Comprehensive Income Data (1):			
Revenues (2)	12,311	104,203	64,819
Cost of sales	(8,838)	(74,808)	(48,386)
Gross profit	**3,473**	**29,395**	**16,433**
Selling expenses	(861)	(7,287)	(5,555)
Administrative expenses	(368)	(3,116)	(1,889)
Exploration expenses	(145)	(1,230)	(525)
Other income (expenses), net	73	616	(1,124)
Operating income	**2,171**	**18,378**	**7,340**
Income on investments in companies	7	61	77
Financial income, net (12)	407	3,448	966
Net Income before income tax	**2,586**	**21,887**	**8,383**
Income tax	(704)	(5,961)	(3,041)
Deferred income tax	(990)	(8,377)	(2,141)
Net income for the period	**892**	**7,549**	**3,201**
Net income for the period attributable to:			
- Shareholders of the parent company	900	7,619	3,207
- Non-controlling interest	(8)	(70)	(6)
Other comprehensive income for the period	1,791	15,159	6,370
Total comprehensive income for the period	2,683	22,708	9,571
Other Consolidated Financial Data:			
Fixed assets depreciation and intangible assets amortization	1,643	13,910	7,931
Adjusted EBITDA (7)	3,822	32,349	15,348
Adjusted EBITDA margin (8)	n.a.	31%	24%

	As of September 30,	As of September 30,	As of December 31,
	2014	2014	2013
	(in millions of U.S.$, except for per share and per ADS data)	(in millions of pesos)	
Consolidated Balance Sheet Data(1):			
Cash and equivalents	1,875	15,873	10,713
Working capital (3)	(100)	(849)	1,706
Total assets	24,221	205,012	135,595
Total debt (4)	5,803	49,118	31,890
Total liabilities	15,910	134,670	87,355
Total shareholder's contributions (5)	1,236	10,458	10,600
Total reserves (6)	2,225	18,834	14,173
Total retained earnings	901	7,625	5,131
Total other comprehensive income	3,931	33,271	18,112
Non-controlling interest	18	154	224
Shareholders' equity attributable to the shareholders of the parent company	8,292	70,188	48,016
Total shareholders' equity	8,310	70,342	48,240
Indicators			
Current liquidity (9)	n.a.	.98	1.05
Solvency (10)	n.a.	.52	.55
Capital immobilization (11)	n.a.	.75	.75

(1) The consolidated financial statements reflect the effect of the application of the functional and reporting currency. See Note 1.b.1 to the Unaudited Interim Consolidated Financial Statements.

(2) Revenues are disclosed net of a fuel transfer tax and turnover tax. Customs duties on hydrocarbon exports are accounted in "Taxes, charges and contributions," as indicated in Note 2.k to the Unaudited Interim Consolidated Financial Statements. Royalties with respect to our production are accounted for as a cost of production and are not deducted in determining revenues. See Note 1.b.16) to the Unaudited Interim Consolidated Financial Statements.

(3) Working capital corresponds to total current assets minus total current liabilities as of September 30, 2014 and December 31, 2013.

(4) Total loans includes (i) non-current loans of Ps. 36,693 million as of September 30, 2014 and Ps. 23,076 million as of December 31, 2013 and (ii) current loans of Ps. 12,425 million as of September 30, 2014 and Ps. 8,814 million as of December 31, 2013. See "Financial Risk Management—Liquidity Risk" in Note 1.d) to the Unaudited Interim Consolidated Financial Statements.

(5) Our subscribed capital as of September 30, 2014 is represented by 393,312,793 shares of common stock and divided into four classes of shares, each share having a par value of Ps. 10 and one vote per share. These shares are fully subscribed, paid-in and authorized for stock exchange listing. As of September 30, 2014, total shareholder's contributions included: Ps. 3,918 million of subscribed capital, Ps. 6,077 million of adjustment to contributions, Ps. 15 million of treasury shares, Ps. 24 million of adjustment to treasury shares, Ps. 96 million of share-based benefit plans, Ps. (308) million of acquisition cost of treasury shares, Ps. (4) million share trading premium and Ps. 640 million of issuance premiums. As of December 31, 2013, total shareholder's contributions included: Ps. 3,924 million of subscribed capital, Ps. 6,087 million of adjustment to contributions, Ps. 9 million of treasury shares, Ps. 14 million of adjustment to treasury shares, Ps. 40 million of share-based benefit plans, Ps. (110) million of acquisition cost of treasury shares, Ps. (4) million share trading premium and Ps. 640 million of issuance premiums.

(6) As of September 30, 2014, total reserves were comprised of Ps. 2,007 million of legal reserve, Ps. 5 million of reserve for future dividends, Ps. 12,854 million of reserve for investments in accordance with article 70, third paragraph of the Argentine Corporations Law No. 19,550 (the "Argentine Corporations Law") and modifications, Ps. 320 million of reserve for purchase of treasury shares and Ps. 3,648 million of reserve for IFRS initial adjustment. As of December 31, 2013, this reflected Ps. 2,007 million of legal reserve, Ps. 4 million of future dividends reserve and Ps. 8,394 million of reserve for investments in the terms of

article 70, third paragraph of the Argentine Corporations Law No. 19,550 and modifications, Ps. 120 million of reserve for purchase of treasury shares and Ps. 3,648 million of reserve for IFRS initial adjustment.

(7) Adjusted EBITDA is calculated by excluding interest gains on assets, interest losses on liabilities, foreign exchange gains (net), income tax, deferred income tax, depreciation of fixed assets and amortization of intangible assets from our net income. For a reconciliation of Adjusted EBITDA to net income, see "—Adjusted EBITDA reconciliation."

(8) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by our net revenues.

(9) Current liquidity is calculated by dividing current assets by current liabilities.

(10) Solvency is calculated by dividing total shareholder´s equity by total liabilities.

(11) Capital immobilization is calculated by dividing noncurrent assets by total assets.

(12) Financial income, net is calculated by adding the interest and exchange differences on assets and liabilities.

Adjusted EBITDA reconciliation

Adjusted EBITDA is calculated by excluding interest gains on assets, interest losses on liabilities, foreign exchange gains (net), income tax, deferred income tax, depreciation of fixed assets and amortization of intangible assets from our net income. Our management believes that Adjusted EBITDA is meaningful for investors because it is one of the principal measures used by our management to compare our results and efficiency with those of other similar companies in the oil and gas industry, excluding the effect on comparability of variations in depreciation and amortization resulting from differences in the maturity of their oil and gas assets. Adjusted EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in the oil and gas industry. Adjusted EBITDA is not a measure of financial performance under IFRS and may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA should not be considered an alternative to operating income as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity.

The following table presents, for each of the periods indicated, our Adjusted EBITDA reconciled to our net income.

	For the nine-month period ended September 30,		
	2014	**2013**	**Percentage Change**
	(in millions of pesos)		
Net income	7,549	3,201	136%
Interest gains on assets	(1,078)	(573)	88%
Interest losses on liabilities	5,304	2,360	125%
Foreign exchange loss, net	(7,674)	(2,753)	179%
Depreciation of fixed assets and amortization of intangible assets	13,910	7,931	75%
Income tax	5,961	3,041	96%
Deferred income tax	8,377	2,141	291%
Adjusted EBITDA	32,349	15,348	111%

Capitalization and indebtedness

The following table shows our debt, equity and total capitalization as of September 30, 2014 and December 31, 2013. This table should be read together with the information in this Pricing Supplement and our Unaudited Interim Consolidated Financial Statements and notes thereto included in this Pricing Supplement.

	As of September 30, 2014	**As of December 31, 2013**
	(in millions of pesos)	
Current loans	12,425	8,814
Non current loans	36,693	23,076
Total loans	**49,118**	**31,890**
Total shareholders' equity	70,342	48,240
Total capitalization	119,460	80,130

Production and other operating data

The following table presents certain of our production and other operating data for the nine-month periods indicated, which arises from our internal sources.

	For the nine-month period ended September 30,	
	2014	**2013**
Average daily production for the period (2)		
Oil (mbbl)(1)	289	276
Gas (mmcf)	1,480	1,177
Total (mboe)	553	486
Refining capacity (2)		
Capacity (mbbl/d) (3)	320	320

(1) Including natural gas liquids (NGL).
(2) According to our internal information.
(3) According to internal estimates after La Plata refinery incident on April 2, 2013.

UPDATE OF OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, our Unaudited Interim Consolidated Financial Statements and notes thereto included in our Report on Form 6-K furnished on November 13, 2014 with the SEC and in the accompanying Offering Memorandum.

Overview

We are Argentina's leading energy company, operating a fully integrated oil and gas chain with leading market positions across domestic upstream and downstream segments. Our upstream operations consist of the exploration, development and production of crude oil, natural gas and LPG. Our downstream operations include the refining, marketing, transportation and distribution of oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, LPG and bio-fuels. Additionally, we are active in the gas separation and natural gas distribution sectors both directly and through our investments in several affiliated companies. During the nine-month period ended September 30, 2014, we had consolidated revenues of Ps. 104,203 million (U.S.$12,311 million) and consolidated net income of Ps. 7,549 million (U.S.$892 million).

Segment Reporting

We report our business into the following segments: (i) the Exploration and Production, including contractual purchases of natural gas and purchase of crude oil arising from service contracts and concession obligations, as well as crude oil and natural gas intersegment sales ("Exploration and Production"); (ii) the refining, transport, purchase of crude oil and natural gas to third parties and intersegment sales, and marketing of crude oil, natural gas, refined products, petrochemicals, electric power generation and natural gas distribution ("Downstream"); and (iii) other activities not falling into these categories are classified under a separate segment ("Corporate and Other"), principally including corporate, administrative expenses and assets, construction activities and the environmental remediations related to the our controlled company YPF Holdings (see Note 3 of Unaudited Interim Consolidated Financial Statements). Sales between business segments were made at internal transfer prices established by the Company, which generally seek to approximate market prices.

Summarized Statement of Comprehensive Income

	For the nine-month period ended September 30,		
	2014	2013	Percentage change
	(in millions of pesos)		
Consolidated Statement of Comprehensive Income Data (1):			
Revenues (2)	104,203	64,819	61%
Cost of sales	(74,808)	(48,386)	55%
Gross profit	**29,395**	**16,433**	**79%**
Selling expenses	(7,287)	(5,555)	31%
Administrative expenses	(3,116)	(1,889)	65%
Exploration expenses	(1,230)	(525)	134%
Other income (expense), net	616	(1,124)	(155%)
Operating income	**18,378**	**7,340**	**150%**
Income on investments in companies	61	77	(21%)
Financial income, net (3)	3,448	966	257%
Net income before income tax	**21,887**	**8,383**	**161%**
Income tax	(5,961)	(3,041)	96%
Deferred income tax	(8,377)	(2,141)	291%
Net income for the period	**7,549**	**3,201**	**136%**
Net income for the period attributable to:			
Shareholders of the parent company	7,619	3,207	138%
Non-controlling interest	(70)	(6)	1067%
Other comprehensive income for the period	15,159	6,370	138%
Total comprehensive income for the period	22,708	9,571	137%

(1) The consolidated financial statements reflect the effect of the application of the functional and reporting currency. See Note 1 b) 1 to the Unaudited Interim Consolidated Financial Statements.

(2) Revenues are disclosed net of a fuel transfer tax and turnover tax. Customs duties on hydrocarbon exports are accounted in "Taxes, charges and contributions," as indicated in Note 2 k) to the Unaudited Interim Consolidated Financial Statements. Royalties with respect to our production are accounted for as a cost of production and are not deducted in determining revenues. See Note 1 b) 16 to the Unaudited Interim Consolidated Financial Statements.

(3) Financial income, net is calculated by adding the interest and exchange differences on assets and liabilities.

Our business is inherently volatile due to the influence of exogenous factors such as internal demand and the regulations affecting our operations. Consequently, results of operations and the trends indicated by these results in any given period may not be indicative of results of operations or trends in future periods. For more information on recent declines in the international price of Brent crude oil and domestic prices, see "—Macroeconomic Conditions."

Factors Affecting Our Operations

Our operations are affected by a number of factors, including:

- the volume of crude oil, oil byproducts and natural gas we produce and sell;
- regulation on domestic pricing;
- export administration by the Argentine government and domestic supply requirements;
- international prices of crude oil and oil products;
- our capital expenditures and financial availability;
- cost increases;

- domestic market demand for hydrocarbon products;
- operational risks, labor strikes and other forms of public protest in the country;
- taxes, including export taxes;
- foreign exchange and capital regulations;
- the Argentine peso/U.S. dollar exchange rate;
- the revocation of our concessions in case of noncompliance with certain provisions as set by laws and agreements with provinces in Argentina;
- dependence on the infrastructure and logistics network used to deliver our products;
- laws and regulations affecting our operations, such us import regulations; and
- interest rates.

Macroeconomic conditions

Substantially all of our revenues are derived from our operations in Argentina and are therefore subject to prevailing macroeconomic conditions in Argentina. Changes in economic, political and regulatory conditions in Argentina and measures taken by the Argentine government have had and are expected to continue to have a significant impact on us. You should make your own investigation about Argentina and prevailing conditions in the country before making an investment in the Notes offered hereby.

The Argentine economy has experienced significant volatility in past decades, characterized by periods of low or negative growth and high variable levels of inflation. Inflation reached its peak in the late 1980s and early 1990s. Due to inflationary pressures prior to the 1990s, Argentina's currency has been devalued repeatedly and macroeconomic instability led to broad fluctuations in the real exchange rate of Argentina's currency relative to the U.S. dollar. To address these pressures, past Argentine governments implemented various plans and utilized a number of exchange rate systems.

In the fourth quarter of 1998, adverse international financial conditions caused the Argentine economy to enter into a recession and GDP to decrease between 1999 and 2001. By the end of 2001, in real terms 3.4% in 1999, 0.8% in 2000 and 4.4% in 2001, Argentina suffered a profound deterioration in social and economic conditions, accompanied by high political and economic instability. The restrictions on the withdrawal of bank deposits, the imposition of exchange controls, the suspension of the payment of Argentina's public debt and the abrogation of the peso's one-to-one peg to the dollar (with the consequent depreciation of the peso against the dollar) caused a decline in economic activity. Real GDP declined by 10.9% in 2002, annual inflation rose to 41%, the exchange rate continued to be highly volatile, and the unemployment rate rose to more than 20%. The political and economic instability not only curtailed commercial and financial activities in Argentina but also severely restricted the country's access to international financing.

Strong economic growth in the world's developed economies, favorable raw material prices from 2003 through the first half of 2008 and the implementation of new macroeconomic policies paved the way for Argentina's economic recovery. Real GDP grew at an average cumulative rate of 8.5% between 2003 and 2008. As a result of the crisis in the global economy, Argentina's real GDP growth rate decelerated in 2009 to 0.9%, but recovered in 2010 and 2011 growing by approximately 9% each year, according to preliminary data.

After vigorous growth in 2010 and 2011, several factors led to a decrease in growth of the Argentine economy in 2012 and 2013 compared to prior years. The growth of the global economy was not as strong as expected following the easing of U.S. economic crisis that started in 2007, and financial volatility continued at high levels. The recent decline in the price of Brent crude to below U.S.$50 per barrel, the negative trend in prices of major agricultural commodities occurred in recent months, coupled with the geopolitical tensions between the United States, Russia and Ukraine as well as countries in the Middle East, presents a complicated new international scenario that creates uncertainty about the future performance of developed and emerging economies, with consequences on the Argentina economy. For these reasons, the estimated growth projections contemplate serious downside risks.

In this framework, according to the International Monetary Fund's ("IMF") estimates, in 2013, global economic growth reached 3%, although the rate of growth or, in some cases, contraction, varied significantly from region to region. Additionally, according to the IMF, global output is projected to expand by approximately 3.3% in 2014, while it is projected to reach 3.8% in 2015, according to the IMF, which takes into account the high heterogeneity between economies. Additionally, the IMF estimates that Argentina's economy will shrink 1.7% in 2014 and 1.5% in 2015.

According to the IMF, emerging markets' efforts to rebalance growth toward domestic sources in recent years have supported world growth and facilitated a sizable unwinding of global current account imbalances. But in a number of countries this rebalancing, in a context in which growth has been below expectations for the past few years, has also increased some vulnerabilities and reduced policy space, with inflation above target, or weaker fiscal positions relative to the pre-crisis period, or both.

Argentina has also confronted inflationary pressures. The Argentine Statistics and Census Agency ("INDEC") reported increases of the annual wholesale price index of 8.8% in 2008, 10.3% in 2009, 14.6% in 2010, 12.7% in 2011, 13.1% in 2012 and

14.7% in 2013. In 2014, the Argentine government established a new consumer price index ("IPCNU"), which more broadly reflects consumer prices by considering price information from the 24 provinces of the country, divided into six regions. According to the IPCNU, inflation during the nine-month period ended September 30, 2014 was 19.8%. Certain private sector analysts usually quoted by the government opposition, based on methodologies being questioned by the Argentine government on the basis of the lack of technical support, believe that actual inflation was significantly higher than that reflected by INDEC. See additionally "Item 3. Risk Factors—Our business is largely dependent upon economic conditions in Argentina" in the 2013 20-F included herein.

During the nine-month period ended September 30, 2014, Argentina´s trade balance was an approximately U.S.$5,790 million surplus according to preliminary estimates from INDEC. Total exports were approximately U.S.$56,116 million during the nine-month period ended September 30, 2014, representing a 10.4% increase compared to the nine-month period ended September 30, 2013, and total imports were approximately U.S.$50,326, representing an 10.2% increase compared to the same period in 2013.

The official exchange rate of the Argentine peso against the U.S. dollar as of September 30, 2014, was Ps. 8.4643 per U.S.$1.00, reflecting an approximate 29.7% depreciation of the peso relative to the U.S. dollar compared to December 31, 2013 (Ps. 6.52 per U.S.$1.00).

In Argentina, domestic fuel prices have increased over the past five years, but have not kept pace with either increases or decreases in international market prices for petroleum products due to the market conditions and regulations affecting the Argentine market.

The recent drop in the international price of Brent crude has affected and will likely continue to affect the oil industry's expected activities worldwide, particularly with respect to expected investments in the industry. In this context, local oil producers and refiners have agreed to reduce the price of oil available in the local Argentine market by approximately U.S.$7 per barrel, which remained stable in the domestic market despite the drop in the international price of Brent crude that occurred in recent months, as well as reductions to the retail price of gasoline and diesel of approximately 5% from January 1, 2015. See "Risk Factors–Risks Relating to the Argentine Oil and Gas Business and Our Business–Oil and gas prices, including the recent decline in global prices for oil and gas, could affect our business."

The Argentine government recently launched a series of measures designed to sustain the activity and production in the oil industry, including cuts to fuel transfer taxes, water infrastructure fund taxes and withholding taxes applicable to exports of certain petroleum products (for more information, see "Update of Regulatory Framework–Exploration and Production – Duties on Exports"). This had a positive impact on net income for affected companies and was designed to partially offset the 5% drop in gasoline and diesel prices mentioned above. In the context of the current scenario, the Argentine government is expected to analyze certain additional measures in response to the U.S.$7 per barrel drop in crude oil prices in Argentina agreed to by Argentine companies, in order to encourage a stable level of economic activity in the local oil industry. Among the measures under consideration is an oil production subsidy for production companies to the extent they meet certain criteria, in accordance with publications in local media. There is no assurance, however, that the above measures will be implemented or under what terms they will be implemented.

In Argentina, energy consumption has increased significantly since 2003. The continuous increase in the demand has led to oil shortages and electric power cuts, accelerating the adoption by the Argentine government of measures to guarantee domestic energy supplies. As a result of (i) this growing demand, (ii) the decline of production volumes of certain products and companies in our industry and (iii) the measures adopted by Argentine regulatory authorities aimed to prioritize domestic supplies, export volumes of hydrocarbons products (in particular natural gas) have declined steadily during this period. In turn, Argentina has recently increased imports of natural gas and refined products.

In 2005, Argentina successfully completed the restructuring of a substantial portion of its bond indebtedness and settled all of its debt with the IMF. Additionally, in June 2010, Argentina completed the renegotiation of approximately 70% of defaulted bonds that were not swapped in 2005. As a result of the 2005 and 2010 debt swaps, over 91% of the country's bond indebtedness on which Argentina defaulted in 2002 has now been restructured.

Certain bondholders did not participate in the restructuring and instead sued Argentina for payment ("Holdout bondholders"). In late October 2012, the United States Court of Appeals for the Second Circuit rejected an appeal by Argentina concerning payments allegedly due on bonds that had not been the subject of the swaps in 2005 and 2010. On November 21, 2012, the United States District Court for the Southern District of New York ordered Argentina to make a deposit of U.S.$1,330 million for payment to the Holdout bondholders. Argentina appealed the District Court's November 21 order to the Second Circuit Court of Appeals, which granted Argentina's request for a stay of the order. On March 19, 2013, Argentina submitted to the Second Circuit a proposed payment plan for Holdout bondholders. That proposal was rejected by the plaintiff Holdout bondholders on April 19, 2013. On August 30, 2013, the Second Circuit Court of Appeals affirmed the District Court's November 21, 2012 order, but stayed its decision pending an appeal to the Supreme Court of the United States.

On September 3, 2013, the District Court granted plaintiff holdout bondholders' requests for discovery from Argentina and certain financial institutions concerning, among other things, Argentina's assets and the relationship between Argentina and YPF. In January of 2014, the U.S. Supreme Court agreed to hear the appeal filed by Argentina regarding the extent of discovery permitted concerning its assets, but eventually ruled on June 16, 2014 that the District Court had the authority to allow creditors of Argentine debt to seek discovery about all of Argentina's assets worldwide.

Additionally, also on June 16, 2014, the U.S. Supreme Court denied Argentina's appeal for certiorari of the Second Circuit Court of Appeals' ruling affirming the Southern District Court judgment, which held that Argentina had violated the *pari passu* clause with respect to the bondholders that had not participated in the sovereign debt swaps in 2005 and 2010, and as a consequence was required pursuant to the judge's ruling to pay 100% of the amounts due to the plaintiffs together with the payment of the amounts due on the next maturity date to bondholders who had participated in the debt swaps (ratable payment). With the appeals of Judge Griesa's order exhausted, the United States Court of Appeals for the Second Circuit on June 18, 2014 lifted its stay of that order. On June 23, 2014, Argentina requested that Judge Griesa of the U.S. District Court for the Southern District of New York issue a new stay to allow for a reasonable period of negotiations to settle the dispute with the plaintiffs.

On June 26, 2014, Argentina proceeded to deposit the amount applicable to the payment of service of capital and interest that matured on June 30, 2014 due to holders of bonds under foreign law who had voluntarily agreed to the debt swaps during the period 2005-2010, which was equivalent to U.S.$832 million, of which U.S.$539 million were deposited in accounts of The Bank of New York Mellon ("BONY") in the Central Bank of Argentina. On that same date, Judge Griesa rejected the request for a stay made by Argentina on June 23, 2014.

On June 27, 2014, in a hearing in the U.S. District Court for the Southern District of New York, the judge presiding over the case ruled that the aforementioned funds should not be delivered to the holders of restructured debt in the absence of a prior agreement with the holdouts. As of the date of the issuance of these Notes, the parties have not arrived at an agreement and BONY has invoked the decision of the District Court judge to not deliver the funds deposited by Argentina to the holders of bonds under foreign law. Argentina has asserted that it has complied with its obligation to the holders of the restructured bonds by making said deposit, and that the indenture trustee has the obligation to deliver those funds to their beneficiaries.

On September 11, 2014, Argentina promulgated Law No. 26,984 concerning sovereign payment, which provides for various mechanisms to pay 100% of the outstanding creditors under the terms of the 2005 and 2010 debt swaps, authorizing for that purpose, among other things, the Minister of Economy and Public Finance to replace the indenture trustee and to provide for a voluntary exchange of the outstanding bonds for new bonds that would have identical financial terms but be governed by Argentine law and subject to Argentine jurisdiction.

On September 29, 2014 the District Court judge declared Argentina in contempt of court but did not impose sanctions on the country. On October 3, 2014, the District Court judge ordered Argentina to repair its relations with BONY, remove Nación Fideicomisos as indenture trustee for the debt and resolve the situation with the holdout plaintiffs.

On October 22, 2014, the Second Circuit Court of Appeals dismissed for lack of jurisdiction Argentina's appeal with respect to the freezing of the funds deposited with BONY.

On October 28, 2014, the District Court judge rejected a motion to attach the funds deposited by Argentina and frozen at BONY.

At Citibank's request, the District Court judge has authorized the payment of US dollar denominated bonds under Argentine law to the extent that payments have become due, deferring a definitive decision on this question. The District Court judge has set a new hearing for March 3, 2015 on the matter.

The actions initiated by the holdout bondholders against Argentina could result in attachments or preliminary injunctions of assets belonging to, or alleged to belong to, Argentina.

In connection with the holdout bondholder litigation in New York federal court against the Republic of Argentina (to which YPF is not a party), the bondholders had served subpoenas on various financial institutions in New York seeking the production of documents concerning the accounts and transfers of hundreds of entities allegedly owned or controlled, in whole or in part, by the Republic of Argentina, including YPF. At a hearing on September 3, 2013, the New York judge ruled that this discovery from those institutions can go forward as to, among others, the accounts of YPF, in order for the bondholders to determine if those documents might support an argument that YPF is the alter ego of the Republic of Argentina. Notably, the New York courts previously held that Banco de la Nación Argentina is not an alter ego of Argentina, and a California Magistrate Judge has recently ruled that bondholders' factual allegations made in support of asset discovery were insufficient to find YPF to be an alter ego of Argentina. YPF is not a recipient of any such subpoenas and, as such, has no obligation to produce discovery or otherwise participate in discovery.

After the *pari passu* injunction became effective, litigation continued regarding Argentina's efforts to make payments to exchange bondholders. These payments have been made, however the chain of payments has been interrupted as a consequence of judicial orders, and various exchange bondholders have sought release of such funds through litigation before the District Court and in various jurisdictions. Additionally Argentina's Congress has passed the Sovereign Debt Payment Act, No 26,984 in which it was allowed to remove the Bank of New York Mellon as trustee and appointed Nación Fideicomisos S.A. in its place and authorized to make payments of the sovereign bonds in two accounts in Argentina in order to guarantee that the bondholders receive the payment made. As of the date hereof, litigation initiated by bondholders seeking payments from Argentina continues in the U.S. and in courts in other jurisdictions. The consequences of potentially inconsistent rulings from different courts are unclear. There can be no assurances that the outcome of this continued and potential future litigation, or the efforts of the bondholders to obtain payment from Argentina through other means, such as alter ego theories, will not have a material adverse effect on Argentina's economy, YPF's assets, and/or YPF's ability to access international financing to repay its obligations, including the Notes. Based on the above, we cannot predict the evolution of future macroeconomic events, or the effect that they are likely to have on our business, financial

condition and results of operations. See "—Risk Factors—Risks Relating to Argentina—Our business is largely dependent upon economic conditions in Argentina; holdout creditor litigation" and "Item 3. Risk Factors—Risks Relating to Argentina" in the 2013 20-F included herein.

Principal Income Statement Line Items

The following is a brief description of the principal line items of our statement of comprehensive income.

Revenues

Net revenues include primarily our consolidated sales of unrefined and refined fuel and chemical products net of the payment of applicable fuel transfer taxes and turnover taxes. Royalties with respect to our production and customs rights on hydrocarbon exports are accounted for as a cost of production and selling expenses, respectively and are not deducted in determining revenues.

Cost of sales

The following table presents, for each of the periods indicated, a breakdown of our consolidated cost of sales by category:

	For the nine-month period ended September 30,	
	2014	2013
	(in millions of pesos)	
Inventories at beginning of year	9,881	6,922
Purchases for the period	25,515	18,945
Production costs(1)	49,116	29,727
Translation effect	2,657	1,194
Inventories at end of period	(12,361)	(8,402)
Cost of sales	74,808	48,386

The table below presents, for each of the periods indicated, a breakdown of our consolidated production costs by category:

	For the nine-month period ended September 30,	
	2014	2013
	(in millions of pesos)	
Salaries and social security taxes	3,745	2,984
Fees and compensation for services	584	245
Other personnel expenses	1,146	779
Taxes, charges and contributions	1,652	486
Royalties and easements	6,724	4,054
Insurance	482	341
Rental of real estate and equipment	1,904	1,219
Depreciation of fixed assets	13,115	7,452
Amortization of intangible assets	107	69
Industrial inputs, consumable material and supplies	2,310	1,392
Operation services and other service contracts	4,372	1,823
Preservation, repair and maintenance	7,760	5,143
Contractual commitments	69	138
Transportation, products and charges	2,987	1,871
Fuel, gas, energy and miscellaneous	2,159	1,731
Total	49,116	29,727

Other expense, net

Other expense, net principally includes reserves for pending lawsuits and other claims, provisions for environmental remediation and provisions for defined benefit pension plans and other post-retirement benefits.

Financial income (expense), net

Financial income (expense), net consists of the net of gains and losses on interest paid and interest earned and foreign currency exchange differences.

Income tax and deferred income tax

Income tax and deferred income tax includes the current income tax and deferred income tax expenses for the periods ended September 30, 2014 and 2013. See Note 10 to the Unaudited Interim Consolidated Financial Statements.

Results of operations

Consolidated results of operations for the nine-month periods ended September 30, 2014 and 2013

The following table sets forth certain financial information as a percentage of revenues for the periods indicated.

	For the nine-month period ended September 30,	
	2014	**2013**
	(percentage of revenues)	
Revenues	100.00%	100.00%
Cost of sales	(71.79)	(74.65)
Gross profit	28.21	25.35
Administrative expenses	(2.99)	(2.91)
Selling expenses	(6.99)	(8.57)
Other (expense) income, net	0.59	(1.73)
Exploration expenses	(1.18)	(0.81)
Operating income	17.64	11.32

The tables below present, for the periods indicated, volume and price data with respect to our consolidated sales of our principal products in the domestic and export markets, respectively.

Domestic Market	**For the nine-month period ended September 30,**							
	2014				**2013**			
Product	**Units sold**		**Average price per unit(1)**		**Units sold**		**Average price per unit(1)**	
			(in pesos)				**(in pesos)**	
Natural gas	8,857	mmcm	1,292	/mcm	8,346	mmcm	772	/mcm
Diesel	6,122	mcm	6,325	/m³	6,052	mcm	4,139	/m³
Gasoline	3,513	mcm	5,995	/m³	3,339	mcm	3,760	/m³
Fuel oil	819	mtn	4,421	/ton	504	mtn	2,781	/ton
Petrochemicals	470	mtn	6,272	/ton	434	mtn	4,045	/ton

(1) Average prices shown are net of applicable domestic fuel transfer taxes payable by consumers in the domestic market and are calculated over the revenues obtained by the Company and the volumes sold for each product.

Export Markets	For the nine-month period ended September 30,							
	2014				2013			
Product	Units sold		Average price per unit(1)		Units sold		Average price per unit(1)	
			(in pesos)				(in pesos)	
Natural gas	8	mmcm	10,077	/mcm	24	mmcm	4,533	/mcm
Gasoline	7	mcm	6,847	/m³	-	mcm	-	/m³
Fuel oil	457	mtn	4,576	/ton	406	mtn	3,128	/ton
Petrochemicals (2)	200	mtn	7,714	/ton	232	mtn	5,139	/ton

(1) Average prices shown are gross of applicable export withholding taxes payable by us and are calculated over the basis of revenues obtained by the Company and the volumes sold for each product.
(2) Includes exports of refined paraffinic.

Revenues

Revenues during the first nine months of 2014 were Ps. 104,203 million, representing a 60.8% increase compared to Ps. 64,819 million during the same period in 2013. Among the main factors contributing to the increase were:

- Diesel oil revenues increased by Ps. 13,671 million, or 54.6%, primarily as a result of an increase in the average price for diesel mix of approximately 52.8% and an increase in sales volumes of approximately 1.2%;

- Gasoline revenues increased by Ps. 8,502 million, or 67.7%, primarily as a result of an increase in the average price for gasoline mix of approximately 59.4% and an increase in sales volumes of approximately 5.2%;

- Fuel oil revenues increased by Ps. 3,041 million, or 113.9%, primarily as a result of an increase in the average price of 52.5% and an increase in sales volumes of 40.3%. The increased volume sold was mainly due to the effects of shutting down the Coke A Unit at our La Plata Refinery as a result of the incident on April 2, 2013 that resulted in a decrease in light fuel production and an increase in intermediate and heavy refined oil production during the period;

- Oil revenues decreased by Ps. 18 million, or 0.9%, primarily as a result of a 260,000 m³ decrease in sales volumes outside Argentina to third parties due to excess crude oil in 2013 due to the La Plata Refinery fire and consequential lower refining volumes during the period. This was partially offset by higher average prices for crude oil and an increase in sales volumes of 67,000 m³ in Argentina. These increases were partially due to (i) the acquisition of Apache group assets in Argentina, Yacimientos del Sur ("YSUR"), in early 2014 (the "YSUR acquisition") and, to a lesser extent, (ii) the initiation of activities of YPF Energía Eléctrica, which began operations in August 2013 (the "YPF Energía Electrica initiation").

- Natural gas revenues in the domestic market increased by Ps. 5,986 million, or 92.6%, primarily as a result of an increase in sales volumes of approximately 18.5%, which was driven by (i) increased production, (ii) the YSUR acquisition, accounting for an increase of revenues of approximately Ps. 948 million and (iii) the YPF Energía Eléctrica initiation, accounting for an increase of revenues of approximately Ps. 38 million. The increase was further due to an increase in the average price obtained by YPF of 62.5% in Argentine peso terms (or a 9% increase in dollar terms), which includes not only higher prices from third parties but also the Argentine federal government's Plan to Incentivize Additional Natural Gas Injection (the "Gas Plan"), which increases the average prices obtained by YPF as a result of increasing YPF's natural gas production.

Cost of sales

Cost of sales during the first nine months of 2014 was Ps. 74,808 million, representing a 54.6% increase compared to Ps. 48,386 million during the same period in 2013. Among the main factors contributing to this increase were:

- An increase in imported gasoline and diesel, especially "premium" and "ultradiesel," of Ps. 2,452 million, or 51.1%, primarily as a result of depreciation of the Argentine peso against the dollar and slightly higher overall imported volumes in 2014 compared to 2013;

- A net increase in purchases of crude oil from third parties of Ps. 1,878 million, or 35.3%, primarily as a result of an increase in average prices charged by third parties in Argentine peso terms of approximately 61%, which was mainly related to depreciation

of the Argentine peso. There was only a small increase in dollar terms. This was partially offset by (i) a 351,000 m³ decrease of purchased volumes, primarily as a result of higher than usual purchases of heavy crude oil during the first quarter of 2013 to supply higher fuel oil production for electricity generation and (ii) the incorporation of crude oil production of YSUR;

- An increase in purchases of biofuels of Ps. 1,904 million, or 65.8%, primarily as a result of an approximately 37% increase in the price of fatty acid methyl esters ("FAME") and a 51% increase in the price of bioethanol. The volumes purchased of bioethanol and FAME increased 48% and 2%, respectively;

- An increase in fixed assets depreciation costs of Ps. 5,663 million, or 76.0%, primarily as a result of (i) increased investments in assets, (ii) overall increases in Argentine peso terms of the value of fixed assets, which was related to the depreciation of the Argentine peso against the dollar and considering the functional currency of the Company (iii) increases in production volumes with a consequential effect on depreciation rates and (iv) the depreciation of additional assets incorporated as a result of the YSUR acquisition;

- An increase in the costs of operational services and other repair and maintenance service contracts of Ps. 4,737 million, or 68.4%, primarily as a result of (i) increases in services provided in the Upstream business segment related to oil and natural gas production increases, (ii) operational costs linked to YSUR's operations since the acquisition in early 2014 and (iii) an overall increase in prices;

- An increase in royalty payments of Ps. 2,596 million, or 67.8%, primarily as a result of increases of (i) Ps. 1,918 million related to crude oil production of YPF S.A., (ii) Ps. 343 million related to natural gas production of YPF S.A., (iii) Ps. 310 million related to crude oil and natural gas production of YSUR and (iv) Ps. 26 million related to crude oil and natural gas production of YPF Energía Eléctrica S.A. These increases resulted from higher production volumes and also from higher prices in Argentine peso terms, which were mainly related to the depreciation of the Argentine peso against the dollar;

- Increases in salaries and other personnel expenses of Ps. 1,128 million or 30.0%;

- Increases in environmental provisions of Ps. 430 million, primarily as a result of new information related to environmental liabilities in both the Exploration and Production and Downstream business segments; and

- An increase in other production costs of Ps. 246 million, primarily as a result of the acquisition and incorporation of YSUR to our consolidated figures.

These increases were partially offset by insurance income of Ps. 1,632 million recognized during 2014, which stemmed from YPF's insurance coverage related to the April 2013 La Plata Refinery fire. This income was registered primarily as lower costs for purchases.

Administrative expenses

Administrative expenses during the first nine months of 2014 increased to Ps. 3,116 million, representing a 64.9% increase compared to Ps. 1,889 million during the same period in 2013, primarily as a result of increases in publicity and advertising expenses, personnel cost increases for wage increases, IT service contracts and higher expenses due to the incorporation into the consolidation process as a result of the acquisition of MetroGAS and YSUR, as discussed in Note 13 to the Unaudited Interim Consolidated Financial Statements.

Selling expenses

Selling expenses during the first nine months of 2014 increased to Ps. 7,287 million, representing a 31.2% increase compared to Ps. 5,555 million during the same period in 2013, primarily as a result of increased tax on debits and credits as a consequence of our increased activity, increased transport costs mainly related to higher costs of fuel transported in Argentina and increased volumes of fuel transported and sold.

Exploration expenses

Exploration expenses during the first nine months of 2014 increased to Ps. 1,230 million, representing a 134.3% increase compared to Ps. 525 million during the same period in 2013, primarily as a result of abandoning of conventional and unconventional exploratory study wells in the Argentine Provinces of La Rioja, Mendoza, Santa Cruz, Chubut and Neuquén as well as exploration costs for exploratory areas held by the YPF Chile subsidiary.

Other income (expenses), net

Other income (expenses), net during the first nine months of 2014 increased to a gain of Ps. 616 million, which was an approximately Ps. 1,740 million increase compared to the same period in 2013. This was primarily as a result of (i) expenses during

the second quarter of 2013 related to the AES Uruguaiana Emprendimientos S.A. (AESU) and Transportadora de Gas del Mercosur (TGM) arbitration based on a partial award rendered by the Arbitration Court of the International Chamber of Commerce, (ii) the total write-off of the book value of the Coke A Unit and the partial write-off of the book value of the Topping C Unit, both as a result of the previously-discussed April 2, 2013 fire at the La Plata Refinery, (iii) revenues recorded during 2014 from the sale of a 30% interest in the extension of the La Ventana concession area in the Province of Mendoza to Sinopec and (iv) to a lesser extent increases in sales of materials in 2014.

Operating income

Operating income during the first nine months of 2014 increased to Ps. 18,378 million, representing a 150.4% increase compared to Ps. 7,340 million during the same period in 2013, as a result of the factors discussed above.

Financial income

Financial income, net during the first nine months of 2014 was Ps. 3,448 million compared to Ps. 966 million during the same period in 2013, primarily as a result of the effect of higher foreign exchange gains on net monetary liabilities in Argentine pesos related to the depreciation of the Argentine peso against the dollar, which was partially offset by higher net financial interest expenses due to overall higher levels of indebtedness and higher interest rates. The average net amount of financial indebtedness during the first nine months of 2014 was Ps. 27,211 million compared to Ps. 15,766 million during the same period in 2013. The average net amount of financial indebtedness was calculated as the linear average of current and non-current loans at the beginning and end of the corresponding period, net of the linear average of cash and cash equivalents at the beginning and end of the corresponding period.

Income tax and deferred income tax

Income tax and deferred income tax during the first nine months of 2014 totaled Ps. 14,338 million, representing a 176.7% increase compared to Ps. 5,182 million during the same period in 2013, primarily as a result of (i) the variation of deferred tax liabilities of Ps. 6,236 million, principally as a result of increases in the value of fixed assets in Argentine peso terms related to the depreciation of the Argentine peso against the dollar and (ii) an increase in current taxes payable of Ps. 2,920 million as a result of increased revenues described above.

Net income and other comprehensive income

Net income during the first nine months of 2014 was Ps. 7,549 million, representing a 135.8% increase compared to Ps. 3,201 million during the same period in 2013, as a result of the factors discussed above.

Other comprehensive income during the first nine months of 2014 was Ps. 15,159 million compared to Ps. 6,370 million during the same period in 2013, primarily as a result of higher currency translation difference of fixed assets, taking into account that the U.S. dollar is the functional currency of the Company and the evolution of the exchange rate.

Total comprehensive income during the first nine months of 2014 was Ps. 22,708 million, representing an approximately 137% increase compared to Ps. 9,571 million during the same period in 2013, as a result of the factors discussed above.

Consolidated results of operations by business segment for the nine-month periods ended September 30, 2014 and 2013

The following table sets forth net revenues and operating income for each business segment for the nine-month period ended September 30, 2014 and 2013:

	Exploration and Production[2]	Downstream	Corporate and Other	Consolidation Adjustments [4]	Total
For the nine-month period ended September 30, 2014					
Revenues from sales	6,357	97,316	530	-	104,203
Revenues from intersegment sales (3)	44,604	1,080	3,712	(49,396)	-
Revenues (1)	50,961	98,396	4,242	(49,396)	104,203
Operating income (loss)	10,781	9,238	(1,190)	(451)	18,378

	Exploration and Production (2)	Downstream	Corporate and Other	Consolidation Adjustments [4]	Total
For the nine-month period ended September 30, 2013					
Revenues from sales	2,815	61,417	587	—	64,819
Revenues from intersegment sales (3)	27,209	731	1,501	(29,441)	—
Revenues (1)	30,024	62,148	2,088	(29,441)	64,819
Operating income (loss)	4,595	3,954	(1,081)	(128)	7,340

(1) Revenues are disclosed net of payment of a fuel transfer tax and a turnover tax. Customs duties on hydrocarbon exports are disclosed in "Taxes, charges and contributions", as indicated in Note 2.k) to the Unaudited Interim Consolidated Financial Statements. Royalties with respect to our production are accounted for as a cost of production and are not deducted in determining revenues. See Note 1.b.16) to the Unaudited Interim Consolidated Financial Statements.
(2) Includes exploration and production operations in Argentina and the United States.
(3) Intersegment revenues of crude oil to Downstream are recorded at transfer prices that reflect our estimate of Argentine market prices.
(4) Corresponds to the elimination of income between segments of the YPF group.

Exploration and production

Net revenues from the Exploration and Production segment during the first nine months of 2014 was Ps. 50.961 million, representing a 69.7% increase compared to Ps. 30,024 during the same period in 2013.

Operating income for the Exploration and Production business segment during the first nine months of 2014 was Ps. 10,781 million, representing a 134.6% increase compared to Ps. 4,595 million during the same period in 2013. This increase in operating income was principally due to the following factors:

- Oil production in respect of our operations in Argentina during the first nine months of 2014 reached 234,400 barrels per day, representing a 2.6% increase, plus an additional 7,200 barrels per day as a result of the YSUR acquisition. This contributed to the increase of 1.2 million m³ of crude oil, or 12.2%, transferred from the Exploration and Production business segment to the Downstream business segment and a decrease of 193,000 m³ of crude oil sales to third parties principally outside Argentina. The intersegment oil price measured in dollars increased 2.5%, representing an approximately 55% increase in Argentine peso terms, which was related primarily to the depreciation of the Argentine peso against the dollar.

- Natural gas production in respect of our operations in Argentina during the first nine months of 2014 reached 37.4 million m³ per day, representing approximately a 12.4% increase, in addition to a 4.4 million m³ per day increase as a result of the YSUR acquisition. With the exception of the YSUR production, all natural gas produced, net of internal consumption, is assigned to the Downstream segment for sale to third parties. The Exploration and Production business segment records the average price obtained by YPF in such sales net of sales and marketing fees. The Exploration and Production segment also includes revenues from the Gas Plan, which increases the average prices obtained by YPF as a result of increasing YPF's natural gas production.

- Total production costs in respect of our operations in Argentina during the first nine months of 2014 were Ps. 38,950 million, representing a 56.4% increase. Among the main factors contributing to the increase were:

- A Ps. 4,975 million, or 74.4%, increase in fixed assets depreciation costs, primarily as a result of overall increases of the value of fixed assets in Argentine peso terms, which was related to the depreciation of the Argentine peso against the dollar, as well as increased investments in fixed assets and increased production;

- A Ps. 3,676 million, or 55.8%, increase in the costs of operational services and other repair and maintenance service contracts, primarily as a result of (i) increases in production activity, including crude oil and natural gas production, (ii) a general increase in prices and (iii) an increase in prices as a result of the depreciation of the Argentine peso;

- A Ps. 315 million increase for environmental expenditures;

- An increase in royalty payments of Ps. 2,596 million, or 67.8%, principally due to (i) Ps. 1,918 million relating to crude oil production of YPF S.A., (ii) Ps. 343 million relating to natural gas production of YPF S.A., (iii) Ps. 310 million relating to the production of crude oil and natural gas of YSUR and (iv) Ps. 26 million relating to the production of crude oil and natural gas of YPF Energía Eléctrica These increases resulted from higher production volumes and higher prices in Argentine pesos, which was principally due to depreciation of the Argentine peso against the dollar;

- During the nine-month period ended September 30, 2014, we recorded net revenues of Ps. 359 million for the sale of a 30% interest in the extension of the La Ventana concession area in the Province of Mendoza to Sinopec.

- During the first nine months of 2013, expenses related to the AES Uruguaiana Emprendimientos S.A. (AESU) and Transportadora de Gas del Mercosur (TGM) arbitration were recorded, based on a partial award rendered by the Arbitration Court of the International Chamber of Commerce.

- Exploration expenses during the nine-month period ended September 30, 2014 were Ps. 1,230 million, representing a 134.3% increase compared to Ps. 525 million during the same period in 2013, primarily as a result of abandoning conventional and unconventional exploratory study wells in the Argentine Provinces of La Rioja, Mendoza, Santa Cruz, Chubut and Neuquén and exploration costs for exploratory areas held by the YPF Chile subsidiary.

Downstream

Operating income for the Downstream business segment during the first nine months of 2014 was Ps. 9,238 million, representing a 133.6% increase compared to Ps. 3,954 million during the same period in 2013. This increase in operating income is primarily due to the following factors:

- An increase in diesel oil revenues of Ps. 13,671 million, or 54.6%, primarily as a result of an increase in the average price received for diesel mix of approximately 52.8% and an increase in sales volumes of approximately 1.2%;

- An increase in gasoline revenues of Ps. 8,502 million, or 67.7%, primarily as a result of an increase in the average prices received for gasoline mix of approximately 59.4% and an increase in sales volumes of approximately 5.2%;

- An increase in fuel oil revenues of Ps. 3,041 million, or 113.9%, primarily as a result of an increase in the average price received for fuel oil of 52.5% and an increase in sales volumes mainly in the domestic market of 40.3%;

- An increase in petrochemicals revenues of Ps. 1,543 million, or 52.4%, primarily as a result of an increase in the average prices received for methanol and aromatics and an increase in sales volumes, which increased revenues Ps. 1,191 million. Exports increased by Ps. 352 million driven by higher sales volumes of methanol and generally higher prices in Argentine peso terms, which was partially offset by lower overall export volumes of solvents and light paraffinics; and

- An increase in natural gas sales volumes and higher average prices received for sales to third parties, as well as increases due to the Gas Plan, which increases the average prices obtained by YPF when increasing natural gas production. Sales volumes of natural gas, most of which occurs in Argentina, increased approximately 6.1%, primarily in sales to electricity generation plants. This increased natural gas sales and had a positive effect on the Downstream results as a consequence of increased marketing fees.

All of this was partially offset by:

- An increase in costs to purchase crude oil from third parties and the Exploration and Production business segment of Ps. 17,829 million, or 66.5%, primarily as a result of increases in crude oil prices in Argentine peso terms related to the depreciation of the Argentine peso against the dollar as well as higher volumes of crude oil transferred from the Exploration and Production business segment. This was partially offset by a decrease in the volume of crude oil purchased from third parties of approximately 8.4% (about 185,000 m³). The average purchase price in Argentine peso terms for crude oil transferred from the Exploration and

Production business segment increased approximately 55% compared to an increase for oil purchased from third parties of approximately 62%. This variation in the percentage amounts is due to different mixes of grades of crude oil purchased from third parties;

- An increase in the cost of imported gasoline and diesel, especially "premium" and "ultradiesel," of Ps. 2,452 million, or 51.1%, primarily as a result of the effect of the depreciation of the Argentine peso, and to a lesser extent due to slightly higher overall imported volumes;

- An increase in purchases of biofuels of Ps. 1,904 million, primarily as a result of an approximately 37% increase in the price of FAME and a 51% increase in the price of bioethanol. The volumes purchased of bioethanol and FAME increased 48% and 2%, respectively; and

- An increase in production costs of Ps. 1,322 million, representing a 48.7% increase, primarily as a result of increases in (i) freight costs for crude oil and raw materials transportation, (ii) rates for use of port facilities and (iii) contracted services rates for refinery repair and maintenance. These increases were driven by different factors, including general prices increases in the economy and wage increases. Increased costs were also recorded with respect to (a) a Ps. 115 million increase in provisions for environmental liabilities and (b) higher insurance expenses after the 2013 La Plata Refinery fire. As a result of these cost increases as well as increased refining activities, refining costs increased 41.5% in Argentine peso terms during 2014.

These increases were partially offset by insurance income of Ps. 1,632 million recognized during 2014, which stemmed from YPF's insurance coverage related to the April 2013 La Plata Refinery fire. This income was registered primarily as lower costs for purchases.

The average volume of oil processed per day in YPF's refineries increased 5.1% to 289,000 barrels of oil per day, primarily as a result of the restoration of the refining capacity at the La Plata Refinery after the damage on April 2, 2013 and, to a lesser extent, the increased availability of light crude in 2014.

Corporate and others

The operating loss for corporate and others during the first nine months of 2014 was Ps. 1,190 million, representing a 10% increase compared to Ps. 1,081 million compared to the same period in 2013, primarily as a result of increased wages and social contributions and higher fees for publicity and advertising, which was partially offset by improved results from the A-Evangelista and YPF Technología subsidiaries.

Liquidity and Capital Resources

Financial condition

Total loans outstanding as of September 30, 2014 was Ps. 49,118 million, consisting of current loans (including the current portion of non-current loans) of Ps. 12,425 million and non-current loans of Ps. 36,693 million. As of September 30, 2014, approximately 70% of our loans were denominated in U.S. dollars. Total loans outstanding as of December 31, 2013 was Ps. 31,890 million, consisting of current loans (including the current portion of non-current loans) of Ps. 8,814 million and non-current loans of Ps. 23,076 million. As of December 31, 2013, a significant portion of our loans was denominated in U.S. dollars.

The following tables set forth our consolidated cash flow information for the periods indicated.

	For the nine-month period ended September 30,	
	2014	**2013**
	(in millions of pesos)	
Net cash flows provided by operating activities	36,394	16,379
Net cash flows used in investing activities	(38,902)	(18,107)
Net cash flows provided by financing activities	6,453	3,795
Translation differences generated by cash and equivalents	1,215	89
Net increase in cash and equivalents	5,160	2,156
Cash and equivalents at the beginning of the year	10,713	4,747
Cash and equivalents at the end of period	15,873	6,903

Net cash flow provided by operating activities was Ps. 36,394 million for the nine-month period ended September 30, 2014, compared to Ps. 16,379 million for the nine-month period ended September 30, 2013. This 122% increase was primarily attributable

to better operating results before depreciation of fixed assets. During the third quarter of 2013, the Company received U.S.$300 million for advances related to investment project agreements (see Note 11.c to our Unaudited Interim Consolidated Financial Statements).

Our principal uses of cash in investing activities during the nine-month period ended September 30, 2014, included Ps. 35,365 million for investments in fixed assets and intangible assets, which relate mainly to investments made by the Exploration & Production business segment, the investments in refineries, while net cash flows provided by financing activities totaled Ps. 6,453 million. Our principal uses of cash in investing activities during the nine-month period ended September 30, 2013, included Ps. 18,203 million for investments in fixed assets and intangible assets, which relate mainly to investments made by our Exploration & Production business segment, investments in refineries, while net cash flows provided by financing activities totaled Ps. 3,795 million, respectively.

The following table sets forth our debt maturities for the periods indicated below with regard to the principal amount payments of our loans as of September 30, 2014, including interest accrued and unpaid through September 30, 2014:

		Expected Maturity Date					
	Total	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	More than 5 years
				(in millions of pesos)			
Loans	49,118	12,425	6,841	5,555	2,644	10,322	11,331

For additional information regarding Negotiable Obligations as of September 30, 2014, see Note 2.i to the Unaudited Interim Consolidated Financial Statements.

On April 30, 2013, our shareholders approved an increase of the total amount of our Global Medium-Term Note Program from U.S.$2 billion to U.S.$5 billion or its equivalent in other currencies.

Covenants in our indebtedness

Our financial loans generally contain customary covenants. With respect to a significant portion of our loans totaling Ps. 49,118 million as of September 30, 2014, we have agreed, among other things and subject to certain exceptions, not to incur liens or charges on our assets. In addition, approximately 34% of our financial loans outstanding as September 30, 2014, are subject to financial covenants related to our leverage ratio and debt service coverage ratio.

Additionally, Gas Argentino SA and its subsidiaries (including Metrogas), must comply with certain restrictions relating to indebtedness, restricted payments (including dividends), and liens, among others.

Regarding our outstanding loans amounting to Ps. 38,707 million as of September 30, 2014, the creditors may, upon an event of default, declare due and immediately payable the principal and accrued interest on amounts owed to them.

Almost all of our total outstanding financial loans are subject to cross-default provisions. The default on our part or, in certain cases, the part of any of our consolidated subsidiaries covered by such provisions, could result in a declaration of default and/or acceleration of a substantial portion of our financial debt.

As of the date of this Pricing Supplement, none of our debt is under any event of default that could trigger an acceleration provision. In connection with the change of control of the Company as a result of the Expropriation Law, all waivers have been obtained.

Guarantees provided

As of September 30, 2014 the Company had issued letters of credit totaling U.S.$26.5 million to guarantee environmental obligations, and contingent obligations under guarantees in an amount of approximately U.S.$10 million to guarantee the performance of contracts from certain controlled companies.

Capital investments, expenditures and divestments

The table below sets forth our capital expenditures and investments by activity for the nine-month periods ended September 30, 2014 and 2013.

	For the nine-month period ended September 30,			
	2014		2013	
	(in millions of pesos)		(in millions of pesos)	
Capital Expenditures and Investments				
Exploration and Production(*)	28,938	83%	16,010	84%
Downstream	5,144	15%	2,797	15%
Corporate and Other	825	2%	213	1%
Total	34,907	100%	19,020	100%

(*) includes fixed assets' acquisitions and exploration expenses, net of unproductive drilling expenses and well abandonment costs.

We have made no significant divestments in the last three years.

Off-balance sheet agreements

We have no material off-balance sheet agreements. Our off-balance sheet agreements are described above in "—Liquidity and Capital Resources—Guarantees Provided."

Qualitative and Quantitative Disclosure About Market Risk

The following quantitative and qualitative information is provided with respect to financial instruments to which we are a party as of September 30, 2014, and from which we may derive gains or incur losses from changes in market conditions, interest rates, foreign exchange rates or commodities prices. We do not enter into derivative or other financial instruments for trading purposes.

This discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results could vary materially as a result of a number of factors including those set forth in "Key Information—Risk Factors" in our 2013 20-F.

Foreign currency exposure

The value of financial assets and liabilities denominated in a currency different from the Company's functional currency is subject to variations resulting from fluctuations in exchange rates. Since YPF's functional currency is the U.S. dollar, the currency that generates the greatest exposure is the Argentine peso, the Argentine legal currency, (see Note 1.e to the Audited Consolidated Financial Statements).

In addition, our costs and receipts denominated in currencies other than the argentine peso, including the U.S. dollar, often do not match. We generally follow a policy of not hedging our debt obligations in U.S. dollars. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina—We may be exposed to fluctuations in foreign exchange rates" in the 2013 20-F. The table below provides information about our assets and liabilities denominated in currencies other than pesos (principally U.S. dollars) being expressed in the latter currency at the exchange rate as of September 30, 2014, those whose currency were different than the dollar. This information constitutes additional information to that included in the Unaudited Interim Consolidated Financial Statements for the nine-month period ended at September 30, 2014, and was prepared according to internal estimates of the Company. As mentioned in Note 1.b to the Unaudited Interim Consolidated Financial Statements, the Company has determined the U.S. dollar as its functional currency. Therefore, the effect of changes in the dollar exchange rate on dollar currency positions have no impact on the exchange difference recorded in the consolidated statements of comprehensive income included in the Unaudited Interim Consolidated Financial Statements.

	As of September 30,	
	2014	2013
	(in millions of U.S.$)	
Assets	1,501	557
Accounts payable	1,888	1,825
Loans	4,055	2,334
Other Liabilities	1,859	1,571

Interest rate exposure

Fixed rate debt satisfies our liquidity requirements and minimizes our exposure to interest rate fluctuations. We generally incur our debt on a fixed-rate basis, depending on the availability of capital and prevailing market conditions. Generally, we do not hedge our exposure to interest rates.

The table below set forth information relating to our assets and liabilities as of September 30, 2014 that may be sensitive to changes in interest rates.

	Expected Maturity Date							
	Less than 1 year	**1 – 2 years**	**2 – 3 years**	**3 – 4 years**	**4 – 5 years**	**More than 5 years**	**Total**	**Fair Value**
	(in millions of pesos)							
Assets								
Fixed rate								
Other Receivables (1)	5,999		—	—	—	—	5,999	5,999
Interest rate	4.82%-26.00%							
Variable rate								
Other Receivables (2)	3,764	17	17	17			3,815	3,815
Interest rate	CER+8%/ 15.53%-27.51%	CER+8%	CER+8%	CER+8%				
Liabilities								
Fixed rate								
YPF's Negotiable Obligations	2,666	3,159	3,344	102	6,233	8,540	24,043	22,270
Interest rate	0.1%-8.875%	2%-8.875%	1.29%-6.25%	4%	3.5%-8.875%	3.5%-10%		
Other debt	5,206	570	259	118	101	-	6,254	6,264
Interest rate	2%-26%	2%-26%	2%-26%	2%-26%	2%-26%	-		
Variable rate								
YPF's Negotiable Obligations	1,902	2,039	1,351	2,110	3,988	2,791	14,181	14,181
Interest rate	BADLAR+ 4%/LIBOR +7.5%	BADLAR + 3.2%- 4%/LIBOR +7.5%	BADLAR+ 4.25%/LIBOR +7.5%	BADLAR+0%- 4.75%/LIBOR +7.5%	BADLAR+0%- +4.75%	BADLAR+0 %- 2.25%		
Other debt	1,735	1,090	619	332	-	—	3,776	3,776
Interest rate	Libor+ 4%-7.25%/ BADLAR+4%	Libor+ 4%-7.25%/ BADLAR+4%	Libor+ 4%-7.25%/ BADLAR+4%	Libor+ 4%-4.5%/ BADLAR+4%				

(1) Includes other receivables and time deposits.
(2) Includes other receivables and investment funds.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Since 1999 and until the passage of the Expropriation Law (Law No. 26,741), we were controlled by Repsol, an integrated oil and gas company headquartered in Spain with global operations. Repsol owned approximately 99% of our capital stock. As a result of different transactions that occurred since 2008, Repsol ended with a 57.43% of our capital stock at April 30, 2012.

The Expropriation Law has significantly changed our shareholding structure. The Class D shares expropriated from Repsol or its controlling or controlled entities, which represent 51% of our share capital and have been declared of public interest, will be assigned as follows: 51% to the Argentine federal government and 49% to the Governments of the provinces that compose the National Organization of Hydrocarbon Producing States. In addition, the Argentine federal government and certain provincial governments already own our Class A and Class B shares.

The current registered holder of the expropriated shares is National State - Ministry of Economy and Public Finance (Estado Nacional – Ministerio de Economía y Finanzas Públicas). As of the date of this Pricing Supplement, the transfer of the expropriated shares between National Executive Office and the provinces that compose the National Organization of Hydrocarbon Producing States is still pending. According to Article 8 of the Expropriation Law, the distribution of the shares among the provinces that accept their transfer must be conducted in an equitable manner, considering their respective levels of hydrocarbon production and proved reserves. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. In addition, in accordance with the Expropriation Law, the transfer of political and economic rights of the shares subject to expropriation, made by the Argentine federal government in favor of the provinces that compose the National Organization of Hydrocarbon Producing States will provide for the unified exercise of its rights as a shareholder for a minimum term of fifty years through a share syndication agreement.

As of September 30, 2014, our capital stock consisted of: 3,764 Class A shares, 7,624 Class B shares, 40,422 Class C shares and 393,260,983 Class D shares. The beneficial ownership of our shares as of September 30, 2014, is as follows:

	Percentage
Class D shares:	
National State - Ministry of Economy and Public Finance (4)	51.0000%
Public	48.9868%
Class A shares:	
National State - Ministry of Economy and Public Finance (1)	0.0010%
Class B shares:	
Provinces (2)	0.0019%
Class C shares:	
Employee fund (3)	0.0103%

(1) Reflects the ownership of 3,764 Class A shares by Argentine Federal Government.
(2) Reflects the ownership of 7,624 Class B shares by the provinces.
(3) Reflects the ownership of 40,422 Class C shares.
(4) Class D shares representing 51% of our share capital, will be assigned as follows: 51% to the Argentine Federal Government and 49% to the provinces that compose the National Organization of Hydrocarbon Producing States. The completion of this assignment is pending. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. In addition, in accordance with Article 9 of the Expropriation Law, each of the Argentine provinces to which shares subject to expropriation are allocated must enter into a shareholder's agreement with the Argentine Federal Government, which will provide for the unified exercise of its rights as a shareholder.

Related Party Transactions

The Company enters into operations and transactions with related parties according to general market conditions, which are part of the normal operation of the Company with respect to their purpose and conditions.

The information detailed in the tables below shows the balances with joint ventures and affiliated companies as of September 30, 2014 and December 31, 2013 and transactions with the said parties for the nine-month periods ended September 30,

2014 and 2013. The detailed information in the following tables, all in accordance with Note 6 to the Unaudited Interim Consolidated Financial Statements, shows balances with joint ventures and associated companies at September 30, 2014 and December 31, 2013, and operations for the nine months ended September 30, 2014 and 2013. The information is presented in millions of pesos.

	September 30, 2014				December 31, 2013			
	Trade receivables	Other receivables		Accounts payable	Trade receivables	Other receivables		Accounts payable
	Current	Current	Non Current	Current	Current	Current	Non Current	Current
Joint ventures:								
Profertil S.A.	64	5	-	97	23	2	-	34
Compañía Mega S.A. ("Mega")	493	16	-	27	489	7	-	28
Refinería del Norte S.A. ("Refinor")	172	75	-	2	79	15	-	4
Bizoy S.A.	10	1	-	-	-	12	-	-
Sub-total	739	97	-	126	591	36	-	66
Affiliated companies:								
Central Dock Sud S.A.	38	7	625	-	109	5	484	2
Oleoductos del Valle S.A.	-	-	-	32	-	-	-	8
Terminales Marítimas Patagónicas S.A.	-	-	-	30	-	-	-	19
Oleoducto Trasandino (Argentina) S.A.	-	-	-	5	-	-	-	1
Gasoducto del Pacífico (Argentina) S.A.	-	-	-	15	-	-	-	13
Oiltanking Ebytem S.A.	-	-	-	23	-	-	-	20
Sub-total	38	7	625	105	109	5	484	63
Total	777	104	625	231	700	41	484	129

	For the nine-month period ended September 30, 2014			For the nine-month period ended September 30, 2013		
	Revenues	Purchases and Services	Interest and fees gained (lost), net	Revenues	Purchases and Services	Interest and fees gained (lost), net
Joint ventures:						
Profertil S.A.	230	275	-	90	172	-
Mega	1,800	130	-	1,195	206	-
Refinor	664	51	-	410	50	-
Bizoy S.A.	13	-	-	16	-	-
Sub-total	2,707	456	-	1,711	428	-
Affiliated companies:						
Central Dock Sud S.A.	183	-	6	94	57	12
Pluspetrol Energy S.A.(1)	-	-	-	142	54	-
Oleoductos del Valle S.A.	-	135	-	-	44	-
Terminales Marítimas Patagónicas S.A.	1	140	-	1	71	-
Oleoducto Trasandino (Argentina) S.A.	-	13	-	-	9	-
Gasoducto del Pacífico (Argentina) S.A.	-	62	-	-	41	-
Oiltanking Ebytem S.A.	-	106	-	-	73	-
Sub-total	184	456	6	237	349	12
Total	2,891	912	6	1,948	777	12

(1) Balances and operations are disclosed up to the corresponding business combination (see Note 13 to our consolidated financial statements).

Additionally, in the normal course of business and taking into consideration that YPF is the largest oil and gas company in Argentina, YPF's portfolio of clients and suppliers encompasses both private sector entities as well as national, provincial and municipal public sector entities. As required by IAS 24 "Related Party Disclosures," among the major transactions referred to above, the most important are:

- The provision of fuel oil to CAMMESA to be used in thermal power plants, the purchases of energy from CAMMESA by YPF, the provision of electricity to CAMMESA and purchases of fuel oil by YPF Energía Eléctrica, for which revenues and purchases for the nine-month period ended September 30, 2014 amounted to Ps. 5,372 million and Ps. 918 million, respectively, and amounted to Ps. 1,698 million and Ps. 580 million, respectively, for the same period in 2013, while the net balance as of September 30, 2014 and December 31, 2013 was a receivable of Ps. 128 million and Ps. 455 million, respectively;
- The regasification service provided to ENARSA in the regasification projects of condensed natural gas in Escobar and Bahía Blanca and the purchase of natural gas from ENARSA, which ENARSA imports from Bolivia and crude oil, which operations amounted to Ps. 1,150 million and Ps. 414 million for the nine-month period ended September 30, 2014, respectively, and Ps. 896 million and Ps. 477 million for the same period in 2013, respectively, while the net balance as of September 30, 2014 and December 31, 2013 was a receivable of Ps. 343 million and Ps. 430 million, respectively;
- The provision of jet fuel to Aerolíneas Argentinas S.A. and Austral Líneas Aéreas Cielos del Sur S.A., which operations amounted to Ps. 1,945 million and Ps. 1,088 million for the nine-month period ended September 30, 2014 and 2013, respectively, while the net balance as of September 30, 2014 and December 31, 2013 was a receivable of Ps. 220 million and Ps. 104 million, respectively;
- The benefits of the Gas Plan incentive scheme (see "Gas agreement" in Note 11.c to the Unaudited Interim Consolidated Financial Statements) with the Argentine Department of Federal Planning Investment and Services, which operations amounted to Ps. 5,848 million and Ps. 3,295 million for the nine-month period ended September 30, 2014 and 2013, respectively, while the net balance as of September 30, 2014, and December 31, 2013, was a receivable of Ps. 3,923 million and Ps. 1,787 million, respectively; and
- The compensation for providing diesel to public passenger transport at a differentiated price with the Argentine Secretariat of Domestic Commerce, which operations amounted to Ps. 2,641 million and Ps. 1,561 million for the nine-month period ended September 30, 2014 and 2013, respectively, while the net balance as of September 30, 2014 and December 31, 2013 was a receivable of Ps. 383 million and Ps. 116 million, respectively.

Such transactions are generally based on medium-term agreements and are provided according to general market or regulatory conditions, as applicable. Additionally, the Company has entered into certain financing and insurance transactions with entities related to the national public sector, as defined in IAS 24. Such transactions consist of (i) certain financial transactions that are described in Note 2.i of the Unaudited Interim Consolidated Financial Statements and (ii) transactions with Nación Seguros S.A. related to certain insurance policies contracts, and in connection therewith, to the reimbursement from the insurance coverage for the incident that occurred at the La Plata Refinery in April, 2013.

Furthermore, in relation to the investment agreement signed between YPF and Chevron subsidiaries, YPF has an indirect non-controlling interest in Compañía de Hidrocarburo No Convencional S.R.L. with which YPF carries out transactions in connection with the above mentioned investment agreement (for further detail see Note 11.c to the Unaudited Interim Consolidated Financial Statements).

The table below discloses the compensation for the Company's key management personnel, including members of the Board of Directors and principal managers (managers with executive functions appointed by the Board of Directors), for the nine-month periods ended September 30, 2014 and 2013:

	2014 (1)	**2013 (1)**
	(in millions of pesos)	
Employee benefits (short-term)	99	60
Shared-based benefits	33	22
Post-retirement benefits	3	2
Other long-term benefits	-	-
	135	84

(1) Includes the compensation for the Company's key management personnel, which developed their functions during the mentioned periods.

UPDATE OF LEGAL PROCEEDINGS

The following description of certain of our principal legal proceedings contains relevant updates to the information provided in the 2013 20-F included elsewhere herein. For a better understanding of each legal proceeding described herein, we briefly include an introduction to each one of them. For more detailed information about our legal proceedings please see "Item 8. Financial Information-Legal Proceedings" in the 2013 20-F included elsewhere herein and Notes 3 and 11 to our Unaudited Interim Consolidated Financial Statements, included elsewhere herein.

Alleged defaults under natural gas supply contracts

In relation to the ongoing "YPF vs. AESU and TGM" arbitration in the International Chamber of Commerce, on January 10, 2014, YPF was served with (i) the complaint for damages filed by AESU with the arbitration board claiming a total amount of U.S.$815.5 million and (ii) with the complaint for damages filed by TGM with the arbitration board claiming a total amount of U.S.$362.6 million. On April 25, 2014, YPF filed a reply to the complaint for damages with the arbitration board, contesting the amounts claimed by TGM and AESU and alleging that the amounts were incorrect due to errors in the technical valuations. On July 8, 2014, TGM filed an answer to the reply, to which YPF in turn replied on September 23, 2014 with a second answer.

In addition, on October 7, 2014, Argentine Federal Court of Appeals in Administrative Matters determined it had jurisdiction to hear the nullification appeal against the arbitration award filed by YPF. The Court ordered a suspension of the second stage of arbitration until it can issue a final decision on the writ of nullity filed by YPF regarding the arbitral award on adjudication of liability. On October 31, 2014, the arbitration board suspended the arbitration process until February 2, 2015. On November 5, 2014, YPF was served with a copy of an extraordinary appeal (*recurso extraordinario*) filed by TGM opposing the suspension. YPF responded to the extraordinary appeal on November 19, 2014. On December 30, 2014, YPF was served with a copy of the judgment from the Argentine Federal Court of Appeals in Administrative Matters denying the extraordinary appeal.

New Jersey—Litigation with DEP

Administrative Proceedings

In June 2007, the EPA released a draft Focused Feasibility Study ("FFS") that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These ranged from no action (which would result in comparatively little cost) to extensive dredging and capping (which according to the draft FFS, EPA estimated could cost from U.S.$0.9 billion to U.S.$2.3 billion). Tierra, in conjunction with members of the CPG, submitted comments on the draft FFS to EPA, as did a number of other interested parties. On April 11, 2014, the EPA published the final FFS for the lower eight miles of the Passaic River. Among the various measures considered in the final FFS, the EPA recommended as its preferred remedial action for this area that approximately 4.3 million cubic yards of contaminated sediments be removed through bank-to-bank dredging, which sediments would then be dehydrated locally and transported by train for their incineration or disposal at an off-site disposal facility. An engineering cap (a physical barrier mainly consisting of sand and stone) would then be placed over the bank-to-bank dredged area. In its final FFS, the EPA estimates the cost of the preferred measure for the lower 8 miles of Passaic River amounts to U.S.$1,731 million (present value estimated with a 7% discount rate).

EPA solicited public comments as to the final FFS and its preferred remedial action plan. Maxus and other parties submitted comments to EPA. EPA is considering those comments presently and will issue a reply before the EPA makes its final decision regarding the remedial action to be undertaken in this area, which will likely be published in a Record of Decisions sometime in 2015.

State of New Jersey Trial

During the fourth quarter of 2012 and the first quarter of 2013, YPF, YPF Holdings, Maxus and Tierra engaged in ongoing mediation and negotiation seeking the possibility of a settlement with the State in connection with environmental claims relating to the Passaic River in the state of Jew Jersey, which are further discussed in sections "Item 8. Financial Information—Legal Proceedings" of the 2013 20-F included herein.

As a result of these negotiations, YPF and certain subsidiaries, including Maxus and Tierra, together with Repsol, approved a proposed Settlement Agreement with the State of New Jersey (the "Settlement Agreement"). Without acknowledging any fact or right, the Agreement provides for: (i) a payment of U.S.$65 million by Maxus and/or YPF to the State of New Jersey and (ii) a hard cap of up to U.S.$400 million with respect to certain of Occidental's unresolved cross-claims against Repsol, YPF and YPFI if they are found responsible; and would resolve certain environmental claims of the plaintiffs against all Settling Defendants within a certain range of the Passaic River and the Newark Bay Complex in New Jersey, United States of America. The Settlement Agreement does not resolve Occidental's cross-claims. Following publication and a public comment process, the district court approved the Settlement Agreement on December 16, 2013, over objections by Occidental. On January 24, 2014, Occidental appealed the approval of the Settlement Agreement. That notwithstanding, on February 10, 2014, in compliance with the Settlement Agreement, Maxus made a

deposit of U.S.$65 million in an escrow account. Occidental's appeal was subsequently dismissed on March 26, 2014, and the settlement amount was paid out of escrow to the State of New Jersey.

On August 20, 2014, the State of New Jersey and Occidental informed the district court that they had agreed on the general terms and conditions of a settlement of the Plaintiff's claims against Occidental ("Settlement Agreement"). That proposed Settlement Agreement was then published and public comments were considered by the State of New Jersey.

On December 16, 2014 the Court approved the Settlement Agreement, by which the State of New Jersey agreed to settle all of its claims against Occidental which relate to environmental liabilities within a defined geographic area of the Passaic River in New Jersey, United States of America, in exchange for the payment of U.S.$190 million in three installments, the last of which is due on June 15, 2015, and of an additional payment of up to U.S.$400 million in the event that the State of New Jersey has to pay its share for future remediation actions.

Occidental has declared its intention to seek indemnification of the amount agreed upon with the State of New Jersey from Maxus Energy Corporation, a subsidiary of YPF. The court previously ruled in 2011 that Maxus has a contractual obligation to indemnify Occidental for liability under New Jersey's Spill Act arising from contaminants discharged on or from the Lister Avenue site, an area located near the Passaic River that was owned by a company Occidental purchased in 1986. Maxus maintains, among its defenses, that any liability it may have for Occidental's settlement payment under the contractual indemnification obligation between Maxus and Occidental must be offset by whatever liability Occidental is ultimately determined to have that is not covered by the contractual indemnity because it is the result of Occidental's own conduct.

Maxus likewise maintains that Occidental has the burden of proving the reasonableness of its settlement with the State of New Jersey to activate the contractual indemnification previously agreed to between Maxus and Occidental and that it will assert the necessary defenses against Occidental's claims in accordance with the law. Consequently, as of the date of this Pricing Supplement we have not recorded reserves for this matter.

Furthermore, on July 31, 2014, Occidental filed its third amended complaint against YPF and certain of its subsidiaries, as well as Repsol, which amendment would replace the second amended complaint that Occidental filed in September 2012. YPF, Repsol and Maxus filed motions to strike the third amended complaint of Occidental on the ground that claims included in the third amended complaint were not present in the second amended complaint. On October 28, 2014, the district court struck Occidental's third amended complaint over Occidental's objections.

On November 12, 2014, the district court issued a new schedule (Case Management Order XXV) with discovery and litigation deadlines to resolve the so-called Track III proceedings (allocation of responsibility for contamination between Maxus and Occidental) and Track IV proceedings (Occidental's claims alleging liability by YPF on grounds of alter ego and fraudulent transfer). The new schedule provides for the following dates, among others:

1) By November 21, 2014, the defendants (including YPF) submitted their proposed motions to dismiss Occidental's second amended complaint for failure to state a claim and based on the statute of limitations. On December 4, 2014 Occidental submitted its response. On December 8, 2014 the defendants (including YPF) submitted their written reply to Occidental's response.

On January 13, 2015, a court-appointed Special Master issued an opinion recommending that the Court dismiss most of Occidental's claims against YPF on the grounds that they are barred by the statute of limitations and/or fail to allege the elements of the claims. On January 29, 2015, the Court adopted the opinion of the Special Master and dismissed most of Occidental's claims. Occidental's remaining claims against YPF are: (i) breach of the Share Purchase Agreement on an alter ego basis, (ii) contractual indemnification under the Share Purchase Agreement on an alter ego basis, (iii) environmental contribution liability under the New Jersey Spill Act and (iv) environmental contribution under other New Jersey statutes. The latter two contribution claims are limited by the terms of YPF's settlement with the State of New Jersey.

2) The defendants (including YPF) must file their answer to Occidental's second amended complaint by February 13, 2015. In addition, February 13, 2015 is the deadline for depositions of witnesses located in the U.S.; April 6, 2015 is the deadline for filing expert reports; May 6, 2015 is the deadline to contest expert reports; May 15, 2015 is the deadline for depositions of witnesses located outside the U.S.; and June 30, 2015 is the deadline for expert witness depositions and the completion of all discovery. These deadlines are subject to change.

3) Trial is set to begin on December 8, 2015.

For additional information regarding to the State of New Jersey Trial , see Note 3 to the Unaudited Interim Consolidated Financial Statements.

Repsol Agreement

The Argentine Ministry of Economy and Public Finance and Repsol executed an agreement on February 27, 2014, pursuant to which Repsol accepted U.S.$5.0 billion in sovereign bonds. In exchange, Repsol withdrew judicial and arbitral claims it had filed, including claims against YPF, and waived additional claims. YPF and Repsol executed a separate agreement on February 27, 2014, pursuant to which YPF and Repsol each withdrew, subject to certain exclusions, all present and future actions and/or claims based on causes occurring prior to the separate agreement arising from the expropriation of the YPF shares owned by Repsol pursuant to Law

No. 26,741, including the intervention and temporary possession for public purposes of YPF's shares. On May 8, 2014, YPF was notified of the entrance into force of the Agreement. For more information on the Repsol agreements, please see "Company Overview."

UPDATE OF REGULATORY FRAMEWORK

The following description contains relevant updates of certain regulations with respect to the information provided in the 2013 20-F included herein. For more detailed information about our regulatory framework please see "Item 4. Information on the Company-Regulatory Framework and Relationship with the Argentine Government" in the 2013 20-F included herein and Note 11 to our Unaudited Interim Consolidated Financial Statements.

Law No. 27,007, amending Hydrocarbons Law No. 17,319

On October 31, 2014 Law 27,007 amending Hydrocarbons Law 17,319 (the "Hydrocarbons Law") was published in the Official Gazette of the Republic of Argentina and entered into effect on November 8, 2014. The Hydrocarbons Law would apply to certain aspects of some of the Company's existing concessions as well as future concessions. The most relevant modifications in that law are detailed below.

- With respect to exploration permits, it distinguishes between those with conventional and unconventional objectives, and those in which exploration is undertaken in the territorial sea and continental shelf. Law 27,007 modifies the basic time periods governing such activities, excluding a third period and limiting the first two periods to (i) three years each for exploration with conventional objectives and (ii) four years each for exploration with unconventional objectives and (iii) four years each for exploration in the territorial sea or on the continental shelf. In each of these cases, the extension period of up to five years (already established in Law 17,319) is maintained, although it is subject to the permit holder having complied with its investment and other obligations. At the end of the first basic period and so long as the permit holder has complied with its obligations under the permit, the permit holder may continue to hold the entire area. After the second basic period ends, the permit holder may revert the entire area or, if the holder decides to trigger the extension period, revert 50% of the remaining area.

- In relation to concessions, the law provides for three types of concessions: conventional production, unconventional production and production in the territorial sea or on the continental shelf. Each of these will last 25, 35, and 30 years, respectively. In addition, permit holders or production concessionaires may request unconventional production concessions on the basis of the development of a pilot plan. So long as the concessionaires (i) have complied with their obligations, (i) are producing hydrocarbons in the areas under consideration and (iii) present an investment plan for the development of such areas as requested by the competent authorities up to a year prior to the termination of each term of the concession, may request extension periods of ten years each.

- The amounts to be paid with respect to annual surface fee pursuant to Sections 57 and 58 of the Hydrocarbons Law for the periods of exploration and production have been increased with the goal of incentivizing exploration and development of these areas. Additionally, as from the second basic exploration period, these may be reduced partially in light of investments actually carried out in the relevant areas. Restrictions on the number of exploration permits and/or production concessions that an individual or legal entity may hold were also eliminated.

- The Hydrocarbons Law established a 35-year term for those concessions granted for the transportation of oil, gas and petroleum products that holders of production concessions are entitled to receive. Law No. 27,007 modified the awarded term for hydrocarbon transportation concessions, which were synchronized with production concession periods.

- In connection with exploration and production offerings, tenders may be made by Argentine and foreign companies, and with the goal of obtaining the highest number of tenders possible. In addition, the bidding documents must be prepared by the competent authorities on the basis of the "Model Bidding Document" which will be drafted jointly by the competent authorities of the Provinces and the Argentine Secretariat of Energy. This Model Bidding Document must be prepared within 180 days of the entry into force of Law 27,007. Tender will be awarded to offerors who present the most relevant offer, in particular, the one proposing the highest amount of investments or exploratory activity.

- Royalties have been set at a maximum of 12% on the results of liquid hydrocarbons or natural gas production. Royalties may be reduced considering productivity of the area and the type of production. In cases of extension periods, an additional royalty of 3% will be added for each extension, up to a maximum of 18%. In addition, in case of such extensions, the competent authority may include the payment of an extension bond which maximum amount shall be equal to the result of multiplying the remaining proved reserves at the end of the concession period to be extended by 2% of the average basin price, for the two years period prior the moment when the extension is granted, applicable to the hydrocarbons at issue.

- The law also provides that the Argentine federal government and the Provinces may not establish, in the future, new areas reserved in favor of entities or public companies or companies with public participation. Further, with respect to reserved areas exist that do not have association agreements with third parties as of the date of this new law, associative schemes may be carried out so long as, during the development phase, the participation of entities or public companies or companies with public participation is proportional to the effective investments promised and carried out by them.

- The law additionally incorporates into the Investment Promotion Regime for the Exploration of Hydrocarbons (Decree 929/2013) projects, as authorized by the Commission of Strategic Planning and Coordination of the National Hydrocarbons Investment Plan, that imply direct investments in foreign currency greater than U.S.$250 million to be invested during the first three years of the project. Also, it modifies the percentages of hydrocarbons that, after that three-year period, will be subject to the benefits of the regime. For conventional, unconventional production concessions, as well as off shore concessions at depths less than or equal to 90 meters, the percentage shall be 20%; for offshore concessions at depths greater than 90 meters, the percentage shall be 60%.

- Within the framework of the Investment Promotion Regime for the Exploration of Hydrocarbons, the law provides for contributions by companies to the provinces where the projects take place, which amount to 2.5% of the initial investment amount of the project, to be directed to "Corporate Social Responsibility" contributions; in addition, an amount to be determined by the commission in light of the extent of the project, to finance infrastructure, have to be contributed by the Argentine federal government.

- The new law establishes that capital goods and inputs that are essential to the execution of the investment plans of companies registered in the National Registry of Hydrocarbon Investments shall pay import duties as indicated in Decree 927/13 (reduced rates). This list may be extended to other strategic products.

- According to the new law, the federal government and the Provinces shall attempt to establish uniform environmental legislation and the adoption of uniform fiscal treatment in this sector. The competent authorities, including the Argentine Secretariat of Energy and the commission, will promote unification of procedures and registries.

- All national off shore permits and off shore hydrocarbon production concessions in which association agreements with ENARSA that have not been signed as of the date of the new law will revert to and be transferred to the Argentine Secretariat of Energy. Permits and concessions granted prior to Law 25,943 shall be exempted from this provision. The National Executive Branch may renegotiate the conversion of associative agreements signed with ENARSA to permits or production concessions, for 180 days following the enactment of the new law.

Exploration and Production – Duties on Exports

As a result of Resolution 394/07 of the Ministry of Economy, among other things, which increased duties on exports of certain hydrocarbons, Argentine companies began to negotiate the price for crude oil in the domestic market, which would in turn be used as the basis for calculation of royalties. In January 2013, the Ministry of Economy issued Resolution 1/13, modifying exhibit I of Resolution 394/07 of the Ministry of Economy, thus setting a new reference price for crude oil (U.S.$70 per barrel) and certain products. In October 2014 the Ministry of Economy issued Resolution 803/2014 incorporating exhibit III to Resolution 394/07 of the Ministry of Economy, thus modifying the applicable percentages of duties of exports for certain products below certain prices.

However, on December 29, 2014 Resolution 1077/2014 repealed Resolution 394/07, as amended, and set forth a new withholding program based on the international price of crude oil (the "International Price"). The International Price is calculated based on the Brent value for the applicable month less U.S.$8 per barrel. The new program establishes a 1% general nominal tax withholding applicable to all products covered by the resolution, including crude oil, diesel, gasoline and lubricants as well as other petroleum products, to the extent that the International Price is below U.S.$71 per barrel. The resolution further provides an increasing variable withholding rate on crude oil exports to the extent the International Price exceeds U.S.$71 per barrel. As a result, the maximum price a producer may charge is approximately U.S.$70 per barrel exported, depending on the quality of crude sold. The resolution also sets forth increasing withholding rates for exports of diesel, gasoline, lubricants and other petroleum derivatives when the International Price exceeds U.S.$71 per barrel at rates that allow the producer to receive a portion of the price increase.

Natural Gas

On February 14, 2013 Resolution 1/2013 of the planning and coordination commission for the sector established by Decree 1277/2012 (the "Hydrocarbon Commission") was published in the Official Gazette. This resolution formally created the "Natural Gas Additional Injection Stimulus Program." A similar Program was created under Resolution 60/2013 of the Hydrocarbon Commission, as regulated by Resolution 83/2013 of the Hydrocarbon Commission, as amended, for gas producers that failed to file their natural gas additional injection program filings before the expiration date established by Resolution 1/2013 of the Hydrocarbon Commission. The

compensation to be received under this new program varies from U.S.$4 per mmbtu to U.S.$7.50 per mmbtu, depending on the production curve reached by the applicable company.

On April 4, 2014, Resolution SE No. 226/2014 of the Argentine Secretariat of Energy was published in the Official Gazette. Under this resolution the Secretariat set new prices for residential, commercial consumers and compressed natural gas consumers. Residential and commercial consumers that achieve certain consumption savings compared to prior years will be: (i) excluded from the price increase or (ii) subject to a lower price increase. Industrial users and power generation plants are excluded from the price increase. Consumers served by distributor Camuzzi Gas del Sur S.A., which is not an affiliate of YPF, or its sub-distributors are excluded.

On November 17, 2014, Resolution No. 231/2014 of the Commission was published in the Official Gazette. Under this resolution, the price of compressed natural gas in service stations will be raised by the same percentage as the weighted average price within Argentina, excluding taxes, of "super" quality gasoline over 93 octane or of any product that replaces it in the future as provided for under the resolution.

Reduction in tax rates for fuels

On December 30, 2014, Decree 2579/2014 set forth a reduction in fuel transfer taxes per Law No. 23,966 with respect to diesel and unleaded gasoline products higher than 92 octane. The decree also set forth a reduction in the water infrastructure fund taxes created by Law No. 26,181, which applies to the transfer of unleaded gasoline over 92 octane. The reductions took effect on January 1, 2015.

ADDITIONAL RECENT DEVELOPMENTS

Resignation of an Alternate Director

The Company's Board of Directors, at its meeting held on October 16, 2014, accepted the resignation of Mr. Cristian Alexis Girard as Alternate Director for the Class D shares, strictly for personal reasons. In addition, the Company's Board of Directors, at its meeting held on December 16, 2014, accepted the resignation of Mr. Marcos Enrique Calachi as Director for the Class D shares, strictly for personal reasons. Additionally, and in accordance with the order of replacement approved by the General Ordinary and Extraordinary Shareholders' meeting held on April 30, 2014, Ms. Elizabeth Dolores Bobadilla, who was designated an alternate director at that meeting, replaced Mr. Calachi as a Director.

Demand Annulment Assembly

On October 10, 2014, YPF S.A. informed the CNV that it had been sued by Ricardo Paz Herrera, who has requested the annulment of the Company's Ordinary and Extraordinary General Meeting held on April 30, 2014 and its continuation on May 21, 2014. The proceeding is pending in the Commercial National Court of First Instance in Buenos Aires under file number 061896. The Company has denied the allegations set forth in the complaint, which it refutes and will defend against the lawsuit.

Authorization for the issuance of Negotiable Obligations

The Company's Board of Directors, at its meeting held on November 5, 2014, approved the issuance and placement of negotiable obligations for an amount of up to U.S.$638 million or its equivalent in other currencies, in one or more classes and/or series under the Company's U.S.$5 billion Global Medium Term Notes Program, which was approved by the General Ordinary Shareholders' Meeting held on April 30, 2013.

In addition, the Company's Board of Directors, at its meeting held on December 16, 2014, approved the issuance and placement of Negotiable Obligations for an amount of up to U.S.$133 million, or its equivalent in other currencies, in one or more classes and/or series under the U.S.$5 billion Global Medium Term Notes Program, which was approved by the General Ordinary Shareholders' Meeting held on April 30, 2013.

General Ordinary Shareholders' Meeting for YPF S.A.

The Company's Board of Directors, at its meeting held on December 16, 2014, resolved to call a General Ordinary Shareholders' Meeting to be held on February 5, 2015 at 12:00 p.m. at the Company's headquarters, to consider an increase in the amount of the Company's Global Medium-Term Negotiable Obligations Program, which was approved by the National Securities Commission (*Comisión Nacional de Valores*) through Resolution No. 15,896, dated June 5, 2008, and its respective extensions, in the amount of US$3,000,000,000, to reach an aggregate maximum nominal amount at any time outstanding under the Program of US$8,000,000,000.

Development of non-conventional hydrocarbons in the La Amarga Chica area in the Province of Neuquén

YPF S.A., YSUR and the Province of Neuquén and Gas y Petroleo del Neuquen S.A. signed a Memorandum of Investment Agreement (the "Memorandum Agreement") on December 5, 2014 pursuant to which the parties have agreed to convert the joint ventures and respective joint operating agreements relating to La Amarga Chica and Bajada de Añelo areas into unconventional hydrocarbon extraction concession agreements under Articles 27 and 35(b) of Law No. 17,319 (as amended by Law No. 27,007). The Memorandum Agreement was also approved by the Executive Branch and the Legislature of the Province of Neuquén.

As part of the conversion of these agreements to unconventional hydrocarbon extraction concession agreements, the Company will make a cash payment and assign all of its interests in the following areas: i) Puesto Cortadera, ii) Loma Negra NI, iii) Cutral Co Sur, iv) Neuquén del Medio, v) Collon Cura Bloque I and vi) Bajo Baguales. These areas represent 3,900 boe/d of production, or approximately 0.7% of YPF's total production as of September 30, 2014.

Under the Memorandum Agreement, the conditions for carrying out the pilot projects on the new LAC and BDA concessions are set forth, with a term of 36 and 42 months, respectively, as required by Article 35 subsection b of Law 17,319, following the modifications introduced by Law 27,007.

RISK FACTORS

You should carefully consider the following discussion of risks, as well as all the other information presented in this Pricing Supplement and should carefully consider the additional risks factors discussed under "Risk Factors" in the accompanying Offering Memorandum, before investing in the Notes. In general, investing in the securities of issuers in emerging market countries such as Argentina involves certain risks not typically associated with investing in securities of U.S. companies. The risks and uncertainties described below and in the accompanying Offering Memorandum are not the only risks and uncertainties that we face. Additional risks and uncertainties that are unknown to us or that we currently think are immaterial also may impair our business operations or our ability to make payments on the Notes and under other existing or future indebtedness. This Pricing Supplement and the accompanying Offering Memorandum also contains forward-looking statements that involve risks. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including risks faced by us described in this Pricing Supplement and in the accompanying Offering Memorandum.

Risks Relating to Argentina

Our business is largely dependent upon economic conditions in Argentina; holdout creditor litigation.

Substantially all of our operations, properties and customers are located in Argentina. As a result, our business is largely dependent upon economic conditions prevailing in Argentina.

In 2005, Argentina successfully completed the restructuring of a substantial portion of its bond indebtedness and settled all of its debt with the IMF. Additionally, in June 2010, Argentina completed the renegotiation of approximately 70% of defaulted bonds that were not swapped in 2005. As a result of the 2005 and 2010 debt swaps, over 91% of the country's bond indebtedness on which Argentina defaulted in 2002 has now been restructured.

Certain bondholders did not participate in the restructuring and instead sued Argentina for payment ("Holdout bondholders"). In late October 2012, the United States Court of Appeals for the Second Circuit rejected an appeal by Argentina concerning payments allegedly due on bonds that had not been the subject of the swaps in 2005 and 2010. On November 21, 2012, the United States District Court for the Southern District of New York ordered Argentina to make a deposit of U.S.$1,330 million for payment to the Holdout bondholders. Argentina appealed the District Court's November 21 order to the Second Circuit Court of Appeals, which granted Argentina's request for a stay of the order. On March 19, 2013, Argentina submitted to the Second Circuit a proposed payment plan for Holdout bondholders. That proposal was rejected by the plaintiff Holdout bondholders on April 19, 2013. On August 30, 2013, the Second Circuit Court of Appeals affirmed the District Court's November 21, 2012 order, but stayed its decision pending an appeal to the Supreme Court of the United States.

On September 3, 2013, the District Court granted plaintiff holdout bondholders' requests for discovery from Argentina and certain financial institutions concerning, among other things, Argentina's assets and the relationship between Argentina and YPF. In January of 2014, the U.S. Supreme Court agreed to hear the appeal filed by Argentina regarding the extent of discovery permitted concerning its assets, but eventually ruled on June 16, 2014 that the District Court had the authority to allow creditors of Argentine debt to seek discovery about all of Argentina's assets worldwide.

Additionally, also on June 16, 2014, the U.S. Supreme Court denied Argentina's appeal for certiorari of the Second Circuit Court of Appeals' ruling affirming the Southern District Court judgment, which held that Argentina had violated the *pari passu* clause with respect to the bondholders that had not participated in the sovereign debt swaps in 2005 and 2010, and as a consequence was required pursuant to the judge's ruling to pay 100% of the amounts due to the plaintiffs together with the payment of the amounts due on the next maturity date to bondholders who had participated in the debt swaps (ratable payment). With the appeals of Judge Griesa's order exhausted, the United States Court of Appeals for the Second Circuit on June 18, 2014 lifted its stay of that order. On June 23, 2014, Argentina requested that Judge Griesa of the U.S. District Court for the Southern District of New York issue a new stay to allow for a reasonable period of negotiations to settle the dispute with the plaintiffs.

On June 26, 2014, Argentina proceeded to deposit the amount applicable to the payment of service of capital and interest that matured on June 30, 2014 due to holders of bonds under foreign law who had voluntarily agreed to the debt swaps during the period 2005-2010, which was equivalent to U.S.$832 million, of which U.S.$539 million were deposited in accounts of The Bank of New York Mellon ("BONY") in the Central Bank of Argentina. On that same date, Judge Griesa rejected the request for a stay made by Argentina on June 23, 2014.

On June 27, 2014, in a hearing in the U.S. District Court for the Southern District of New York, the judge presiding over the case ruled that the aforementioned funds should not be delivered to the holders of restructured debt in the absence of a prior agreement with the holdouts. As of the date of the issuance of these Notes, the parties have not arrived at an agreement and BONY has invoked the decision of the District Court judge to not deliver the funds deposited by Argentina to the holders of bonds under foreign law. Argentina has asserted that it has complied with its obligation to the holders of the restructured bonds by making said deposit, and that the indenture trustee has the obligation to deliver those funds to their beneficiaries.

On September 11, 2014, Argentina promulgated Law No. 26,984 concerning sovereign payment, which provides for various mechanisms to pay 100% of the outstanding creditors under the terms of the 2005 and 2010 debt swaps, authorizing for that purpose,

among other things, the Minister of Economy and Public Finance to replace the indenture trustee and to provide for a voluntary exchange of the outstanding bonds for new bonds that would have identical financial terms but be governed by Argentine law and subject to Argentine jurisdiction.

On September 29, 2014 the District Court judge declared Argentina in contempt of court but did not impose sanctions on the country. On October 3, 2014, the District Court judge ordered Argentina to repair its relations with BONY, remove Nación Fideicomisos as indenture trustee for the debt and resolve the situation with the holdout plaintiffs.

On October 22, 2014, the Second Circuit Court of Appeals dismissed for lack of jurisdiction Argentina's appeal with respect to the freezing of the funds deposited with BONY.

On October 28, 2014, the District Court judge rejected a motion to attach the funds deposited by Argentina and frozen at BONY.

At Citibank's request, the District Court judge has authorized the payment of US dollar denominated bonds under Argentine law to the extent that payments have become due, deferring a definitive decision on this question. The District Court judge has set a new hearing for March 3, 2015 on the matter.

The actions initiated by the holdout bondholders against Argentina could result in attachments or preliminary injunctions of assets belonging to, or alleged to belong to, Argentina.

In connection with the holdout bondholder litigation in New York federal court against the Republic of Argentina (to which YPF is not a party), the bondholders had served subpoenas on various financial institutions in New York seeking the production of documents concerning the accounts and transfers of hundreds of entities allegedly owned or controlled, in whole or in part, by the Republic of Argentina, including YPF. At a hearing on September 3, 2013, the New York judge ruled that this discovery from those institutions can go forward as to, among others, the accounts of YPF, in order for the bondholders to determine if those documents might support an argument that YPF is the alter ego of the Republic of Argentina. Notably, the New York courts previously held that Banco de la Nación Argentina is not an alter ego of Argentina, and a California Magistrate Judge has recently ruled that bondholders' factual allegations made in support of asset discovery were insufficient to find YPF to be an alter ego of Argentina. YPF is not a recipient of any such subpoenas and, as such, has no obligation to produce discovery or otherwise participate in discovery.

After the pari passu injunction became effective, litigation continued regarding Argentina's efforts to make payments to exchange bondholders. These payments have been made, however the chain of payments has been interrupted as a consequence of judicial orders, and various exchange bondholders have sought release of such funds through litigation before the District Court and in various jurisdictions. Additionally Argentina's Congress has passed the Sovereign Debt Payment Act, No 26,984 in which it was allowed to remove the Bank of New York Mellon as trustee and appointed Nación Fideicomisos S.A. in its place and authorized to make payments of the sovereign bonds in two accounts in Argentina in order to guarantee that the bondholders receive the payment made. As of the date hereof, litigation initiated by bondholders seeking payments from Argentina continues in the U.S. and in courts in other jurisdictions. As of the date hereof, litigation initiated by bondholders seeking payments from Argentina continues in the U.S. and in courts in other jurisdictions. The consequences of potentially inconsistent rulings from different courts are unclear. There can be no assurances that the outcome of this continued and potential future litigation, or the efforts of the bondholders to obtain payment from Argentina through other means, such as alter ego theories, will not have a material adverse effect on Argentina's economy, YPF's assets, and/or YPF's ability to access international financing to repay its obligations, including the Notes.

Risks Relating to the Argentine Oil and Gas Business and Our Business

Oil and gas prices, including the recent decline in global prices for oil and gas, could affect our business.

We budget capital expenditures related to exploration, development, refining and distribution activities by taking into account, among other things, local and international market prices for our hydrocarbon products.

The international price of crude oil has fluctuated significantly in the past and may continue to do so the future. In recent months, the international price of a barrel of Brent crude oil fell below U.S.$50. This is a decrease of approximately U.S.$50 per barrel representing an approximately 50% decrease from the 2014 average of U.S.$98.97 per barrel. While in the past domestic oil prices in Argentina have not reflected increases or decreases in international oil prices, the significant decline discussed above resulted in an approximately U.S.$7 reduction to the domestic price per barrel compared to the price in effect on December 31, 2014. This change stemmed from agreements between producers and refiners to reduce the domestic price of Medanito and Escalante crude during January 2015 to U.S.$77 and U.S.$63 per barrel, respectively. If international crude prices remain at current levels or continue to drop for an extended period of time and this is reflected in the domestic price of oil, which we cannot control, it could cause the economic viability of drilling projects to be reduced, the loss of proved reserves as a result of the new economic conditions and proved undeveloped reserves as a result of changes to our development plans. It could also affect our assumptions and estimates and as a result affect the recovery value of certain assets. Furthermore, if these conditions are reflected in the domestic prices of our refined products, our ability to generate cash could be adversely affected.

In light of the above and assuming current domestic prices for certain products do not match cost increases (including those related to the increase in the value of the U.S. dollar against the Argentine peso) in accordance with higher and more complex investments, mainly as a result of the development of nonconventional resources, and also with evolution of the economy, our ability to improve our hydrocarbon recovery rates, find new reserves, develop nonconventional resources and carry out certain of our other capital expenditure plans are likely to be adversely affected, which in turn would have an adverse effect on our results of operations. For more information on recent declines in the international Brent crude oil prices, domestic crude oil prices and domestic gasoline prices, see "—Macroeconomic Conditions."

Risks Relating to the Notes

An active trading market for the Notes may not be maintained.

The New Notes are additional securities of Series XXVIII notes for which there is currently a trading market. Application has been made to have the New Notes listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market and on the MVBA through the BCBA and the MAE; however, we cannot assure you that these applications will be accepted. Moreover, we may not list the New Notes on any securities exchange. If the New Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and our financial performance.

We cannot assure you that an active trading market for the Notes will be maintained. If an active trading market for the Notes is not maintained, the market price and liquidity of the Notes may be adversely affected.

Other Risks Relating To Argentina, The Argentine Oil And Gas Business And Our Business

Prospective investors in the Notes should carefully consider the additional risks factors discussed under "Item 3. Key Information—Risk Factors" in the 2013 20-F included elsewhere herein as well as the risk factors discussed in the accompanying Offering Memorandum.

EXCHANGE RATES

From April 1, 1991 until the end of 2001, the Convertibility Law (Law No. 23,928) established a fixed exchange rate under which the Central Bank was obligated to sell U.S. dollars at one peso per U.S. dollar. On January 6, 2002, the Argentine Congress enacted Law No. 25,561, the Public Emergency Law and Reform of the Exchange Rate Regime (referred hereinafter as the "Public Emergency Law"), formally putting an end to the Convertibility Law regime and abandoning over 10 years of U.S. dollar-peso parity. The Public Emergency Law, which has been extended until December 31, 2013 by Law No. 26,729, grants the Executive Branch of the Argentine government the power to set the exchange rate between the peso and foreign currencies and to issue regulations related to the MULC (as defined below). Following a brief period during which the Argentine government established a temporary dual exchange rate system pursuant to the Public Emergency Law, the peso has been allowed to float freely against other currencies since February 2002 although the government has the power to intervene by buying and selling foreign currency for its own account, a practice in which it engages on a regular basis.

The following table sets forth the annual high, low, average and period-end exchange rates for U.S. dollars for the periods indicated, expressed in nominal pesos per U.S. dollar, based on rates quoted by the Central Bank. The Federal Reserve Bank of New York does not report a noon buying rate for Argentine pesos.

	Low	High	Average	Period End
			(pesos per U.S. dollar)	
Year ended December 31,				
2010	3.79	3.99	3.92 (1)	3.98
2011	3.97	4.30	4.15 (1)	4.30
2012	4.30	4.92	4.58 (1)	4.92
2013	4.92	6.52	5.54 (1)	6.52
2014	6.54	8.56	8.23 (1)	8.55
Month				
July 2014	8.13	8.21	8.16	8.21
August 2014	8.22	8.42	8.32	8.40
September 2014	8.40	8.46	8.42	8.46
October 2014	8.45	8.50	8.48	8.50
November 2014	8.51	8.53	8.51	8.53
December 2014	8.53	8.56	8.55	8.55
January 2015 (through January 28)	8.55	8.63	8.60	8.63

Source: Central Bank

(1) Represents the average of the exchange rates on the last day of each month during the period.

On January 28, 2015 the U.S. dollar exchange rate was Ps. 8.63 per U.S. dollar. No representation is made that peso amounts have been, could have been or could be converted into U.S. dollars at the foregoing rates on any of the dates indicated.

USE OF PROCEEDS

We will use the net proceeds from the sale of the New Notes which we expect to be approximately U.S.$505.6 million in compliance with the requirements established in Article 36 of the Negotiable Obligations Law and other applicable law, for:

(i) Investments in fixed assets located Argentina. Fixed assets include (without limitation) investments in land and buildings, mining property, wells and related equipment, distillery equipment and petrochemical plants, transportation equipment, materials and equipment in storage, exploratory drilling, fixtures and installations, and commercialization equipment; or

(ii) Working capital in Argentina. Working capital includes (without limitation) all uses that affect our assets and short-term liabilities, including purchasing inventory, payments to suppliers for our operations and activities, and compensation to employees.

Pending such permanent application, the proceeds from the sale of the New Notes may be invested in short-term temporary investments, including (without limitation) high-quality marketable securities, fixed-term deposits and money market instruments.

CAPITALIZATION

The following table sets forth our indebtedness, shareholders' equity and total capitalization as of September 30, 2014 on an actual basis and as adjusted to give effect to this offering. You should read this table in conjunction with the information under "Annual Report on Form 20-F for the year ended December 31, 2013—Operating and Financial Review and Prospects," "Recent Developments—Update of Operating and Financial Review and Prospects" and our annual and interim financial statements and related notes included in the accompanying Offering Memorandum.

	As of September 30, 2014			
	Actual		As Adjusted	
	(in millions of pesos)	(in millions of U.S. dollars) (1)	(in millions of pesos)	(in millions of U.S. dollars) (2)
Current loans	12,425	1,468	12,425	1,468
Non-current loans	36,693	4,335	41,024	4,835
Total shareholders' equity	70,342	8,310	70,342	8,310
Total capitalization	119,460	14,113	123,791	14,613

(1) Amounts in U.S. dollars are based on the exchange rate published by the Argentine Central Bank (*Banco Central de la República Argentina*) on September 30, 2014 of Ps. 8.4643 to U.S.$1.00.

(2) Amounts in U.S. dollars are based on the exchange rate published by the Argentine Central Bank (*Banco Central de la República Argentina*) on September 30, 2014 of Ps. 8.4643 to U.S.$1.00, except amounts related to the New Notes which were converted at the exchange rate published by the Argentine Central Bank (*Banco Central de la República Argentina*) on February 4, 2015 of Ps. 8.6623 to U.S.$1.00.

TAXATION

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of a New Note that is a United States holder, and it supplements the summary under the heading "Principal U.S. Federal Income Tax Considerations" in the Offering Memorandum, included elsewhere herein. This summary does not address tax considerations applicable to investors subject to special tax rules. For a summary of the principal U.S. federal income tax considerations that may be relevant to a United States holder, for a definition of the term "United States holder," and for examples of investors subject to special tax rules, please see the summary under the heading "Principal U.S. Federal Income Tax Considerations" in the Offering Memorandum. This summary is based on the provisions of the Internal Revenue Code of 1986, as amended, U.S. Treasury regulations promulgated thereunder, and rulings and judicial decisions in effect and available as of the date hereof, all of which are subject to change. Any change could apply retroactively and could affect the validity of this summary.

Treatment of the New Notes

The New Notes are being issued in a "qualified reopening" of the Initial Notes for U.S. federal income tax purposes. Accordingly, the New Notes offered hereby will constitute a single series and will be fully fungible with the Initial Notes for U.S. federal income tax purposes. Please see "Listing and General Information–Clearing Systems" for more information.

Pre-Issuance Accrued Interest

It is anticipated that the New Notes will be issued with accrued interest. For U.S. federal income tax purposes, an election may be made to compute the issue price of a note issued with pre-issuance accrued interest by subtracting the amount of pre-issuance accrued interest from the total issue price. If the issue price is computed in this manner, a portion of the first stated interest payment equal to the excluded pre-issuance accrued interest will be treated as a return of such pre-issuance accrued interest and will reduce a United States holder's adjusted tax basis in the New Note by a corresponding amount. United States holders should consult their own tax advisors regarding the U.S. federal income tax treatment of pre-issuance accrued interest.

Bond Premium

If, immediately after purchasing a New Note, a United States holder's tax basis in the New Note (taking into account any reduction in basis equal to the pre-issuance accrued interest) exceeds the sum of all amounts payable on the New Note after the purchase date (excluding payments of interest), the new note will be treated as having been acquired with "bond premium." If you are a United States holder, you generally may elect to amortize such bond premium over the remaining term of the new note on a constant yield method, in which case the amount required to be included in your income each year with respect to interest on the new note will be reduced by the amount of amortizable bond premium allocable (based on the New Note's yield to maturity) to that year. If you elect to amortize such premium, you must reduce your tax basis in the New Note by the amount of premium amortized during your holding period.

Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) you hold at the beginning of the first taxable year to which the election applies or thereafter acquired by you, and is irrevocable without the consent of the IRS. United States holders should consult their own tax advisors regarding this election.

The U.S. federal tax discussion set forth above is included for general information purposes only. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the New Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in federal and other tax laws.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement relating to the New Notes to be entered with the initial purchasers referred to below, each initial purchaser has severally agreed to purchase, and we have agreed to sell to the initial purchasers, the principal amount of the New Notes set forth opposite such initial purchaser's name in the following table.

Initial Purchasers	2018 Notes Principal Amount	2024 Notes Principal Amount
Citigroup Global Markets Inc.	U.S.$58,334,000	U.S.$108,334,000
Itau BBA USA Securities, Inc.	U.S.$58,333,000	U.S.$108,333,000
J.P. Morgan Securities LLC	U.S.$58,333,000	U.S.$108,333,000
Total	**U.S.$175,000,000**	**U.S.$325,000,000**

In addition, pursuant to the Argentine public offering of the New Notes, the local placement agents (as defined below), arranged the placement of the New Notes under a local placement agreement (as defined below).

The purchase agreement provides that the obligations of the initial purchasers are subject to certain conditions precedent. The initial purchasers must purchase all the New Notes if they purchase any of the New Notes. The initial purchasers may offer and sell the New Notes through certain of their respective affiliates.

Application has been made to have the New Notes listed on the Luxembourg Stock Exchange for trading on Euro MTF market and listed on the MVBA through the Buenos Aires Stock Exchange. The Notes have an established trading market, but we cannot assure you to the liquidity, development or continuation of the trading markets for the Notes. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act, the Exchange Act, Argentine Law No. 26,831 and the CNV rules. Accordingly, we cannot assure you as to the liquidity of, or the development or continuation of trading markets for, the Notes.

The initial purchasers may engage in stabilizing and similar transactions that stabilize the price of the Notes in accordance with applicable law. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Notes. If the initial purchasers create a short position in the Notes (that is, if it sells the Notes in an aggregate principal amount exceeding that set forth in this Pricing Supplement), such initial purchaser may reduce that short position by purchasing the Notes in the open market. In general, purchase of the Notes for the purpose of stabilization or to reduce a short position could cause the price of the Notes to be higher than it might be in the absence of such purchases. All stabilization activities shall be made in accordance with applicable laws.

The U.K. Financial Services and Markets Act 2000 (the "FSMA") permits, in connection with the issuance of the New Notes, the stabilizing manager (or any initial purchaser for the stabilizing manager) to over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the stabilizing manager (or any initial purchaser of the stabilizing manager) to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilizing must be in compliance with all applicable laws, regulations and rules.

Neither we nor the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraphs may have on the price of the Notes. In addition, neither we nor the initial purchasers make any representation that the initial purchasers will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

Certain of the initial purchasers and/or its affiliates may enter into derivative and/or structured transactions with clients, at their request, in connection with the Notes and certain of the initial purchasers and/or its affiliates may also purchase some of the Notes to hedge their risk exposure in connection with such transactions. Also, certain of the initial purchasers and/or its affiliates may acquire for their own propriety account the Notes. Such acquisitions may have an effect on demand and the price of the offering.

We have agreed to indemnify the initial purchasers and the local placement agents against certain liabilities (including, without limitation, liabilities under the Securities Act) or to contribute to payments the initial purchasers may be required to make in respect thereof. We have also agreed to reimburse the initial purchasers and the local placement agents for certain other expenses.

We expect that delivery of the New Notes will be made to investors on or about February 9 2015, which will be the third business day following the date of this Pricing Supplement (such settlement being referred to as "T+3").

The initial purchasers and the local placement agents have, directly or indirectly, performed investment and/or commercial banking or financial advisory services for us and our affiliates, for which they have received customary fees and commissions, and they expect to provide these services to us and our affiliates in the future, for which they also expect to receive customary fees and commissions.

In addition, in the ordinary course of its business activities, the initial purchasers and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The initial purchasers and its affiliates may also make investment

recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments with us.

United States

The New Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

We have been advised by the initial purchasers that the offering and sale of New Notes by such initial purchaser will be made only (a) to institutions which the initial purchasers reasonably believe are qualified institutional buyers in reliance on Rule 144A under the Securities Act and (b) to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

With respect to New Notes offered to non-U.S. persons in offshore transactions in reliance on Regulation S, the initial purchasers have acknowledged and agreed that, except as permitted by the purchase agreement, they will not offer, sell or deliver any New Notes (i) as part of their distribution at any time or (ii) otherwise, until 40 days after the completion of the distribution of the New Notes, within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until the expiration of the 40-day period referred to above, an offer or sale of New Notes within the United States by a broker-dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Terms used in the four preceding paragraphs have the meaning given them by Regulation S and Rule 144A under the Securities Act.

European Economic Area

In relation to each member state of the European Economic Area (each, a "Member State") which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State ("the Relevant Implementation Date"), no offer of the New Notes will be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and the 2010 PD Amending Directive to the extent implemented, except that it may, with effect from and including the Relevant Implementation Date, make an offer of New Notes to the public in that Relevant Member State at any time:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided, that no such offer of Securities referred to above shall require us or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This Pricing Supplement has been prepared on the basis that any offer of New Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of New Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of New Notes which are the subject of the offering contemplated in this Pricing Supplement may only do so in circumstances in which no obligation arises for us or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the initial purchasers have authorized, nor do they authorize, the making of any offer of New Notes in circumstances in which an obligation arises for us or the initial purchasers to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any New Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to purchase or subscribe the New Notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

This Pricing Supplement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and the Financial Services Act of 2012 (jointly, the "Order") or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a "relevant person"). Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Argentina

Placement Efforts

The New Notes shall be placed in Argentina under a public offer conducted in accordance with Argentine law. In Argentina, the public offer of securities is regulated by Argentine Law 26,831 and the CNV rules, each as amended. The New Notes have been authorized for public offering only in Argentina, by means of a resolution of the CNV, dated February 3, 2015. Notwithstanding the foregoing or anything to the contrary contained in this Pricing Supplement or the Offering Memorandum, outside of Argentina the New Notes will be offered only in accordance with the laws of the applicable jurisdictions under exemptions to the registration or public offering requirements.

We have designated Banco Itaú Argentina S.A., Citicorp Capital Markets S.A. and JP Morgan Chase Bank N.A., Sucursal Buenos Aires as the local placement agents (the "local placement agents") who will act pursuant to a local placement agreement, which sets forth, *inter alia*, the rights and obligations of the parties involved and provides for the payment of fees and reimbursement of expenses incurred in relation with the selling of the New Notes in Argentina. The local placement agents will arrange the primary placement of the New Notes as indicated below.

The placement of the New Notes in Argentina will be done through a public auction to be arranged by the local placement agents under the tender module of the SIOPEL system of the MAE, in accordance with applicable CNV tender rules. The public auction will be at least, 1 (one) business day, unless extended or amended (the "Public Auction Period"), which will take place after at least 4 (four) Argentine business days, unless amended (the "Public Announcement Period"). Details of the Public Announcement Period and the Public Auction Period are set forth in a subscription notice (the "Subscription Notice") published in the Official Gazette of the BCBA, in the CNV web page under the tab "Información Financiera/Financial Information", in the MAE web page (www.mae.com.ar), under the section "Mercado Primario" (the "MAE Web Page") and in the Issuer web page (http://www.ypf.com). The Public Auction Period will commence only after the Public Announcement Period has ended.

Under the rules governing the public auction, in order for any investor to be able to purchase any New Notes, including the purchase to be made by the initial purchasers pursuant to the purchase agreement, such investor, through the local placement agents or any other agent of the MAE authorized by the local placement agents to participate as agents in the public auction, must submit an irrevocable and binding purchase order, specifying the maximum price the investor is willing to pay for the New Notes.

The local placement agents can only accept purchase orders from Argentine residents (in all cases, the final beneficiary owner must be an Argentine resident), except for the purchase orders received from the initial purchasers.

During the Public Announcement Period, purchase orders cannot be validly submitted or accepted.

THE RESULTS OF THE AUCTION WILL BE PUBLISHED ON THE SAME DATE THE AUCTION IS CLOSED.

INVESTORS PURCHASING IN THE INTERNATIONAL OFFERING MAY BE AGGREGATED INTO A SINGLE COMBINED ORDER TO BE PLACED BY THE INITIAL PURCHASERS.

Upon expiration of the Public Auction Period, we will publish a notice of results in the Official Gazette of the BCBA, in the CNV web page under the tab "*Informacion Financiera/Financial Information,*" on the Issuer's website (http://www.ypf.com) on the same day such period is ended, and in the Electronic Bulletin of the MAE, giving notice of the results of the offering and any other relevant fact. The local placement agents will inform offerors whose orders were accepted (in full or in part) the principal amount of New Notes allocated, and the price to be paid, (which shall include accrued interest with respect to the New 2018 Notes from December 19, 2014 to February 9, 2015, the date we expect to deliver the New Notes, and with respect to the New 2024 Notes accrued interest from October 4, 2014 to February 9, 2015, the date we expect to deliver the New Notes. The final result of the allocation will be published on the SIOPEL System. We cannot assure investors that they will be allocated the nominal value of the Note they offered to purchase in the event of over-subscription.

We may, as agreed upon with the initial purchasers and the local placement agents, modify, suspend, terminate, interrupt or extend any of the Public Announcement Period and/or the Public Auction Period, having communicated said circumstance to the CNV, the Buenos Aires Stock Exchange, and the MAE, reasonably in advance, and publishing an announcement in the Daily Bulletin (*Boletín Diario*) of the Buenos Aires Stock Exchange, on the Issuer's website (http://www.ypf.com) and also in the CNV and MAE websites. Modification, suspension or termination of the periods or deadlines described above, will not entail any responsibility or

obligations on behalf of the Company, the initial purchasers or the local placement agents, nor will it give investors rights to receive any compensation of any kind.

The local placement agents will receive the initial purchasers purchase orders, which will be considered as binding offers granting an identical treatment to the rest of purchases orders uploaded in the SIOPEL system, under the local placement, always observing the equal treatment among offerors. If the purchase orders exceed the aggregate principal amount of New Notes offered, orders will be prorated.

Any modification to the rules of allocation will be published in the Daily Bulletin (*Boletín Diario*) of the Buenos Aires Stock Exchange and on the CNV and the MAE websites.

We, based on the advice of the local placement agents, can cancel the issuance of the New Notes when: (i) no purchase orders have been received or have been rejected; (ii) the requested prices offered by the investors are lower than that expected by us; (iii) the bids represent a principal amount of the New Notes, which if reasonably considered is insignificant to justify the issuance of the New Notes; and/or (iv) taking into account the resulting economic equation, causes the issuance of the New Notes unprofitable for the Issuer; or (v) there were adverse changes in the financial markets and/or local capital markets or in our general condition and/or of Argentina, including, for example, but not limited to, political, economic, financial conditions or the exchange rate in Argentina or our credit that could make it such that completing the transaction contemplated by this Pricing Supplement would not be advisable.

Neither we nor the local placement agents or the initial purchasers will be responsible for problems, failures, losses of the link, errors or software failures on the part of the SIOPEL System. For more information regarding the SIOPEL System, investors should consult the "User Guide—Issuers" and related documentation published on the MAE website.

The settlement of the New Notes will take place on the third business day following the expiration of the Public Auction Period.

LISTING AND GENERAL INFORMATION

Clearing Systems

The New Notes have been accepted for clearance and settlement through DTC, Euroclear, and Clearstream. The ISIN and CUSIP for the Rule 144A New Notes will be the same as the Rule 144A Initial Notes. The Regulation S New Notes will be issued in compliance with Regulation S and will trade under temporary CUSIP and ISIN numbers until the expiration of an initial 40-day period commencing on their issue date. Upon the expiration of this 40-day period, the Regulation S New Notes will become fungible with the Regulation S Initial Notes and will use its original CUSIP and ISIN numbers. The CUSIP and ISIN numbers for the Rule 144A Global Note, the Regulation S Global Note and the Temporary Regulation S Global Note, during the restricted period, are as follows:

	CUSIP number	ISIN number	Common code
2018 Notes Rule 144A Global Note.....	984245 AJ9	US984245AJ90	100847183
2018 Notes Regulation S Global Note	P989245 AU5	USP989MJAU54	100847221
2018 Notes Temporary Regulation S Global Note.....	P989MJ BC4	USP989MJBC48	118976568
2024 Notes Rule 144A Global Note.....	984245 AK6	US984245AK63	105507143
2024 Notes Regulation S Global Note	P989MJ AY7	USP989MJAY76	105507127
2024 Notes Temporary Regulation S Global Note.....	P989MJ BD2	USP989MJBD21	118977564

Listing

We have applied to have the New Notes listed on the Luxembourg Stock Exchange for trading on the Euro MTF market and listed on the MBVA through the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*).

April 2014 Exchange Offer

On April 4, 2014, we successfully concluded an exchange offer pursuant to which certain investors were issued U.S.$86,560,000 of our 8.875% Senior Notes due 2018 pursuant to the Second Supplemental Indenture executed on December 19, 2013 and amended on January 27, 2014. These notes have the same terms and conditions in all respects as the existing 8.875% Senior Notes due 2018 (except for the issue date, the issue price and the first interest payment date) and constitute a single series.

Available Information

Copies of our by-laws, the Indenture, as it may be amended or supplemented from time to time, our audited annual financial statements and quarterly interim unaudited financial statements, this Pricing Supplement and the accompanying Offering Memorandum will be available free of charge at our principal executive offices, as well as at the offices of the trustee, registrar, paying agent, Luxembourg agent and transfer agent, as such addresses are set forth in this Pricing Supplement. This document contains summaries of certain agreements that we may enter into in connection with the offering of notes under the program. The descriptions contained of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements may be obtained on request at no cost by writing or telephoning us at the following address: Macacha Güemes 515, (C1106BKK) Ciudad Autónoma de Buenos Aires, Argentina (5411) 5441-5531. Notices and information may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the New Notes. The issuance of the Initial Notes and New Notes was approved by our Board of Directors at meetings held on May 9, 2013, August 9, 2013, November 5, 2013, December 9, 2013, January 23, 2014, May 8, 2014, November 5, 2014 and December 16, 2014.

No Material Adverse Change

There has been no material adverse change in our financial position or the prospects of our company and our subsidiaries taken as a whole since September 30, 2014.

Other Types of Securities

YPF has no convertible debt securities, exchangeable debt securities or debt securities with warrants attached.

OFFERING MEMORANDUM **March 27, 2014**

YPF Sociedad Anónima

(incorporated in the Republic of Argentina)

U.S.$5,000,000,000
Global medium-term note program

We may from time to time issue notes in one or more series under our global medium-term note program. The maximum aggregate principal amount of all notes we may have outstanding under this program at any time is limited to U.S.$5,000,000,000 (or its equivalent in other currencies).

We will describe the specific terms and conditions of each series of notes in a pricing supplement. Subject to the terms and conditions set forth in the applicable pricing supplement, notes issued under this program may:

- be denominated in U.S. dollars or another currency or currencies;
- have maturities of no less than seven days from the date of issue;
- bear interest at a fixed or floating rate or by reference to an index or formula or be issued on a non-interest bearing basis; and
- provide for redemption at our option or at the holder's option.

We may redeem all, but not part, of a series of notes, at our option, upon the occurrence of specified Argentine tax events at a price equal to 100% of the principal amount plus accrued and unpaid interest and any additional amounts.

Unless otherwise specified in the pricing supplement applicable to a series of notes, the notes will constitute our direct, unconditional, unsecured and unsubordinated obligations and will rank at all times at least *pari passu* in right of payment with all our other existing and future unsecured and unsubordinated indebtedness (other than obligations preferred by statute or by operation of law).

We may apply to have the notes of a series listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market, or the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*) (the "BCBA") for trading on the *Mercado Abierto Electrónico S.A.* (the "MAE"). We cannot assure you, however, that these applications will be accepted. Notes issued under this program may not be listed on any securities exchange, and the pricing supplement applicable to a series of notes will specify whether or not the notes of such series will be listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market, on the BCBA and the MAE or on any other securities exchange.

Investing in the notes involves significant risks. See "Risk Factors" beginning on page I-6 and "Item 3. Key Information—Risk Factors" on page 10 of our 2013 20-F, included herein. The applicable pricing supplement to any series of notes may describe additional risks you should consider.

This program has been rated "AA (arg)" in Argentina by Fitch Argentina Calificadora de Riesgo S.A. If a series of notes under this program will otherwise be rated, we will provide the ratings and information relating to such ratings in the applicable pricing supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. Ratings used by Argentine rating agencies may differ in certain respects from those used by the rating agencies in the United States or other countries.

The notes issued under this program have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. The notes may be offered only in transactions that are exempt from registration under the Securities Act and the securities laws of other jurisdictions. Accordingly, we will only offer and sell notes registered under the Securities Act or in transactions exempt from registration under the Securities Act to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) or in compliance with Regulation S under the Securities Act. For a description of certain restrictions on resale and transfer of the notes, see "Transfer Restrictions" in this offering memorandum.

We may offer the notes issued under this program directly or through one or more dealers that we may designate from time to time, who may purchase notes, as principal, from us for resale to investors and other purchasers at varying prices relating to prevailing market prices as determined by any such dealer at the time of resale or, if so agreed, at a fixed offering price. In addition, we may agree with a dealer that it may utilize its reasonable efforts to place our notes on an agency basis as specified in the applicable pricing supplement. Any such dealers will be set forth in the applicable pricing supplement. We reserve the right to withdraw, cancel or modify any offering of notes contemplated by this offering memorandum or any pricing supplement without notice. See "Plan of Distribution." This offering memorandum may only be used for the purpose for which it has been published.

We are responsible for the information contained in this offering memorandum and the applicable pricing or other supplements. The dealers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. We have not, and the dealers, if any, have not, authorized anyone to provide you with any other information. We and the dealers, if any, shall take no responsibility for any information other than that contained in this offering memorandum and any pricing or other supplements. The information in this offering memorandum is based on information provided by us and other sources we believe to be reliable and is accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or when any sale of the notes occurs.

In making your decision whether to invest in the notes, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. You should not construe the contents of this offering memorandum as legal, business or tax advice. You should consult your own attorney, business advisor or tax advisor.

The distribution of this offering memorandum or any part of it, including any pricing supplement, and the offering, sale and delivery of the notes in certain jurisdictions may be restricted by law. We and the dealers require persons into whose possession this offering memorandum comes to become familiar with and to observe such restrictions. This offering memorandum does not constitute a recommendation, an offer to sell or a solicitation of an offer to buy any notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation nor does this offering memorandum constitute an invitation to subscribe for or purchase any notes by us or by the dealers, if any. For a description of restrictions on offers, sales and deliveries of the notes and on the distribution of this offering memorandum and other offering material relating to the notes, see "Transfer Restrictions" and "Plan of Distribution."

The notes have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

The notes issued under this program will qualify as "*obligaciones negociables simples no convertibles en acciones*" under Argentine Law No. 23,576, as amended (the "Negotiable Obligations Law"), and will be entitled to the benefits set forth in, and subject to the procedural requirements of, such law and Law No. 26,831 (the "Argentine Capital Markets Law") and the regulations of the *Comisión Nacional de Valores* or "CNV") . Notes placed in Argentina through a public offering shall comply with the CNV regulations. In accordance with applicable CNV regulations, a placement of notes shall be conducted through a public auction carried out through the tender offer systems and procedures managed by a market authorized by the CNV, such as the BASE or the MAE.

The offering of the notes under this program has been authorized by the CNV pursuant to Resolution No. 15,896, dated June 5, 2008; Resolution No.16,954, dated October 25, 2012 and Resolution No. 17,076, dated May 9, 2013. The CNV authorization means only that the information requirements of the CNV have been satisfied. The CNV has not rendered any opinion in respect of the accuracy of the information contained in this offering memorandum. In addition, in order to issue and offer any series of notes under this program, we are required to file with the CNV a pricing and/or other supplement describing the particular terms and conditions of the relevant notes, updating our financial and accounting information for each fiscal year and quarter (if we have approved financial statements for such year or quarter) and providing other information relating to any subsequent material events or developments. Offers of the notes to the public in the Republic of Argentina ("Argentina") will be made pursuant to a prospectus dated May 9, 2013 and the corresponding pricing supplement, both in the Spanish language. The Argentine prospectus, which has been filed with and will be reviewed and authorized by the CNV, and this offering memorandum contain substantially the same information, except that the Argentine prospectus includes other non-material information required by regulation in Argentina.

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Introduction to Offering Memorandum

YPF Sociedad Anónima is a stock corporation (*sociedad anónima*) organized under the laws of Argentina. In this offering memorandum, we use the terms "YPF," "the company," "we," "our" and "us" to refer to YPF Sociedad Anónima and its subsidiaries on a consolidated basis.

This offering memorandum consists of two parts. Part I principally presents the terms and conditions of our program, risk factors relating to an investment in the notes, and certain Argentine and U.S. federal income tax consequences of ownership of the notes. Part II consists of our Annual Report on Form 20-F for the year ended December 31, 2013, as filed with the U.S. Securities and Exchange Commission (the "SEC") on March 27, 2014 (the "2013 20-F"), included herein. We may, from time to time, update, amend or supplement Part I of this offering memorandum, which updates, amendments or supplements may be included in pricing or other supplements to this offering memorandum. If there is any inconsistency between the information in this offering memorandum and a pricing or other supplement, you should rely on that supplement, which will be deemed to supersede such information in this offering memorandum. Before investing in our notes, you should carefully read Part I and Part II of this offering memorandum, together with the applicable pricing supplement and any other supplement or amendment to this offering memorandum.

Where You Can Find More Information

This offering memorandum contains summaries of certain agreements that we may enter into in connection with the offering of notes under the program. The descriptions contained in this offering memorandum of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements may be obtained on request at no cost by writing or telephoning us at the following address: Macacha Güemes 515, (C1106BKK) Ciudad Autónoma de Buenos Aires, Argentina, (5411) 5441-5531.

We are subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, we are required to file or submit reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. You may inspect and copy reports and other information filed with the SEC at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington D.C. The public may obtain information on the operation of the SEC's public reference facilities by calling the SEC in the United States at 1-800-SEC-0330. In addition, the SEC maintains an internet website at http://www.sec.gov, from which you can electronically access our filings with the SEC.

As a foreign private issuer, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports, or the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules under Section 16 of the Exchange Act. However, we intend to file with the SEC annual reports containing financial statements audited by our independent auditors and to furnish to the SEC our quarterly reports containing unaudited financial data for the first three quarters of each fiscal year, as required by CNV rules and regulations. We will file annual reports on Form 20-F within the time period required by the SEC, which is currently four months from December 31, the end of our fiscal year, and will furnish reports on Form 6-K containing an English language version of any quarterly reports we file with Argentine securities regulators or stock exchange.

We also file financial statements and other periodic reports with the CNV located at 25 de Mayo 175, Ciudad Autónoma de Buenos Aires, Argentina, which are available at the CNV's website at http://www.cnv.gob.ar under "Información Financiera—Emisoras—YPF S.A.". These financial statements and other periodic reports are not incorporated in and do not otherwise form part of this offering memorandum.

To permit compliance with Rule 144A in connection with resales of notes issued under our global medium-term note program, for so long as the notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we have agreed to furnish upon the request of a holder of notes, or of a beneficial owner of an interest therein, to such holder or beneficial owner, or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act if, at the time of such request, we are neither a reporting company under Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Cautionary Statement About Forward Looking Statements

This offering memorandum, including any documents incorporated by reference, contains statements that we believe constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking

statements may include statements regarding the intent, belief or current expectations of us and our management, including statements with respect to trends affecting our financial condition, financial ratios, results of operations, business, strategy, geographic concentration, reserves, future hydrocarbon production volumes and the company's ability to satisfy its long-term sales commitments from future supplies available to the company, dates or periods in which production is scheduled or expected to come onstream, as well as our plans with respect to capital expenditures, business strategy, geographic concentration, cost savings, investments and dividends payout policies. These statements are not a guarantee of future performance and are subject to material risks, uncertainties, changes and other factors which may be beyond our control or may be difficult to predict. Accordingly, our future financial condition, prices, financial ratios, results of operations, business, strategy, geographic concentration, production volumes, reserves, capital expenditures, cost savings, investments and dividend policies could differ materially from those expressed or implied in any such forward-looking statements. Such factors include, but are not limited to, currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, replacement of hydrocarbon reserves, environmental, regulatory and legal considerations and general economic and business conditions in Argentina, as well as those factors, those described in "Item 3. Key Information—Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in our 2013 20-F and "Item 4. Update of Operating and Financial Review and Prospects" in the Recent Developments contained in this offering memorandum. We do not, and the dealers, if any, do not, undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected results or condition expressed or implied therein will not be realized.

Presentation of Financial Information

GENERAL

The company prepares its financial books and records and publishes its financial statements in Argentine pesos. Unless otherwise specified, references to "$," "U.S.$" and "dollars" are to U.S. dollars, and references to "Ps.", "pesos" are to Argentine pesos. Solely for the convenience of the reader, peso amounts set forth in this document have been translated into U.S. dollars at the exchange rates specified herein. The exchange rate published by the Argentine Central Bank (*Banco Central de la República Argentina*) on March 25, 2014 was Ps**.** 8.00 to U.S.$1.00. The U.S. dollar equivalent information should not be construed to imply that the peso amounts represent, or could have been or could be converted into U.S. dollars at such rates or any other rate. See Part II "Annual Report on Form 20-F for the year ended December 31, 2013—Item 3. Key Information—Exchange Rates" for additional information.

This offering memorandum contains: (i) our audited consolidated financial statements for the years ended December 31, 2013, 2012 and 2011 (referred hereinafter as our "Audited Annual Financial Statements").

Our Audited Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Additionally, on March 20, 2009, the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") approved the Technical Resolution No. 26 "Adoption of the International Financial Reporting Standards ("IFRS")" as issued by the International Accounting Standards Board ("IASB"), subsequently modified by Technical Resolution No. 29 dated December 3, 2010. Such resolution was approved by the CNV through General Resolution No. 562/09 dated December 29, 2009 (modified by General Resolution No. 576/10 dated July 1, 2010), for certain publicly-traded entities under Law No. 26,831. Compliance with such rules was mandatory for YPF for the fiscal year which began on January 1, 2012, with transition date of January 1, 2011. Disclosures concerning the transition from generally accepted accounting principles in Argentina ("Argentine GAAP") to IFRS are provided in Note 1 to our Audited Annual Financial Statements.

ROUNDING

Certain amounts which appear in this offering memorandum (including percentage amounts) have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them.

Anti-Money laundering regulations

Recent modifications to Argentine money laundering regulations have resulted in their application to increasing numbers and types of securities transactions.

The notion of money laundering is generally used to refer to transactions aimed at introducing funds derived from unlawful activities into the institutionalized system and therefore, transforming profits obtained from unlawful activities into assets having a presumed lawful origin.

Law No. 25,246 (as subsequently amended by Law No. 26,087, Law No. 26,119, Law No. 26,268 and Law No 26,683) provides for an administrative criminal system and replaces several sections of the Argentine Criminal Code, incorporating, among other matters, the definition of money laundering as a type of crime committed whenever a person converts, transfers, manages, sells, charges, conceals or otherwise markets any asset derived from a criminal offense, with the possible consequence that the original assets or substitutes thereof appear to come from a lawful source, provided that the total value of the asset exceeds Ps. 300,000 regardless of whether such amount results from one act or a series of related acts.

According to Section 303 of the Argentine Criminal Code, money laundering (as defined above) shall be punished with three to ten years of imprisonment and a fine of two to ten times the amount of the transactions made. The penalty prescribed above shall be increased by one third of the maximum and one half of the minimum if: (a) the wrongdoer carries out the act on a regular basis or as a member of an association or gang organized with the purpose of continuously committing acts of a similar nature; (b) if the primary wrongdoer is a public officer who committed the infringement in the exercise of his/her duties (in such a case, the wrongdoer shall also be punished by special disqualification for three to ten years, and the same penalty shall apply to a wrongdoer who commits the offense in the service of a profession or trade requiring special qualification). The individual who receives money or other assets derived from a criminal offense with the purpose of applying them to a money laundering transaction shall be punished with imprisonment from six months to three years. If the value of the assets is not over Ps. 300,000, the wrongdoer will be punished with imprisonment from six months to three years. The provisions in this section shall apply even when the criminal offense is committed outside the geographical jurisdiction of the Argentine Criminal Code, so long as the crime is also penalized in the jurisdiction where it was committed.

Section 277 of the Argentine Criminal Code sets forth that an imprisonment of between six months and three years shall be applied (with varying minimum terms attaching depending on the particular circumstances) to any person who helps a perpetrator to avoid investigation, obscures or destroys evidence of a crime, acquires, receives, hides or alters money or other proceeds from a crime, does not report the commission of the crime or does not identify the perpetrator or participant in a crime with knowledge that such person would have been obliged to assist in the criminal prosecution of such crime and/or aids or abets the perpetrator or participant to make safe the proceeds of the crime. The minimum and maximum terms of punishment shall be doubled when: (a) the offense implies a particularly serious crime (for which minimum penalty is higher than 3 years of imprisonment); (b) the abettor acts for profit; (c) the abettor habitually commits concealment acts; or (d) the abettor is a public official.

Law No. 25,246 contemplates that the legal entity whose management collected or provided assets or money, whatever their value, knowing that such assets were to be used by a terrorist organization, may be subject to a fine between five to 20 times the value of such assets. Furthermore, whenever the management of the legal entity infringes the duty to treat the information submitted to the Financial Information Unit (*Unidad de Información Financiera*) ("UIF") as confidential, the legal entity shall be subject to a fine between Ps. 50,000 to Ps. 500,000. Additionally such regulation created the UIF as an autonomous and financially self-sufficient entity within the jurisdiction of the Argentine Ministry of Justice and Human Rights, in charge of analyzing, treating and transmitting information in order to preclude and prevent money laundering. Pursuant to this legislation, the UIF is empowered to receive and request reports, documents, background and any other information deemed useful to fulfill its duties from any public entity, whether federal, provincial or municipal, and from individuals or public or private entities, all of which entities must furnish such information in accordance with Law No. 25,246. Whenever the information furnished or analyses performed by the UIF show the existence of sufficient evidence to suspect that a money laundering or terrorist financing crime has been committed, the UIF shall transmit such evidence to the Government Attorney's Office so that it may start the relevant criminal action, and the UIF may appear as an accusing party to such proceedings. Moreover, Law No. 26,087 mandates that banking secrecy or professional privilege, or legal or contractual commitments, cannot be considered exceptions to the compliance with the obligation to submit information to the UIF in the context of an investigation of suspicious activity.

The main goal of Law No. 25,246 is to prevent money laundering. In line with internationally accepted practices, the duty to control such illegal transactions is not concentrated solely in Argentine Federal Governmental entities but also distributed among several private sector entities such as banks, brokers, brokerage firms and insurance companies. Such duties mainly consist of data collection functions, such as: (i) gathering from clients, applicants or contributors any documentation sufficient to prove their identity, legal capacity, domicile and further data as necessary on a case by case basis; (ii) reporting any suspicious fact or transaction irrespective of its amount; and (iii) abstaining from disclosing to the client or third parties any procedures being followed pursuant to law. According to Law No. 25,246 a suspicious transaction shall mean any transaction that, in accordance with standard business practices and in the experience of the entities and individuals subject to reporting obligations, is regarded as unusual, unjustified from an economic or legal standpoint, or unnecessarily complex, whether it is a one-time transaction or a series of transactions.

Resolution No. 121/2011 issued by the UIF ("Resolution 121"), amended by Resolution No. 1/12, is applicable to financial entities subject to Law No. 21,526, to entities subject to the Law No. 18,924, as amended, and to natural and legal entities authorized by the Argentine Central Bank to intervene in the purchase and sale of foreign currency through cash or checks issued in foreign currency or through the use of credit or payment cards, or in the transfer of funds within or outside the national territory. Resolution

No. 229/2011 of the UIF ("Resolution 229") is applicable to brokers and brokerage firms, companies managing common investment funds, agents of the over-the-counter market, intermediaries in the purchase or leasing of securities affiliated with stock exchange entities with or without associated markets, and intermediary agents registered on forwards or option markets. Resolution 121 and Resolution 229 regulate, among other matters, the obligation to collect documentation from clients and the terms, obligations and restrictions for compliance with the reporting duty regarding suspicious money laundering and terrorism financing operations.

Resolution 121 and Resolution 229 set forth general guidelines in connection with the client's identification (including the distinction between occasional and regular clients), the information to be requested, the documentation to be archived and the procedures to detect and report suspicious transactions. Moreover, the main duties established by such resolutions are the following: a) creating a manual establishing the mechanisms and procedures to be used to prevent money laundering and terrorism financing; b) designation of a compliance officer; c) the implementation of periodic audits; d) personnel training; e) elaboration of analysis records and risk management of detected unusual operations and of those which have been reported because they were considered suspicious; f) implementation of technological tools which allow the establishment of efficient control systems and prevention of money laundering and terrorism financing; and g) implementation of measures which allow Subjects Obliged under Resolution 121 and Subjects Obliged under Resolution 229, respectively, to electronically consolidate the operations carried out with clients, and electronic tools which allow the analysis and control of different variables in order to identify certain behaviors and observe possible suspicious transactions. Entities covered by Resolution 121 must report any money laundering suspicious activity to the UIF within 150 calendar days of its occurrence (or attempt) and any terrorism financing suspicious activity before a 48 hours period has elapsed.

According to this Resolution 229, unusual transactions are those attempted or consummated transactions, on a one-time or on a regular basis, without economic or legal justification, inconsistent with the economic and financial profile of the client, and which deviate from standard market practices, based on their frequency, regularity, amount, complexity, nature or other particular features. According to Resolution 229, an unusual transaction is one that, considering the suitability of the reporter in light of the activity it carries out, and the analysis made, may be suspicious of money laundering and financing terrorism. On other hand, suspicious transactions are those attempted or consummated transactions that, having been previously identified as unusual transactions, are inconsistent with the lawful activities declared by the client or, even if related to lawful activities, give rise to suspicion that they are linked or used to finance terrorism.

Likewise, Resolution 229 provides for a list of factors which shall be specially taken into account in order to determine whether a transaction should be reported to UIF, including but not limited to: (i) clients who refuse to provide data or documents required by Resolution 229, or data provided by clients which is proved to be irregular; (ii) clients attempting to avoid compliance with the requirements set forth by Resolution 229 or other anti-money laundering regulations; (iii) indications about the illicit origin, management or destination of funds and other assets used in the transactions, in respect of which the reporting person or company does not receive a viable explanation; (iv) transactions involving countries or jurisdictions which are deemed tax heavens or identified as non cooperative by the Financial Action Task Force ("FATF"); (v) the purchase or sale of securities at prices conspicuously higher or lower that those quoted at the moment the transaction is consummated; (vi) the purchase of securities at extremely high prices; (vii) transactions where the client declares assets not consistent with the size of their business, thereby implying the possibility that such client is not acting in its own name but as an agent of an anonymous third party; (viii) investment transactions with securities for high nominal values, which are not consistent with the volume of securities historically negotiated according to the client's transactional profile; and (ix) the receipt of an electronic transfer of funds without all the required information.

For the reasons stated above participants in the process of placement and issuance of the notes shall require information related to notes' subscribers and report it to the authorities, if the transactions appear unusual or suspicious, or whenever they lack legal or financial grounds, or whenever they are unnecessarily complex.

In addition, General Resolutions No. 602 and 603 issued by the CNV establish that brokers and brokerage firms, and companies managing common investment funds, agents of the over-the-counter market, intermediaries in the purchase or lease of securities affiliated with stock exchange entities with or without associated markets and intermediary agents registered on forwards or option markets, and individuals or legal entities acting as trustees, for any type of trust fund, and individuals or legal entities, owners of or related to, directly or indirectly, with trust accounts, trustees and grantors in the context of a trust agreement, shall comply with Law No. 25,246, the UIF's rulings and the CNV's regulations. Additionally, companies managing common investment funds, any person acting as placement agent or performing activities relating to the trading of common investment funds, any person acting as placement agent in any primary issuance of marketable securities, and any issuer with respect to capital contributions, irrevocable capital contributions for future issuances of stock or significant loans, must also comply with such regulations.

Such resolutions also contain certain requirements for the reception and delivery of checks and payments made between the individuals and entities listed above, as well as the prohibition of transactions relating to the public offering of securities, when they are consummated or ordered by individuals or companies domiciled or residing in domains, jurisdictions, territories or associated

states included in the list enclosed to Decree No. 1037/2000, regulating the Income Tax Law No. 20,628 and its amendments, which list mainly includes typical tax-haven jurisdictions.

Brokers and dealers must duly know their clients and apply policies and maintain adequate structures and systems in line with a policy against money laundering and terrorist financing. Also, interested investors undertake the obligation to submit any information and documents that may be required by bookrunners in order to comply with criminal regulations and other laws and regulation in connection with money laundering, including capital markets' regulations preventing money laundering issued by the UIF and similar regulations issued by the CNV.

In order to analyze the anti-money laundering prevention system implemented in Argentina, investors may check the applicable rules on the website of the Ministry of Economy and Public Finance (http://www.mecon.gov.ar) or of the UIF (http://www.uif.gov.ar).

Exchange Rates

From April 1, 1991 until the end of 2001, the Convertibility Law (Law No. 23,928) established a fixed exchange rate under which the Central Bank was obligated to sell U.S. dollars at one peso per U.S. dollar. On January 6, 2002, the Argentine Congress enacted Law No. 25,561, the Public Emergency Law and Reform of the Exchange Rate Regime (referred hereinafter as the "Public Emergency Law"), formally putting an end to the Convertibility Law regime and abandoning over 10 years of U.S. dollar-peso parity. The Public Emergency Law, which has been extended until December 31, 2013 by Law No. 26,729, grants the Executive Branch of the Argentine government the power to set the exchange rate between the peso and foreign currencies and to issue regulations related to the MULC (as defined below). Following a brief period during which the Argentine government established a temporary dual exchange rate system pursuant to the Public Emergency Law, the peso has been allowed to float freely against other currencies since February 2002 although the government has the power to intervene by buying and selling foreign currency for its own account, a practice in which it engages on a regular basis.

The following table sets forth the annual high, low, average and period-end exchange rates for U.S. dollars for the periods indicated, expressed in nominal pesos per U.S. dollar, based on rates quoted by the Central Bank. The Federal Reserve Bank of New York does not report a noon buying rate for Argentine pesos.

	Low	High	Average	Period End
			(pesos per U.S. dollar)	
Year ended December 31,				
2009	3.45	3.85	3.75[(1)]	3.80
2010	3.79	3.99	3.92[(1)]	3.98
2011	3.97	4.30	4.15[(1)]	4.30
2012	4.30	4.92	4.58[(1)]	4.92
2013	4.92	6.52	5.54[(1)]	6.52
Month				
January 2014	6.54	8.02	7.10[(1)]	8.02
February 2014	7.76	8.02	7.86[(1)]	7.88
March 2014	7.87	7.97	7.90[(1)]	7.97

Source: Central Bank

(1) Represents the average of the exchange rates on the last day of each month during the period.

(2) Through March 21, 2014.

No representation is made that peso amounts have been, could have been or could be converted into U.S. dollars at the foregoing rates on any of the dates indicated.

Foreign Exchange Regulations

Prior to December 1989, the Argentine local foreign exchange market was subject to exchange controls. From December 1989 to April 1991, Argentina had a freely floating exchange rate for all foreign currency transactions, and the transfer of dividend payments in foreign currency abroad and the repatriation of capital were permitted without prior approval of the Central Bank. From April 1, 1991, when the Convertibility Law became effective, to December 21, 2001, when the Central Bank closed the local foreign exchange market, the peso was freely convertible into U.S. dollars.

On December 3, 2001, the Argentine government imposed a number of monetary and currency exchange control measures through Decree No. 1570/01, which included restrictions on the free disposition of funds deposited in banks and tight restrictions on transferring funds abroad (including the transfer of funds to pay dividends) without the Central Bank's prior authorization subject to specific exceptions for transfers related to foreign trade.

In January 2002, as the economic crisis worsened, the Argentine government imposed exchange restrictions and controls which were gradually relaxed towards the end of 2002.

By Decree No. 260/2002, the Argentine government organized a local foreign exchange market (the *Mercado Único y Libre de Cambios*, or "MULC") through which all foreign exchange transactions must be conducted, starting on the effective date of such decree. At the same time, the Central Bank issued Communication "A" 3,471, supplementary to such decree and which, with various amendments, remains in effect as of the date of this offering memorandum. Communication "A" 3,471 described the essential principles of the foreign exchange control system in Argentina. In this respect, among other things, it provides:

- The exchange rate results from the free play of supply and demand;
- Transactions may only be made at an institution licensed by the Central Bank to operate in foreign exchange;
- All transactions that do not comply with the foreign exchange regulations are subject to sanctions within the scope of the Foreign Exchange Criminal Law (Law No. 19,359), as amended and regulated;
- Foreign trade transactions and transfers abroad are regulated by the Central Bank, which may have to provide prior approval and exercise control over the settlement method and terms of the transaction, depending on the type of transaction; and
- The relevant parties must register the transaction, observe certain customer identification requirements and adhere to the relevant reporting system.

With respect to foreign exchange restrictions, Decree No. 1,570/2001 generally prohibits transfers abroad except for those associated with foreign trade transactions, expense payments or withdrawals by credit or debit card holders and repayment of financial transactions or on other accounts (the latter being subject to permission by the Central Bank).

In June 2003, the Argentine government set restrictions on capital flows into Argentina, which mainly consisted of a prohibition against the transfer abroad of any funds until 180 days after their settlement in Argentina.

The main foreign exchange control regulations issued by the Argentine government and the Central Bank in connection with entrance and exit of funds into Argentina as of the date hereof are summarized below. For further information regarding the current foreign exchange regulation, you should consult your own attorney and read the applicable rules mentioned herein, as well as its amendments and complementary regulations, which are available at the Ministry of Economy and Public Finance's website: www.mecon.gov.ar, or the Central Bank's website: www.bcra.gov.ar, as corresponds.

Decree No. 616/2005

Decree No. 616/2005, enacted by the Argentine government on June 9, 2005, establishes the obligation to register with the Central Bank any inflow and outflow of foreign currency through the MULC, and any debt transaction of a resident with a non-resident that could imply a future payment of foreign exchange to a non-resident. Any foreign debt registered in the MULC by a private sector individual or entity residing in Argentina, regardless of the repayment method, must be agreed to and repaid within 365 calendar days as from the date of settlement of such funds into pesos, and the proceeds of the inflow of funds must be credited to an account with an Argentine bank, except for foreign trade financings and primary issuances of debt securities admitted to public offering and listed in self-regulated markets.

According to Decree No. 616/2005 (along with other resolutions by the Ministry of Economy and communications from the Central Bank) a U.S. Dollar-denominated non-transferable, non-remunerated and nominative deposit must be established with an Argentine bank for a 365-day term and for an amount equivalent of 30% of the amount of the transaction (the "Mandatory Deposit"), when there is an inflow of foreign currency through the MULC for the following:

- Financial indebtedness incurred by the financial sector or the private non-financial sector, except for primary issuances of debt securities admitted to public offering and listed in self-regulated markets;
- Primary issuances of shares in a resident company that does not make a public offering or listing on a self-regulatory market, insofar as they are not direct investment funds;
- Portfolio investments of non-residents, intended to be held in local currency and financial assets and liabilities of the financial sector and the private non-financial sector, insofar as they do not correspond to a primary subscription of debt that is publicly offered and listed on a self-regulated market and/or a primary subscription of shares in a resident company that is publicly offered and listed on a self-regulatory market;
- Portfolio investments of non-residents intended to acquire any right in a secondary market with respect to securities issued by the public sector;
- Portfolio investments of non-residents intended to be made for the primary subscription of securities issued by the Central Bank;
- Sales of foreign assets of private sector residents, for any excess above U.S.$ 2.0 million per calendar month, in all the institutions licensed to conduct foreign exchange transactions;
- Primary subscription of notes, bonds or interest certificates issued by a trust, whether or not publicly offered or listed on a self-regulatory market, where such requirements are applicable to the acquisition of any trust assets.

The Mandatory Deposit may not be used to guarantee or to serve as collateral for any type of transaction.

Under such resolutions and communications, the transactions exempted from the Mandatory Deposit include, among others, the following:

- Foreign currency settlements by residents derived from foreign currency loans granted by local financial entities;
- Inflows of foreign currency into the MULC due to direct investment in Argentina, subject to certain requirements;
- Inflows from sales of interests in local companies to direct investors, subject to certain requirements;
- Inflows from investments by non-residents, used to purchase real estate property, subject to certain requirements;
- Inflows to purchase real estate property under construction through payment of installments, subject to certain requirements;
- Inflows ordered by multilateral and bilateral credit entities and official credit agencies (as detailed in Communication "A" 4662), either directly or through their respective related agencies, as long as such inflows are related to their corporate purpose;
- Other financial indebtedness with non-resident creditors of the financial sector and private non-financial sector, so long as the participating institution simultaneously uses the funds resulting from the settlement of foreign currency, net of taxes and expenses, to purchase foreign currency for the repayment of interest on foreign debt and/or the formation of long-term foreign assets;
- Other financial indebtedness with non-resident creditors of the private non-financial sector, insofar as such indebtedness is engaged and repaid not less than two years from the date of the transaction, including any principal and interest thereon, and provided that it is intended by the private sector for investment in non-financial assets, as defined in certain regulations issued by the Central Bank;
- Inflows from external asset repatriations by residents, so long as: (i) the funds resulting from the sale of foreign assets are used by the company to purchase non-financial assets, as defined in certain regulations issued by the Central Bank; or (ii) the funds resulting from the sale of foreign assets by individuals and legal entities are used for new capital contributions to resident companies, and such companies use them to purchase non-financial assets, as defined in certain regulations issued by the Central Bank;

- Foreign indebtedness engaged and repaid not less than two years from the date of the transaction, including any principal and interest in its calculation, and incurred by the non-financial private sector and the financial sector, which are to be used in the provision of financing and/or training services for small companies, and/or single family home improvements, as provided by certain rules and regulations promulgated by the Central Bank;
- Inflows from pre-export financing loans with exporter recourse granted by foreign financial institutions that meet the requirements set forth in certain regulations issued by the Central Bank;
- Foreign exchange purchases for portfolio investments with specific purposes, so long as the intended use of funds is recorded simultaneously;
- Inflows from sales of foreign assets of private sector residents, used for the primary subscription of public securities issued by the Argentine Federal Government, which funds are used to purchase foreign exchange in order to repay interest upon debt;
- Subscription of a primary issuance of securities made by a trust, which purpose is the implementation of energy infrastructure works, and which underlying assets are composed, whether in whole or in part, of specific charges created by Law No. 26,095 to the extent the same are repaid, or fully or partially redeemed, not less than 365 days from the date of subscription, regardless of the method of repayment.

As a result of the above, foreign currency inflows through the MULC related to the subscription of primary issues of debt securities which are publicly offered and quoted on self-regulated markets are exempted from the Mandatory Deposit.

In the case of foreign currency inflows from non-residents through the MULC for the acquisition of notes on the secondary market, such acquisition would be considered, under Decree No. 616/2005, as amended, a portfolio investment by non-residents applied to private sector financial asset holdings, and therefore, such inflows shall be subject to the Mandatory Deposit as well as the obligation to maintain such funds in Argentina for a minimum 365-day period.

Such non-residential investors may only remit up to U.S.$ 500,000 abroad per calendar month in all institutions licensed to conduct foreign currency transactions through the MULC, provided such investment in notes is reported to be preserved in Argentina for not less than 365 calendar days before such remittance.

Any foreign currency inflow for the subscription of primary issues of notes must be reported to the Central Bank and must be entered and settled through the MULC.

Under Communication "A" 4,940 of May 12, 2009, access to the foreign currency market for transactions by non-residents, for the purpose of repatriating portfolio investments as mentioned above, requires prior approval by the Central Bank, if the payee abroad is an individual or entity residing, created or with its address, jurisdiction, territory or associate state listed among the typical tax-haven jurisdictions in Decree No. 1,344/1998, regulating Income Tax Law No. 20,628, as amended. The provision further determines that an institution under Central Bank supervision shall comply with the requirements set forth in CNV's Resolution No. 554/2009, as amended from time to time, in any purchase or sale of securities entered into with a non-resident in any manner whatsoever, unless the transaction is made by the local institution to receive funding for itself from abroad.

According to Communication "A" 5,241, all other purchases of foreign currency by non-residents for transfer abroad not expressly listed in Communication "A" 4,662, shall require prior approval by the Central Bank.

The transfer abroad of dividend payments is currently authorized by applicable regulations to the extent that such dividend payments are made in connection with audited financial statements and are approved by a shareholders' meeting, per Communication "A" 5,264.

Interest Payments

Access to the MULC is permitted in order to pay interest in the non-financial private sector and in the financial sector, provided that such payment of interest:

- Corresponds to unpaid debts or is made along with the unpaid debt;
- Is not more than 5 business days earlier than the due date of each interest payment; or
- Corresponds to accrued interests, at any time of the current interest period.

Access to the MULC for payment of debt service shall be allowed for interest accrued beginning on the date of the settlement of the foreign currency in the MULC, or the effective date of the disbursement of the funds if they were credited in correspondent accounts of entities authorized to settle such funds through the MULC, within 48 business hours from the date of disbursement, per Communication "A" 5,397.

Likewise, and according to General Resolution No. 3417/2012 of the Argentine Tax Authority, prior to payment of interests, the debtor shall file within such agency the denominated Advanced Sworn Statement for payments abroad (DAPE, for its Spanish acronym).

In the case of foreign indebtedness of companies for financing, partially or fully, the acquisition of foreign assets of direct investments that have already required the prior approval of the Central Bank, such companies shall demonstrate that they have entered and cleared all incomes related to those assets or the amount received for its disposition, as the case may be.

Principal Payments

Payment of principal under foreign financial indebtedness incurred by Argentine residents in the financial sector and in the private, non-financial sector (except in the case of payment of primary issuances of publicly traded and listed debt securities) may only proceed after a 365 calendar-day term has elapsed as from the date of settlement of the loan proceeds or any other applicable minimum term imposed that may apply, per Communication "A" 5,265.

Pursuant to Communication "A" 5,265, as amended, access to the MULC for the prepayment of principal under foreign indebtedness incurred by Argentine residents of the private non- financial sector is allowed:

- at any time within a 10-business -day period before maturity, provided that the applicable minimum remaining term is observed;
- within such a reasonable period that is required for operating reasons for payment to the creditor at maturity of principal installments;
- for prepayments for terms longer than the 10-business –day period before maturity, whether in whole or in part, provided that the applicable minimum remaining term is observed and that such prepayment is totally financed with the entrance of funds through the Argentine foreign exchange market for capital contributions; and
- for prepayments for terms longer than the 10-business –day period before maturity, whether in whole or in part, provided that the applicable minimum remaining term is observed and that such prepayment is totally financed with a new financing inflow with International Organizations and their agencies, Foreign Official Credit Agencies and foreign financial institutions, and as long as: (i) such prepayment is expressly foreseen as a condition for the new indebtedness; and (ii) it does not imply an increase in the present value of the debt.

In such context, Communication "A" 5,265 establishes the current value calculation methodology related to the debt based upon the interest rate implied in foreign exchange quotations on the futures trading market in Argentina. Regulations on foreign exchange controls do not currently provide for access to the MULC by those non-financial private sector companies which issued performance bonds with respect to repayment of foreign indebtedness incurred by residents. In the case that such companies need to use funds located in Argentina to comply with obligations incurred under such guarantees, the Central Bank's approval must be obtained prior to the making of such payment with funds located in Argentina.

General Requirements

Before proceeding with a payment of interest or principal on any foreign indebtedness, financial institutions must ascertain that the debtor has submitted a debt affidavit as prescribed by the reporting system contemplated in Communication "A" 3,602, and comply with the other requirements determined under item 4.1 of Communication "A" 5,265.

According to Communication "A" 5,265, only bonds and other debt securities issued abroad under foreign law are considered foreign debt. In those cases, access to the MULC to purchase foreign currency for transfer abroad for the purpose of paying interest or principal shall be performed regardless of the residence of the bondholders.

Sales of Foreign Currency to Non-Residents

A non-resident (as defined in the International Monetary Fund's Balance of Payments Manual, as amended) may access the MULC to purchase foreign currency for transfer abroad, where the transaction is made by, or relates to collections in Argentina of, *inter alia*, services or settlements of sales of other portfolio investments entering the country in foreign currency (and their interest), so long as the payee is not an entity covered by Central Bank Communication "A" 4,940, and the aggregate amount of such transactions does not exceed an amount equal to U.S.$ 500,000 per calendar month for each non-resident individual or entity, at all the institutions authorized to operate in foreign exchange. Should such transactions exceed U.S.$ 500,000 per month, such transaction require the prior approval of the Central Bank. Such repatriations of portfolio investments include, among others, investments in local bonds issued in *pesos* and in foreign exchange, payable locally. If access by a non-resident is permitted without prior approval, a resident may also access the market to transfer funds to a non-resident, per Communication "C" 51,232.

As mentioned above, according to Communication "A" 4,940, market access to purchase foreign currency for transactions by non-residents, for the purpose of repatriating portfolio investments as referred to above, requires prior approval by the Central Bank, where the payee abroad is an individual or entity residing, created or with its address, jurisdiction, territory or associate state listed among the typical tax-haven jurisdictions in Decree No. 1,344/1998, regulating Income Tax Law No. 20,628, as amended.

Communication "A" 4,662 also sets forth the conditions for the repatriation of direct investments, provided such investments are reported to be preserved in Argentina for not less than 365 calendar days before the remittance. Likewise, Communication "A" 5,237 has established the obligation to demonstrate the previous entrance of the funds through the MULC as a condition precedent to access to the MULC for repatriations of direct investments.

Resident's Foreign Assets

Communication "A" 5,236 sets forth the conditions according to which natural or legal entities residing in Argentina, properties or assets organized or constituted in Argentina and local governments that are not licensed to operate in foreign exchange may access the MULC with the purpose of creating foreign assets. All such transactions that fail to meet the conditions established by the Central Bank shall be subject to its prior approval. The ruling distinguishes between purchases for the creation of foreign assets for a specific allocation and purchases for the creation of foreign assets without a specific allocation.

Within the range of allowable transactions involving foreign currency purchase having a certain use, the purchase of bills in such currency for deposit in local accounts by non-financial private sector companies that have due and outstanding foreign indebtedness and that, as of the date of access to the market, would have offered foreign creditors to refinance their debts, provided that purchased funds do not exceed: (i) the amount required to service unpaid principal and interest due according to the original schedule without considering the acceleration of the due date as a result of the declaration of an event of default; and (ii) 75% of payments in cash included in the offer. Funds deposited in local accounts plus interest, net of expenses and commissions affecting the account, shall be reentered through the MULC on the date provided for the cash payment under the terms of the offer if such offer would have been accepted, or within ten (10) business days if such offer would have been rejected. Purchases will be made through the financial entity receiving the deposit, which will have to follow up these transactions and report to the Central Bank any lack of compliance with these regulations.

On the other hand, access to the MULC to purchase foreign currency to constitute foreign assets, without any obligation to use it subsequently for a particular purpose (i.e.: portfolio investments) is suspended as of the date of this offering memorandum by Communication "A" 5,318, effective as of July 5, 2012.

In accordance to Communication "A" 5,245, as amended, all financial institutions licensed to operate in exchange shall consult and register all clients' exchange transactions that fall under the denominated "*Programa de Consulta de Operaciones Cambiarias*" of the Argentine Tax Authority, per General Resolution No. 3210/2011, as amended.

Report of Issuances of Securities and Other Foreign Indebtedness of the Private Financial and Non-financial Sector

Pursuant to Communication "A" 3,602 dated May 7, 2002, as amended, all individuals and legal entities in the private financial and non-financial sector must report their outstanding foreign indebtedness (whether denominated in Pesos or in foreign currency) at the end of each quarter. The debts incurred and repaid within the same calendar quarter may not be reported.

Direct Investments Report

Communication "A" 4,237 dated November 10, 2004, as amended, establishes reporting requirements in connection with direct investments made by local residents abroad and by non-residents in Argentina. Direct investments are defined as those that reflect the long-standing interest of a resident in one economy (direct investor) in another economy's resident entity, such as an ownership interest representing at least 10% of a company's capital stock or voting rights. The reporting requirements prescribed by this Communication "A" 4,237 are to be met on a bi-annual basis.

PART I: INFORMATION RELATING TO OUR GLOBAL MEDIUM-TERM NOTE PROGRAM

Summary of the Program

This summary highlights information contained elsewhere in this offering memorandum regarding this program. This summary does not contain all of the information you should consider before investing in the notes. You should read this offering memorandum in its entirety, as amended or supplemented, including the information set forth in "Risk Factors," our consolidated financial statements and the notes thereto and the Pricing Supplement before making an investment decision. Also, see our 2013 20-F "Item 3. Key Information—Risk Factors." To the extent that the following description of additional terms and conditions of the Notes is inconsistent with that set forth in the Pricing Supplement, the description set forth in the Pricing Supplement supersedes the following description.

In this offering memorandum, references to "notes" are to any notes that we may issue under this program, unless the context otherwise requires.

Issuer	YPF Sociedad Anónima.
Program Size	We may issue up to U.S.$5,000,000,000 aggregate principal amount of notes (or the equivalent in other currencies) outstanding at any time; *provided* that, subject to the prior approval of the CNV, we may amend the program to increase the aggregate principal amount of notes issuable under the program at any time without the consent of holders of notes.
Program Duration	Five years, commencing June 5, 2008, renewed for an additional 5 years, commencing on October 25, 2012, the date of the CNV's authorization of the program.
Issuance in Series	We will issue notes in series. Within each series, we may issue tranches of notes, subject to terms identical to those of other tranches in that series, except that the issue date, the issue price and the initial interest payment date may vary. We will set out the specific terms of each series or tranche in a pricing supplement to this offering memorandum.
Status and Ranking	The notes issued under this program will qualify as "*obligaciones negociables simples no convertibles en acciones*" under Argentine law and will be issued pursuant to, and in compliance with, all of the requirements of the Negotiable Obligations Law and any other applicable Argentine laws and regulations. Unless otherwise specified in the applicable pricing supplement, the notes will constitute our direct, unconditional, unsecured and unsubordinated obligations and will rank at all times at least pari passu in right of payment with all our other existing and future unsecured and unsubordinated indebtedness (other than obligations preferred by statute or by operation of law). If so specified in the applicable pricing supplement, we may issue notes that are secured by an assignment, lien or other security arrangement with respect to property specified therein and will rank senior, to the extent of the security, to all our existing and future unsecured indebtedness (other than obligations preferred by statute or by operation of law). If so specified in the applicable pricing supplement, we may issue subordinated notes that will rank at all times junior in right of payment to our secured indebtedness and, to the extent set forth therein, certain of our unsecured and unsubordinated indebtedness (as well as obligations preferred by statute or by operation of law).

Issue Price	We may issue notes at their principal amount or at a discount or premium to their principal amount as specified in the applicable pricing supplement. The Issue Price of the notes will be agreed between us and the relevant dealer(s) at the time of the issuance as set forth in the applicable pricing supplement.
Currencies	We may issue notes in any currency as specified in the applicable pricing supplement. We may also issue notes with principal and interest payable, to the extent permitted by Argentine law, in one or more currencies different from the currency in which such notes are denominated.
Maturities	The applicable pricing supplement will provide the maturity for each series of notes, which shall be no less than seven days from the date of issue, or the minimum term required under CNV regulation.
Interest	Notes may bear interest at a fixed rate or at a margin above or below a floating rate based on LIBOR, U.S. Treasury rates or any other base rate, or by reference to an index or formula, as we will specify in the applicable pricing supplement. We may also issue notes on a non-interest bearing basis, as may be specified in the applicable pricing supplement.
Redemption	The applicable pricing supplement may provide that the notes of a series will be redeemable at our option and/or the option of the holders, in whole or part, at a price or prices as set forth in the applicable pricing supplement. Partial redemption will be made on a pro rata basis.
Redemption for Taxation Reasons	Notes may be redeemed by us, in whole but not in part, at a price equal to 100% of the principal amount plus accrued and unpaid interest and any additional amounts upon the occurrence of specified Argentine tax events. See "Description of the Notes—Redemption and Repurchase—Redemption for taxation reasons."
Repurchase Offer	The applicable pricing supplement may provide that, upon the occurrence of certain events described therein, we will be required to make an offer to repurchase notes of a series at a price and in accordance with the conditions set forth in the applicable pricing supplement.
Covenants	The program contemplates that the notes will contain certain covenants that, subject to significant exceptions, limit our ability to incur certain liens or enter into certain sale and lease-back transactions and that, unless we comply with certain requirements, limit our ability to merge, consolidate or transfer all or substantially all our assets. See "Description of the Notes—Covenants."
Proceeds	We will use the net proceeds from the issuance of notes under this program for any one or more of the following purposes, all in compliance with the requirements of Article 36 of the Negotiable Obligations Law, and other applicable regulations, as specified in the applicable pricing supplement: (i) working capital and investments in tangible assets located in Argentina, (ii) to refinance our outstanding debt, and (iii) capital contributions to controlled or affiliated companies, provided that such corporations use the contributions for the purposes set forth in (i) above in Argentina. See "Use of Proceeds."
Withholding Taxes; Additional Amounts	We will make our payments in respect of notes without withholding or deduction for any Taxes (as defined herein) imposed by Argentina, or any political subdivision or any taxing authority thereof. In the event that such withholdings or deductions are required by law, we will, subject to certain exceptions, pay such Additional Amounts (as defined herein) as are necessary to ensure that the holders receive the same amount as the holders would otherwise have received in respect

	of payments on the notes in the absence of such withholdings or deductions. See "Description of the Notes—Payments of Additional Amounts."
Denominations	We will issue notes in denominations specified in the applicable pricing supplement, subject to applicable laws and CNV regulations.
Form	Unless otherwise specified in the applicable pricing supplement, notes offered in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will be represented by one or more Rule 144A global notes, and notes offered in reliance on Regulation S will be represented by one or more Regulation S global notes.
Transfer Restrictions	We have not registered the notes under the Securities Act, and the notes may not be transferred except in compliance with the transfer restrictions set forth under "Transfer Restrictions."
Registration Rights	If so specified in the applicable pricing supplement, we may provide holders of a series of notes registration rights. Pursuant to a Registration Rights Agreement, if any, we may agree to file with the SEC and use our commercially reasonable efforts to cause to become effective a registration statement with respect to an offer to exchange the relevant notes for notes ("Exchange Notes") with substantially identical terms (but without transfer restrictions and certain other terms concerning increased interest, as described below). Upon the registration statement becoming effective, we would offer to holders of such notes who are able to make certain representations the opportunity to exchange their notes for an equal principal amount of Exchange Notes. Under certain circumstances, we may instead be required to file a registration statement to cover resales of notes by the holders. Failure to file or cause the exchange offer registration statement to become effective or to consummate the exchange offer, or, if required, failure to file or cause the resale registration statement to become and remain effective, within time periods specified in the applicable pricing supplement, will result in an increase in the interest rate borne by the relevant notes. See "Description of the Notes—Registration Rights."
Listing	We may apply to have the notes of a series listed on the Official list of the Luxembourg Stock Exchange for trading on the Euro MTF market and listed on the BCBA and the MAE or any other stock exchange. We cannot assure you, however, that these applications will be accepted. Notes may be issued under this program that will not be listed on any securities exchange, and the pricing supplement applicable to a series of notes will specify whether or not the notes of such series have been listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market, and the BCBA and the MAE or on any other securities exchange.
Governing Law	The Negotiable Obligations Law establishes the requirements for the notes to qualify as "*obligaciones negociables*" thereunder, and Argentine laws and regulations will govern certain matters related to meetings of the holders and our capacity and corporate authorization to establish this program, offer the notes in Argentina, and execute and deliver the notes. All other matters with respect to the notes of a series will be governed by, and construed in accordance with the law specified in the applicable pricing supplement.
Placement of the Notes in Argentina	Notes to be issued under this program may be offered to the public in Argentina in

	accordance with CNV regulations. A Spanish language prospectus will be available to the general public in Argentina. Under the CNV regulations, a placement of notes shall be conducted through a public auction carried out through the tender offer systems and procedures managed by a market authorized by the CNV, such as BASE and the MAE. The pricing supplements will detail the rules applicable to the public auctions to be conducted in connection with the placement of the notes of the relevant series as well as the placement efforts to be undertaken in accordance with applicable CNV regulations.
Ratings	This program has been rated "AA (arg)" in Argentina by Fitch Argentina Calificadora de Riesgo S.A. If a series of notes under this program will be rated, we will provide the ratings and information relating to such ratings in the applicable pricing supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject revision or withdrawal at any time by the assigning rating agency. Ratings used by Argentine rating agencies may differ in certain respects from those used by the rating agencies in the United States or other countries.
Risk Factors	**See "Risk Factors" in page I-6 of this offering memorandum for a description of the principal risks involved in making an investment in the notes. Also, see 2013 20-F "Item 3. Key Information—Risk Factors."**

Risk Factors

An investment in the notes issued under this program involves significant risks. You should carefully consider the risks described below and those described in the applicable pricing supplement, if any, before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The trading price of the notes issued under this program could decline due to any of these risks, and you may lose all or part of your investment. The risks described below and in the applicable pricing supplement, if any, are those known to us and that we currently believe may materially affect us or investors in the notes issued under this program. Additional risks not presently known to us or that we currently consider immaterial may also impair our business.

The operations and results of operations of YPF are subject to risks as a result of changes in the competitive, economic, political, legal, regulatory, social, industrial, and financial conditions. Investors should carefully consider these risks.

Risks Related To The Offering

Any unsecured notes we issue will be effectively subordinated to our secured indebtedness.

Unless otherwise specified in the applicable pricing supplement, the notes will rank at least *pari passu* in right of payment with all of our existing and future unsecured and unsubordinated indebtedness, other than obligations preferred by statute or by operation of law, including, without limitation, tax and labor-related claims. Unless otherwise specified in the applicable pricing supplement, the Indenture (as defined herein) will not prohibit us from incurring additional indebtedness and will contain significant exceptions to the restriction on our ability to incur secured debt. If we become insolvent or are liquidated, secured lenders will have priority over claims for payment on the notes to the extent of the assets that constitute their collateral. If any assets remain after payment of secured lenders, those assets may be insufficient to satisfy the claims of the holders of the notes and other unsecured debt as well as of other general creditors entitled to participate ratably with holders of the notes.

If so specified in the applicable pricing supplement, we may also issue subordinated notes. In that case, in addition to the priority of certain other creditors described in the preceding paragraphs, subordinated notes will also rank at all times junior in right of payment to certain of our unsecured and unsubordinated indebtedness, as described in the applicable pricing supplement.

An active trading market for the notes may not develop or be sustained.

The notes under this program are new securities for which there is currently no active trading market. We may apply to have the notes of a series listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market and on the BCBA and the MAE or any other securities exchange; however, we cannot assure you that these applications will be accepted. Moreover, we may not list the notes of a series on any securities exchange. If the notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and our financial performance.

We cannot assure you that an active trading market for the notes of any series will develop, or, if one does develop, that it will be maintained. If an active trading market for the notes does not develop or is not maintained, the market price and liquidity of the notes may be adversely affected.

The notes will be subject to transfer restrictions which could limit your ability to resell your notes.

The notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the notes may be offered and sold only (a) to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A; (b) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; (c) pursuant to another exemption from registration under the Securities Act; or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. These restrictions could impair your ability to resell notes you purchase. See "Transfer Restrictions."

We may redeem the notes prior to maturity.

Any series of notes is redeemable by us (i) in the event of certain changes in Argentine taxes or (ii) if the applicable pricing supplement so specifies, at our option for any other reason. We may choose to redeem those notes at times when prevailing interest rates may be relatively low. Accordingly, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

See additionally "Item 3. Key Information—Risk Factors" in the 2013 20-F.

The terms of the Notes Indenture provide only limited protection against significant events that could adversely impact your investment in the notes.

Upon the occurrence of a Change of Control you will have the right to require us to repurchase the notes as provided in the Notes Indenture, and on the terms set forth in the notes. However, the Change of Control provisions will not afford you protection in the event of certain highly leveraged transactions that may adversely affect you. For example, any leveraged recapitalization, refinancing, restructuring or acquisition initiated by us generally will not constitute a Change of Control (as defined in the Notes Indenture). As a result, we could enter into any such transaction even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit rating or otherwise adversely affect the holders of the notes. If any such transaction were to occur, the value of your notes could decline. In addition, the Notes Indenture contains only limited financial covenants.

The price at which holders will be able to sell their Notes prior to maturity will depend on a number of factors and may be substantially less than the amount holders originally invested.

The market value of the Notes at any time may be affected by changes in the level risks perceived in connection with the Company or the market. For example, an increase in the level of the risk perceived could cause a decrease in the market value of the Notes. Conversely, a decrease in the level of risk perceived may cause an increase in the market value of the Notes.

The level of risk perceived will be influenced by complex and interrelated political, economic, financial and other factors that can affect the money markets generally and / or the market in which the Company operates. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the perception of the risk varies, the market value of the Notes may change. See additionally "Item 3. Key Information—Risk Factors" on page 10 of our 2013 20-F, included herein.

Holders of Notes may find it difficult to enforce civil liabilities against us or our directors, officers and controlling persons.

We are organized under the laws of Argentina and our principal place of business (*domicilio social*) is in the City of Buenos Aires, Argentina. Our directors, officers and controlling persons reside outside the United States. In addition, a substantial portion of our assets and their assets is located outside the United States. As a result, it may be difficult for holders of Notes to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the U.S. federal securities laws. In addition, under Argentine law, enforcement of foreign judgments would be recognized, provided that the requirements of Articles 517 through 519 of the National Code of Civil and Commercial Procedure are complied with, including the requirement that the judgment does not violate principles of public policy of Argentine law, as determined by the Argentine court. We cannot assure you that an Argentine court would not deem the enforcement of foreign judgments, requiring us to make a payment under the Notes in foreign currency outside of Argentina, to be contrary to Argentine public policy, if at that time there are legal restrictions prohibiting Argentine debtors from transferring foreign currency outside of Argentina to cancel indebtedness. Based on the opinion of our Argentine counsel, there is doubt as to the enforceability against our directors, officers and controlling persons in Argentina, in original actions, of liabilities based solely on the U.S. federal securities laws. Our Argentine counsel has also advised us that the enforcement in an Argentine court of judgments of U.S. courts in respect of liabilities based solely on the U.S. federal securities laws shall be subject to compliance with the above described requirements of the National Code of Civil and Commercial Procedure.

Certain of our assets may not be attached or foreclosed on.

Pursuant to Argentine law, assets that are essential to the provision of a public service may not be attached, whether preliminarily or in aid of execution. As a result, Argentine courts may not order enforceability of judgments against any of our assets that are found by a court of law to be essential to the provision of a public service.

We cannot assure you that the credit ratings for the Notes will not be lowered, suspended or withdrawn by the Rating Agencies.

The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the Rating Agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the Rating Agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the Rating Agencies, if, in the judgment of such Rating Agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes.

Payments of judgments against us on the notes would be in pesos.

In the event that proceedings are brought against us in Argentina, either to enforce a judgment or as a result of an original action brought in Argentina, we may not be required to discharge those obligations in a currency other than pesos or the then applicable Argentine currency. As a result, investors may suffer a U.S. dollar shortfall if they obtain a judgment or a distribution in bankruptcy in Argentina if the investors are not able to acquire in the Argentine foreign exchange market the equivalent U.S. dollars at the prevailing exchange rate. Under existing exchange control regulations, foreign investors are allowed to acquire U.S. dollars in the official exchange markets with the proceeds of the collection of pesos received (whether from the debtor or through the enforcement of claims against the assets of the debtor) in payment of interest or principal of debt, including notes such as the notes contemplated herein, which complies with certain requirements, including that the proceeds of the borrowings were liquidated in the Argentine official exchange market. However, these exchange regulations may be eliminated, suspended or materially amended.

We may be unable to repurchase the notes upon a change of control.

Upon the occurrence of a Change of Control (as defined in the Notes Indenture), we will be required to offer to repurchase all outstanding notes at a price of 101% of their principal amount plus accrued and unpaid interest. Our source of funds for any such purchase of the notes will be available cash, cash generated from our subsidiaries or other sources, including borrowings, sales of assets or sales of equity. The sources of cash may not be adequate to permit us to repurchase the notes upon a Change of Control. Any failure on our part to offer to repurchase the notes, or to repurchase notes tendered following a Change of Control, may result in a default under the Notes Indenture and may be an event of default under the agreements governing our other indebtedness. For further information, see “Description of Notes—Repurchase of Notes upon a Change of Control.”

Risks Relating To Argentina, The Argentine Oil And Gas Business And Our Business

Prospective investors in the notes should carefully consider the additional risks factors discussed under Part II—Annual Report on Form 20-F for the year ended December 31, 2013—Item 3. Key Information—Risk Factors, beginning on page 10, as well as the risk factors discussed in the applicable pricing supplement, if any.

Use of Proceeds

We will use the net proceeds from the issuance of notes under this program for any one or more of the following purposes, all in compliance with the requirements of Article 36 of the Negotiable Obligations Law, and other applicable regulations, as specified in the applicable pricing supplement:

- working capital and investments in tangible assets located in Argentina;
- to refinance our outstanding debt; or
- capital contributions to controlled or affiliated companies, provided that such companies use the contributions in Argentina and for the purposes set forth above

Pending their application, proceeds, if any, may be invested in government securities and short-term investments.

Description of the Notes

GENERAL

Unless otherwise specified in the applicable pricing supplement, the notes will be issued under an Indenture (the "Indenture") to be entered into by and among us and a financial institution or entity, as trustee (in such capacity, the "Trustee"). Such Trustee, or any other entity which we may appoint to such effect, will act as co-registrar (in such capacity, the "Co-Registrar"), principal paying agent (in such capacity, the "Principal Paying Agent," and together with any other paying agents under the Indenture, the "Paying Agents") and transfer agent (in such capacity, a "Transfer Agent," and together with any other transfer agents under the Indenture, the "Transfer Agents"). In such Indenture we will also appoint a registrar (in such capacity, the "Registrar"), which may also be Paying Agent, Transfer Agent and representative of the Trustee in Argentina (in such capacity, the "Representative of the Trustee in Argentina"). The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), except upon effectiveness of any registration statement or shelf registration statement. However, by its terms, the Indenture will incorporate by reference certain provisions of the Trust Indenture Act and, upon consummation of an exchange offer or effectiveness of a shelf registration statement, if any, the Indenture will be governed by, and subject to, the Trust Indenture Act.

Notes may be issued from time to time in one or more series or tranches. The notes of all series outstanding at any one time under this program are limited to an aggregate principal amount of U.S.$5,000,000,000 (or its equivalent in other currencies); *provided*, that, subject to the prior approval of the CNV, we may amend the program to increase the aggregate principal amount of notes issuable under the program at any time without the consent of holders of notes. The particular terms of each issue of notes, including, without limitation, the date of issue, issue price, principal amount, currency of denomination and payment, maturity, interest rate or interest rate formula, if any, and, if applicable, redemption, repayment and index provisions, will be set forth for each such issue in the notes, as described in the applicable pricing supplement. With respect to any particular note, the description of the notes herein is qualified in its entirety by reference to, and to the extent inconsistent therewith is superseded by, such note and the applicable pricing supplement.

The notes will qualify as "*obligaciones negociables simples no convertibles en acciones*" under the Negotiable Obligations Law and will be entitled to the benefits set forth therein and subject to the procedural requirements thereof. Unless otherwise specified in the applicable pricing supplement, the notes will constitute our direct, unconditional, unsecured and unsubordinated obligations and will rank at all times at least *pari passu* in right of payment with all our other existing and future unsecured and unsubordinated indebtedness (other than obligations preferred by statute or by operation of law). If so specified in the applicable pricing supplement, we may issue, under a supplemental indenture or a separate indenture, notes that are secured by an assignment, lien or other security arrangement with respect to property specified therein and will rank senior, to the extent of the security, to all our existing and future unsecured indebtedness (other than obligations preferred by statute or by operation of law). If so specified in the applicable pricing supplement, we may issue, under a supplemental indenture or a separate indenture, subordinated notes that will rank at all times junior in right of payment to our secured indebtedness and, to the extent set forth therein, certain of our unsecured and unsubordinated indebtedness (as well as obligations preferred by statute or by operation of law). See "—Status and Ranking."

Unless previously redeemed, a note will mature on the date specified in the applicable pricing supplement (the "Stated Maturity") which shall be no less than seven days from its date of issue, or the minimum term required under CNV regulations.

Each note may be denominated in any currency (a "Specified Currency") as shall be specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, payments on each note will be made in the applicable Specified Currency; *provided* that in certain circumstances, as may be described in the applicable pricing supplement, payments on any such note may, to the extent permitted by Argentine law, be made in a currency other than the Specified Currency of denomination.

Each note will bear interest, if any, at the interest rate or interest rate formula set forth in the applicable pricing supplement. Unless otherwise indicated in the applicable pricing supplement, each note may bear interest at a fixed rate (a "Fixed Rate Note") or at a rate determined by reference to an interest rate basis or other interest rate formula (a "Floating Rate Note") or may bear no interest (a "Zero Coupon Note"). See "—Interest Rate."

The notes may also be issued with principal and/or interest payable, to the extent permitted by Argentine law, in one or more currencies different from the currency in which such notes are denominated ("Dual Currency Notes") or linked to an index and/or a formula ("Indexed Notes"). Dual Currency Notes and Indexed Notes may be issued to bear interest on a fixed or floating rate basis or on a non-interest bearing basis or a combination of such bases, in which case provisions relating to Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination thereof, respectively, shall, where the context so admits, apply to such Dual Currency or Indexed Notes. References herein to notes denominated in a Specified Currency shall, unless the context otherwise requires, include Dual Currency Notes payable in such Specified Currency.

The notes may be issued as Discount Notes. A "Discount Note," including any Zero Coupon Note, is a note which is issued at a price lower than the principal amount thereof, and which provides that upon acceleration, redemption or repurchase, the amount payable to the holder of such note will be determined in accordance with the terms of such note, and will be an amount that is less than the amount payable on the Stated Maturity of such note. See "—Redemption and Repurchase —Redemption of Discount Notes."

Unless otherwise specified in the applicable pricing supplement, the notes will not be subject to any sinking fund and will not be redeemable by us prior to their Stated Maturity, except in the event of certain changes involving Argentine taxes. See "—Redemption and Repurchase."

If specified in the applicable pricing supplement with respect to a series of notes, we may from time to time, without the consent of holders of notes outstanding, create and issue additional notes of such series provided that such additional notes have the same terms and conditions as the notes of that series in all respects (except for the date of issue, the issue price and, if applicable, the first payment of interest) and the additional notes will ultimately form a single series with the previously outstanding notes of the relevant series.

FORM AND DENOMINATION

General

Unless otherwise permitted by applicable law and specified in the applicable pricing supplement, notes will be issued in registered form without interest coupons ("Registered Notes"). Pursuant to Argentine Law No. 24,587 and Decree No. 259/96, Argentine companies may not issue securities in bearer form or in registered endorsable form. Accordingly, as long as the provisions of such laws are in effect and applicable to us, we will only issue notes under this program in registered non-endorsable form. The Registrar and Co-Registrar will maintain the register (the "Register") in which names and addresses of holders of any notes, the note numbers and other details with respect to the issuance, transfer and exchange of the notes will be recorded, unless otherwise stated in the applicable pricing supplement. No service charge will be made for any registration of transfer or exchange of the notes, but the Trustee, Registrar, Co-Registrar or any Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The applicable pricing supplement will specify the minimum denominations and any other denominations for the notes, subject to applicable laws and CNV regulations.

Registered Notes will be issued in the forms described below, unless otherwise specified in the applicable pricing supplement.

Registered Notes of the same tranche and tenor initially sold in compliance with Regulation S will be represented by one or more Registered Notes in global form (collectively, a "Regulation S Global Note") which will be (a) deposited with the Trustee in New York City as custodian for The Depository Trust Company ("DTC") and will be registered in the name of a nominee of DTC, for its direct and indirect participants (including Euroclear and Clearstream), or (b) deposited with a common depositary for Euroclear and Clearstream, and registered in the name of such common depositary or its nominee, for the accounts of Euroclear and Clearstream (DTC or such other depositary, a "Depositary").

Registered Notes of the same tranche or tenor initially sold within the United States and eligible for resale in reliance on Rule 144A will be represented by one or more Registered Notes in global form (collectively, a "Restricted Global Note" and, together with the Regulation S Global Note, the "Global Notes") which will be deposited upon issuance with the Trustee in New York City as custodian for DTC and will be registered in the name of DTC or a nominee of DTC for credit to an account of a direct or indirect participant in DTC as described below. The Restricted Global Notes (and any Certificated Notes (as defined herein) issued in exchange therefor) will be subject to certain restrictions on transfer set forth under "Transfer Restrictions."

On or prior to the 40th day after the completion of the distribution (as certified to the Trustee by the dealer specified in the applicable pricing supplement) of all notes of an identifiable tranche (the "Distribution Compliance Period"), a beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in a Restricted Global Note of the same tranche and like tenor, but only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is purchasing for its own account or accounts as to which it exercises sole investment discretion and that such person and each such account is a qualified institutional buyer within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States (a "Restricted Global Note Certification"). After the last day of the Distribution Compliance Period, such certification requirement will no longer apply to such transfers. Beneficial interests in a Restricted Global Note may be transferred to a person in the form of an interest in a Regulation S Global Note of the

same tranche and of like tenor, whether before, on or after the end of the Distribution Compliance Period, but only upon receipt by the Trustee of a written certification from the transferor (in the form(s) provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or (if available) Rule 144 under the Securities Act (a "Regulation S Global Note Certification"). Any beneficial interest in a Global Note that is transferred to a person who takes delivery in the form of an interest in another Global Note of the same tranche and of like tenor will, upon transfer, cease to be an interest in such Global Note and become an interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Global Notes

A Global Note may not be transferred except as a whole by its Depositary to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor.

Upon the issuance of a Global Note, DTC, Euroclear or Clearstream, as the case may be, will credit, on its book-entry registration and transfer system, the respective principal amounts of the notes represented by such Global Note to the accounts of institutions that have accounts with DTC, Euroclear or Clearstream, as the case may be ("participants"). The accounts to be credited shall be designated by the dealers of such notes or by us, if such notes are offered and sold directly by us. Ownership of beneficial interests in a Global Note will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in such Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, Euroclear or Clearstream, as the case may be (with respect to interests of participants), or by participants or persons that hold through participants (with respect to interests of persons other than participants). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Note.

So long as a Depositary, or its nominee, is the holder of a Global Note, such Depositary or its nominee, as the case may be, will be considered the sole registered owner or holder of the notes represented by such Global Note for all purposes under the Indenture. Except as set forth below under "—Certificated Notes," owners of beneficial interests in a Global Note will not be entitled to have notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of notes of such tranche in definitive form and will not be considered the owners or holders thereof under the Indenture.

Payments of principal of and premium (if any) and interest on notes registered in the name of or held by a Depositary or its nominee will be made to such Depositary or its nominee, as the case may be, as the registered owner or the holder of the Global Note representing such notes. Neither we nor the Trustee or any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that DTC, Euroclear or Clearstream, as the case may be, upon receipt of any payment of principal of or premium (if any) or interest in respect of a Global Note, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial ownership interests in the principal amount of such Global Note as shown on the records of DTC, Euroclear or Clearstream, as the case may be. We also expect that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participants.

Certificated Notes

Interests in a Global Note deposited with DTC or Euroclear and/or Clearstream, will be exchanged for Certificated Notes only if (i) in the case of a Global Note deposited with DTC, DTC notifies us and the Trustee that it is unwilling or unable to continue as depositary for such Global Note or at any time DTC ceases to be a clearing agency registered under the U.S. Exchange Act of 1934, as amended (the "Exchange Act), and a successor depositary so registered is not appointed by us within 90 days of such notice, (ii) in the case of a Global Note deposited with Euroclear and/or Clearstream, the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so, (iii) an Event of Default has occurred and is continuing with respect to the tranche of notes represented by such Global Note or (iv) we in our sole discretion notify the Trustee in writing that Certificated Notes will be delivered in exchange for such Global Note with respect to the tranche of notes represented by such Global Note. In the case of Certificated Notes issued in exchange for a Restricted Global Note, such certificates will bear, and be subject to, the legends referred to under "Transfer Restrictions."

None of the Trustee, the Registrar, the Co- Registrar, the Transfer Agent, or any other entity appointed by the applicable pricing supplement, will be required to register the transfer or exchange of any Certificated Notes for a period of 15 days preceding any interest payment date, or for a period of 30 days preceding any date established for the payment of principal, or register the transfer or exchange of any Certificated Notes previously called for redemption or tendered for repurchase.

Certificated Notes may be presented for registration of transfer or for exchange for new Certificated Notes of authorized denominations, at the corporate trust office of the Trustee in the Borough of Manhattan, New York City, or at the office of any Transfer Agent, or other entity appointed by the applicable pricing supplement. Upon the transfer, exchange or replacement of Certificated Notes bearing a restrictive legend, or upon specific request for removal of such legend, we will deliver only Certificated Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to us such satisfactory evidence, which may include an opinion of New York counsel, as may reasonably be required by us, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act. In the case of a transfer of less than the principal amount of any Certificated Note, a new Certificated Note will be issued to the transferee in respect of the amount transferred and another Certificated Note will be issued to the transferor in respect of the portion not transferred. Such new notes will be available within three Business Days at the corporate trust office of the Trustee in New York City or at the office of any Transfer Agent.

No service charge will be made for any registration of transfer or exchange of notes, but we or the Trustee may require payment of a sum sufficient to cover any stamp tax or other governmental duty payable in connection therewith.

Replacement of Notes

Notes that become mutilated, destroyed, stolen or lost will be replaced upon delivery to the Trustee of the notes, or delivery to us and the Trustee of evidence of the loss, theft or destruction thereof satisfactory to us and the Trustee. In the case of a lost, stolen or destroyed note, an indemnity satisfactory to us and the Trustee may be required at the expense of the holder of such note before a replacement note will be issued. Upon the issuance of any new note, we may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and the expenses of the Trustee, its counsel and its agents) connected therewith.

STATUS AND RANKING

The notes will qualify as "*obligaciones negociables simples no convertibles en acciones*" under the Negotiable Obligations Law and will be entitled to the benefits set forth therein and subject to the procedural requirements thereof. In particular, pursuant to Article 29 of the Negotiable Obligations Law, in the event of a default by us in the payment of any amount due under a note of any series, the holder of such note will be entitled to institute summary judicial proceedings (*juicio ejecutivo*) in Argentina to recover payment of any such amount.

Unless otherwise specified in the applicable pricing supplement, the notes will constitute our direct, unconditional, unsecured and unsubordinated obligations and will rank at all times at least *pari passu* in right of payment with all our other existing and future unsecured and unsubordinated indebtedness (other than obligations preferred by statute or by operation of law, including, without limitation, tax and labor related claims).

If so specified in the applicable pricing supplement, we may issue, under a supplemental indenture or a separate indenture, notes that are secured by an assignment, lien or other security arrangement with respect to property specified therein and will rank senior, to the extent of the security, to all our existing and future unsecured indebtedness (other than obligations preferred by statute or by operation of law)

If so specified in the applicable pricing supplement, we may issue, under a supplemental indenture or a separate indenture, subordinated notes. In addition to the priority of certain other creditors described in the preceding paragraphs, subordinated notes will rank at all times junior in right of payment to our secured indebtedness and, to the extent set forth therein, certain of our unsecured and unsubordinated indebtedness (as well as obligations preferred by statute or by operation of law).

INTEREST RATE

General

Unless otherwise specified in the applicable pricing supplement, each Fixed Rate Note or Floating Rate Note will bear interest from (and including) the issue date or such other date (the "Interest Commencement Date") specified in the applicable pricing supplement or from the most recent Interest Payment Date (or, if such note is a Floating Rate Note and the Interest Reset Period is daily or weekly, from the day following the most recent Regular Record Date) (as each such term is defined below) to which interest on such note has been paid or duly provided for at the fixed rate per annum, or at the rate per annum determined pursuant to the interest rate formula, stated in the applicable pricing supplement, until the principal thereof is paid or made available for payment. Interest will be payable on the date or dates specified in the applicable pricing supplement (an "Interest Payment Date") and at Stated Maturity or upon acceleration, redemption or repurchase as specified under "—Payment of principal and interest" below.

Each note bearing interest will bear interest at either (a) a fixed rate or (b) a variable rate determined by reference to an interest rate basis (including LIBOR (a "LIBOR Note"), the Treasury Rate (a "Treasury Rate Note") or such other interest rate basis as is set forth in the applicable pricing supplement), which may be adjusted by adding or subtracting the Spread and/or multiplying by the Spread Multiplier. The "Spread" is the number of basis points specified in the applicable pricing supplement as being applicable to the interest rate for such note, and the "Spread Multiplier" is the percentage specified in the applicable pricing supplement as being applicable to the interest rate for such note. A Floating Rate Note may also have either or both of the following as specified in the applicable pricing supplement: (a) a maximum numerical interest rate limitation, or ceiling, on the rate of interest which may accrue during any interest period (a "Maximum Rate") and (b) a minimum numerical interest rate limitation, or floor, on the rate of interest which may accrue during any interest period (a "Minimum Rate").

We use the following general definitions throughout this section:

"*Business Day*" means, unless otherwise defined in the applicable pricing supplement, any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in New York City or the City of Buenos Aires; *provided*, *however*, that, with respect to notes denominated in a Specified Currency other than U.S. dollars, it is also not a day on which commercial banks are authorized or required by law, regulation or executive order to close in the principal financial center of the country issuing the Specified Currency, or, if the Specified Currency is the Euro, such day is also a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET) System is open (a "TARGET Settlement Date"); *provided further* that, with respect to a LIBOR Note, it is also a London Banking Day.

"*London Banking Day*" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"*Index Maturity*" means, with respect to a Floating Rate Note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable pricing supplement.

"*Calculation Agent*" means, with respect to any applicable series of notes, the person designated as calculation agent in the applicable pricing supplement for such series of notes.

Fixed Rate Notes

Fixed Rate Notes will bear interest from (and including) the Interest Commencement Date specified in the applicable pricing supplement at the rate or rates per annum so specified (the "Fixed Rate(s) of Interest") payable in arrears on the Interest Payment Date(s) in each year and on the Stated Maturity or upon redemption, repurchase or acceleration. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the period from the Interest Commencement Date to the Interest Payment Date differs from the period between subsequent Interest Payment Dates, will equal the "Initial Broken Amount" specified in the applicable pricing supplement. If the Stated Maturity is not an Interest Payment Date, interest from and including the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Stated Maturity will equal the "Final Broken Amount" specified in the applicable pricing supplement.

FLOATING RATE NOTES

General

The applicable pricing supplement relating to a Floating Rate Note will designate an interest rate basis (the "Interest Rate Basis") for such Floating Rate Note. The Interest Rate Basis for each Floating Rate Note will be: (a) LIBOR, in which case such note will be a

LIBOR Note; (b) the Treasury Rate, in which case such note will be a Treasury Rate Note; or (c) such other interest rate basis as is set forth in such pricing supplement. The pricing supplement for a Floating Rate Note will also specify, if applicable, the Calculation Agent, the Index Maturity, the Spread and/or Spread Multiplier, the Maximum Rate, the Minimum Rate, the Regular Record Dates and the Initial Interest Rate, the Interest Payment Dates, the Calculation Dates, the Interest Determination Dates, the Interest Reset Period and the Interest Reset Dates (each as defined below) with respect to such note.

The rate of interest on each Floating Rate Note will be reset and become effective daily, weekly, monthly, quarterly, semiannually or annually or otherwise, as specified in the applicable pricing supplement (each an "Interest Reset Period"); *provided*, *however*, that (a) the interest rate in effect from the date of issue to the first Interest Reset Date with respect to a Floating Rate Note will be the initial interest rate as set forth in the applicable pricing supplement (the "Initial Interest Rate") and (b) unless otherwise specified in the applicable pricing supplement, the interest rate in effect for the ten days immediately prior to Stated Maturity of a note will be that in effect on the tenth day preceding such Stated Maturity. The dates on which the rate of interest will be reset (each an "Interest Reset Date") will be specified in the applicable pricing supplement. If any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day with respect to such Floating Rate Note, the Interest Reset Date for such Floating Rate Note will be postponed to the next day that is a Business Day with respect to such Floating Rate Note, except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date will be the next preceding Business Day.

Unless otherwise specified in the applicable pricing supplement, "Interest Determination Dates" will be as set forth below. The Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note (the "LIBOR Interest Determination Date") will be the second Business Day preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a Treasury Rate Note (the "Treasury Interest Determination Date") will be the day of the week in which such Interest Reset Date falls and on which Treasury bills would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that such auction may be on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. If an auction date falls on any Interest Reset Date for a Treasury Rate Note, then such Interest Reset Date will instead be the first Business Day immediately following such auction date.

All percentages resulting from any calculations referred to in this offering memorandum will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or 0.09876545) being rounded to 9.87655% (or 0.0987655)), and all Specified Currency amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent rounded upward) or nearest equivalent in Specified Currencies other than U.S. dollars.

In addition to any Maximum Rate which may be applicable to any Floating Rate Note pursuant to the above provisions, the interest rate on Floating Rate Notes will in no event be higher than the maximum interest rate permitted by applicable law.

Upon the request of the holder of any Floating Rate Note, the Calculation Agent will provide the interest rate then in effect, and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note. The Calculation Agent's determination of any interest rate will be final and binding in the absence of manifest error.

The Calculation Agent will cause notice of the rate of interest and the amount of interest for each interest period and the relevant Interest Payment Date to be given to us and the Trustee as soon as possible after their determination but in no event later than the fourth Business Day thereafter and, in the case of notes listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market, no later than the first date of the relevant Interest Reset Period. Such notice will be in accordance with the provisions of the notes relating to notices to holders of notes. See "—Notices." The amount of interest and the Interest Payment Date may subsequently be amended (or appropriate alternative arrangements as may be made by way of adjustment) without notice in the event of an extension or shortening of the Interest Reset Period.

The manner in which the interest rate for any Floating Rate Note that is not a LIBOR Note or a Treasury Rate Note will be determined as set forth in the applicable pricing supplement.

LIBOR Notes

LIBOR Notes will bear interest at the interest rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any, subject to the Maximum Rate or the Minimum Rate, if any), and will be payable on the dates, specified on the face of the LIBOR Note and in the applicable pricing supplement.

Unless otherwise indicated in the applicable pricing supplement, LIBOR with respect to any Interest Reset Date will be determined by the Calculation Agent, or any other entity appointed by the applicable pricing supplement, in accordance with the following provisions. On the relevant LIBOR Interest Determination Date, LIBOR will be determined on the basis of either of the following or otherwise, as specified in the applicable pricing supplement:

(a) the offered rates for deposits in the Specified Currency having the specified Index Maturity, commencing on the next succeeding Interest Reset Date, which appear on the display designated as page "LIBOR01" or "LIBOR02," as applicable, on the Reuters Monitor Money Rates Service (or such other page as may replace such pages on that service for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency) (each a "Reuters Screen LIBOR Page") as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If at least two such offered rates appear on the applicable Reuters Screen LIBOR Page, LIBOR with respect to such Interest Reset Date will be the arithmetic mean of such offered rates as determined by the Calculation Agent. If fewer than two offered rates appear, LIBOR with respect to such Interest Reset Date will be determined as described in (c) below; or

(b) the offered rates for deposits in the Specified Currency having the specified Index Maturity, commencing on the next succeeding Interest Reset Date, which appear on the display designated as page "BBAM1" on the Bloomberg Service (or such other page as may replace any such page on that service for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency) ("Bloomberg Page") as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If no such offered rate appears, LIBOR with respect to such Interest Reset Date will be determined as described in (c) below.

If neither a Reuters Screen LIBOR Page nor Bloomberg Page is specified in the applicable pricing supplement, LIBOR will be determined as if a Reuters Screen LIBOR Page had been so specified.

(c) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates for the applicable Index Maturity appear on a Reuters Screen LIBOR Page as described in (a) above, or on which no rate appears on the Bloomberg Page as described in (b) above, as applicable, LIBOR will be determined on the basis of the rates at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date at which deposits in the Specified Currency having the specified Index Maturity are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with us) commencing on the second Business Day immediately following such LIBOR Interest Determination Date and in a principal amount equal to an amount of not less than U.S.$1,000,000 (or its approximate equivalent in a Specified Currency other than U.S. dollars) that in our judgment is representative for a single transaction in such market at such time (a "Representative Amount"). The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR with respect to such Interest Reset Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR with respect to such Interest Reset Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., New York City time, on such LIBOR Interest Determination Date by three major banks in New York City, selected by the Calculation Agent (after consultation with us), for loans in the Specified Currency to leading European banks having the specified Index Maturity commencing on the Interest Reset Date and in a Representative Amount; provided, that if fewer than three banks selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, LIBOR with respect to such Interest Reset Date will be LIBOR in effect on such LIBOR Interest Determination Date.

Treasury Rate Notes

Treasury Rate Notes will bear interest at the interest rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any, subject to the Maximum Rate or Minimum Rate, if any) and will be payable on the dates specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, the "Calculation Date" with respect to a Treasury Interest Determination Date will be the tenth day after such Treasury Interest Determination Date or, if any such day is not a Business Day, the next succeeding Business Day.

Unless otherwise indicated in the applicable pricing supplement, "Treasury Rate" means, with respect to any Interest Reset Date, the rate for the auction on the relevant Treasury Interest Determination Date of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the applicable pricing supplement, as such rate appears on the display of (i) Reuters Monitor Money Rates Service (or any successor service) on page "RTRTSY1" or "RTRTY2," as applicable (or any other pages as may replace such pages), or (ii) Bloomberg Services (or any successor service) on page "BTMM" or "PX1," as applicable (or any other pages as may replace such pages). In the event that such rate does not appear on any such pages by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate for such Interest Reset Date shall be the rate on such date as published in H.15 Daily Update under the heading "U.S. government securities—Treasury bills—Auction high." In the event that the foregoing rates do not so appear or are not so published by 3:00 p.m., New York City time, on the

Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate for such Interest Reset Date shall be the "Investment Rate" (expressed as a bond equivalent yield, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as announced by the United States Department of the Treasury for the auction held on such Treasury Interest Determination Date, currently available on the worldwide web at: www.treasurydirect.gov/RI/OFBills. In the event that the results of the auction of Treasury Bills having the Index Maturity specified in the applicable pricing supplement are not published or reported as provided above by 3:00 p.m., New York City time, on such Calculation Date or if no such auction is held on such Treasury Interest Determination Date, then the Treasury Rate shall be calculated by the Calculation Agent and shall be the rate for such Treasury Interest Determination Date for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity (expressed as a bond equivalent yield, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as published in H.15(519) under the heading "U.S. government securities—Treasury bills (secondary market)." In the event that the foregoing rates do not so appear or are not so published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate for such Interest Reset Date shall be the rate for such Treasury Interest Determination Date for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity, as published in H.15 Daily Update or another recognized electronic source used for the purpose of displaying such rate under the heading "U.S. government securities—Treasury bills (secondary market)." In the event that the foregoing rates do not so appear or are not so published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent yield, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, at approximately 3:30 p.m., New York City time, on such Treasury Interest Determination Date, quoted by three leading primary United States government securities dealers selected by the Calculation Agent with our approval (such approval not to be unreasonably withheld) for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity; *provided* that if the dealers selected as aforesaid by the Calculation Agent with our approval (such approval not to be unreasonably withheld) are not quoting as mentioned in this sentence, the Treasury Rate for such Interest Reset Date shall be the Treasury Rate in effect on such Treasury Interest Determination Date.

PAYMENT OF PRINCIPAL AND INTEREST

General

Interest (and principal, premium and Additional Amounts, if any, payable other than at Stated Maturity or upon acceleration, redemption or repurchase) will be payable in immediately available funds to the person in whose name a note is registered at the close of business on the Regular Record Date next preceding each Interest Payment Date notwithstanding the cancellation of such notes upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; *provided*, *however*, that interest payable at Stated Maturity or upon acceleration, redemption or repurchase will be payable to the person to whom principal will be payable; *provided further* that if and to the extent we default in the payment of the interest (and Additional Amounts, if any) due on such Interest Payment Date, such defaulted interest (and Additional Amounts, if any) will be paid to the person in whose names such notes are registered at the end of a subsequent record date established by us by notice given by mail by or on behalf of us to the holders of the notes not less than 15 days preceding such subsequent record date, such record date to be not less than 15 days preceding the date of payment in respect of such defaulted interest. If so specified in the applicable pricing supplement, interest (and Additional Amounts, if any) may also be payable in kind by issuance of additional notes or otherwise. Unless otherwise specified in the applicable pricing supplement, the first payment of interest on any note originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner at the close of business on such next succeeding Regular Record Date. Unless otherwise indicated in the applicable pricing supplement and note, the "Regular Record Date" with respect to any note will be the date 15 calendar days prior to each Interest Payment Date, whether or not such date will be a Business Day.

Payment of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Registered Note at Stated Maturity or upon acceleration, redemption or repurchase will be made in immediately available funds to the person in whose name such note is registered upon surrender of such note at the corporate trust office of the Trustee in the Borough of Manhattan, New York City, the office of the Paying Agent located in the City of Buenos Aires, or at the specified office of any other Paying Agent, *provided* that the Registered Note is presented to the Paying Agent in time for the Paying Agent to make such payments in such funds in accordance with its normal procedures. Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of Registered Notes to be made other than at Stated Maturity or upon redemption or repurchase will be made by check mailed on or before the due date for such payments to the address of the person entitled thereto as it appears in the Register; *provided* that (a) the applicable Depositary, as holder of the Global Notes, shall be entitled to receive payments of interest by wire transfer of immediately available funds, (b) a holder of U.S.$1,000,000 (or the approximate equivalent thereof in a Specified Currency other than U.S. dollars) in aggregate principal or face amount of notes of the same series shall be entitled to receive payments of interest by wire transfer of immediately available funds to an account maintained by such holder at a bank located in the United States

or Argentina as may have been appropriately designated by such person to the Trustee in writing no later than 15 days prior to such Interest Payment Date is due and (c) to the extent that the holder of a Registered Note issued and denominated in a Specified Currency other than U.S. dollars elects to receive payment of principal and interest at Stated Maturity or upon redemption or repurchase in such Specified Currency, such payment, except in circumstances described in the applicable pricing supplement, shall be made by wire transfer of immediately available funds to an account specified in writing not less than 15 days prior to Stated Maturity by the holder to the Trustee. Unless such designation is revoked in writing, any such designation made by such holder with respect to such notes shall remain in effect with respect to any future payments with respect to such notes payable to such holder.

Payments of interest on any Fixed Rate Note or Floating Rate Note with respect to any Interest Payment Date will include interest accrued to but excluding such Interest Payment Date; *provided*, *however*, that, unless otherwise specified in the applicable pricing supplement, if the Interest Reset Dates with respect to any Floating Rate note are daily or weekly, interest payable on such note on any Interest Payment Date, other than interest payable on the date on which principal on any such note is payable, will include interest accrued to but excluding the day following the next preceding Regular Record Date.

With respect to a Floating Rate Note, accrued interest from the date of issue or from the last date to which interest has been paid is calculated by multiplying the principal or face amount of such Floating Rate Note by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day from the date of issue, or from the last date to which interest has been paid, to but excluding the date for which accrued interest is being calculated. Unless otherwise specified in the applicable pricing supplement and note, the interest factor (expressed as a decimal) for each such day is computed by dividing the interest rate (expressed as a decimal) applicable to such date by 360, in the case of LIBOR notes, or by the actual number of days in the year, in the case of Treasury Rate Notes.

Unless otherwise specified in the applicable pricing supplement, interest on Fixed Rate Notes will be calculated on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Unless otherwise specified in the applicable pricing supplement, if any Interest Payment Date (other than the Stated Maturity) for any Floating Rate Note would otherwise be a day that is not a Business Day in the relevant locations specified in the pricing supplement and the place of payment, such Interest Payment Date will be the next Business Day succeeding such Business Day (except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date will be the next Business Day preceding such Business Day). If the Stated Maturity for any Fixed Rate Note or Floating Rate Note or the Interest Payment Date for any Fixed Rate Note falls on a day which is not a Business Day in the relevant locations specified in the pricing supplement and the place of payment, payment of principal (and premium, if any) and interest with respect to such note will be made on the next succeeding Business Day in the place of payment with the same force and effect as if made on the due date and no interest on such payment will accrue from and after such due date.

Foreign exchange restrictions

In the event that, on any payment date in respect of any series of notes denominated in a Specified Currency other than the Argentine peso, any restrictions or prohibition of access to the Argentine foreign exchange market exists, we will seek to pay all amounts payable under such series of notes in the Specified Currency either (i) by purchasing at market price securities of any series of U.S. dollar denominated Argentine sovereign bonds or any other securities or private or public bonds issued in Argentina, and transferring and selling such instruments outside Argentina for the Specified Currency, to the extent permitted by applicable law, or (ii) by means of any other reasonable means permitted by law in Argentina, in each case, on such payment date. All costs and taxes payable in connection with the procedures referred to in (i) and (ii) above shall be borne by us.

If the principal of or any premium, interest, Additional Amounts or other amounts on any series of notes are payable in a Specified Currency other than U.S. dollars and such Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond our control, or is no longer used by the government of the country issuing such currency or for settlement of transactions by public institutions of or within the international banking community, we will be entitled, to the extent permitted by Argentine law, to satisfy our obligations to the holders of such notes by making such payment in U.S. dollars. The amount of U.S. dollars to be received by holders of such notes will be based on the average firm bid quotation expressed in U.S. dollars, for the foreign or composite currency in which such note is denominated, received by the Exchange Rate Agent, at approximately 11:00 a.m. New York City time on the second Business Day preceding the applicable payment date, from three recognized foreign exchange dealers in New York City, selected by the Exchange Rate Agent and approved by us, for the purchase by the quoting dealer, for settlement on such payment date, of the aggregate amount of the Specified Currency payable on such payment date in respect of such notes. All currency exchange costs will be borne by the holders of such notes by deduction from such payments. In the event that the exchange rate quotation is not available on the second Business Day next preceding the applicable payment date, the rate at which the amounts due shall be converted into U.S. dollars shall be on the basis of the most recently available market exchange rate quotations.

Any payment made under such circumstances in U.S. dollars where the required payment is due in a Specified Currency other than U.S. dollars will not constitute an Event of Default (as defined below) under the notes. The exchange rate agent (the "Exchange Rate Agent") with respect to notes denominated in a Specified Currency other than U.S. dollars shall be the person designated as the Exchange Rate Agent in the applicable pricing supplement.

REDEMPTION AND REPURCHASE

Redemption for taxation reasons

In addition to any redemption provisions that may be specified in the applicable pricing supplement relating to the notes of any series, if at any time subsequent to the issuance of the notes of any series as a result of any change in, or amendment to, the laws or regulations of Argentina or of any political subdivision thereof or of any authority therein or thereof having power to tax or as a result of any change in the application or official interpretation of such laws or regulations, we become obligated to pay any Additional Amounts as provided or referred to below under "—Payments of Additional Amounts" and we determine in good faith that such obligation cannot be avoided by taking reasonable measures available to us, then the notes of such series will be redeemable as a whole (but not in part), at our option, at any time upon not less than 30 nor more than 60 days' notice given to the holders of such series of notes as provided in the Indenture at their principal amount (or, in the case of Discount Notes, at their Amortized Face Amount) together with accrued interest thereon to the date fixed for redemption (the "Redemption Date"). We will also pay to the holders of the notes of such series on the Redemption Date any Additional Amounts which are then payable. In order to effect a redemption of the notes of any series under this paragraph, we will be required to deliver to the Trustee at least 45 days prior to the Redemption Date (i) a certificate signed by two members of our Board of Directors stating that the obligation to pay such Additional Amounts cannot be avoided by us taking reasonable measures available to us and (ii) an opinion of independent legal counsel of recognized standing to the effect that we have or will become obligated to pay such Additional Amounts as a result of such change or amendment. No notice of redemption may be given earlier than 60 days prior to the earliest date on which we would be obligated to pay such Additional Amounts were a payment in respect of the notes of such series then due.

Redemption at our option

If so specified in the applicable pricing supplement, we may, subject to compliance with all relevant laws and regulations, having given (unless otherwise specified in the applicable pricing supplement) not more than 60 nor less than 30 days' notice to the holders of the notes in accordance with the provisions governing the giving of notices set forth below (which notice will be irrevocable) and to the Trustee and, if applicable, the CNV, redeem all or only some of the notes then outstanding on the dates (the "Optional Redemption Date(s)") and at the amounts (the "Optional Redemption Amount(s)") specified in, or determined in the manner specified in, the applicable pricing supplement together with accrued interest (if any) to the date fixed for redemption (which date, in the case of Floating Rate Notes, must be an Interest Payment Date). In the event of a redemption of only some of the notes of a series, such redemption must be of a principal amount being the "Minimum Redemption Amount" or a "Higher Redemption Amount," in each case if so indicated in the applicable pricing supplement. In the case of a partial redemption of Certificated Notes, such notes to be redeemed will be determined on a pro rata basis not more than 60 days prior to the date fixed for redemption and a list of the notes called for redemption will be notified, in accordance with the provisions governing the giving of notices set forth in the Indenture, not less than 30 days prior to such date. In the case of a partial redemption of notes which are represented by a Global Note, the relevant notes will be selected in accordance with the rules of the relevant clearing system or systems, as the case may be. If the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market or any other, any securities exchange and the rules of Luxembourg Stock Exchange such securities exchange so require, we will, once in each year in which there has been a partial redemption of the notes, cause to be published in a leading newspaper of the Luxembourg Stock Exchange as specified by such securities exchange a notice specifying the aggregate principal amount of notes outstanding and a list of the notes drawn for redemption but not surrendered.

Redemption at the option of the holder

If so specified in the applicable pricing supplement, upon the holder of any note giving to us (unless otherwise specified in the applicable pricing supplement) not more than 60 nor less than 30 days' notice in accordance with the provisions governing the giving of notices set forth below, which notice will be irrevocable, we will, subject to compliance with all relevant laws and regulations, upon the expiry of such notice, redeem such note, subject to, and in accordance with, the terms specified in the applicable pricing supplement on the Optional Redemption Date and at the Optional Redemption Amount specified in or determined in the manner specified in the applicable pricing supplement, in whole but not in part, together with accrued interest (if any) to the date fixed for redemption.

Only the registered holder of a Global Note can exercise a right to repayment in respect thereof. In order to ensure that such entity will timely exercise a right to repayment with respect to a particular note, the beneficial owners of such notes must instruct the broker or other direct or indirect participant through which it holds an interest in such note to notify DTC, Euroclear or Clearstream, as the case may be, of its desire to exercise a right to repayment. Different firms have different deadlines for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other direct or indirect participant through which it holds an interest in a note in order to ascertain the deadline by which such an instruction must be given in order for timely notice to be delivered to DTC, Euroclear or Clearstream, as the case may be.

Redemption of Discount Notes

Unless otherwise specified in the applicable pricing supplement, in the event of acceleration of maturity or redemption prior to maturity of an Discount Note, the amount payable thereon in lieu of the principal amount due at the Stated Maturity will be the amount (the "Amortized Face Amount") equal to the sum of (i) the issue price (as defined in "Taxation—U.S. Federal Income Taxation") of such note and (ii) the product of the accrual yield specified in the applicable pricing supplement (compounded annually) and the issue price from (and including) the issue date to (but excluding) the Optional Redemption Date (or, in the case of an early redemption for taxation reasons, the date fixed for redemption) and computed in accordance with generally accepted United States bond yield computation principles, but in no event will the Amortized Face Amount exceed the principal amount of such note due at Stated Maturity thereof.

Procedure for payment upon redemption

If notice of redemption has been given in the manner set forth herein and in the applicable pricing supplement, the notes of a series to be redeemed will become due and payable on the redemption date specified in such notice, and upon presentation and surrender of the notes at the place or places specified in such notice, the notes will be paid and redeemed by us at the places and in the manner and currency therein specified and at the redemption price therein specified together with accrued interest and Additional Amounts, if any, to the redemption date. From and after the redemption date, if monies for the redemption of notes called for redemption will have been made available at the corporate trust office of the Trustee for redemption on the redemption date, the notes called for redemption will cease to bear interest (and, in the case of Discount Notes, cease to increase the Amortized Face Amount payable in respect thereof), and the only right of the holders of such notes will be to receive payment of the redemption price together with accrued interest and Additional Amounts, if any, to the redemption date as aforesaid.

Cancellation

Any notes redeemed in full by us will be immediately canceled and may not be reissued or resold.

Repurchase offer

The applicable pricing supplement may provide that, upon the occurrence of certain events described therein, we will be required to make an offer to repurchase notes of a series at a price and in accordance with the conditions set forth in the applicable pricing supplement.

Purchase of notes

We and our Subsidiaries and Affiliates may at any time purchase or otherwise acquire any note, by purchase or private agreement, in the open market or otherwise, at any price and may resell or otherwise dispose of such note at any time.

PAYMENTS OF ADDITIONAL AMOUNTS

All payments in respect of the notes, including, without limitation, payments of principal and interest, will be made by us without withholding or deduction for or on account of any present or future taxes, duties, levies, or other governmental charges of whatever nature ("Taxes") in effect on the date of the applicable indenture or imposed or established in the future by or on behalf of Argentina or any political subdivision or taxing authority thereof, unless we are compelled by law to deduct or withhold such Taxes. In the event any such Taxes are so imposed or established, we will pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts receivable by the holders of the notes of each series after any withholding or deduction in respect of such Taxes shall equal the respective amounts of principal and interest which would have been receivable in respect of the notes of such series in the absence of such withholding or deduction; except that no such Additional Amounts will be payable with respect to any withholding or deduction on any note to, or to a third party on behalf of, a holder of the notes of such series for or on account of (a) any such Taxes that have been imposed by reason of the holder of such notes being a resident of Argentina or having some

connection with Argentina other than the mere holding of such notes or the receipt of principal and interest in respect thereof; or (b) any such Taxes that have been imposed by reason of the presentation by the holder of a note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that such holder would have been entitled to such Additional Amounts on presenting such note for payment on the last date of such period of 30 days; or (c) any Taxes that would not have been imposed but for the failure of the holder or beneficial owner of such notes to comply with any certification, information, documentation or other reporting requirements if such compliance (i) is required at any time subsequent to the issuance of the notes of any series as a result of a change in applicable law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes, and (ii) is not more onerous to the holder or beneficial owner than comparable certification, information, documentation or other reporting requirements imposed under U.S. tax law, regulation and administrative practice (such as IRS Forms W-8 and W-9 or any comparable successor forms); or (d) any estate, inheritance, gift, sales, transfer, personal assets or similar Taxes; or (e) Taxes payable otherwise than by withholding from payment of principal of, premium, if any, or interest on the notes; or (f) any combination of items (a) to (e) above. Furthermore, no Additional Amounts shall be paid with respect to any payment on a note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor with respect to such fiduciary or a member of such partnership or beneficial owner would not have been entitled to receive the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder. Any reference herein or in the notes to principal, premium and/or interest shall be deemed also to refer to any Additional Amounts which may be payable under the undertakings described in this paragraph.

In addition, we will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, in respect of the creation, issue and offering of the notes, excluding any such taxes and duties imposed by any jurisdiction outside Argentina, except those resulting from, or required to be paid in connection with, the enforcement of such notes after the occurrence and during the continuance of an Event of Default with respect to the notes in default. We will also pay and indemnify the holders and the Trustee from and against all court taxes or other taxes and duties, including interest and penalties, paid by any of them in any jurisdiction in connection with any action permitted to be taken by the holders or the Trustee to enforce our obligations under the notes.

In the event that we pay any personal asset tax in respect of outstanding notes, we have agreed to waive any right we may have under Argentine law to seek reimbursement from the holders or direct owners of the notes of any such amounts paid. See "Taxation—Argentine Tax Considerations."

COVENANTS

Unless otherwise indicated in the applicable pricing supplement, under the terms of the notes of each series, we will, and to the extent specified below will cause our Subsidiaries to, covenant and agree that as long as the notes of such series remain outstanding:

Payment of principal and interest

We will duly and punctually pay the principal of and interest and premium and Additional Amounts, if any, on the notes of such series in accordance with the terms of the notes of such series and the Indenture.

Maintenance of office or agency

We will maintain in each of the City of Buenos Aires and in each place of payment specified for a series of notes, an office or agency (including for such purposes the office of a Paying Agent or Transfer Agent, to the extent applicable) where the notes of that series may be presented or surrendered for payment, where the notes of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon us in respect of the notes of that series and the Indenture may be served.

Maintenance of existence

We will, and will cause each of our Significant Subsidiaries to, (a) maintain in effect its corporate existence and all registrations necessary therefor and (b) take all reasonable actions to maintain all rights, privileges, titles to property, franchises and similar entitlements necessary or desirable in the normal conduct of our and our Significant Subsidiaries' business, activities or operations; *provided*, *however*, that this covenant shall not prohibit any transaction by us or any of our Significant Subsidiaries otherwise permitted under the covenant described in "—Mergers, Consolidations, Sales, Leases" and this covenant will not require us to maintain any such right, privilege, title to property, franchise or similar entitlement, or to preserve the corporate existence of any Significant Subsidiary, if our Board of Directors determines in good faith that (i) the maintenance or preservation thereof is no longer

necessary or desirable in the conduct of our and our Subsidiaries' business taken as a whole and (ii) the loss thereof is not, and will not be, adverse in any material respect to the holders of notes of such series.

Maintenance of Properties

We will, and will cause each of our Significant Subsidiaries to, cause all tangible Properties used or useful in the conduct of our and our Significant Subsidiaries' business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements and improvements thereof, all as in our judgment may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; *provided* that this covenant will not prevent us from discontinuing the operation or maintenance of any such Properties if such discontinuance is, as determined by our Board of Directors in good faith, necessary or desirable in the conduct of our and our Subsidiaries' business taken as a whole and not adverse in any material respect to the holders of notes of such series.

Payment of taxes and other claims

We will, and will cause each of our Significant Subsidiaries to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon us or any of our Significant Subsidiaries, and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon our Property or the Property of any of our Significant Subsidiaries; *provided* that we will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claims whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Maintenance of insurance

We will, and will cause each of our Significant Subsidiaries to, keep at all times all of our and its Properties which are of an insurable nature insured against loss or damage with insurers believed by us to be responsible to the extent that Property of similar characteristics is usually so insured by corporations similarly situated and owning like Properties in accordance with good business practice.

Negative pledge

We will not, and will not permit any of our Significant Subsidiaries and Affiliates to, directly or indirectly, create, incur, assume or suffer to exist any Lien on any of our or its present or future Property to secure Indebtedness unless, at the same time or prior thereto, all of the notes are equally and ratably secured therewith, except for:

(a) any Lien existing on the date of the issuance of the applicable series;

(b) any landlord's, workmen's, carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business (excluding, for the avoidance of doubt, Liens in connection with any Indebtedness for borrowed money) that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) any Lien on any Property securing Indebtedness incurred or assumed solely for the purpose of financing all or any part of the cost of acquisition, construction, development or improvement of such Property, which Lien attached to such Property concurrently with or within 120 days after the acquisition or the completion of the construction, development or improvement thereof;

(d) any Lien on any property existing thereon at the time of acquisition of such property and not created in connection with such acquisition;

(e) any Lien on any Property owned by a corporation or other Person, which Lien exists at the time of the acquisition of such corporation or other Person by us or any of our Significant Subsidiaries and which Lien is not created in connection with such acquisition;

(f) any Lien on cash, cash equivalents or marketable securities created to secure our Hedging Obligations or of any of our Significant Subsidiaries;

(g) any Lien securing any Project Financing or any guarantee thereof by any direct or indirect parent of the applicable Project Financing Subsidiary; provided that such Lien does not apply to any Property or our assets or of any of our Significant Subsidiaries other than the Property of the applicable Project Financing Subsidiary related to the relevant project and equity interests in the applicable Project Financing Subsidiary that holds no significant assets other than those related to the relevant

project or in any direct or indirect parent thereof that holds no significant assets other than direct or indirect ownership interests in such Project Financing Subsidiary;

(h) any Lien on any Property securing an extension, renewal or refunding of Indebtedness secured by a Lien referred to in (a), (c), (d), (e), (f) or (g) above, provided that such new Lien is limited to the Property which was subject to the prior Lien immediately before such extension, renewal or refunding and *provided* that the principal amount of Indebtedness secured by the prior Lien immediately before such extension, renewal or refunding is not increased;

(i) any Lien for taxes, assessments, governmental charges or claims or other statutory Lien, in each case relating to amounts that are not yet payable or that are being contested in good faith and for which any reserves required by Argentine GAAP or IFRS, as applicable have been established;

(j) Liens incurred or deposits made to secure the performance of tenders, bids, trades, contracts, leases, statutory obligations, surety and appeal bonds, performance bonds, advance payment bonds, purchase, construction or sales contracts and other obligations of a like nature, in each case in the ordinary course of business;

(k) leases or subleases granted to others, easements, rights of way, servitudes or zoning or building restrictions and other minor encumbrances on real Property and irregularities in the title to such Property which do not in the aggregate materially impair the use or value of such Property or risk the loss or forfeiture of title thereto;

(l) judgment Liens, the judgments underlying which do not give rise to an Event of Default, and for which any reserves required by Argentine GAAP or IFRS, as applicable have been established and with respect to which any appropriate legal proceedings have been duly initiated for the review of such judgment and have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(m) Liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other types of social security benefits or obligations or other obligations of a like nature, in each case in the ordinary course of business;

(n) Liens securing the notes or any of our other securities for the purposes of defeasance thereof in accordance with the terms of the Indenture or any indenture under which such other securities have been issued;

(o) Liens arising under Section 9.343 of the Texas Uniform Commercial Code, or similar statutes of states other than Texas, in connection with the purchase by us or any of our Subsidiaries' of oil and/or gas extracted from such state; and

(p) any other Lien on our Properties or those of any of our Significant Subsidiaries, provided that, on the date of creation or assumption of such Lien, the Indebtedness secured thereby, together with all our and our Significant Subsidiaries' other Indebtedness secured by any Lien in reliance on this clause (p), has an aggregate outstanding amount no greater than 15% of our total consolidated assets as set forth in our most recent consolidated financial statements prepared in accordance with Argentine GAAP or IFRS, as applicable and filed with the CNV.

Limitations on sale and lease-back transactions

We will not enter into, renew or extend, or permit any of our Significant Subsidiaries to enter into, renew or extend, any transaction or series of related transactions pursuant to which we or any of our Significant Subsidiaries sell or transfer any Property in connection with the leasing, or the release against installment payments, or as part of an arrangement involving the leasing or resale against installment payments, of such Property to the seller or transferor (a "Sale and Leaseback Transaction") except a Sale and Leaseback Transaction that, had such Sale and Leaseback Transaction been structured as a secured loan in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction, we or our Significant Subsidiaries would have been permitted to enter into such transaction pursuant to the terms of the covenant described under the caption "—Negative Pledge."

Reports to Trustee

We will furnish to the Trustee:

(1) as soon as available but in any event within 120 days after the end of each of our fiscal years (or, if later, the date on which we are required to deliver to the CNV financial statements for the relevant fiscal period), a copy of our audited consolidated balance sheet as of the end of such year and our consolidated statements of income and statements of shareholders' equity and statements of cash flows for such fiscal year, prepared in accordance with IFRS applied consistently throughout the periods reflected therein (except as otherwise expressly noted therein) and delivered in both the English and Spanish languages;

(2) as soon as available but in any event within 90 days after the end of the first three fiscal quarters of each of our fiscal years (or, if later, the date on which we are required to deliver to the CNV financial statements for the relevant fiscal period), a copy of our unaudited consolidated balance sheet as of the end of each such quarter and our unaudited consolidated statements

of income and statements of shareholders' equity and statements of cash flows for such quarter, prepared in accordance with IFRS applied consistently throughout the periods reflected therein (except as otherwise expressly noted therein) and delivered in both the English and Spanish languages; and

(3) as soon as available but in any event within 15 days of filing the same with the SEC, an English language version of our annual audited consolidated financial statements prepared in accordance with U.S. GAAP or IFRS (or, if we are not preparing consolidated financial statements in accordance with U.S. GAAP or IFRS, a reconciliation of our financial statements described in clause (1) above to U.S. GAAP or IFRS, together with a "management's discussion and analysis" thereof, in form and substance to the effect generally required of foreign private issuers subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;

provided that any document required to be furnished to the Trustee (or otherwise be made available) pursuant to (1), (2) or (3) above which is filed with the SEC and publicly available on its EDGAR system will be deemed furnished to the Trustee (or otherwise be made available).

Compliance with law and other agreements

We will, and will cause each of our Subsidiaries to, comply with all applicable laws, rules, regulations, orders and directions of any Government Agency having jurisdiction over us or our Subsidiary or our Subsidiary's business and all of the covenants and obligations contained in any agreements to which we or any of our Subsidiaries is a party, unless contested in good faith by us and except where the failure to so comply would not have a material adverse effect on our and our Subsidiaries' condition, financial or otherwise, earnings, operations or business, taken as a whole.

Maintenance of books and records

We will, and will cause each of our Subsidiaries located in Argentina to, maintain books, accounts and records in accordance with applicable Argentine GAAP or IFRS, as applicable to each company.

Mergers, consolidations, sales, leases

We will not, and will not permit any of our Significant Subsidiaries to, merge or consolidate with or into, or convey, transfer or lease our or its Properties substantially as an entirety, whether in one transaction or a series of transactions, to any Person, unless immediately after giving effect to such transaction, (a) no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (b) any Person formed by any such merger or consolidation or the Person which acquires by conveyance or transfer, or which leases such properties and assets (the "Successor Person") expressly assumes, by a supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of principal, interest and premiums, if any, and Additional Amounts, if any, that may result due to withholding by any authority having the power to tax to which the Successor Person is or may be subject, on all of the notes of such series according to their terms, and the due and punctual performance of all of our other covenants and obligations under the notes of such series and the Indenture, (c) the Successor Person agrees to indemnify each holder against any tax, assessment or governmental charge thereafter imposed on such holder by a Government Agency solely as a consequence of such merger or consolidation, conveyance, transfer or lease with respect to the payment of principal, interest or premium, if any, on the notes of such series, and (d) the Successor Person (except in the case of leases), if any, succeeds to and becomes substituted for us with the same effect as if it had been named in the notes of such series and the Indenture as us.

Notice of default

We will give written notice to the Trustee, promptly, and in any event within 10 days after we become aware thereof, of the occurrence and continuance of any Event of Default, accompanied by an officer's certificate setting forth the details of such Event of Default and stating what action we propose to take with respect thereto.

Ranking

We will ensure that the notes of such series will constitute "*obligaciones negociables simples no convertibles en acciones*" under the Negotiable Obligations Law, and will at all times (a) be entitled to the benefits set forth therein and subject to the procedural requirements thereof and (b) unless otherwise indicated in the applicable pricing supplement, constitute our general, unsecured and unsubordinated obligations and rank *pari passu*, without any preferences among themselves, with all our other present and future unsecured and unsubordinated indebtedness (other than obligations preferred by statute or by operation of law).

Further actions

We will use our commercially reasonable efforts to take any action, satisfy any condition or do any thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required in accordance with the applicable laws and regulations to be taken, fulfilled or done in order (a) to enable us lawfully to enter into, exercise our rights and perform and comply with our payment obligations under the notes of such series and the Indenture, as the case may be, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the notes of such series and the Indenture admissible in evidence in the courts of Argentina.

CERTAIN DEFINITIONS

For the purposes of the covenants and the Events of Default:

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Argentine GAAP" means generally accepted accounting principles in the Republic of Argentina in effect from time to time, as applicable to non public companies in Argentina for our subsidiaries, including our non public subsidiaries in Argentina.

"*Attributable Debt*" means, in respect of a Sale and Leaseback Transaction the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction (as determined in accordance with Argentine GAAP or IFRS, as applicable), of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

"*Authorized Person*" means any of our officers duly authorized in writing to take actions under the Indenture on our behalf.

"*Capital Stock*" means, with respect to any Person, any and all shares, interests, participations, warrants, options, rights or other equivalents of or interests in (however designated and whether voting or non-voting) corporate stock of a corporation and any and all equivalent ownership interests in a Person (other than a corporation), in each case whether now outstanding or hereafter issued, including any preferred stock.

"*Government Agency*" means any public legal entity or public agency, created by federal, state or local government, or any other legal entity now existing or hereafter created, or now or hereafter owned or controlled, directly or indirectly, by any public legal entity or public agency.

"*Hedging Obligations*" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such Person against changes in interest rates, foreign exchange rates or the prices of commodities, to the extent recorded as a liability on our most recent consolidated balance sheet prepared under Argentine GAAP or IFRS, as applicable and filed with the CNV.

"*IFRS*" means the English language version of the International Financial Reporting Standards, as published by the International Accounting Standards Board, and as adopted by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") and by the CNV for public companies.

"*Indebtedness*" means, with respect to any Person, without duplication, (a) any liability of such Person (1) for borrowed money, or (2) evidenced by a bond, note, debenture or similar instrument issued in connection with the acquisition of any businesses, properties or assets of any kind (other than a trade payable or a current liability arising in the ordinary course of business), or (3) for the payment of money relating to any obligations under any capital lease of real or personal property which has been recorded as a capitalized lease obligation pursuant to Argentine GAAP or IFRS, as applicable; (b) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business); (c) all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof; (d) all Redeemable Stock issued by such Person (the amount of Indebtedness therefrom deemed to equal any involuntary liquidation preference plus accrued and unpaid dividends); (e) all obligations due and payable under Hedging Obligations of such Person; and (f) guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (a) through (e) above. For purposes of determining any particular amount of Indebtedness under this definition, guarantees of (or obligation with respect to letters of credit

supporting) Indebtedness otherwise included in the determination of such amount shall not also be included. For avoidance of doubt, Indebtedness shall not include any obligations not specified above, including trade payables in the ordinary course of business.

"*Lien*" means any mortgage, pledge, encumbrance, security interest, charge or other encumbrance or preferential arrangement having the effect of constituting a security interest, including, without limitation, the equivalent created or arising under the laws of any country where we or any of our Subsidiaries own Property.

"*Person*" means any individual, corporation (including a business trust), limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity, or government or any agency or political subdivision thereof.

"*Project Financing*" means Indebtedness or a sale leaseback of Property of a Subsidiary the proceeds of which are applied to fund new acquisition, exploration, development or expansion by, or upgrades of the Property of, such Subsidiary that is secured by the Property of such Subsidiary.

"*Project Financing Subsidiary*" means, with respect to any Project Financing, the Subsidiary that is the primary obligor in respect of such Project Financing.

"*Property*" means any asset, revenue or any other property, whether tangible or intangible, real or personal, including, without limitation, any right to receive income.

"*Redeemable Stock*" means any class or series of Capital Stock that by its terms or otherwise is required to be redeemed prior to the Stated Maturity of the notes of the applicable series, or is redeemable at the option of the holder thereof at any time prior to the Stated Maturity of the notes of the applicable series.

"*Significant Subsidiary*" means, at any relevant time, any of our Subsidiaries which is a "significant subsidiary" of ours within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as in effect on the date of this offering memorandum.

"*Subsidiary*" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the Capital Stock thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof.

"*Total Shareholder's Equity*" means our consolidated total shareholder's equity, determined in accordance with Argentine GAAP or IFRS, as applicable, as set forth in our most recent balance sheet filed with the CNV.

EVENTS OF DEFAULT

As long as any of the notes of any series remain outstanding, if any of the following events (each an "Event of Default") with respect to the notes of such series shall occur and be continuing:

(i) default by us in the payment of any principal or premium due on the notes of such series; or

(ii) default by us in the payment of any interest or any Additional Amounts due on any note of such series and such default continues for a period of 30 days; or

(iii) default by us in the performance or observance of any term, covenant or obligation in the Indenture described in "— Merger, Consolidation, Sale or Conveyance"; or

(iv) default in the performance or observance by us of any other term, covenant or obligation under the notes of such series or the Indenture not otherwise described in subparagraphs (i), (ii) or (iii) above, for a period of more than 30 days after there has been given to us by the Trustee or by holders of not less than 25% in aggregate principal amount of the outstanding notes of such series a written notice specifying such default and requiring it to be remedied; or

(v) we or any of our Significant Subsidiaries shall (a) default in the payment of principal of or interest on Indebtedness in an aggregate principal amount equal to or in excess of the greater of (i) U.S.$50,000,000 (or the then-equivalent thereof) or (ii) 1% of our Total Shareholder's Equity, other than the notes of such series, when and as such Indebtedness shall become due and payable, if such default continues for more than the period of grace, if any, originally applicable thereto and the time for payment of such amount has not been expressly extended or (b) default in the observance of any other terms and conditions relating to Indebtedness in an aggregate principal amount equal to or in excess of the greater of (i) U.S.$50,000,000 (or the then-equivalent thereof) or (ii) 1% of our Total Shareholder's Equity, other than the notes of such series, if in the case or either (a) or

(b) the effect of such default is to cause the aggregate principal amount of such Indebtedness to become due prior to its stated maturity; or

(vi) it becomes unlawful for us to perform any of our obligations under the Indenture or the notes of such series, or any payment obligations of our thereunder ceases to be valid, binding or enforceable; or

(vii) the Indenture for any reason ceases to be in full force and effect in accordance with its terms or the binding effect or enforceability thereof shall be contested by us, or we shall deny that we have any further liability or obligation thereunder or in respect thereof; or

(viii) a resolution is passed or adopted by our Board of Directors or shareholders, or a ruling or judgment of a governmental entity or court of competent jurisdiction is made, that we be wound up or dissolved, other than pursuant to a merger, consolidation or other transaction otherwise permitted in accordance with the terms of Indenture as described in "— Mergers, Consolidations, Sales and Leases," and, in the case of any such ruling or judgment, remains undismissed for 30 days; or

(ix) one or more final judgments or orders from a court or an arbitration tribunal which are not subject to appeal or nullity (*recurso de nulidad*) for the payment of money in excess of U.S.$50,000,000 (or the then-equivalent thereof) in the aggregate are rendered against us or any of our Significant Subsidiaries and are not paid or otherwise discharged and, in the case of each such judgment or order, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or order and there is a period of 30 days following such commencement during which such proceeding is not dismissed or stayed, or (b) there is a period of 60 days following such judgment during which such judgment or order is not discharged, waived or the execution thereof stayed; or

(x) a court having jurisdiction enters a decree or order for (a) relief in respect of us or any of our Significant Subsidiaries in an involuntary case under Argentine Law No. 24,522, as amended (the "Bankruptcy Law"), or any other applicable bankruptcy, insolvency or other similar law now or hereafter in effect or (b) appointment of an administrator, receiver, trustee or intervenor for us or any or our Significant Subsidiaries for all or substantially all of our or any of our Significant Subsidiaries' Property and, in each case, such decree or order remains unstayed and in effect for a period of 30 consecutive days; or

(xi) we or any of our Significant Subsidiaries (a) commence a voluntary case under the Bankruptcy Law or any other applicable bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, any a*cuerdo preventivo extrajudicial*, (b) consent to the appointment of or taking possession by an administrator, receiver, trustee or intervenor for us or any of our Significant Subsidiaries for all or substantially all of our or any of our Significant Subsidiaries' Properties or (c) effect any general assignment for the benefit of creditors; or

(xii) a moratorium is agreed or declared in respect of any of our or any of our Significant Subsidiary's Indebtedness; or

(xiii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in subparagraph (x) or (xi) above; or

(xiv) any other Event of Default provided with respect to notes of such series;

then, if such an Event of Default (other than an Event of Default specified in subparagraphs (x), (xi), (xii) or (xiii) above) occurs and is continuing with respect to any series of notes, the Trustee or the holders of not less than 25% in aggregate principal amount of the outstanding notes of such series may declare the principal amount of all the notes of such series to be due and payable immediately, by a notice in writing to us (and to the Trustee if given by the holders), and upon any such declaration such principal amount and any accrued interest and Additional Amounts shall become immediately due and payable. If an Event of Default specified in subparagraphs (x), (xi), (xii) or (xiii) above occurs, the principal and any accrued interest and Additional Amounts on all the notes of such series then outstanding shall become immediately due and payable; *provided*, *however*, that after such acceleration, an affirmative vote of the holders of not less than 66.66% in aggregate principal amount of the notes of such series at the time outstanding present or represented at a meeting of such holders at which a quorum is present may, under certain circumstances and, to the extent permitted by the Bankruptcy Law or any other applicable bankruptcy, insolvency or other similar law, rescind and annul such acceleration if all Events of Default, other than the nonpayment of the accelerated principal, have been cured or waived as provided in the Indenture.

LISTING

We may apply to have the notes of a series listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market and listed on the BCBA and the MAE. We cannot assure you, however, that these applications will be accepted. Notes issued under this program that may not be listed on any securities exchange, and the pricing supplement applicable to a series of notes will specify whether or not the notes of such series have been listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market, the BCBA the MAE or on any other securities exchange.

REGISTRATION RIGHTS

If so specified in the applicable pricing supplement, we may enter into a registration rights agreement (a "Registration Rights Agreement") with the relevant dealers with respect to a series of notes. In that agreement, we will agree for the benefit of the holders of such notes to file with the SEC and use our commercially reasonable efforts to cause to become effective a registration statement relating to an offer to exchange the notes for an issue of SEC-registered notes with terms identical to the notes (except that the exchange notes will not be subject to restrictions on transfer in the United States or to any increase in the interest rate as described below) (the "Exchange Notes").

After the SEC declares the exchange offer registration statement effective, we will offer the Exchange Notes in exchange for the notes. The exchange offer will remain open for the number of days specified in the applicable pricing supplement after the date we mail the notice of the exchange offer to holders of the notes. For each note surrendered to us under the exchange offer, the holder will receive an Exchange Note of equal principal amount. Interest on each Exchange Note will accrue from the last Interest Payment Date on which interest was paid on the notes or, if no interest has been paid on the notes, from the issue date of the notes.

If applicable interpretations of the staff of the SEC do not permit us to effect the exchange offer, we will use our commercially reasonable efforts to cause to become effective a shelf registration statement relating to the resales of the notes and to keep that shelf registration statement effective until all notes covered by the shelf registration statement have been sold. We will, in the event of such registration statement, provide to each holder of notes copies of a prospectus, notify each holder of notes when the shelf registration statement has become effective and take certain other actions to permit resales of the notes. A holder of the notes that sells notes under the shelf registration statement generally will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with those sales and will be bound by the provisions of the Registration Rights Agreement that are applicable to such a holder (including certain indemnification obligations).

If (i) the exchange offer registration statement is not filed with the SEC on or prior to the day set forth in the applicable pricing supplement, (ii) the exchange offer is not declared effective on or prior to the day set forth in the applicable pricing supplement, (iii) the exchange offer is not consummated on or prior to the day set forth in the applicable pricing supplement, or (iv) if required under the Registration Rights Agreement, a shelf registration statement relating to the resales of the notes is not declared effective on or prior to the day set forth in the applicable pricing supplement or ceases to be effective or usable in the term specified therein, then upon the occurrence of each of the events referred to in points (i) to (iv) above the interest rate borne by the affected notes will be increased as specified in the applicable pricing supplement.

If we effect an exchange offer, we will be entitled to close the respective exchange offer on the date specified in the applicable pricing supplement, *provided* that we have accepted all notes validly surrendered in accordance with the terms of the exchange offer. Notes not tendered in the exchange offer shall continue to be subject to all the terms and conditions specified in the applicable pricing supplement, including transfer restrictions.

This is a summary of the provisions that a Registration Rights Agreement may include; it does not purport to be a complete description of the provisions thereof and is qualified in its entirety by reference to such Registration Rights Agreement.

If the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market, the relevant exchange offer will be conducted in accordance with the requirements thereof. If required, the Luxembourg Stock Exchange will be informed and notice will be published in a Luxembourg newspaper having general circulation in the event of any change in the rate of interest payable on the notes and to announce the beginning of, and the results of, the exchange offer. For so long as the notes are listed on the Official List of the Luxembourg Stock Exchange for trading in the Euro MTF market, documents prepared and all services provided for the exchange offer will be available at and through the offices of the Luxembourg listing agent.

MEETINGS, MODIFICATION AND WAIVER

We and the Trustee, if any, may, without the vote or consent of any holder of notes of a series, modify or amend the Indenture or the notes of a series, provided that such modifications or amendments shall not adversely affect the interest of the holders of the notes of such series for the purpose of:

- adding to our covenants such further covenants, restrictions, conditions or provisions as are for the benefit of the holders of such notes;
- surrendering any right or power conferred upon us;
- securing the notes of any series pursuant to the requirements thereof or otherwise;

- evidencing the succession of another person to us and the assumption by any such successor of our covenants and obligations in the notes and in the Indenture pursuant to any merger, consolidation or sale of assets;
- establishing the form or terms of any new series of notes as permitted under the Indenture;
- complying with any requirement of the CNV in order to effect and maintain the qualification of the Indenture;
- complying with any requirements of the SEC in order to qualify the Indenture under the Trust Indenture Act;
- making any modification which is of a minor or technical nature or correcting or supplementing any ambiguous, inconsistent or defective provision contained in the Indenture or in such notes: making any other modification, or granting any waiver or authorization of any breach or proposed breach, of any of the terms and conditions of such notes or any other provisions of the Indenture in any manner which does not adversely affect the interest of the holders of the notes of such series in any material respect; or
- making modifications or amendments in order to increase the size of the program.

Modifications to and amendments of the Indenture and the notes of a series may be made, and future compliance or past default by us may be waived, by us and the Trustee, if any, by the adoption of a resolution at a meeting of holders of a series of notes as set forth below, but no such modification or amendment and no such waiver may, without the unanimous consent of the holders of all notes of a series adversely affected thereby,

- extend the due date for the payment of principal of, premium, if any, or any installment of interest on any such note;
- reduce the principal amount of, the portion of such principal amount which is payable upon acceleration of the maturity of, the rate of interest on or the premium payable upon redemption or repurchase of any such note;
- reduce our obligation to pay Additional Amounts on any such note;
- shorten the period during which we are not permitted to redeem any such note, or permit us to redeem any such note if, prior to such action, we are not permitted to do so;
- amend the circumstances under which the notes of such series may be redeemed;
- change the Specified Currency in which or the required places at which any such note or the premium or interest thereon is payable;
- reduce the percentage of the aggregate principal amount of such notes necessary to modify, amend or supplement the Indenture or such notes, or for waiver of compliance with certain provisions thereof or for waiver of certain defaults;
- reduce the percentage of aggregate principal amount of outstanding notes required for the adoption of a resolution or the quorum required at any meeting of holders of such notes at which a resolution is adopted;
- modify any provisions of the Indenture relating to meetings of holders of such notes, modifications or waivers as described above, except to increase any such percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each note adversely affected thereby;
- modify the subordination provisions relating to any such subordinated notes in any manner adverse to the holders of notes;
- modify the security provisions relating to any such secured notes in any manner adverse to holders of notes; or
- impair the right to sue for enforcement of any payment in respect of any such notes.

A meeting of the holders of notes of a series may be called by our Board of Directors, our Supervisory Committee, the Trustee, if any, or upon the request of the holders of at least 5% in principal amount of the outstanding notes of such series. If a meeting is held pursuant to the written request of holders of notes, such meeting will be convened within 40 days from the date such written request is received by us.

Meetings may be ordinary meetings or extraordinary meetings. Any proposed amendment to the terms and conditions of any series of notes shall be dealt with at extraordinary meeting. Any such meeting will be held simultaneously in the City of Buenos Aires and New York City by means of telecommunications which permit the participants to hear and speak to each other. Notice of any meeting of holders of notes (which will include the date, place and time of the meeting, the agenda therefor and the requirements for attendance) will be given as set forth under "—Notices" not less than 10 nor more than 30 days prior to the date fixed for the meeting and will be published at our expense for five business days in Argentina in the Official Gazette of Argentina (*Boletín Oficial*), in a newspaper of general circulation in Argentina and in the Bulletin of the BCBA (as long as the notes are listed on the BCBA). Meetings of holders may be simultaneously convened for two dates, in case the initial meeting were to be adjourned for lack of quorum. However, for

meetings that include in the agenda items requiring unanimous approval by the holders or the amendment of any of the terms and conditions of the notes, notice of a new meeting resulting from adjournment of the initial meeting for lack of quorum will be given not less than eight days prior to the date fixed for such new meeting and will be published for three business days in the Official Gazette of Argentina, a newspaper of general circulation in Argentina and the Bulletin of the BCBA (as long as the notes are listed on the BCBA).

To be entitled to vote at a meeting of holders, a person shall be (i) a holder of one or more notes as of the relevant record date or (ii) a person appointed by an instrument in writing as proxy by such a holder of one or more notes.

The quorum at any ordinary meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the outstanding notes of a series and at any reconvened adjourned ordinary meetings will be any person(s) present at such reconvened adjourned meeting. The quorum at any extraordinary meeting called to adopt a resolution will be persons holding or representing at least 60% in aggregate principal amount of the outstanding notes of a series and at any reconvened adjourned extraordinary meeting will be persons holding or representing at least 30% in aggregate principal amount of the outstanding notes. At a meeting or a reconvened adjourned meeting duly convened and at which a quorum is present, any resolution to modify or amend, or to waive compliance with, any provision of the notes of any series (other than the provisions referred to in the fourth preceding paragraph) will be validly passed and decided if approved by the persons entitled to vote a majority in aggregate principal amount of the notes of such series then outstanding represented and voting at the meeting. Any instrument given by or on behalf of any holder of a note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such note. Any modifications, amendments or waivers to the Indenture or to the notes of a series will be conclusive and binding upon all holders of notes of such series whether or not they have given such consent or were present at any meeting, and on all notes of such series.

We will designate or, in the case of any series of notes issued under the Indenture, the Trustee will designate the record date for determining the holders of notes of any series entitled to vote at any meeting and we will provide notice to holders of notes of such series in the manner set forth herein or, in the case of any series of notes issued under the Indenture, in the Indenture. The holder of a note may, at any meeting of holders of a series of notes at which such holder is entitled to vote, cast one vote for each U.S. dollar in principal amount of the notes held by such holder in which such notes are denominated. Notwithstanding the foregoing, at any meeting of holders of more than one series of notes, a holder of a note which does not specify regular payments of interest, including, without limitation, Discount Notes, will be entitled to one vote at any such meeting for each U.S. dollar of the redemption value of such note calculated as of the date of such meeting. Where notes are denominated in one or more Specified Currencies other than U.S. dollars, the U.S. dollar equivalent of such notes will be calculated at the Exchange Rates on the date of such meeting or, in the case of written consents or notices, on such dates as we designate for such purpose.

For purposes of the above, any note authenticated and delivered pursuant to the Indenture will, as of any date of determination, be deemed to be "outstanding," except:

(i) notes theretofore canceled by the Trustee or by the entity appointed to such effect in the applicable pricing supplement or delivered to us, the Trustee or the entity appointed to such effect in the applicable pricing supplement for cancellation;

(ii) notes that have been called for redemption or tendered for repurchase in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof and any premium, interest, Additional Amounts or other amount thereon have been deposited with us or with the Trustee; or

(iii) notes in lieu of or in substitution for which other notes have been authenticated and delivered;

provided, *however*, that in determining whether the holders of the requisite principal amount of outstanding notes of a series are present at a meeting of holders of notes of such series for quorum purposes or have consented to or voted in favor of any notice, consent, waiver, amendment, modification or supplement under the Indenture, notes of such series owned directly or indirectly by us or any of our Affiliates, including any Subsidiary, will be disregarded and deemed not to be outstanding.

Promptly after the execution by us and the Trustee of any supplement or amendment to the Indenture, we will give notice thereof to the holders of the notes of any series issued under the Indenture and, if applicable, to the CNV, setting forth in general terms the substance of such supplement or amendment. If we fail to give such notice to the holders of the notes within 15 days after the execution of such supplement or amendment, the Trustee will give notice to the holders at our expense. Any failure by us or the Trustee to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplement or amendment.

In the event that a series of notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market or listed on any other securities exchange, such meetings of holders and notices thereof will also comply with the applicable rules of the Luxembourg Stock Exchange or such securities exchange, as applicable.

ENFORCEMENT BY HOLDERS OF NOTES

Except as described in the next paragraph, no holder of a note of a series issued under the Indenture will have any right by virtue of or by availing itself of any provision of the Indenture or such note to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Indenture or the notes of such series or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless (i) such holder previously has given to the Trustee written notice of a default with respect to the notes, (ii) holders of not less than 25% in aggregate principal amount of the notes of such series have made written request upon the Trustee to institute such action, suit or proceeding in its own name as trustee under the Indenture and have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby and (iii) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such action, suit or proceeding and no direction inconsistent with such written request has been given to the Trustee pursuant to the Indenture.

Notwithstanding any other provision in the Indenture and any provision of any note issued under the Indenture, the right of any holder of notes to receive payment of the principal, any premium, and interest on such note (and Additional Amounts, if any) on or after the respective due dates expressed in such note, or to institute suit, including a summary proceeding (*acción ejecutiva individual*) pursuant to Article 29 of the Negotiable Obligations Law, for the enforcement of any such payment on or after such respective dates, will not be impaired or affected without the consent of such holder.

Any beneficial owner of notes issued under the Indenture represented by a Global Note will be able to obtain from the relevant depositary, upon request and subject to certain limitations set forth in the Indenture, a certificate representing its interest in the relevant Global Note in accordance with the Argentine Capital Markets Law. This certificate will enable such beneficial owner to initiate legal action before any competent court in Argentina, including a summary proceeding, to obtain overdue amounts under the notes.

DEFEASANCE

Unless otherwise specified in the applicable pricing supplement with respect to U.S. dollar denominated Fixed Rate Notes issued under the Indenture, we may, at our option, elect to terminate (1) all of our obligations with respect to the notes ("legal defeasance"), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the notes, the replacement of mutilated, destroyed, lost or stolen notes and the maintenance of agencies with respect to the notes or (2) our obligations under certain of the covenants in the Indenture or in the applicable pricing supplement, so that any failure to comply with such obligations will not constitute an event of default ("covenant defeasance"). In order to exercise either legal defeasance or covenant defeasance, we must irrevocably deposit with the Trustee money or U.S. government obligations, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (and Additional Amounts, if any) in respect of the notes then outstanding on the Stated Maturity of the notes, and comply with certain other conditions, including, without limitation, the delivery to the Trustee, or to the entity appointed to such effect in the applicable pricing supplement, of an opinion of a nationally recognized counsel in the United States (and, if so specified in the applicable pricing supplement, in Argentina) experienced in such tax matters to the effect that the deposit and related defeasance would not cause the holders of the notes to recognize income, gain or loss under the tax laws of the applicable jurisdictions as well as other relevant matters.

REPAYMENT OF MONIES; PRESCRIPTION

Any monies deposited with or paid to the Trustee or any Paying Agent or any person designated to such effect in the applicable pricing supplement, for the payment of the principal of or interest or any other amounts payable on or in respect of any note (and Additional Amounts, if any) and not applied but remaining unclaimed for two years after the date upon which such principal or interest or other amounts have become due and payable will, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to us by the Trustee or such Paying Agent or any person designated to such effect in the applicable pricing supplement, and the holder of such note will, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to us for any payment that such holder may be entitled to collect, and all liability of the Trustee or any Paying Agent with respect to such monies will thereupon cease.

All claims against us for the payment of principal of or interest or any other amounts payable on or in respect of any note (and Additional Amounts, if any) will prescribe unless made within ten years for principal and four years for interest from the date on which such payment first became due, or a shorter period if provided by applicable law.

NOTICES

Notices to holders of notes will be deemed to be validly given (i) if sent by first class mail to them (or, in the case of joint holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing, and for notices mailed to holders of notes located in Argentina, upon receipt, and (ii) for as long as such notes are listed on the BCBA and MAE, upon publication in the City of Buenos Aires in the Bulletin of the BCBA, MAE and in a widely circulated newspaper in Argentina and (iii) for as long as such notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market, upon publication in a leading daily newspaper of general circulation in Luxembourg (however, if such publication is not practicable, notice will be considered to be validly given if otherwise made in accordance with the rules of the Luxembourg Stock Exchange). It is expected that notices in Luxembourg will be published in the Luxemburger Wort and notices in the City of Buenos Aires will be published in *La Nación* or *El Cronista Comercial*. Any such notice will be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the last date on which publication is required and made as so required. In the case of Global Notes, notices will be sent to DTC, Euroclear or Clearstream, as the case may be, or their nominees (or any successors), as the holder thereof, and such clearing agency or agencies will communicate such notices to their participants in accordance with their standard procedures.

In addition, we will be required to cause all such other publications of such notices as may be required from time to time by applicable Argentine law. Neither the failure to give notice nor any defect in any notice given to any particular holder of a note will affect the sufficiency of any notice with respect to any other notes.

JUDGMENT CURRENCY INDEMNITY

If a judgment or order given or made by any court for the payment of any amount in respect of any note is expressed in a currency (the "judgment currency") other than the currency (the "denomination currency") in which such notes are denominated or in which such amount is payable, we will indemnify the relevant holder against any deficiency arising or resulting from any variation in rates of exchange between the date as of which the amount in the denomination currency is notionally converted into the amount in the judgment currency for the purposes of such judgment or order and the date of actual payment thereof. This indemnity will constitute a separate and independent obligation from the other obligations contained in the terms and conditions of the notes, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due in respect of the relevant note or under any such judgment or order.

GOVERNING LAW, JUDGMENTS, JURISDICTION, SERVICE OF PROCESS, WAIVER OF IMMUNITIES

The Indenture and the notes shall be governed by, and construed in accordance with, the laws of the jurisdiction specified in the applicable pricing supplement; *provided*, *however*, that all matters relating to the due authorization, execution, issuance and delivery of the notes by us, all matters relating to the legal requirements necessary in order for the notes to qualify as "*obligaciones negociables*" under Argentine law, and certain matters related to meetings of holders, including quorums, majorities, and requirements for convocation, will be governed by the Negotiable Obligations Law together with Argentine Business Companies Law No. 19,550, as amended and/or other applicable Argentine laws and regulations.

Under the Judiciary Law of the State of New York, a judgment or decree in an action based upon an obligation denominated in a currency other than U.S. dollars will be rendered in the foreign currency of the underlying obligation and converted into U.S. dollars at a rate of exchange prevailing on the date of the entry of the judgment or decree.

If so stated in the pricing supplement corresponding to any series of notes, we will irrevocably submit to the non-exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City and State of New York, any Argentine court sitting in the City of Buenos Aires, including the ordinary courts for commercial matters and the *Tribunal de Arbitraje General de la Bolsa de Comercio de Buenos Aires* (Permanent Arbitral Tribunal of the Buenos Aires Stock Exchange) under the provisions of Article 46 of the Argentine Capital Markets Law, and any competent court in the place of our corporate domicile for purposes of any action or proceeding arising out of or related to the Indenture or the notes. We will irrevocably waive, to the fullest extent permitted by law, any objection which we may have to the laying of the venue of any such action or proceeding brought in such a court and any claim that any such action or proceeding brought in such a court has been brought in an inconvenient forum. We have also agreed that final judgment in any such action or proceeding brought in such court will be conclusive and binding upon us and may be enforced in any court in the jurisdiction to which we are subject by a suit upon such judgment; *provided*, *however*, that service of process is effected upon us in the manner specified in the following paragraph or as otherwise permitted by law.

If so stated in the pricing supplement corresponding to any series of notes, as long as any note remains outstanding, we will at all times have an authorized agent in the Borough of Manhattan in the City and State of New York upon whom process may be served in any legal action or proceeding arising out of or relating to the notes or the Indenture. Service of process upon such agent and written notice of such service mailed or delivered to the party being joined in such action or proceeding will, to the extent permitted by law, be deemed in every respect effective service of process upon such party in any such legal action or proceeding. If so stated in the pricing supplement corresponding to any series of notes, we may appoint CT Corporation System, 111 Eight Avenue, New York, New York 10011 as our agent for service of process in any proceedings in the Borough of Manhattan, City and State of New York.

TRUSTEE

Unless otherwise stated in the applicable pricing supplement, the notes will be issued in accordance with the Indenture. The Indenture contains provisions relating to the duties and responsibilities of the Trustee and its obligations to the holders of the notes.

The Trustee may resign at any time and the holders of a majority in aggregate principal amount of the notes may remove the Trustee at any time. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign in accordance with the Trust Indenture Act. We may remove the Trustee if the Trustee becomes ineligible to serve as Trustee under the terms of the Indenture, becomes incapable of acting as Trustee, or is adjudged insolvent or bankrupt. If the Trustee resigns or is removed, a successor Trustee will be appointed in accordance with the terms of the Indenture. We will give notice of any resignation, termination or appointment of the Trustee to the holders of the notes and to the CNV.

In the Indenture, we will covenant to indemnify and defend the Trustee for, and to hold it harmless against, any loss, liability or documented expense (including the reasonable costs and documented expenses of its counsel up to the cap agreed between the parties thereto) arising out of or in connection with the acceptance or administration of the Indenture or the trusts thereunder and the performance of its duties and the exercise of its rights thereunder, including in each of its capacities hereunder as Co-Registrar, Principal Paying Agent and Transfer Agent, except to the extent such loss, liability or expense is due to its own negligence or willful misconduct.

The Indenture will provide that the Trustee or any affiliate or agent of the Trustee may become the owner or pledgee of securities with the same rights it would have if it were not the Trustee or any agent of the Trustee and may otherwise deal with us and receive, collect, hold and retain collections from us with the same rights it would have if it were not the Trustee or an affiliate or agent. The Trustee and its affiliates and agents are entitled to enter into business transactions with us or any of our affiliates without accounting for any profit resulting from such transactions.

PAYING AGENTS; TRANSFER AGENTS; REGISTRARS

The Registrars, Paying Agents and Transfer Agents, if any, appointed by us for each series of notes, will be listed at the back of the applicable pricing supplement. We may at any time appoint additional or other Registrars, Paying Agents and Transfer Agents and terminate the appointment thereof; *provided*, *however*, that (i) while notes of any series issued under the Indenture are outstanding, we will maintain a Registrar, a Paying Agent and a Transfer Agent in New York City; (ii) as long as the notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Luxembourg Stock Exchange and the rules of the Euro MTF market so require, at least one Paying Agent and transfer agent will be located in Luxembourg; and (iii) as long as it is required by Argentine law or by the CNV, we will maintain a Registrar, a Paying Agent and a Transfer Agent in the City of Buenos Aires. In the event required by the Indenture, notice of any resignation, termination or appointment of any Registrar, Paying Agent or Transfer Agent, and of any change in the office through which any Registrar, Paying Agent or Transfer Agent will act, will be promptly given to the holders of the notes in the manner described under "—Notices" above and to the CNV.

The Trustee, the Paying Agents, the Transfer Agents, Registrar and Co-Registrar will make no representation regarding this offering memorandum, any pricing supplement or the matters contained herein or therein.

Clearing and Settlement

Arrangements will be made with each of DTC, Euroclear and Clearstream to facilitate initial issuance of Global Notes (i) deposited with, or on behalf of, DTC ("DTC Global Notes") or (ii) deposited with a common depositary on behalf of Euroclear and Clearstream (the "Euroclear/Clearstream Global Notes"). See "Description of the Notes—Form and Denomination." Transfers within DTC, Euroclear and Clearstream will be made in accordance with the usual rules and operating procedures of the relevant system. Cross-market transfers between investors who hold or who will hold DTC Global Notes through DTC and investors who hold or will hold DTC Global Notes through Euroclear and/or Clearstream will be effected in DTC through the respective depositaries of Euroclear and Clearstream. Each Regulation S Global Note and each Restricted Global Note deposited with DTC will have a different CUSIP or ISIN number.

Although DTC, Euroclear and Clearstream have agreed to the following procedures in order to facilitate transfers of notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the Trustee, the Registrar, the Co-Registrar or any Paying Agent or Transfer Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC

DTC has advised us as follows: DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations ("DTC Participants") and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, brokers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect DTC Participants").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "Rules"), DTC is required to make book-entry transfers between DTC Participants on whose behalf it acts with respect to the notes and is required to receive and transmit distributions of principal of and interest on the notes. DTC Participants and Indirect DTC Participants with which investors have accounts with respect to the notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective investors.

Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect DTC Participants and certain banks, the ability of a person having a beneficial interest in a note held in DTC to transfer or pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate of such interest. The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a note held in DTC to such persons may be limited.

DTC has advised us that it will take any action permitted to be taken by a holder of notes (including, without limitation, the presentation of notes for exchange as described above) only at the direction of one or more participants to whose account with DTC interests in the relevant notes are credited, and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, in certain circumstances, DTC will exchange the DTC Global Notes held by it for Certificated Notes, which it will distribute to its participants and which, if representing interests in the Restricted Global Note, will be legended as set forth under "Transfer Restrictions." See "Description of the Notes—Certificated Notes."

EUROCLEAR

Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including United States dollars and Japanese yen. Euroclear provides various other services, including securities lending and

borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described below.

Euroclear is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"), under contract with Euroclear Clearance System plc, a U.K. corporation ("Euroclear"). The Euroclear Operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not Euroclear. The Euroclear Operator establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants ("Euroclear Participants") include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the dealers. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC.

The Euroclear Operator is a Belgian bank. The Belgian Banking Commission and the National Bank of Belgium regulate and examine the Euroclear Operator.

The Terms and Conditions Governing Use of Euroclear (the "Euroclear Terms and Conditions") and the related Operating Procedures of Euroclear and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear Operator. Specifically, these terms and conditions govern:

- transfers of securities and cash within Euroclear;
- withdrawal of securities and cash from Euroclear; and
- receipts of payments with respect to securities in Euroclear.

All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding securities through Euroclear Participants.

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear Operator and by Euroclear.

CLEARSTREAM, LUXEMBOURG

Clearstream Banking, société anonyme ("Clearstream"), was incorporated as a limited liability company under Luxembourg law. Clearstream is owned by Cedel International, société anonyme, and Deutsche Börse AG. The shareholders of these two entities are banks, securities dealers and financial institutions.

Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream customers through electronic book-entry changes in accounts of Clearstream customers, thus eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities, securities lending and borrowing and collateral management. Clearstream interfaces with domestic markets in a number of countries. Clearstream has established an electronic bridge with the Euroclear Operator to facilitate settlement of trades between Clearstream and Euroclear.

As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers ("Clearstream Participants") are recognized financial institutions around the world, including agents, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream customers are limited to securities brokers and dealers and banks, and may include the dealers for the notes. Other institutions that maintain a custodial relationship with a Clearstream customer may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC.

Distributions with respect to the notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by Clearstream.

INITIAL SETTLEMENT IN RELATION TO DTC GLOBAL NOTES

Upon the issuance of a DTC Global Note, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such DTC Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant dealer or us, in the case of a note sold directly by us.

Ownership of beneficial interests in a DTC Global Note will be limited to DTC Participants, including Euroclear and Clearstream, or Indirect DTC Participants. Ownership of beneficial interests in DTC Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of Indirect DTC Participants).

Euroclear and Clearstream will hold omnibus positions on behalf of their participants through customers' securities accounts for Euroclear and Clearstream on the books of their respective depositaries, which in turn will hold such positions in customers' securities accounts in such depositaries' names on the books of DTC.

Investors that hold their interests in a DTC Global Note through DTC will follow the settlement practices applicable to global bond issues. Investors' securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Investors that hold their interests in a DTC Global Note through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. The interests will be credited to the securities custody accounts on the settlement date against payment in same-day funds.

SECONDARY MARKET TRADING IN RELATION TO DTC GLOBAL NOTES

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between DTC Participants

Secondary market trading between DTC Participants will be settled using the procedures applicable to global bond issues in same-day funds.

Trading between Euroclear and/or Clearstream Participants

Secondary market trading between Euroclear Participants and/or Clearstream Participants will be settled using the procedures applicable to conventional eurobonds in same-day funds.

Trading between DTC Sellers and Euroclear or Clearstream Purchasers

When interests are to be transferred from the account of a DTC Participant to the account of a Euroclear Participant or a Clearstream Participant, the purchaser will send instructions to Euroclear or Clearstream through a Euroclear Participant or a Clearstream Participant, as the case may be, at least one business day prior to settlement. The Euroclear Operator or Clearstream will instruct its respective depositary to receive such interest against payment. Payment will then be made by the depositary to the DTC Participant's account against delivery of the interest in the relevant DTC Global Note. After settlement has been completed, the interest will be credited to the respective clearing system, and by the clearing system, in accordance with its usual procedures, to the Euroclear Participant's or Clearstream Participant's account. The securities credit will appear the next day (European time), and the cash debit will be back-valued to, and the interest on the DTC Global Note will accrue from, the value date (which would be the preceding day, when settlement occurred in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Euroclear or Clearstream cash debit will be valued instead as of the actual settlement date.

Euroclear Participants and Clearstream Participants will need to make available to the relevant clearing system the funds necessary to process same-day funds settlement. The most direct means of doing so is to preposition funds for settlement, either from cash on-hand or existing lines of credit, as such Participants would for any settlement occurring with Euroclear or Clearstream. Under this approach, such Participants may take on credit exposure to the Euroclear Operator or Clearstream until the interests in the relevant DTC Global Note are credited to their accounts one day later.

As an alternative, if the Euroclear Operator or Clearstream has extended a line of credit to a Euroclear Participant or a Clearstream Participant, as the case may be, such Participant may elect not to preposition funds and allow the credit line to be drawn upon to finance settlement. Under this procedure, Euroclear Participants or Clearstream Participants purchasing interests in a DTC Global Note would incur overdraft charges for one day, assuming they cleared the overdraft when the interests in the relevant DTC Global Note were credited to their accounts. However, interest on the relevant DTC Global Note would accrue from the value date. Therefore, in many cases the investment income on the interest in the relevant DTC Global Note earned during that one-day period may

substantially reduce or offset the amount of such overdraft charges, although this result will depend on each Participant's particular cost of funds.

Since settlement takes place during New York business hours, DTC Participants can employ their usual procedures for transferring global bonds to the respective depositaries of Euroclear or Clearstream for the benefit of Euroclear Participants or Clearstream Participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to DTC Participants, a cross-market sale transaction will settle no differently from a trade between two DTC Participants.

Trading between Euroclear or Clearstream Sellers and DTC Purchasers

Due to time zone differences in their favor, Euroclear Participants and Clearstream Participants may employ their customary procedures for transactions in which interests in a DTC Global Note are to be transferred by the relevant clearing system, through its respective depositary, to a DTC Participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream will instruct its respective depositary to deliver the interest in the relevant DTC Global Note to the DTC Participant's account against payment. The payment will then be reflected in the account of the Euroclear Participant or Clearstream Participant the following day, and receipt of the cash proceeds in the Euroclear Participant's or Clearstream Participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York City). Should the Euroclear Participant or Clearstream Participant have a line of credit in its respective clearing system and elect to be in debt in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear Participant's or Clearstream Participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use Euroclear or Clearstream to purchase interests in a DTC Global Note from DTC Participants for delivery to Euroclear Participants or Clearstream Participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

- borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear or Clearstream accounts) in accordance with the clearing system's customary procedures;
- borrowing the interests in the DTC Global Note in the United States from a DTC Participant no later than one day prior to settlement, which would give sufficient time for the notes to be reflected in their Euroclear or Clearstream account in order to settle the sale side of the trade; or
- staggering the value date for the buy and sell sides of the trade so that the value date for the purchase from the DTC Participant is at least one day prior to the value date for the sale to the Euroclear Participant or Clearstream Participant.

INITIAL SETTLEMENT AND SECONDARY MARKET TRADING IN RELATION TO GLOBAL NOTES DEPOSITED WITH THE COMMON DEPOSITARY

Initial settlement in Euroclear and Clearstream and secondary market trading between Euroclear Participants and/or Clearstream Participants will be settled using the procedures applicable to conventional eurobonds.

Transfer Restrictions

The notes will be subject to the following restrictions on transfer. Holders of notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their notes. For further discussion of the requirements (including the presentation of transfer certificates) to effect exchanges or transfers of interest in Global Notes and certificated notes, see the "Description of the Notes—Form and Denomination."

UNITED STATES SELLING RESTRICTIONS

We have not registered, and will not register, the notes under the Securities Act or any other applicable U.S. securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and/or
- to certain persons, other than U.S. persons, in transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale

Each purchaser of notes (other than a dealer in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A, or (b) non-U.S. person that is in compliance with Regulation S under the Securities Act.

(2) It acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

(3) It understands and agrees that notes initially offered in the United States to qualified institutional buyers will be represented by one or more global notes and that notes offered in reliance on Regulation S will also be represented by one or more global notes.

(4) It will not resell or otherwise transfer any of such notes except (a) to us or a dealer or by, through, or in a transaction approved by a dealer, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act.

(5) It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.

(6) It acknowledges that prior to any proposed transfer of notes the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the Indenture or in the applicable pricing supplement.

(7) It acknowledges that the Trustee for the notes will not be required to accept for registration transfer of any notes acquired by it , except upon presentation of evidence satisfactory to us and such Trustee that the restrictions set forth herein have been complied with.

(8) It acknowledges that we, the dealers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify us and the dealers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations, and agreements on behalf of each account.

(9) It acknowledges that each Restricted Global Note will bear a restrictive legend to the following effect:

"This note has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other U.S. securities laws and may not be resold, pledged or otherwise transferred except as permitted in the following sentences. The holder hereof, by its acceptance of this note, represents, acknowledges and agrees on its own behalf and on behalf of any investor account for which it has purchased securities for the benefit of YPF Sociedad Anónima (the "Company") that it will not offer, sell, pledge or otherwise transfer this note or any interest or participation herein except (i) to the Company or to any dealers appointed by the Company with respect to a particular series of notes (each, a "dealer" and collectively, the "dealers") or by, through or in a transaction approved by a dealer, (ii) so long as this note is eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (iii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act afforded by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement that has been declared effective under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this note, represents and agrees for the benefit of the Company that it will notify any purchaser of this note from it of the resale restrictions referred to above.

The foregoing legend may only be removed from this note on satisfaction of the conditions specified in the indenture referred to herein."

The following is the form of restrictive legend which will appear on the face of the Regulation S Global Notes and which will be used to notify transferees of the foregoing restrictions on transfer. Additional copies of this notice may be obtained from the Trustee, if any, or any other entity appointed by the applicable pricing supplement.

"This note has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other U.S. securities laws. The holder hereof, by its acceptance of this note, represents, acknowledges and agrees on its own behalf and on behalf of any investor account for which it has purchased securities for the benefit of YPF Sociedad Anónima (the "Company") that it will not offer, sell, pledge or otherwise transfer this note or any interest or participation herein in the absence of such registration unless such transaction is exempt from, or not subject to, such registration.

The foregoing legend may be removed from this note after forty (40) consecutive days beginning on and including the later of (a) the day on which the notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and (b) the original issue date of this note."

NOTICE TO NEW HAMPSHIRE RESIDENTS

Neither the fact that a registration statement or an application for a license has been filed under RSA 421-B with the state of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the state of New Hampshire constitutes a finding by the secretary of state that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or transaction means that the secretary of state has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client, any representation inconsistent with the provisions of this paragraph.

NOTICE TO UNITED KINGDOM RESIDENTS ONLY

This offering memorandum is only for distribution to and directed at persons who persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are high net worth companies, and other persons to whom it may lawfully be distributed and directed, falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iii) are outside the United Kingdom (all such persons together being referred to as "relevant persons"). This Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. To the extent that this Memorandum constitutes an invitation or inducement to enter into investment activity within the meaning of section 21 of the U.K. Financial Services and Markets Act 2000 ("FSMA"), it is being distributed by the company itself or through the Facilitators in circumstances in which section 21(1) of the FSMA does not apply to the company.

EUROPEAN ECONOMIC AREA SELLING RESTRICTION

In relation to each member state of the European Economic Area (each, a "Member State") which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State ("the Relevant Implementation Date"), no offer of the notes to the public in that Relevant Member State will be made prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and the 2010 PD Amending Directive to the extent implemented, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- to any legal entity which is a "qualified investor" as defined in the Prospectus Directive or the 2010 PD Amending Directive if the relevant provision has been implemented;
- to fewer than (i) 100 natural or legal persons per Relevant Member State (other than "qualified investors" as defined in the Prospectus Directive or the 2010 PD Amending Directive if the relevant provision has been implemented) or (ii) if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons per Relevant Member State (other than "qualified investors" as defined in the Prospectus Directive or the 2010 PD Amending Directive if the relevant provision has been implemented); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive or Article 3(2) of the 2010 PD Amending Directive to the extent implemented.

provided that no such offer of Securities referred to above shall require the issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any notes as a "financial intermediary," as that term is used in Article 3(2) of the Prospectus Directive, will be deemed to have represented, acknowledged and agreed that (x) the notes acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" as defined in the Prospectus Directive, or in circumstances in which the prior consent of the subscribers has been given to the offer or resale, or (y) where notes have been acquired by it on behalf of persons in any Relevant Member State other than "qualified investors" as defined in the Prospectus Directive, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of the foregoing, the expression "offer of notes to the public," in relation to any notes in any Relevant Member State, means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; "Prospectus Directive" means Directive 2003/71/EC, and includes any relevant implementing measure in the Relevant Member State; and "2010 PD Amending Directive" means Directive 2010/73/EC.

HONG KONG

The notes may not be offered or sold by means of any document other than (1) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (2) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (3) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

SWITZERLAND

The notes may not and will not be publicly offered, distributed or redistributed on a professional basis in or from Switzerland, and neither the offering memorandum nor any other solicitation for investments in our securities may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of articles 652a or 1156 of the Swiss Federal Code of Obligations or of Article 3 of the Federal Act on Collective Investment Schemes of June 23, 2006. This offering memorandum may not be copied, reproduced, distributed or passed on to others without the Managers' prior written consent. This offering memorandum

is not a prospectus within the meaning of Articles 1156 and 652a of the Swiss Code of Obligations or a listing prospectus according to article 27 of the Listing Rules of the SIX Swiss Exchange and may not comply with the information standards required thereunder. We will not apply for a listing of the notes on any Swiss stock exchange or other Swiss regulated market and this offering memorandum may not comply with the information required under the relevant listing rules. The notes have not been and will not be approved by any Swiss regulatory authority. The notes have not been and will not be registered with or supervised by the Swiss Federal Banking Commission, and have not been and will not be authorized under the Federal Act on Collective Investment Schemes of June 23, 2006. The investor protection afforded to acquirers of investment fund certificates by the Federal Act on Collective Investment Schemes of June 23, 2006 does not extend to acquirers of the notes.

TAIWAN

The notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in any circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer or sell the notes in Taiwan, the Republic of China.

Taxation

The following discussion summarizes certain Argentine tax and U.S. federal income tax considerations that may be relevant to you if you purchase, own or sell notes issued under this program. This summary is based on laws, regulations, rulings and decisions now in effect in each of these jurisdictions, including any relevant tax treaties. Any change could apply retroactively and could affect the continued validity of this summary. This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules.

ARGENTINE TAX CONSIDERATIONS

The following is a general summary of certain Argentine income tax consequences resulting from the beneficial ownership of notes by certain persons. While this description is considered to be a correct interpretation of existing Argentine laws and regulations in force as at the date of this offering memorandum, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes to such laws will not occur, which may also have retroactive effects.

Withholding tax on interest payments

Except as described below in respect of Argentine taxpayers subject to adjustment for inflation rules, interest payments on the notes (which, for the purposes of this section, shall include original issue discount) will be exempt from Argentine income tax provided that the notes are issued in accordance with the Argentine Negotiable Obligations Law and qualify for tax-exempt treatment under Article 36 of such Law, as amended. Under this Article, interest on the notes will be exempt if the following conditions (the "Article 36 Conditions") are satisfied:

(a) the notes must be placed through a public offering authorized by the CNV;

(b) the proceeds of the placement must be used by us for (i) working capital in Argentina, (ii) investments in tangible assets located in Argentina, (iii) refinancing of debt, and/or (iv) contributions to the capital of a controlled or affiliated corporation, provided that the latter uses the proceeds of such contribution for the purposes specified in this paragraph (b); and

(c) we must provide evidence to the CNV in the time and manner prescribed by regulations that the proceeds of the placement have been used for any one or more of the purposes described in paragraph (b) above.

Each series of notes shall be issued and placed in compliance with all of the Article 36 Conditions and the CNV has authorized the establishment of the program and the public offering of each series of notes to be issued thereunder, pursuant to Resolution No. 15,896, dated June 5, 2008 and Resolution No. 17,076, dated May 9, 2013. Within five business days of the issue of each series of notes, we will file with the CNV the documents required by Chapter VI of the Rules of the CNV. Upon approval by the CNV of such filing, the notes will qualify for the tax-exempt treatment set forth under Article 36 of the Argentine Negotiable Obligations Law.

Interest payments to Argentine taxpayers subject to the tax adjustment for inflation rules in Argentina (these taxpayers are, in general, companies created or incorporated according to Argentine law, local branches of foreign companies, sole proprietorships and individuals who conduct certain commercial activities in Argentina) (the "Title VI Holders"), except for financial entities regulated by Law 21,526, will be subject to a 35% withholding tax, which will be considered as a payment on account of Argentine federal income tax to be paid by such holder.

The company shall make proper placement efforts when conducting the public offering according to applicable CNV regulations and documentation of such efforts should be kept by the company.

If we do not comply with the Article 36 Conditions, Article 38 of the Argentine Negotiable Obligations Law provides that we shall be responsible for the payment of any taxes on interest received by the holders. In any event, the holders shall receive the full amount of interest provided for in the notes as though no withholding tax had been required.

The exemption described in the first paragraph above will be applicable for foreign beneficiaries (included in Chapter V of the Argentine Income Tax Law) even if the application of such exemption results in a benefit for a foreign tax authority.

Income tax—Capital gains

If the conditions under Article 36 of the Argentine Negotiable Obligations Law are fully complied with, resident and nonresident individuals and foreign entities not having a permanent establishment in Argentina are not subject to taxation on capital gains derived from the sale or other disposition of the notes.

The exemption described above will be applicable for foreign beneficiaries (included in Chapter V of the Argentine Income Tax Law) even if the application of such exemption results in a benefit for a foreign tax authority.

Value added tax

Financial transactions and services related to the issuance, subscription, placement, transfer, repayment, payment of interest and repayment of a note will be exempt from the value added tax as long as such notes satisfy the Article 36 Conditions set forth above under "—Withholding tax on interest payments". Additionally, the sale or transfer of notes shall be exempted from this tax pursuant to Section 7(b) of the Value Added Tax Law.

Personal asset tax

Individuals and undivided estates of individuals domiciled or located in Argentina or abroad that are deemed to be the "direct owners" of notes will be subject to a personal assets tax on the market value (or acquisition cost plus accrued and unpaid interest, in the case of unlisted notes) of their holdings of such notes as of December 31 of each year. If the individual is an Argentine resident, the tax rate shall range from 0.5% to 1.25% on the total value of the assets, depending on the amount of the assets held, when this amount exceeds Ps. 305,000. If the individual and/or undivided estate is not an Argentine resident, the tax rate shall be 1.25% in any case. Although the notes owned by individuals domiciled or undivided estates situated outside Argentina are technically levied with the personal asset tax, the relevant law (Law No. 23,966 in its relevant part, as amended) and its regulatory decree (Decree No. 127/96 as amended, "Decree No. 127/96") have not established any procedure for collection of such tax when the assets are owned directly by such individuals or undivided estates. Foreign individuals and undivided estates are not required to pay the personal asset tax if the amount of such tax is equal or less than Ps. 255.75.

Corporations and other entities organized or incorporated in Argentina and Argentine branches and permanent establishments in Argentina of foreign corporations and other foreign entities generally will not be subject to the personal asset tax with respect to their holdings of notes.

Notes held as of December 31 of each year by corporations and other entities which are not organized or incorporated in Argentina (other than the Argentine branches and permanent establishments thereof) will generally be conclusively presumed to be indirectly owned by individuals or undivided estates located in Argentina and, accordingly, subject to the personal asset tax. However, such a non-Argentine corporation or other foreign entity will not be subject to the personal asset tax if (i) the notes held by such corporation or other entity are authorized by the CNV for public offering in Argentina and "traded" in one or more Argentine or non-Argentine securities markets, or (ii) the capital stock of such corporation or other entity is not in bearer form, or (iii) the principal activity of such corporation or other entity does not consist of investing outside its jurisdiction of organization or incorporation and such corporation or other entity is not generally restricted from doing business in the jurisdiction of organization or incorporation, or (iv) such corporation or other entity is an exempt entity (i.e., insurance company, pension fund, mutual fund or bank or financial institution organized in a country in which the relevant central bank applies the standards approved by the Basel Convention). In the case of non-Argentine corporations and other foreign entities presumed to be Argentine individuals as described above that are subject to the personal asset tax, the tax will be applied at a tax rate of 2.5% of the acquisition cost plus accrued and unpaid interest and we will be responsible as a substitute obligor for paying such tax. In the event that a non-Argentine corporation or other entity holding notes is exempt from the personal asset tax for any reason other than the fact that the notes are authorized by the CNV for public offering in Argentina and traded in one or more Argentine or non-Argentine securities markets, we will nevertheless be responsible for paying the tax in case the public offering exemption is not available, unless we actually obtain on a timely basis certifications as to the non-taxable or exempt status of such corporation or other entity.

The personal asset tax law and related regulations have not yet been extensively interpreted or applied by the Argentine tax authorities or courts, and, accordingly, certain aspects of such law remain unsettled. It remains unclear, for example, whether the references to "direct" ownership refer only to record ownership (including ownership by a depository) or extend to beneficial ownership. In addition, the concept of "trading", as used in the law in relation to non-Argentine corporations and other entities, has not developed, leaving it unclear whether such term refers to actual and ongoing trading, periodic trading or merely consummation of an offering of notes within or outside Argentina. There can be no assurance concerning interpretation or application of these and other provisions of the law and related regulations by the tax authorities and courts.

The Argentine tax authorities have not implemented any mechanism to collect the personal asset tax from individuals or undivided estates which are not resident in Argentina. The tax authorities have, in effect, imposed on certain Argentine substitute obligors (in this case, the company) the responsibility to pay the tax payable with respect to Argentine securities (in this case, the notes) owned by non-Argentine corporations and other foreign entities presumed to be Argentine individuals. Although we could seek reimbursement (by means of withholding against payments on notes or otherwise) from such non-Argentine corporations and other entities for any personal asset tax paid by us, we will, to the extent provided in respect of the notes of a series (and indicated in the applicable pricing supplement), not seek such reimbursement and pay and indemnify the holders from and against any such tax imposed or paid in respect of the holders.

In the event we are compelled by law to deduct or withhold Argentine taxes or duties, we have undertaken to make payment of Additional Amounts, subject to certain limitations, as described in "Description of the Notes—Payments of Additional Amounts."

Presumed minimum income tax

The presumed minimum income tax is levied on the total value of assets held at the end of the fiscal year by Argentine corporations, local branches of foreign companies and sole proprietorships conducting certain commercial activities, among others. In the case of institutions governed by the Financial Institutions Law and insurance companies subject to the control of the Argentine Superintendence of Insurance, the taxable base for MPIT purposes shall be 20% of the value of their taxable assets. This tax rate is 1%. There is an exemption for taxpayers whose total amount of assets does not exceed Ps. 200,000. When there are assets abroad subject to this tax, the exemption amount shall be increased by a percentage equal to the percentage those assets represent over the total taxable assets. If the assets value exceeds the sum of Ps. 200,000 or exceeds the sum to be calculated according to the abovementioned procedure, if applicable, the full value of the taxable assets will be subject to the presumed minimum income tax. The notes are included in the tax base of this tax at their market value at closing on the last business day of each fiscal year.

This tax will only be payable if the income tax determined for any fiscal year does not equal or exceed the amount payable under the presumed minimum income tax. In such case, only the difference between the presumed minimum income tax determined for such fiscal year and the income tax determined for same fiscal year shall be paid under this tax. Any presumed minimum income tax paid will be applied as a credit toward income tax owed in the immediately following ten fiscal years.

Argentine individuals and undivided estates in general and foreign individuals and legal entities without a permanent establishment in Argentina are exempt from the presumed minimum income tax.

Tax on credits and debits on bank accounts

Money amounts paid through bank checking accounts in Argentine banks are subject to a 0.6% tax levied on credits, and a 0.6% tax levied on debits. In certain cases, an increased rate of 1.2% and a reduced rate of 0.075% may apply. Any payments deposited in saving accounts are exempt, in principle, from this tax. The tax is withheld by the banking institution.

The movement of funds in some special checking accounts is exempt from this tax (Central Bank Communication "A" 3250), when such accounts have been created in the name of foreign legal entities, and to such an extent as they are solely used to make financial investments in Argentina (see Section 10, paragraph (s), of the annex to Executive Decree No. 380/2001).

The owners of bank accounts on which the tax is levied at 0.6% and 1.2% rates may compute 34% and 17%, respectively, of the amounts paid under this tax on amounts credited to their accounts as a payment on account of the income tax, presumed minimum income tax and/or the special contribution or cooperative capital.

Turnover tax

Interest payments on the notes, or income from their sale or transfer, may be subject to gross turnover tax when received by residents in Argentina on a habitual basis. This tax is a provincial tax and its rules may vary from one province to the other. If the notes have satisfied the Article 36 Conditions, they may enjoy an exemption from gross turnover tax in some provinces, including the City of Buenos Aires and the province of Buenos Aires, as long as they also enjoy the exemption from income tax.

Prospective investors should consider the tax consequences of the jurisdictions in which they are located.

Provincial Tax Advance Payment Regimes applicable on local bank accounts

Different provincial tax authorities (e.g., Corrientes, Córdoba, Tucuman, City of Buenos Aires, Province of Buenos Aires, Salta, etc.) have established advance payment regimes regarding the "turnover tax" that are, in general, applicable to credits generated in bank accounts opened at financial institutions governed by the "Financial Institutions Law".

These regimes apply to local taxpayers that are included in a list distributed, usually on a monthly basis, by the provincial tax authorities to the financial institutions aforementioned.

Tax rates applicable depend on the regulations issued by each provincial tax authority, in a range that, currently, could amount up to 5%. For taxpayers subject to these advance payment regimes, any payment applicable qualifies as an advance payment of the "turnover tax".

Stamp taxes

Stamp Tax is a provincial tax which is also levied in the City of Buenos Aires, on dealings embodied in instruments providing for the payment of a valuable consideration entered into in the provincial jurisdiction (or the City of Buenos Aires) vested with the authority to tax or otherwise on instruments executed outside a provincial jurisdiction (or the City of Buenos Aires) having in any way effects or intended to have in any way effects in such jurisdiction.

In the City of Buenos Aires all acts, contracts and operations related with the issuance, subscription, placement and transfer of notes issued pursuant to, and in accordance with, the Negotiable Obligations Law Section are exempt from stamp tax. The Tax Code of the City of Buenos Aires has an exemption for agreements related to the negotiation of shares and other securities that are authorized by the CNV.

Also, acts, contracts and operations related to the issuance of securities placed by means of public offering under of Argentine Capital Markets Law by companies authorized by the CNV are exempt from stamp tax. This exemption applies if the authorization to place the security by public offering is filed within 90 calendar days from the execution of any such act, contract or operation and if the placement of the securities is performed within 180 calendar days from the authorization to place such securities by public offering.

Prospective investors should consider the tax consequences in force in the different provinces at the time the relevant document is executed and/or has effects.

Transfer, estate and gift tax

No Argentine transfer taxes are applicable on the sale or transfer of the Notes.

At the provincial level, the Province of Buenos Aires established a Free Transmission of Goods Tax (Law N° 14.044 as amended) ("FTGT"), as from January 1, 2010, the main characteristics of which are:

- the FTGT levies enrichments from all free transmission of goods, including inheritance, legacies, donations, etc.;
- individuals and legal entities are subject to the FTGT;
- taxpayers domiciled in the Province of Buenos Aires are subject to the FTGT in respect of assets located in and outside the Province and taxpayers domiciled in other provinces are subject to the FTGT in respect of the free enrichment of assets located in the Province;
- assets will be deemed located in the Province, among other things: (i) when the securities are issued by entities domiciled in the Province: (ii) when the securities are held by individuals domiciled in the Province at the moment of the transmission, even if the securities were issued by entities domiciled in another jurisdiction; and (iii) up to the proportion of the assets of the issuer located in the Province, when the securities are held by individuals domiciled in another jurisdiction at the moment of the transmission of such securities and are issued by entities domiciled in another jurisdiction;
- transfers of goods are exempted from the FTGT when the total amount of goods transferred is equal or less than Ps.60,000 or Ps.250,000 among parents, children and spouses; and
- the tax rates have been set between 4% and 21.925%.

Free transmissions of negotiable obligations might be subject to the FTGT if they are involved in free transmissions of goods higher than Ps.60,000 or Ps.250,000 among parents, children and spouses.

There is no FTGT in the City of Buenos Aires. In relation to the existence of FTGT in the rest of provincial jurisdictions the analysis should be made taking into consideration the applicable legislation of each province.

Other taxes

In the event that it becomes necessary to institute enforcement proceedings in relation to the company in Argentina, court tax (currently at a rate of 3%), payable by the party initiating such proceeding, will be imposed on the amount of any claim brought before the Argentine courts sitting in the City of Buenos Aires.

Funds sourced in Jurisdictions that are not considered "Cooperative Jurisdictions"

Pursuant to Decree No. 589/2013 (effective as of May 30th 2013) all references contained in the Argentine Income Tax Law and its regulations to "countries deemed low-or-no-tax-jurisdictions", shall be replaced with the expression "non cooperative countries for tax transparency purposes" ("Non-Cooperative Jurisdictions") . The list of Non-Cooperative Jurisdictions will include, by default, all foreign jurisdictions except those with which the Republic of Argentina has executed or is currently negotiating a *tax information exchange agreement,* to the extent that the exchange of information has been effective according to the Argentine tax authorities. Decree No. 589/2013 mandates the Argentine tax authorities to elaborate and publish the list of the *cooperative jurisdictions* which shall be updated periodically. As of the date of this Offering Memorandum, the list has not yet been published.

Pursuant to article 18.1 of Law No. 11,683 (modified by Law 25,795) incoming funds from Non-Cooperative Jurisdictions will be taxed as follows:

- income tax at a 35% rate would be assessed upon the company receiving those funds on the 110% of the amount of the transfer; and
- VAT at a 21% rate would also be assessed upon the company on the 110% of the amount of the transfer.

The Argentine tax resident may rebut such legal presumption by duly evidencing before the Argentine Tax Authority that the funds arise from activities effectively performed by the Argentine taxpayer or a third party in such jurisdictions, or that such funds have been previously declared.

The applicable pricing supplement will contain restrictions on the ability of the company to receive and take offers to purchase notes under the Programs from Non Cooperative Jurisdictions.

PRINCIPAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this offering memorandum or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors, for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

The following is a summary of the principal U.S. federal income tax considerations that may be relevant to a beneficial owner of a note that, for U.S. federal income tax purposes, is (i) an individual citizen or resident of the United States, (ii) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person (a "United States holder"). This summary is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated thereunder, and rulings and judicial decisions in effect as of the date hereof, all of which are subject to change. Any change could apply retroactively and could affect the validity of this summary.

This summary deals only with United States holders that will hold notes as capital assets, and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies, partnerships

or other pass-through entities, persons liable for the alternative minimum tax, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a "functional currency" other than the U.S. dollar. Any special United States federal income tax considerations relevant to a particular issue of notes, including any Indexed Notes, will be provided in the applicable pricing supplement.

If a partnership or other pass-through entity holds the notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership that holds notes or a partner of such a partnership, you should consult your own tax advisors.

This summary deals only with notes of a term of 30 years or less and denominated in a single currency (which is not a hyperinflationary currency). The U.S. federal income tax consequences of owning other types of notes will be discussed in the applicable pricing supplement.

At present there is no income tax treaty between Argentina and the United States and no assurance can be given as to whether a treaty will enter into force or how it will affect any particular United States holders.

Investors should consult their own tax advisors in determining the tax consequences to them of holding notes, including the application to their particular situation of the United States federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Payments of interest

Payments of "qualified stated interest" (as defined below under "Original issue discount") on a note will be taxable to a United States holder as ordinary interest income at the time that such payments are paid or accrued in accordance with the United States holder's applicable method of accounting for U.S. federal income tax purposes. Such interest income generally will constitute income from sources outside the United States. If such payments of interest are made on a note denominated in, or with payments determined by reference to, a currency other than the U.S. dollar (hereafter a "Foreign Currency Note"), the amount of interest income realized by a United States holder that uses the cash method of tax accounting will be the U.S. dollar value of the Specified Currency payment based on the exchange rate in effect on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars. A United States holder that uses the accrual method of accounting for tax purposes will accrue interest income on the note in the Specified Currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or, if the beginning and end of the interest accrual period fall in different taxable years, the Unites States holder will translate the accrued interest for each taxable year, based on the average exchange rate during the portion of the accrued period that falls within the taxable year). Alternatively, an accrual basis United States holder may elect to translate all interest income on Foreign Currency Notes at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt if such date is within five business days of the last day of the accrual period. A United States holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the Internal Revenue Service (the "IRS"). A United States holder that uses the accrual method of accounting for U.S. federal income tax purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Foreign Currency Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the note.

Additional rules for notes that are denominated in more than one currency or that have one or more non-currency contingencies and are denominated in either one foreign currency or more than one currency are described below under Dual Currency Notes.

Effect of Argentine withholding taxes

As discussed in "Taxation—Argentine Tax Considerations," payments of interest in respect of the notes may be subject to Argentine withholding taxes in certain circumstances and the company may become liable for the payment of Additional Amounts to United States holders (see "Description of the Notes – Payments of Additional Amounts"). For U.S. federal income tax purposes, United States holders would be treated as having received the amount of Argentine taxes withheld, if any, by the company (as well as Additional Amounts paid by the company in respect thereof) with respect to a note, and then as having paid over the withheld taxes to the Argentine taxing authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a United States holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the United States holder from the company with respect to the payment. United States holders may in

certain circumstances claim a foreign tax credit on Argentine withheld income taxes or may deduct Argentine withheld taxes. Prospective investors should consult their tax advisors concerning the U.S. foreign tax credit implications of the payment of any Argentine taxes.

Purchase, sale and retirement of notes

A United States holder's tax basis in a note for U.S. federal income tax purposes generally will equal the cost of such note to such holder, increased by any amounts includible in income by the holder as original issue discount and market discount and reduced by any amortized premium (each, as described below) and any payments other than payments of qualified stated interest made on such note. In the case of a Foreign Currency Note, the cost of such note to a United States holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis United States holder (and, if it so elects, an accrual basis United States holder) will determine the U.S. dollar value of the cost of such note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The amount of any subsequent adjustments to a United States holder's tax basis in a note in respect of original issue discount, market discount and premium denominated in a Specified Currency will be determined in the manner described under "Original issue discount" and "Premium and market discount" below. The conversion of U.S. dollars to a Specified Currency and the immediate use of the Specified Currency to purchase a Foreign Currency Note generally will not result in taxable gain or loss for a United States holder.

Upon the sale, exchange or retirement of a note, a United States holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as ordinary interest income to the extent not previously included in income) and the United States holder's adjusted tax basis in such note. If a United States holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a note, the amount realized will be the U.S. dollar value of the Specified Currency received calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis United States holder (and if it so elects, an accrual basis United States holder) will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual basis United States holders in respect of the purchase and sale of Foreign Currency Notes traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount, Short-Term Notes (as defined below) and foreign currency gain or loss, gain or loss recognized by a United States holder generally will be long-term capital gain or loss if the United States holder has a holding period in the note that more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to U.S. federal income tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to certain limitations. Any gain or loss recognized by a United States holder generally will constitute gain or loss from sources within the United States.

Gain or loss recognized by a United States holder on the sale, exchange or retirement of a Foreign Currency Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the notes.

Original issue discount

A note, other than a Short-Term Note (as defined below), whose "issue price" is less than its "stated redemption price at maturity" by more than a *de minimis* amount (i.e., by at least .25% of the note's stated redemption price at maturity multiplied by the number of remaining complete years to maturity, or in the case of a note that provides for the payment of any amounts other than "qualified stated interest" before maturity (an "installment obligation"), the note's weighted average maturity) will be treated as issued with original issue discount (an "OID Note"). United States holders of OID Notes generally will be subject to the special tax accounting rules for obligations issued with original issue discount ("OID") provided by the Code and certain Treasury regulations promulgated thereunder (the "OID Regulations"). United States holders of such notes should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income. Such OID generally will constitute income from sources outside the United States. The "issue price" of a note generally will be the first price at which a substantial amount of notes included in the issue of which the note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The "stated redemption price at maturity" of a note is the total of all payments provided by the note that are not payments of qualified stated interest. The term "qualified stated interest" generally means stated interest that is

unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually during the entire term of an OID Note at a single fixed rate of interest or, subject to certain conditions, based on one or more interest indices.

In general, each United States holder of an OID Note, whether such holder uses the cash or the accrual method of accounting for U.S. federal income tax purposes, will be required to include in ordinary gross income the sum of the "daily portions" of OID on the note for all days during the taxable year that the United States holder owns the note. The daily portions of OID on an OID Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be at any length and may vary in length over the term of an OID Note, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of a United States holder who acquires its beneficial interest in any OID Note at issuance (an "initial holder"), the amount of OID allocable to each accrual period is determined by (a) multiplying the "adjusted issue price" (as defined below) of the OID Note at the beginning of the accrual period by the "yield to maturity" of the OID Note (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest allocable to that accrual period. The "yield to maturity" (as defined below) of a note is the discount rate that causes the present value of all payments on the note as of its original issue date to equal the issue price of such note. The "adjusted issue price" of an OID Note at the beginning of any accrual period will generally be the sum of its issue price and the amount of OID allocable to all prior accrual periods (determined without regard to the amortization of any acquisition premium or bond premium), reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such note in all prior accrual periods.

In the case of an OID Note that is a Floating Rate Note, both the "yield to maturity" and "qualified stated interest" will generally be determined for these purposes as if the OID Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to the interest payments on the note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield that is reasonably expected for the note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index.) As a result of this "constant yield" method of including OID in income, the amounts includible in income by a United States holder in respect of an OID Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

A United States holder generally may make an irrevocable election to include in its income its entire return on a note (i.e., the excess of all remaining payments to be received on the note, including payments of qualified stated interest, over the amount paid by the United States holder for the note) under the constant-yield method described above. A United States holder who makes this election in respect of a note that either was purchased at a premium or bears market discount will also be deemed to have made the election (discussed below in "Premium and Market Discount") to amortize premium or to accrue market discount in income currently on a constant-yield basis in respect of all debt obligations that the United States holder holds that were purchased at a premium or with market discount, as applicable.

In the case of an OID Note that is also a Foreign Currency Note, a United States holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the Specified Currency using the constant-yield method described above, and (b) translating the amount of the Specified Currency so derived at the average exchange rate in effect during that accrual period (or portion thereof within a United States holder's taxable year) or, at the United States holder's election (as described above under "Payments of interest"), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt if such date is within five business days of the last day of the accrual period. Because exchange rates may fluctuate, a United States holder of an OID Note that is also a Foreign Currency Note may recognize a different amount of OID income in each accrual period than would the holder of an otherwise similar OID Note denominated in U.S. dollars. All payments on an OID Note (other than payments of qualified stated interest) will generally be viewed first as payments of previously-accrued OID (to the extent thereof), with payments attributed first to the earliest-accrued OID, and then as payments of principal. Upon the receipt of an amount attributable to OID (whether in connection with a payment of an amount that is not qualified stated interest or the sale or retirement of the OID Note), a United States holder will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or the date of disposition of the OID Note, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

A United States holder of an OID Note who purchases its beneficial interest in the note outside the initial offering at a cost equal to or less than its "remaining redemption amount" (as defined below), or an initial holder who purchases an OID Note at a price other than the note's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the United States holder acquires the OID Note at a price greater than its adjusted issue price, but equal to or less than its "remaining redemption amount," such holder is considered to have acquired the OID Note with "acquisition premium" and is required to reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The "remaining

redemption amount" for a note is the total of all future payments to be made on the note other than payments of qualified stated interest.

Floating Rate Notes generally will be treated as "variable rate debt instruments" under the OID Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as "qualified stated interest" and such a note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note does not qualify as a "variable rate debt instrument," such note will be subject to special rules (the "Contingent Payment Regulations") that govern the tax treatment of debt obligations that provide for contingent payments ("Contingent Debt Obligations"). A detailed description of the tax considerations relevant to United States holders of any such notes will be provided in the applicable pricing supplement.

Certain of the notes may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable pricing supplement. Notes containing such features, in particular OID Notes, may be subject to special rules that differ from the general rules discussed above. Purchasers of notes with such features should carefully examine the applicable pricing supplement and should consult their own tax advisors with respect to such notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased notes.

Premium and market discount

A United States holder of a note who purchases its beneficial interest in the note at a cost greater than the notes' remaining redemption amount (as defined in the third preceding paragraph) will be considered to have purchased the note with bond premium, and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the note. This election, once made, generally applies to all bonds held or subsequently acquired by the United States holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A United States holder that elects to amortize such premium must reduce its tax basis in a note by the amount of the premium amortized during its holding period. OID Notes purchased at a premium will not be subject to the OID rules described above.

In the case of premium in respect of a Foreign Currency Note, a United States holder should calculate the amortization of such premium in the Specified Currency. Amortization deductions attributable to a period reduce interest payments in respect of that period in the Specified Currency prior to converting such interest payments into U.S. dollars. Exchange gain or loss will be realized with respect to amortized bond premium on such a note based on the difference between the exchange rate on the date or dates such premium is recovered through interest payments on the note and the exchange rate on the date on which the United States holder acquired the note. With respect to a United States holder that does not elect to amortize bond premium, the amount of bond premium will be included in the United States holder's tax basis when the note matures or is disposed of by the United States holder. Therefore, a United States holder that does not elect to amortize such premium and that holds the note to maturity generally will be required to treat the premium as capital loss when the note matures.

If a United States holder purchases the note at a price that is lower than its stated redemption price at maturity (or in the case of an OID Note, at a price that is lower than the adjusted issue price of the note) by at least 0.25% of the stated redemption price at maturity (or in the case of an OID Note, at least 0.25% of the adjusted issue price of the note) multiplied by the number of remaining complete years to maturity, the note will be considered to have "market discount" in the hands of such United States holder. In such case, gain realized by the United States holder on the disposition of the note and repayments of principal of the note generally will be treated as ordinary income to the extent of the market discount that accrued on the note while held by such United States holder. In addition, the United States holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the note. In general terms, market discount on a note will be treated as accruing ratably over the term of such note, or, at the election of the holder, under a constant yield method. Market discount on a Foreign Currency Note will be accrued by a United States holder in the Specified Currency. The amount includible in income by a United States holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the note is disposed of by the United States holder or principal is repaid.

A United States holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis) in lieu of treating a portion of any gain realized on a sale of a note as ordinary income. If a United States holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the United States holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, a United States holder may recognize exchange gain or loss determined in the same manner as for accrued interest or OID. Any such election to include market discount in income currently, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Short-term notes

The rules set forth above will also generally apply to notes having maturities of not more than one year ("Short-Term Notes"), but with certain modifications.

First, the OID Regulations treat *none* of the interest on a Short-Term Note as qualified stated interest. Thus, all Short-Term Notes will be OID Notes. OID will be treated as accruing on a Short-Term Note ratably, or at the election of a United States holder, under a constant yield method.

Second, a United States holder of a Short-Term Note that uses the cash method of accounting for U.S. federal income tax purposes and is not a bank, securities dealer, regulated investment company or common trust fund, and does not identify the Short-Term Note as part of a hedging transaction, will generally not be required to include OID in income on a current basis. Such a United States holder may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such note until the Stated Maturity of the note or its earlier disposition in a taxable transaction. In addition, such a United States holder will be required to treat any gain realized on a sale, exchange or retirement of the note as ordinary income to the extent such gain does not exceed the OID accrued with respect to the note during the period the United States holder held the note. Notwithstanding the foregoing, a cash-basis United States holder of a Short-Term Note may elect to accrue OID into income on a current basis (in which case the limitation on the deductibility of interest described above will not apply). A United States holder using the accrual method of tax accounting and certain cash-basis United States holders (including banks, securities dealers, regulated investment companies and common trust funds) generally will be required to include OID on a Short-Term Note in income on a current basis.

Third, any United States holder (whether cash or accrual basis) of a Short-Term Note can elect to accrue the "acquisition discount," if any, with respect to the note on a current basis. If such an election is made, the OID rules will not apply to the note. "Acquisition discount" is the excess of stated redemption price at maturity of the note over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the United States holder, under a constant-yield method based on daily compounding.

Finally, the market discount rules described above under "Premium and market discount" will not apply to a Short-Term Note.

Dual currency notes

United States holders of notes that are denominated in more than one currency or that have one or more non-currency contingencies and are denominated in either one foreign currency or more than one currency will be subject to special tax accounting rules applicable to "Multi-Currency Debt Securities." A description of the principal U.S. federal income tax considerations relevant to holders of Dual Currency Notes, including specification of the "predominant currency", will be set forth, if required, in the applicable pricing supplement.

Indexed notes and other notes providing for contingent payments

The Contingent Payment Regulations, which govern the tax treatment of Contingent Debt Obligations, generally require accrual of interest income on a constant-yield basis in respect of such obligations at a yield determined at the time of their issuance, and may require adjustments to such accruals when any contingent payments are made. A detailed description of the tax considerations relevant to United States holders of any Contingent Debt Obligations will be provided in the applicable pricing supplement.

Reportable transaction reporting

Under certain U.S. treasury regulations, United States holders that participate in "reportable transactions" (as defined in the regulations) must attach to their U.S. federal income tax returns a disclosure statement on Form 8886. United States holders should consult their own tax advisors as to the possible obligation to file Form 8886 with respect to the ownership or disposition of the notes, or any related transaction, including without limitation, the disposition of any foreign currency received as interest or as proceeds from the sale or other disposition of the notes.

Information reporting and backup withholding

The Paying Agent will be required to file information returns with the IRS with respect to payments made to, and accruals of OID on any OID Notes held by, certain United States holders of notes. In addition, certain United States holders may be subject to backup withholding tax (currently, imposed at a 28% rate) in respect of such payments if they do not provide their taxpayer identification numbers to the Paying Agent. Persons holding notes who are not United States holders may be required to comply with applicable

certification procedures to establish that they are not United States holders in order to avoid the application of such information reporting requirements and backup withholding tax.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the United States federal income tax liability of such United States holders provided the required information is furnished to the IRS.

The Paying Agent will also be required to file information returns with the IRS and may have to withhold taxes for payments made to non-U.S. individuals, corporations, partnerships, trusts and other entities. Prospective non-U.S. investors should consult their tax advisors concerning the U.S. reporting and withholding implications of owning these notes.

Foreign Financial Asset Reporting

Individual United States holders are required to report information to the IRS with respect to an investment in notes not held through an account with a United States "financial institution." If a United States holder fails to report the required information, the United States holder could become subject to substantial penalties and other adverse U.S. federal income tax consequences. United States holders are urged to consult their tax advisors regarding the reporting requirements that may be imposed on them with respect to their ownership of notes.

3.8% Medicare tax on "net investment income"

A 3.8% U.S. federal Medicare tax is generally imposed on "net investment income" exceeding certain thresholds of U.S. citizen and resident individuals, and on the undistributed "net investment income" of U.S. estates and trusts. Among other things, "net investment income" will generally include gross income from interest on, and net gains from the disposition of the notes, less allocable deductions. Holders are urged to consult their tax advisors with respect to the tax consequences of this legislation.

E.U. SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC (the "Directive") on the taxation of savings income, each Member State of the European Union (the "EU") is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entities established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period they elect otherwise) instead operate a withholding system in relation to such payments. Under such a withholding system, the recipient of the interest payment must be allowed to elect that certain provision of information procedures should be applied instead of withholding. The current rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income.

However, Luxembourg has announced its intention to operate information exchange, instead of the withholding system, with effect from January 1, 2015.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted or agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to an individual beneficial owner resident in, or certain limited types of entities established in, a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those countries and territories in relation to payments made by a person in a Member State to an individual beneficial owner resident in, or certain limited types of entities established in, one of those countries or territories.

A proposal for amendments to the Directive has been published, including a number of suggested changes which, if implemented, would broaden the scope of the rules described above. Investors who are in any doubt as to their position should consult their professional advisers.

Certain ERISA Considerations

Subject to the considerations and representation referred to below, the notes may be purchased and held by an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or by an individual retirement account or other plan subject to Section 4975 of the Code. A fiduciary of an employee benefit plan subject to ERISA must determine that the purchase and holding of the Notes is consistent with its fiduciary duties under ERISA. The fiduciary of an ERISA plan, as well as any other prospective investor subject to Section 4975 of the Code or any similar law, must also determine that its purchase and holding of the Notes does not result in a non-exempt prohibited transaction as defined in Section 406 of ERISA or Section 4975 of the Code or similar law. Each purchaser and transferee of the Notes who is subject to ERISA and/or Section 4975 of the Code or a similar law will be deemed to have represented by its acquisition and holding of the Notes that such acquisition and holding of the Notes does not constitute or give rise to a non-exempt prohibited transaction under ERISA, Section 4975 of the Code or any similar law.

Enforceability of Civil Liabilities

We are incorporated under the laws of Argentina. Substantially all of our assets are located outside the United States. The majority of our directors and officers and certain advisors named herein reside in Argentina or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons or to enforce against us or them in United States courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

If so specified in the applicable pricing supplement, the terms and conditions of the notes, we will (i) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, City and State of New York, will have non-exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the notes and, for such purposes, irrevocably submit to the jurisdiction of such courts and (ii) name an agent for service of process in the Borough of Manhattan, New York City. See "Description of the Notes."

We have been advised by our Argentine counsel, Estudio O'Farrell, that a substantial portion of our assets located in Argentina could not be subject to attachment or foreclosure if a court were to find that such properties are necessary to the provision of an essential public service, unless the Argentine government otherwise approves the release of such property affected as an essential public service. In accordance with Argentine law, as interpreted by the Argentine courts, assets which are necessary to the provision of an essential public service may not be attached, whether preliminarily or in aid of execution.

Our Argentine counsel has also advised us that judgments of United States courts for civil liabilities based upon the federal securities laws of the United States may be enforced in Argentina, provided that the requirements of Article 517 of the Federal Civil and Commercial Procedure Code of Argentina (if enforcement is sought before federal courts) are met as follows: (i) the judgment, which must be final in the jurisdiction where rendered, was issued by a court competent in accordance with the Argentine principles regarding international jurisdiction and resulted from a personal action, or an *in rem* action with respect to personal property if such was transferred to Argentine territory during or after the prosecution of the foreign action, (ii) the defendant against whom enforcement of the judgment is sought was personally served with the summons and, in accordance with due process of law, was given an opportunity to defend against foreign action, (iii) the judgment must be valid in the jurisdiction where rendered and meet authenticity requirements under Argentine law, (iv) the judgment does not violate the principles of public policy of Argentine law, and (v) the judgment is not contrary to a prior or simultaneous judgment of an Argentine court.

Subject to compliance with Article 517 of the Federal Civil and Commercial Procedure Code described above, a judgment against us or the persons described above obtained outside Argentina would be enforceable in Argentina without reconsideration of the merits.

We have been further advised by our Argentine counsel that:

- original actions based on the federal securities laws of the United States may be brought in Argentine courts and that, subject to applicable law, Argentine courts may enforce liabilities in such actions against us, our directors, our executive officers and the advisors named in this offering memorandum; and
- the ability of a judgment creditor or the other persons named above to satisfy a judgment by attaching certain assets of ours is limited by provisions of Argentine law.

A plaintiff (whether Argentine or non-Argentine) residing outside Argentina during the course of litigation in Argentina must provide a bond to guarantee court costs and legal fees if the plaintiff owns no real property in Argentina that could secure such payment. The bond must have a value sufficient to satisfy the payment of court fees and defendant's attorney fees, as determined by the Argentine judge. This requirement does not apply to the enforcement of foreign judgments.

Plan of Distribution

We may from time to time offer notes under this program directly or through dealers which we may appoint for specified series of notes. One or more dealers may purchase notes as principal from us from time to time for resale to investors and other purchasers at a fixed offering price or, if so specified in the applicable pricing supplement, at varying prices relating to prevailing market prices at the time of resale as determined by any dealer. If we and a dealer agree, that dealer may also utilize its reasonable efforts on an agency basis to solicit offers to purchase the notes. Commissions with respect to notes that are sold through a dealer will be negotiated between us and that dealer at the time of such sale. If a dealer or dealers are utilized in the offer and sale of notes, we will enter into a purchase or placement agreement with such dealer or dealers at the time an agreement for such offer and sale is reached. Terms and conditions relating to the offering of any particular series of notes will be described in the applicable pricing supplement.

A dealer may sell notes it has purchased from us as principal to certain other dealers less a concession equal to all or any portion of the discount received in connection with such purchase. The dealer, and such other dealers, may reallow a discount to certain additional dealers. After the initial offering of notes, the offering price (in the case of notes to be resold at a fixed offering price), the concession and the reallowance may be changed.

Any dealer and/or its affiliates may enter into derivative and/or structured transactions with clients, at their request, in connection with the notes and any such dealer and/or its affiliates may also purchase some of the notes to hedge their risk exposure in connection with such transaction. In addition, any dealer and/or its affiliates may acquire for its/their own proprietary account the notes. Any such acquisitions may have an effect on the demand and/or price of the notes.

We may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase notes in whole or in part. Each dealer will have the right to reject in whole or in part any offer to purchase notes received by it on an agency basis.

The offering of the notes under this program has been authorized by the CNV pursuant to Resolution No. 15,896, dated June 5, 2008, Resolution No. 16,954, dated October 25, 2012 and Resolution No. 17,076, dated May 9, 2013. In order to issue and offer any series of notes under this program we are required to file with the CNV a pricing supplement describing the particular terms and conditions of the relevant notes, updating our financial and accounting information for each fiscal year and quarter (if we have approved financial statements for such year or quarter) and providing other information relating to any subsequent material events or developments.

The notes may not be offered directly to the public in Argentina except by us or through individuals or entities authorized under the laws and regulations of Argentina to offer or sell the notes directly to the public in Argentina. Any offering of the notes in Argentina will be made by a substantially similar offering memorandum in the Spanish language and in accordance with CNV regulations. Under current CNV regulations, the placement of the notes must be conducted by means of a public auction pursuant to the tender systems and procedures of a domestic stock exchange or market.

Before the initial offering of notes under this program, there has been no established trading market for the notes. While we may apply to have the notes of a particular series listed on the BCBA and the MAE or any other securities exchange, we may not list other series of notes on any securities exchange. From time to time, the dealers may make a market in the notes, but no dealer is obligated to do so and may discontinue any market-making activity at any time. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act, the Exchange Act and the Argentine Capital Markets Law, and may be limited during any exchange offer and the pendency of any shelf registration statement in connection with any registration rights we may offer to holders of a particular series of notes. Accordingly, we cannot assure you as to the liquidity of, or the development or continuation of trading markets for, the notes.

In connection with an offering of notes purchased by one or more dealers as principal on a fixed offering price basis, such dealers will be permitted to engage in transactions that stabilize the price of notes in accordance with applicable law. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of notes. If the dealer or dealers create, as the case may be, a short position in notes (that is, if it sells or they sell notes in an aggregate principal amount exceeding that set forth in the applicable pricing supplement), such dealers may reduce that short position by purchasing notes in the open market. In general, purchase of notes for the purpose of stabilization or to reduce a short position could cause the price of notes to be higher than it might be in the absence of such purchases. All such activities shall be conducted in accordance with any applicable regulations.

The FSMA permits, in connection with the issue of any notes under this program, any dealer that is specified in the applicable pricing supplement as the stabilizing manager (or any dealer for the stabilizing manager) to over-allot or effect transactions with a view to supporting the market price of the relevant notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the stabilizing manager (or any dealer of the stabilizing manager) to do this. Such stabilizing,

if commenced, may be discontinued at any time without notice and must be brought to an end after a limited period. Such stabilizing must be in compliance with all applicable laws, regulations and rules.

Neither we nor any of the dealers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraphs may have on the price of notes. In addition, neither we nor the dealers make any representation that the dealers will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The dealer or dealers may make a series of notes available for distribution on the Internet through a proprietary Website and/or a third party system operated by MarketAxess Corporation, an Internet-based communications technology provider. MarketAxess Corporation is providing the system as a conduit for communications between the dealers and their customers and is not a party to any transactions. MarketAxess Corporation, a registered broker-dealer, will receive compensation from the dealers based on transactions conducted through the system. The dealers will make such notes available to their customers through the Internet distributions, whether made through a proprietary or third party system, on the same terms as distributions made through other channels.

We will deliver the notes against payment therefor on or about the closing date specified in the pricing supplement. If so specified in the applicable pricing supplement, such date with respect to a particular series of notes may be more than three business days following the date of the pricing of such notes. Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade such notes on the date of pricing or the next succeeding business days may be required, by virtue of the fact that such notes initially will settle in more than three business days following the date of the pricing, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisors. Notwithstanding the foregoing, unless otherwise specified in the applicable pricing supplement, no trading of the notes may occur in Argentina until the settlement date.

We may agree to indemnify the dealers against some liabilities (including, without limitation, liabilities under the Securities Act) or to contribute to payments that the dealers may be required to make in respect thereof. We may also agree to reimburse the dealers for some other expenses.

Some of the dealers may have, directly or indirectly, performed investment and/or commercial banking or financial advisory services for us, for which they have received customary fees and commissions, and they may provide these services to us and our affiliates in the future.

Legal Matters

The validity under New York law of the notes will be passed upon by Chadbourne & Parke LLP, our New York counsel, and by Milbank, Tweed, Hadley & McCloy LLP, or such other counsel as is specified in the applicable pricing supplement, as New York counsel for the dealers.

Certain legal matters governed by Argentine law will be passed upon by Estudio O'Farrell, our Argentine counsel and by Tanoira Cassagne Abogados or such other counsel as is specified in the applicable pricing supplement, as Argentine counsel for the dealers.

PART II: ANNUAL REPORT ON FORM 20-F FOR THE YEAR ENDED DECEMBER 31, 2013, FILED WITH THE SEC ON MARCH 27, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

Commission file number: 1-12102

YPF Sociedad Anónima
(Exact name of registrant as specified in its charter)

Republic of Argentina
(Jurisdiction of incorporation or organization)

Macacha Güemes 515
C1106BKK Ciudad Autónoma de Buenos Aires, Argentina
(Address of principal executive offices)

Diego M. Pando
Tel: (011-54-11) 5441-5531
Facsimile Number: (011-54-11) 5441-2113
Macacha Güemes 515
C1106BKK Ciudad Autónoma de Buenos Aires, Argentina
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
American Depositary Shares, each representing one Class D Share, par value 10 pesos per share	**New York Stock Exchange**
Class D Shares	**New York Stock Exchange***

* Listed not for trading but only in connection with the registration of American Depositary Shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

The number of outstanding shares of each class of stock of YPF Sociedad Anónima as of December 31, 2013 was:

Class A Shares	3,764
Class B Shares	7,624
Class C Shares	40,422

Class D Shares	393,260,983
	393,312,793

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board: ☒ Other ☐

Indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18 ☒

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

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Conversion Table

1 ton = 1 metric ton = 1,000 kilograms = 2,204 pounds

1 barrel = 42 U.S. gallons

1 ton of oil = approximately 7.3 barrels (assuming a specific gravity of 34 degrees API (American Petroleum Institute))

1 barrel of oil equivalent = 5,615 cubic feet of gas = 1 barrel of oil, condensate or natural gas liquids

1 kilometer = 0.63 miles

1 million Btu = 252 termies

1 cubic meter of gas = 35.3147 cubic feet of gas

1 cubic meter of gas = 10 termies

1,000 acres = approximately 4 square kilometers

References

YPF Sociedad Anónima is a stock corporation organized under the laws of the Republic of Argentina ("Argentina"). As used in this annual report, "YPF," "the Company," "we," "our" and "us" refer to YPF Sociedad Anónima and its controlled companies or, if the context requires, its predecessor companies. "YPF Sociedad Anónima" refers to YPF Sociedad Anónima only. "Repsol" refers to Repsol S.A., its affiliates and consolidated companies. We maintain our financial books and records and publish our financial statements in Argentine pesos. In this annual report, references to "pesos" or "Ps." are to Argentine pesos, and references to "dollars," "U.S. dollars" or "U.S.$" are to United States dollars.

Disclosure of Certain Information

In this annual report, references to "Audited Consolidated Financial Statements" are to YPF's audited consolidated balance sheets as of December 31, 2013, 2012 and 2011, YPF's audited consolidated statements of comprehensive income for the years ended December 31, 2013, 2012 and 2011, YPF's audited consolidated statements of cash flows for the years ended December 31, 2013, 2012 and 2011, YPF's audited consolidated statements of changes in shareholders' equity for the years ended December 31, 2013, 2012 and 2011, and the related notes thereto.

Unless otherwise indicated, the information contained in this annual report reflects:

- for the subsidiaries that were consolidated using the global integration method at the date or for the periods indicated, 100% of the assets, liabilities and results of operations of such subsidiaries without excluding minority interests, and
- for those joint operations whose results were consolidated using the proportional integration method, a *pro rata* amount of the assets, liabilities and results of operations for such joint operations at the date or for the periods indicated.

For information regarding consolidation, see Notes 1.a and 1.b.5 to the Audited Consolidated Financial Statements.

Certain monetary amounts and other figures included in this annual report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts are due to rounding.

Forward-Looking Statements

This annual report, including any documents incorporated by reference, contains statements that we believe constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include statements regarding the intent, belief or current expectations of us and our management, including statements with respect to trends affecting our financial condition, financial ratios, results of operations, business, strategy, geographic concentration, reserves, future hydrocarbon production volumes and the Company's ability to satisfy our long-term sales commitments from future supplies available to the Company, our ability to pay dividends in the future and to service our outstanding debt, dates or periods in which production is scheduled or expected to come onstream, as well as our plans with respect to capital expenditures, business, strategy, geographic concentration, cost savings, investments and dividends payout policies. These statements are not a guarantee of future performance and are subject to material risks, uncertainties, changes and other factors which may be beyond our control or may

be difficult to predict. Accordingly, our future financial condition, prices, financial ratios, results of operations, business, strategy, geographic concentration, production volumes, reserves, capital expenditures, cost savings, investments and ability to meet our long-term sales commitments or pay dividends or service our outstanding debt could differ materially from those expressed or implied in any such forward-looking statements. Such factors include, but are not limited to, currency fluctuations, inflation, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, replacement of hydrocarbon reserves, environmental, regulatory and legal considerations, including the imposition of further government restrictions on the Company's business, changes in our business strategy and operations, our ability to find partners or raise funding under our current control, the ability to maintain the Company's concessions, and general economic and business conditions in Argentina, as well as those factors described in the filings made by YPF and its affiliates with the Securities and Exchange Commission, in particular, those described in "Item 3. Key Information—Risk Factors" below and "Item 5. Operating and Financial Review and Prospects." YPF does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected results or condition expressed or implied therein will not be realized.

Oil and Gas Terms

Oil and gas reserves definitions used in this annual report are in accordance with Regulations S-X and S-K, as amended by the U.S. Securities and Exchange Commission's ("SEC") final rule, Modernization of Oil and Gas Reporting (Release Nos. 33-8995; 34-59192; FR-78; File No. S7-15-08; December 31, 2008) and relevant guidance notes and letters issued by the SEC's Staff.

The reported reserves contained in this annual report include only our proved reserves and do not include probable reserves or possible reserves.

The following terms have the meanings shown below unless the context indicates otherwise:

"acreage": The total area, expressed in acres or km2, over which YPF has interests in exploration or production. Net acreage is YPF's interest in the relevant exploration or production area.

"basin": A depression in the crust of the Earth formed by plate tectonic activity in which sediments accumulate. Continued sediment accumulation can cause further depression or subsidence.

"block": Areas defined by concession contracts or operating contracts signed by YPF.

"concession contracts": A grant of access for a defined area and time period that transfers certain entitlements to produce hydrocarbons from the host country to an enterprise. The company holding the concession generally has rights and responsibilities for the exploration, development, production and sale of hydrocarbons, and typically, an obligation to make payments at the signing of the concession and once production begins pursuant to applicable laws and regulations.

"crude oil": Crude oil with respect to YPF's production and reserves includes condensate, and natural gas liquids ("NGL").

"field": One or more reservoirs grouped by or related to the same general geologic structural feature or stratigraphic condition

"formation": The fundamental unit of lithostratigraphy. A body of rock that is sufficiently distinctive and continuous that it can be mapped.

"gas": Natural gas.

"hydrocarbons": Crude oil and natural gas.

"surface conditions": Represents the pressure and temperature conditions at which volumes of oil, gas, condensate and natural gas liquids are measured for reporting purposes. It is also referred to as standard conditions. For YPF these conditions are 14.7 psi for pressure and 60 degrees Fahrenheit for temperature. All volume units expressed in this report are at surface conditions.

Abbreviations:

"bbl"	Barrels.
"bcf"	Billion cubic feet.
"bcm"	Billion cubic meters.
"boe"	Barrels of oil equivalent.
"boe/d"	Barrels of oil equivalent per day.
"cm"	Cubic meters.
"dam 3"	Dekameters cubic (thousand cubic meters).
"GWh"	Gigawatt hours.
"HP"	Horsepower.
"km"	Kilometers.
"km2"	Square kilometers.
"liquids"	Crude oil, condensate and natural gas liquids.
"LNG"	Liquefied natural gas.
"LPG"	Liquefied petroleum gas.
"m"	Thousand.
"m3"	Cubic meter
"mbbl/d"	Thousand barrels per day.
"mcf"	Thousand cubic feet.
"mcm"	Thousand cubic meters.
"mboe/d"	Thousand barrels of oil equivalent per day.
"mm"	Million.
"mmbbl"	Million barrels.

“mmboe”	Million barrels of oil equivalent.
“mmboe/d”	Million barrels of oil equivalent per day.
“mmBtu”	Million British thermal units.
“mmcf”	Million cubic feet.
“mmcf/d”	Million cubic feet per day.
“mmcm/d”	Million cubic meters per day.
“mtn”	Thousand tons.
“MW”	Megawatts.
“psi”	Pound per square inch.
“WTI”	West Texas Intermediate.

PART I

ITEM 1. Identity of Directors, Senior Managers and Advisers

Not applicable.

ITEM 2. Offer Statistics and Expected Timetable

Not applicable.

ITEM 3. Key Information

Selected Financial Data

The following tables present our selected financial data. You should read this information in conjunction with our Audited Consolidated Financial Statements, and the information under "Item 5. Operating and Financial Review and Prospects" included elsewhere in this annual report.

Our Audited Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

On March 20, 2009, the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") approved Technical Resolution No. 26 on the "Adoption of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB)". Such resolution was approved by the Argentine National Securities Commission ("CNV") through General Resolution No. 562/09 on December 29, 2009 (modified by General Resolution No. 576/10 on July 1, 2010), with respect to certain publicly-traded entities subject to Law No. 26,831. Compliance with such rules was mandatory for YPF for the fiscal year which began on January 1, 2012, with transition date of January 1, 2011.

In this annual report, except as otherwise specified, references to "$," "U.S.$" and "dollars" are to U.S. dollars, and references to "Ps." and "pesos" are to Argentine pesos. Solely for the convenience of the reader, peso amounts as of and for the year ended December 31, 2013 have been translated into U.S. dollars at the exchange rate quoted by the Argentine Central Bank (*Banco Central de la República Argentina* or "Central Bank") on December 31, 2013 of Ps.6.52 to U.S.$1.00, unless otherwise specified. The exchange rate quoted by the Central Bank on March 25, 2014 was Ps 8.00 to U.S.$1.00. The U.S. dollar equivalent information should not be construed to imply that the peso amounts represent, or could have been or could be converted into U.S. dollars at such rates or any other rate. See "—Exchange Rates."

The financial data contained in this annual report as of December 31, 2013, 2012 and 2011 and for the years then ended has been derived from our Audited Consolidated Financial Statements included in this annual report. See Note 14 to the Audited Consolidated Financial Statements.

	2013	As of and for the year ended December 31,		
	2013	2012	2011	
	(in millions of U.S.$, except for per share and per ADS data)	(in millions of pesos, except for per share and per ADS data)		
Consolidated Statement of Comprehensive Income Data[1]:				
Revenues[2]	13,825	90,113	67,174	56,211
Gross profit	3,305	21,542	16,907	15,068
Administrative expenses	(412)	(2,686)	(2,232)	(1,822)
Selling expenses	(1,161)	(7,571)	(5,662)	(5,438)
Exploration expenses	(127)	(829)	(582)	(574)
Other income/(expense), net	108	704	(528)	(46)
Operating income	1,712	11,160	7,903	7,188
Income/(Loss) on long-term investments	54	353	114	685
Interest expense	(588)	(3,833)	(1,557)	(1,045)
Other financial income/(expense), net	1,023	6,668	2,105	758
Income from sale of long-term investments	—	—	—	—
Reversal/(impairment) of other current assets	—	—	—	—
Income before income tax	2,201	14,348	8,565	7,586
Income tax	(436)	(2,844)	(2,720)	(2,495)
Deferred tax	(985)	(6,425)	(1,943)	(646)
Net income	779	5,079	3,902	4,445
Total other Comprehensive income	1,846	12,031	4,241	1,852
Total Comprehensive income	2,625	17,110	8,143	6,297
Earnings per share and per ADS[4]	2.00	13.05	9.92	11.30
Dividends per share and per ADS[4] (in pesos)	n.a.	0.83	0.77	14.15
Dividends per share and per ADS[4][5] (in U.S. dollars)	n.a.	0.13	0.16	3.39
Consolidated Balance Sheet Data[1]:				
Cash	1,644	10,713	4,747	1,112
Working capital[3]	262	1,706	(2,582)	(7,750)
Total assets	20,803	135,595	79,949	60,990
Total debt[6]	4,893	31,890	17,104	12,198
Shareholders' equity[7]	7,401	48,240	31,260	23,420
Other Consolidated Financial Data:				
Fixed assets depreciation	1,754	11,433	8,281	6,499
Cash used in fixed asset acquisitions	4,240	27,639	16,403	12,156

(1) The consolidated financial statements reflect the effect of the application of the functional and reporting currency. See Note 1.b.1) to the Audited Consolidated Financial Statements.

(2) Revenues are net to us after payment of a fuel transfer tax and turnover tax. Customs duties on hydrocarbon exports are disclosed in "Taxes, charges and contributions," as indicated in Note 2.k) to the Audited Consolidated Financial Statements. Royalties with respect to our production are accounted for as a cost of production and are not deducted in determining revenues. See Note 1.b.16) to the Audited Consolidated Financial Statements.

(3) Working Capital consists of Total Current Assets minus Total Current Liabilities as of December 31, 2013, December 31, 2012 and December 31, 2011.

(4) Information has been calculated based on outstanding share capital of 393,312,793 shares. Each ADS represents one Class D share. There were no differences between basic and diluted earnings per share and ADS for any of the years disclosed.

(5) Amounts expressed in U.S. dollars are based on the exchange rate as of the date of payment.

(6) Total loans includes non-current loans of Ps. 23,076 million, Ps.12,100 million and Ps.4,435 million as of December 31, 2013, 2012 and 2011, respectively, and current loans of Ps. 8,814 million, Ps.5,004 million and Ps.7,763 million as of December 31, 2013, 2012 and 2011, respectively. See "Financial Risk Management–Liquidity Risk" in Note 1.d) to the Audited Consolidated Financial Statements.

(7) Our subscribed capital as of December 31, 2013 is represented by 393,312,793 shares of common stock and divided into four classes of shares, with a par value of Ps.10 and one vote per share. These shares are fully subscribed, paid-in and authorized for stock exchange listing. See additionally "Item 6. Directors, Senior Management and Employees—Compensation of members of our Board of Directors and Supervisory Committee", "Item 16E—Purchases of Equity Securities by the Issuer and Affiliated Purchasers" and Note 1.b.10.iii) to the Audited Consolidated Financial Statements in relation to shares purchased by YPF and assigned as a result of our employee compensation plans.

Exchange Rates

From April 1, 1991 until the end of 2001, the Convertibility Law (Law No. 23,928) established a fixed exchange rate under which the Central Bank was obligated to sell U.S. dollars at one peso per U.S. dollar. On January 6, 2002, the Argentine Congress enacted the Public Emergency and Foreign Exchange System Reform Law (Law No. 25,561, or the "Public Emergency Law"), formally putting an end to the Convertibility Law regime and abandoning over 10 years of U.S. dollar-peso parity. The Public Emergency Law, which has been extended until December 31, 2015 by Law 26,896, grants the National Executive Office the power to set the exchange rate between the peso and foreign currencies and to issue regulations related to the foreign exchange market. Following a brief period during which the Argentine government established a temporary dual exchange rate system pursuant to the Public Emergency Law, the peso has been allowed to float freely against other currencies since February 2002 although the government has the power to intervene by buying and selling foreign currency for its own account, a practice in which it engages on a regular basis. The Argentine peso has recently been subject to devaluation (approximately 23% during January 2014). The Argentine government is analyzing certain measures in response to such devaluation and the impact on the rest of the economy, including inflation. See "Risks Factors—Risks Relating to Argentina—Our business is highly dependent upon economic conditions in Argentina."

The following table sets forth the annual high, low, average and period-end exchange rates for U.S. dollars for the periods indicated, expressed in nominal pesos per U.S. dollar, based on rates quoted by the Central Bank. The Federal Reserve Bank of New York does not report a noon buying rate for Argentine pesos.

	Low	*High*	*Average*	*Period End*
		(pesos per U.S. dollar)		
Year ended December 31,				
2009	3.45	3.85	3.75(1)	3.80
2010	3.79	3.99	3.92(1)	3.98
2011	3.97	4.30	4.15(1)	4.30
2012	4.30	4.92	4.58(1)	4.92
2013	4.92	6.52	5.54(1)	6.52
Month				
September 2013	5.68	5.79	5.74(1)	5.79
October 2013	5.80	5.91	5.85(1)	5.91
November 2013	5.92	6.14	6.01(1)	6.14
December 2013	6.15	6.52	6.32(1)	6.52
January 2014	6.54	8.02	7.10(1)	8.02
February 2014	7.76	8.02	7.86(1)	7.88
March 2014 (2)	7.87	7.97	7.90(1)	7.97

Source: Central Bank

(1) Represents the average of the exchange rates on the last day of each month during the period.
(2) Through March 21, 2014.

No representation is made that peso amounts have been, could have been or could be converted into U.S. dollars at the foregoing rates on any of the dates indicated.

Exchange Regulations

Prior to December 1989, the Argentine foreign exchange market was subject to exchange controls. From December 1989 until April 1991, Argentina had a freely floating exchange rate for all foreign currency transactions, and the transfer of dividend payments in foreign currency abroad and the repatriation of capital were permitted without prior approval of the Central Bank. From April 1, 1991, when the Convertibility Law became effective, until December 21, 2001, when the Central Bank closed the foreign exchange market, the Argentine peso was freely convertible into U.S. dollars.

On December 3, 2001, the Argentine government imposed a number of monetary and currency exchange control measures through Decree 1570/01, which included restrictions on the free disposition of funds deposited with banks and tight restrictions on transferring funds abroad (including the transfer of funds to pay dividends) without the Central Bank's prior authorization subject to specific exceptions for transfers related to foreign trade. Since January 2003, the Central Bank has gradually eased these restrictions and expanded the list of transfers of funds abroad that do not require its prior authorization (including the transfer of funds to pay dividends). In June 2003, the Argentine government set restrictions on capital flows into Argentina, which mainly consisted of a prohibition against the transfer abroad of any funds until 180 days after their entry into the country. In June 2005, the government established new regulations on capital flows into Argentina, including increasing the period that certain incoming funds must remain in Argentina to 365 calendar days and requiring that 30% of incoming funds be deposited with a bank in Argentina in a non-assignable, non-interest-bearing account for 365 calendar days. Under the exchange regulations currently in force, restrictions exist in respect of the repatriation of funds or investments by non-Argentine residents. For instance, subject only to limited exceptions, the repatriation by non-Argentine residents of funds received as a result of the sale of the Class D shares in the secondary market is subject to a limit of U.S.$500,000 per person per calendar month. In order to repatriate such funds abroad, non-Argentine residents also are required to demonstrate that the funds used to make the investment in the Class D shares were transferred to Argentina at least 365 days before the proposed repatriation. The transfer abroad of dividend payments is currently authorized by applicable regulations to the extent that such dividend payments are made in connection with audited financial statements and are approved by a shareholders' meeting.

During 2012, additional foreign exchange regulations were imposed on purchases of foreign currency and transfers of foreign currency abroad. Such regulations include the requirement for financial institutions to inform in advance and obtain approval from the Central Bank with respect to any foreign exchange transaction to be entered into through the foreign exchange market. See "—Risk Factors—Risks Relating to Argentina—We are subject to exchange and capital controls."

Risk Factors

The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties that are unknown to us or that we currently think are immaterial also may impair our business operations or our ability to make payments on the notes and under other existing or future indebtedness.

Risks Relating to Argentina

The Argentine federal government will control the Company according to domestic energy policies in accordance with Law 26,741 (the "Expropriation Law").

The Argentine federal government controls the Company, and consequently, the federal government is able to determine substantially all matters requiring approval by a majority of our shareholders, including the election of a majority of our directors, and is able to direct our operations. The Expropriation Law has declared achieving self-sufficiency in the supply of hydrocarbons as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. In addition, should Argentina be unable to meet its energy requirements, such occurrence could have a material adverse impact on the Argentine economy and negatively impact our results of operations. We cannot assure you that the decisions taken by our controlling shareholders for the purpose of achieving the targets set forth in the Expropriation Law would not differ from your interests as a shareholder.

Our business is largely dependent upon economic conditions in Argentina.

Substantially all of our operations, properties and customers are located in Argentina, and, as a result, our business is to a large extent dependent upon economic conditions prevailing in Argentina. The changes in economic, political and regulatory conditions in Argentina and measures taken by the Argentine government have had and are expected to continue to have a significant impact on us. You should make your own investigation about Argentina and prevailing conditions in that country before making an investment in us.

The Argentine economy has experienced significant volatility in past decades, including numerous periods of low or negative growth and high and variable levels of inflation and devaluation. Since the most recent crisis of 2001 and 2002, Argentina's gross domestic product, or GDP, grew at an average annual real rate of approximately 8.5% from 2003 to 2008, although the growth rate decelerated to 0.9% in 2009 as a result of the global financial crisis, but recovered in 2010 and 2011, growing at an annual real rate of approximately 9%, according to preliminary official data. In 2012, the Argentine economy experienced a slowdown with GDP increasing at a rate of 1.9% on an annualized basis compared to the preceding year. On March 27, 2014, the Argentine government announced a new method of calculating GDP by reference to 2004 as the base year (as opposed to 1993, which was the base reference

year under the prior method of calculating GDP). As a result of the application of this new method, the estimated GDP for 2013 was revised from 4.9% to 3%. No assurances can be given that the rate of growth experienced over past years will be achieved in subsequent years or that the economy will not contract. In addition, the Argentine peso has recently been subject to devaluation (approximately 23% during January 2014). If economic conditions in Argentina were to slow down, or contract, if inflation were to accelerate further, or if the Argentine government's measures to attract or retain foreign investment and international financing in the future are unsuccessful, such developments could adversely affect Argentina's economic growth and in turn affect our financial condition and results of operations.

Argentine economic results are dependent on a variety of factors, including (but not limited to) the following:

- international demand for Argentina's principal exports;
- international prices for Argentina's principal commodity exports;
- stability and competitiveness of the peso against foreign currencies;
- levels of consumer consumption and foreign and domestic investment and financing; and
- the rate of inflation.

The Argentine peso has recently been subject to devaluation (approximately 23% during January 2014). The Argentine government is analyzing certain measures in response to such devaluation and the impact on the rest of the economy, including inflation. In addition, Argentina has confronted inflationary pressures. According to inflation data published by the National Statistics Institute (*Instituto Nacional de Estadística y Censos*, INDEC), from 2008 to 2013, the Argentine consumer price index ("CPI") increased 7.2%, 7.7%, 10.9%, 9.5% 10.8% and 10.9%, respectively; the wholesale price index increased 8.8%, 10.3%, 14.5%, 12.7% 13.1% and 14.7% , respectively. However, certain private sector analysts usually quoted by the government opposition, based on methodologies being questioned by the Argentine government on the basis of the lack of technical support, believe that actual inflation was significantly higher than that reflected in INDEC reports according to the methodology prevailing for such reports until December 2013. In 2014, the Argentine government established a new consumer price index ("IPCNU") which more broadly reflects consumer prices by considering price information from the 24 provinces of the country, divided into six regions. According to the IPCNU, inflation for each of January and February 2014 was 3.7% and 3.4%, respectively. Increased rates of inflation in Argentina could increase our cost of operation, and may negatively impact our results of operations and financial condition. There can be no assurance that inflation rates will not be higher in the future.

In addition, Argentina's economy is vulnerable to adverse developments affecting its principal trading partners. A significant decline in the economic growth of any of Argentina's major trading partners, such as Brazil, China or the United States, could have a material adverse impact on Argentina's balance of trade and adversely affect Argentina's economic growth and may consequently adversely affect our financial condition and results of operations. Furthermore, a significant depreciation of the currencies of our trading partners or trade competitors may adversely affect the competitiveness of Argentina and consequently adversely affect Argentina's economic and our financial condition and results of operations.

Furthermore, in 2005, Argentina successfully restructured a substantial portion of its bond indebtedness and settled all of its debt with the IMF. In June 2010, Argentina completed the renegotiation of approximately 67% of the defaulted bonds that were not swapped in 2005. As a result of the 2005 and 2010 debt swaps, approximately 91% of the bond indebtedness on which Argentina had defaulted in 2002 was restructured. Certain bondholders did not participate in the restructuring and instead sued Argentina for payment. In late October 2012, the United States Court of Appeals for the Second Circuit rejected an appeal by Argentina concerning payments allegedly due on bonds that had not been the subject of the swaps in 2005 and 2010. On November 21, 2012, the United States District Court for the Southern District of New York ordered Argentina to make a deposit of U.S.$1,330 million for payment to the holdout bondholders. Argentina appealed the District Court's November 21 order to the Second Circuit Court of Appeals, which granted Argentina's request for a stay of the order. On March 19, 2013, Argentina submitted to the Second Circuit a proposed payment plan for holdout bondholders. That proposal was rejected by the plaintiff holdout bondholders on April 19, 2013. On August 30, 2013, the Second Circuit Court of Appeals affirmed the District Court's November 21, 2012 order, but stayed its decision pending an appeal to the Supreme Court of the United States.

On September 3, 2013, the District Court granted plaintiff holdout bondholders' requests for discovery from Argentina and certain financial institutions concerning, among other things, Argentina's assets and the relationship between Argentina and YPF. In January 2014, the United States Supreme Court accepted an appeal by Argentina concerning the permissible scope of discovery into its assets. Litigation initiated by holdout bondholders has resulted, and may result, in material judgments against Argentina and could result in attachments of or injunctions relating to assets of or deemed owned by Argentina. Such attachments or injunctions could have a material adverse effect on the country's economy and also affect our ability to access international financing or repay our obligations.

For additional information related to the evolution of the Argentine economy see "Item 5 – Operating and Financial Review and Prospects—Macroeconomic Conditions."

Certain risks are inherent in any investment in a Company operating in an emerging market such as Argentina.

Argentina is an emerging market economy, and investing in emerging markets generally carries risks. These risks include political, social and economic instability that may affect Argentina's economic results which can stem from many factors, including the following:

- high interest rates;
- abrupt changes in currency values;
- high levels of inflation;
- exchange controls;
- wage and price controls;
- regulations to import equipment and other necessities relevant for operations;
- changes in governmental economic or tax policies; and
- political and social tensions.

Any of these factors, as well as volatility in the capital markets, may adversely affect our financial condition and results of operations or the liquidity, trading markets and value of our securities.

The Argentine economy has been adversely affected by economic developments in other markets.

Financial and securities markets in Argentina, and also the Argentine economy, are influenced by economic and market conditions in other markets worldwide. Considering the recent international turmoil, Argentina's economy remains vulnerable to external shocks, including those relating to or similar to the global economic crisis that began in 2008 and the recent uncertainties surrounding European sovereign debt. For example, the challenges faced by the European Union to stabilize some of its member economies, such as Greece, Ireland, Italy, Portugal and Spain, have had international implications affecting the stability of global financial markets, which has hindered economies worldwide. Although economic conditions vary from country to country, investors' perceptions of events occurring in one country may substantially affect capital flows into and investments in securities from issuers in other countries, including Argentina.

Consequently, there can be no assurance that the Argentine financial system and securities markets will not continue to be adversely affected by events in developed countries' economies or events in other emerging markets, which could in turn, adversely affect the Argentine economy and, as a consequence, the Company's results of operations and financial condition.

The implementation of new export duties, other taxes and import regulations could adversely affect our results.

Since 2002, new duties have been implemented on exports, and have been progressively increased over the years. Resolution 394/2007 of the Ministry of Economy and Production, published on November 16, 2007, amended the export duties on crude oil and other crude derivative products imposed in previous years. In addition, the Resolution No. 1/2013 from the Ministry of Economy, published on January 3, 2013, modified the reference and floor prices. The regime provides that when the WTI international price exceeds the reference price, which is fixed at U.S.$80/barrel, the producer shall be allowed to collect at U.S.$70/barrel, with the remainder being withheld by the Argentine government as an export tax. If the WTI international price is under the reference price but over U.S.$45/barrel, a 45% withholding rate will apply. If such price is under U.S.$45/barrel, the applicable export tax is to be determined by the Argentine government within a term of 90 business days. The withholding rate determined as indicated above also currently applies to diesel fuel, gasoline and other crude derivative products. In addition, the calculation procedure described above also applies to other petroleum products and lubricants based upon different withholding rates, reference prices and prices allowed to producers. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Market Regulation." With respect to natural gas products, Resolution No. 127/2008 of the Ministry of Economy and Production increased export duties applicable to natural gas exports from 45% to 100%, mandating a valuation basis for the calculation of the duty as the highest price established in any contract of any Argentine importer for the import of gas. Resolution No. 127/2008 provides with respect to LPG products (including butane, propane and blends thereof) that if the international price of the relevant LPG product, as notified daily by the Argentine Secretariat of Energy, is under the reference price established for such product in the Resolution (U.S.$338/m3 for propane, U.S.$393/m3 for butane and U.S.$363/m3 for blends of the two), the applicable export duty for such product will be 45%. If the international price exceeds the reference price, the producer shall be allowed to collect the maximum amount established by the Resolution for the relevant product (U.S.$233/m3 for propane, U.S.$271/m3 for butane and U.S.$250/m3 for blends of the two), with the remainder being withheld by the Argentine government as an export tax. The imposition of these export taxes has adversely affected our results of operations.

As a result of the aforementioned export tax increases, we may be and, in certain cases, have already been forced to seek the renegotiation of export contracts which had previously been authorized by the Argentine government. We cannot provide assurances that we will be able to renegotiate such contracts on terms acceptable to us.

In addition, in 2012, the Argentine government adopted an import procedure pursuant to which local authorities must pre-approve any import of products and services to Argentina as a precondition to allow importers access to the foreign exchange market for the payment of such imported products and services.

We cannot assure you that these taxes and import regulations will not continue or be increased in the future or that other new taxes or import regulations will not be imposed.

We may be exposed to fluctuations in foreign exchange rates.

Our results of operations are exposed to currency fluctuation and any devaluation of the peso against the U.S. dollar and other hard currencies may adversely affect our business and results of operations. The value of the peso has fluctuated significantly in the past and may do so in the future. In addition, the Argentine peso has recently been subject to devaluation (approximately 23% during January 2014). (See "Item 5 – Operating and Financial Review and Prospects—Macroeconomic Conditions" for additional information). The main effects of a devaluation of the Argentine Peso on our net income are those related to the accounting of deferred income tax related mainly to fixed assets, which we expect would have a negative effect; current income tax, which we expect would have a positive effect; increased depreciation and amortization resulting from the remeasurement in pesos of our fixed and intangible assets; and exchange rate differences as a result of our exposure to the peso, which we expect would have a positive effect due to the fact that our functional currency is the U.S. dollar.

We are unable to predict whether, and to what extent, the value of the peso may further depreciate or appreciate against the U.S. dollar and how any such fluctuations would affect our business.

Variations in interest rates and exchange rate on our current and/or future financing arrangements may result in significant increases in our borrowing costs.

We are permitted to borrow funds to finance the purchase of assets, incur capital expenditures, repay other obligations and finance working capital. As of December 31, 2013 a significant part of our total debt is sensitive to changes in interest rates (See "Item 11. Quantitative and Qualitative Disclosures about Market Risk — Interest rate exposure"). Consequently, variations in interest rates could result in significant changes in the amount required to be expected to cover to debt service obligations and in our interest expense thus affecting our results and financial condition.

In addition, interest and principal amounts payable pursuant to debt obligations denominated in or indexed to U.S. dollars are subject to variations in the Argentine/U.S. currency exchange rate that could result in a significant increase in the amount of the interest and principal payments in respect of such debt obligations.

We are subject to exchange and capital controls.

In the past, Argentina imposed exchange controls and transfer restrictions substantially limiting the ability of companies to retain foreign currency or make payments abroad. Beginning in 2011, additional foreign exchange restrictions have been imposed which restrict purchases of foreign currency and transfers of foreign currency abroad. Such restrictions include the requirement for financial institutions to inform in advance and obtain approval from the Argentine Central Bank with respect to any foreign exchange transaction to be entered into through the foreign exchange market with the exception of payments related to foreign debt previously liquidated in the domestic market. Since 2011, oil and gas companies (including YPF), among other entities, were required to repatriate 100% of their foreign currency export receivables. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Repatriation of Foreign Currency".

There can be no assurances regarding future modifications to exchange and capital controls. Exchange and capital controls could adversely affect our financial condition or results of operations and our ability to meet our foreign currency obligations and execute our financing plans.

Our access to international capital markets and the market price of our shares are influenced by the perception of risk in Argentina and other emerging economies.

International investors consider Argentina to be an emerging market. Economic and market conditions in other emerging market countries, especially those in Latin America, influence the market for securities issued by Argentine companies. Volatility in securities markets in Latin America and in other emerging market countries may have a negative impact on the trading value of our securities and on our ability and the terms on which we are able to access international capital markets.

Moreover, recent regulatory and policy developments in Argentina, including the enactment of the Expropriation Law, have led to considerable volatility in the market price of our shares and ADSs. We cannot assure that the perception of risk in Argentina and other emerging markets may not have a material adverse effect on our ability to raise capital and on the trading values of our securities. As a result of the foregoing, we cannot assure you that factors previously mentioned may not affect our financial condition and/or results of operations (See "Item 4. Information on the Company—History and Development of YPF.")

Risks Relating to the Argentine Oil and Gas Business and Our Business

Our domestic operations are subject to extensive regulation.

The oil and gas industry is subject to government regulation and control. As a result, our business is to a large extent dependent upon regulatory and political conditions prevailing in Argentina and our results of operations may be adversely affected by regulatory and political changes in Argentina. Therefore, we face risks and challenges relating to government regulation and control of the energy sector, including those set forth below and elsewhere in these risk factors:

- limitations on our ability to pass higher domestic taxes, increases in production costs, or increases in international prices of crude oil and other hydrocarbon fuels and exchange rate fluctuations through to domestic prices, or to increase local prices (See "*Limitations on local pricing in Argentina may adversely affect our results of operations"* below*)*;
- higher taxes on exports of hydrocarbons;
- restrictions on hydrocarbon export volumes driven mainly by the requirement to satisfy domestic demand;
- in connection with the Argentine government's policy to provide absolute priority to domestic demand, regulatory orders to supply natural gas and other hydrocarbon products to the domestic retail market in excess of previously contracted amounts;
- legislation and regulatory initiatives relating to hydraulic stimulation and other drilling activities for non-conventional oil and gas hydrocarbons which could increase our cost of doing business or cause delays and adversely affect our operations;
- restrictions on imports of products which could affect our ability to meet our delivery commitments or growth plans, as the case may be; and
- the implementation or imposition of stricter quality requirements for petroleum products in Argentina.

The Argentine government has made certain changes in regulations and policies governing the energy sector to give absolute priority to domestic supply at stable prices in order to sustain economic recovery. As a result of the above-mentioned changes, for example, on days during which a gas shortage occurs, exports of natural gas (which are also affected by other government curtailment orders) and the provision of gas supplies to industries, electricity generation plants and service stations selling compressed natural gas are interrupted for priority to be given to residential consumers at lower prices. More recently, the Expropriation Law has declared achieving self-sufficiency in the supply of hydrocarbons as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law", and "—Risks Relating to Argentina—The Argentine federal government will control the Company according to domestic energy policies in accordance with the Expropriation Law." Moreover, we cannot assure you that changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations, will not adversely affect our results of operations. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government."

In January 2007, Law No. 26,197 was enacted, which, in accordance with Article 124 of the National Constitution, provided that Argentine provinces shall be the owners of the hydrocarbon reservoirs located within their territories. Pursuant to the law, the Argentine Congress is charged with enacting laws and regulations aimed at developing mineral resources within Argentina, while the provincial governments are responsible for enforcing these laws and administering hydrocarbon fields that fall within the territories of their respective provinces. Certain provincial governments, however, have construed the provisions of Law No. 26,197 and Article 124 to empower the provinces to enact their own regulations concerning exploration and production of oil and gas within their territories. There can be no assurance that regulations or taxes (including royalties) enacted or administered by the provinces will not conflict with federal law, and such taxes or regulations may adversely affect our operations and financial condition.

Limitations on local pricing in Argentina may adversely affect our results of operations.

Due to regulatory, economic and government policy factors, our domestic gasoline, diesel and other fuel prices have frequently lagged substantially behind prevailing international and regional market prices for such products, and our ability to increase prices has been limited. Likewise, the prices at which we sell natural gas in Argentina (particularly to the residential sector) are subject to government regulations and currently are substantially below regional market prices for natural gas. The prices that we are able to obtain for our hydrocarbon products affect, among others, the viability of investments in new exploration, development and refining, and as a result the timing and amount of our projected capital expenditures for such purposes. We budget capital expenditures by taking into account, among other things, market prices for our hydrocarbon products. For additional information on domestic pricing for our products, see "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Market Regulation". On April 10, 2013, Resolution 35/2013 of the Argentine Secretariat of Domestic Commerce determined a price cap for fuel at all service stations for a period of six months (subsequently extended until November 24, 2013), which shall not exceed the highest outstanding price as of April 9, 2013 in each of the regions identified in the Annex of the Resolution. We cannot assure you that we will be able to increase the domestic prices of our products, and limitations on our ability to do so would adversely affect our financial condition and results of operations. Similarly, we cannot assure you that hydrocarbon prices in Argentina will match the increases or decreases in hydrocarbon prices at the international or regional levels.

In addition, in July 2012, pursuant to the Expropriation Law, the Argentine government created the "Regulation of the Hydrocarbons Sovereignty Regime in the Argentine Republic" and established a planning and coordination commission for the sector (the "Hydrocarbons Commission"). The Hydrocarbons Commission consists of representatives of the federal government, and its objective is to address certain market asymmetries in the oil and gas sector. The goals of the Hydrocarbons Commission are mainly to guarantee adequate investment by oil and gas companies to:

- improve the level of oil and gas reserves,
- expand oil refining capabilities, and
- maintain an adequate supply of fuel at reasonable prices.

For the purpose of granting reasonable commercial prices, the Hydrocarbons Commission will determine the criteria that shall govern the operations in the domestic market. The Hydrocarbons Commission has the power to publish reference prices for oil and gas, which will be adjusted to cover the production costs attributable to the activity and to reach a reasonable margin of profit, monitor oil and gas prices charged by private companies and supervise and ensure investment in the oil sector. Each company within the sector must be registered in the Registro Nacional de Inversiones Hidrocarburíferas (National Hydrocarbons Investments Registry) and must submit an annual investment plan for approval by the Hydrocarbons Commission. Non-compliance with this requirement may result in several sanctions, including termination of the authorization to exploit hydrocarbon reserves and operate within the sector. For more information, please see "See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Market Regulation —Regulation of the Hydrocarbons Sovereignty Regime in the Argentine Republic—Decree No. 1,277/2012."

We are subject to direct and indirect export restrictions, which have affected our results of operations and caused us to declare force majeure under certain of our export contracts.

The Argentine Hydrocarbons Law (Law No. 17,319) allows for hydrocarbon exports as long as they are not required for the domestic market and are sold at reasonable prices. In the case of natural gas, Law 24,076 and related regulations require that the needs of the domestic market be taken into account when authorizing long-term natural gas exports.

During the last several years, the Argentine authorities have adopted a number of measures that have resulted in restrictions on exports of natural gas from Argentina. Due to the foregoing, we have been obliged to sell a part of our natural gas production previously destined for the export market in the local Argentine market and have not been able to meet our contractual gas export commitments in whole or, in some cases, in part, leading to disputes with our export clients and forcing us to declare force majeure under our export sales agreements. We believe that the measures mentioned above constitute force majeure events that relieve us from any contingent liability for the failure to comply with our contractual obligations, although no assurance can be given that this position will prevail.

See "Item 4. Information on the Company—Exploration and Production—Delivery commitments-Natural gas supply contracts," "Item 4. Information on the Company—Exploration and Production—The Argentine natural gas market," and "Item 8. Financial Information—Legal Proceedings."

Crude oil exports, as well as the export of most of our hydrocarbon products, currently require prior authorization from the Argentine Secretariat of Energy (pursuant to the regime established under Resolution S.E. No. 1679/04 as amended and supplemented by other regulation). Oil companies seeking to export crude oil or LPG must first demonstrate that the local demand for such product is satisfied or that an offer to sell the product to local purchasers has been made and rejected. Oil refineries seeking to export diesel fuel must also first demonstrate that the local demand of diesel fuel is duly satisfied. Because domestic diesel fuel production does not currently satisfy Argentine domestic consumption needs, we have been prevented since 2005 from selling diesel fuel production in the export market, and are obliged to sell in the local market at prevailing domestic prices.

We are unable to predict how long these export restrictions will be in place, or whether any further measures will be adopted that adversely affect our ability to export gas, crude oil and diesel fuel or other products and, accordingly, our results of operations.

Oil and gas prices could affect our business.

We budget capital expenditures related to exploration, development, refining and distribution activities by taking into account, among other things, market prices for our hydrocarbon products. In the event that current domestic prices for certain products do not match cost increases (including those related to the increase in the value of the U.S. dollar against the Argentine peso) in accordance with higher and more complex investments, mainly as a result of the development of nonconventional resources, and also with evolution of the economy, our ability to improve our hydrocarbon recovery rates, find new reserves and carry out certain of our other capital expenditure plans are likely to be adversely affected, which in turn would have an adverse effect on our results of operations.

Our reserves and production are likely to decline.

Most of our oil and gas producing fields in Argentina are mature and, as a result, our reserves and production are likely to decline as reserves are depleted. Our production declined by approximately 8.4% in 2011 and 0.6% in 2012, on a boe/d basis. As a result of increased development and exploration activity in 2013, during 2013 our production increased by approximately 1.7%, on a boe/d basis.

We face certain challenges in order to replace our proved reserves with other categories of hydrocarbons. However, the continuous comprehensive technical review of our oil and gas fields allows us to identify opportunities to rejuvenate mature fields and optimize new fields developments in Argentine basins with the aim of achieving results similar to those achieved by mature fields in other regions of the world (which have achieved substantially higher recovery factors with the application of new technology). Additionally, we have been completing the renewal of most of our concessions, allowing us to develop certain strategic projects related to waterflooding, enhanced oil recovery and unconventional resources, which represent an important opportunity not only for the Company but also for Argentina. We expect that unconventional development will require higher investment in future years, principally in connection with the Vaca Muerta formation. These investments are expected to yield substantial economies of scale and to significantly increase recovery rates from this resource play. Other resource plays, unconventional prospects, exist in Argentina and have positioned the country amongst the most attractive in terms of worldwide unconventional resource potential. Nevertheless, the financial viability of these investments and reserve recovery efforts will generally depend on the prevailing economic and regulatory conditions in Argentina, as well as the market prices of hydrocarbon products, and are also subject to material risks inherent to the oil and gas industry and may prove unsuccessful. See "—Our business plan includes future drilling activities for non-conventional oil and gas reserves, such as shale gas extraction, and if we are unable to successfully acquire and use the necessary new technologies and other support as well as obtain financing and venture partners, our business may be adversely affected."

Our oil and natural gas reserves are estimates.

Our oil and gas proved reserves are estimated using geological and engineering data to determine with reasonable certainty whether the crude oil or natural gas in known reservoirs is recoverable under existing economic and operating conditions. The accuracy of proved reserve estimates depends on a number of factors, assumptions and variables, some of which are beyond our control. Factors susceptible to our control include drilling, testing and production after the date of the estimates, which may require substantial revisions to reserves estimates; the quality of available geological, technical and economic data used by us and our interpretation thereof; the production performance of our reservoirs and our recovery rates, both of which depend in significant part on available technologies as well as our ability to implement such technologies and the relevant know-how; the selection of third parties with which we enter into business; and the accuracy of our estimates of initial hydrocarbons in place, which may prove to be incorrect or require substantial revisions. Factors mainly beyond our control include changes in prevailing oil and natural gas prices, which could have an effect on the quantities of our proved reserves (since the estimates of reserves are calculated under existing economic conditions when such estimates are made); changes in the prevailing tax rules, other government regulations and contractual conditions after the date estimates are made (which could make reserves no longer economically viable to exploit); and certain actions of third parties, including the operators of fields in which we have an interest.

As a result of the foregoing, measures of reserves are not precise and are subject to revision. Any downward revision in our estimated quantities of proved reserves could adversely impact our financial results by leading to increased depreciation, depletion and amortization charges and/or impairment charges, which would reduce earnings and shareholders' equity.

Oil and gas activities are subject to significant economic, environmental and operational risks.

Oil and gas exploration and production activities are subject to particular economic and industry-specific operational risks, some of which are beyond our control, such as production, equipment and transportation risks, as well as natural hazards and other

uncertainties, including those relating to the physical characteristics of onshore and offshore oil or natural gas fields. Our operations may be curtailed, delayed or cancelled due to bad weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment, compliance with governmental requirements, fire, explosions, blow-outs, pipe failure, abnormally pressured formations, and environmental hazards, such as oil spills, gas leaks, ruptures or discharges of toxic gases. In addition we operate in politically sensitive areas where native population has interests that from time to time may conflict with our production objectives. If these risks materialize, we may suffer substantial operational losses and disruptions to our operations and harm to our reputation. Drilling may be unprofitable, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient revenues to return a profit after drilling, operating and other costs are taken into account.

Our business plan includes future drilling activities for non-conventional oil and gas reserves, such as shale oil and gas extraction, and if we are unable to successfully acquire and use the necessary new technologies and other support as well as obtain financing and venture partners, our business may be adversely affected.

Our ability to execute and carry out our strategic business plan depends upon our ability to obtain financing at a reasonable cost and on reasonable terms. We have identified drilling locations and prospects for future drilling opportunities of unconventional oil and gas reserves, such as the shale oil and gas in the Vaca Muerta formation. These drilling locations and prospects represent a part of our future drilling plans. Our ability to drill and develop these locations depends on a number of factors, including seasonal conditions, regulatory approvals, negotiation of agreements with third parties, commodity prices, costs, access to and availability of equipment, services and personnel and drilling results. In addition, as we do not have extensive experience in drilling and exploiting unconventional oil and gas reserves, the drilling and exploitation of such unconventional oil and gas reserves depends on our ability to acquire the necessary technology and hire personnel and other support needed for extraction or obtain financing and venture partners to develop such activities. Furthermore, in order to implement our business plan, including the development of our oil and natural gas exploration activities and the development of refining capacity sufficient to process increasing production volumes, we will need to raise significant amounts of debt capital in the financial and capital markets. We cannot guarantee that we will be able to obtain the necessary financing or obtain financing in the international or local financial markets at reasonable cost and on reasonable terms to implement our new business plan or that we would be able to successfully develop our oil and natural gas reserves. Because of these uncertainties, we cannot give any assurance as to the timing of these activities or that they will ultimately result in the realization of proved reserves or meet our expectations for success, which could adversely affect our production levels, financial condition and results of operations.

We may not have sufficient insurance to cover all the operating hazards that we are subject to.

As discussed under "—Oil and gas activities are subject to significant economic, environmental and operational risks" and "—We may incur significant costs and liabilities related to environmental, health and safety matters," our exploration and production operations are subject to extensive economic, operational, regulatory and legal risks. We maintain insurance covering us against certain risks inherent in the oil and gas industry in line with industry practice, including loss of or damage to property and equipment, control-of well incidents, loss of production or income incidents, removal of debris, sudden and accidental seepage pollution, contamination and clean up and third-party liability claims, including personal injury and loss of life, among other business risks. However, our insurance coverage is subject to deductibles and limits that in certain cases may be materially exceeded by our liabilities. In addition, certain of our insurance policies contain exclusions that could leave us with limited coverage in certain events. See "Item 4. Information on the Company—Insurance." In addition, we may not be able to maintain adequate insurance at rates or on terms that we consider reasonable or acceptable or be able to obtain insurance against certain risks that materialize in the future. If we experience an incident against which we are not insured, or the costs of which materially exceed our coverage, it could have a material adverse effect on our business, financial condition and results of operations.

Argentine oil and gas production concessions and exploration permits are subject to certain conditions and may be cancelled or not renewed.

The Hydrocarbons Law provides for oil and gas concessions to remain in effect for 25 years as from the date of their award, and further provides for the concession term to be extended for up to 10 additional years, subject to terms and conditions approved by the grantor at the time of the extension. The authority to extend the terms of current and new permits, concessions and contracts has been vested in the governments of the provinces in which the relevant area is located (and the federal government in respect of offshore areas beyond 12 nautical miles). In order to be eligible for the extension, any concessionaire and permit holder must have complied with its obligations under the Hydrocarbons Law and the terms of the particular concession or permit, including evidence of payment of taxes and royalties, the supply of the necessary technology, equipment and labor force and compliance with various environmental, investment and development obligations. Under the Hydrocarbons Law, non-compliance with these obligations and standards may also result in the imposition of fines and in the case of material breaches, following the expiration of applicable cure periods, the revocation of the concession or permit. The expiration of part of our concessions which represent approximately 1.9% of our proved reserves as of December 31, 2013 occurs in 2017. In addition, our concessions in certain provinces in Argentina have been extended as of the date of this annual report (see "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government — Exploration and Production—Extension of Exploitation Concessions in the province of Neuquén," "—

Extension of Exploitation Concessions in the province of Mendoza," "—Extension of Exploitation Concessions in the province of Santa Cruz," "—Negotiation of Extension of Concessions in the province of Tierra del Fuego," and "—Extension of Concessions in the province of Chubut"). We cannot provide assurances that concessions will be extended or that additional investment, royalty payment or other requirements will not be imposed on us in order to obtain extensions as of the date of expiration of them. The termination of, or failure to obtain the extension of, a concession or permit, or its revocation, could have a material adverse effect on our business and results of operations.

Our acquisition of exploratory acreage and crude oil and natural gas reserves is subject to heavy competition.

We face intense competition in bidding for crude oil and natural gas production areas, which are typically auctioned by governmental authorities, especially those areas with the most attractive crude oil and natural gas reserves. Some provinces of Argentina, including La Pampa, Neuquén and Chubut, have created provincial government-owned companies to develop activities in the oil and gas industry. As a result, the conditions under which we are able to access new exploratory or productive areas could be adversely affected. In addition, fewer offerings of exploratory acreages available to be bid upon could affect our future results.

We may incur significant costs and liabilities related to environmental, health and safety matters.

Our operations, like those of other companies in the oil and gas industry, are subject to a wide range of environmental, health and safety laws and regulations in the countries in which we operate. These laws and regulations have a substantial impact on our operations and those of our subsidiaries, and could result in material adverse effects on our financial position and results of operation. In addition, YPF Holdings, a 100% subsidiary of YPF, has certain environmental liabilities . See "Item 8. Financial Information—Legal Proceedings —YPF Holdings." A number of events related to environmental, health and safety matters, including changes in applicable laws and regulations, adverse judicial or administrative interpretations of such laws and regulations, changes in enforcement policy, the occurrence of new litigation or development of pending litigation, and the development of information concerning these matters, could result in new or increased liabilities, capital expenditures, reserves, losses and other impacts that could have a material adverse effect on our financial condition and results of operations. See "Item 8. Financial Information—Legal Proceedings," "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Argentine Environmental Regulations" and "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—U.S. Environmental Regulations."

In particular, remediation alternatives for Passaic River contamination have been undergoing investigation and analysis by the Environmental Protection Agency (the "EPA") of the United States and other parties for many years. Tierra, a subsidiary of YPF Holdings has been working on behalf of Occidental on various studies and conducting certain remediation activities as discussed further below. In June 2007, the EPA released a draft Focused Feasibility Study (the "FFS") that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These alternatives ranged from no action (which would result in comparatively low cost) to extensive dredging and capping (which, according to the draft FFS, the EPA estimated could cost from U.S.$0.9 billion to U.S.$2.3 billion), and are all described by the EPA as involving proven technologies that could be carried out in the near term, without extensive research. Tierra, in conjunction with the other members of the Cooperating Parties Group (as defined below), submitted comments on the draft FFS to the EPA, as did a number of other interested parties. Additionally, on September 18, 2012, the EPA described the new alternatives it is considering in the revised FFS, which is reportedly now expected to be released to the public soon. The EPA stated that the FFS will set forth four alternatives which could cost from U.S.$8.6 million to U.S.$3.4 billion. Based on the information available to us as of the date of this annual report, considering the potential final proposal, the results of the studies and discoveries to be produced, the several potential responsible parties involved in the matter, and the consequent potential allocation of removal costs, and also considering the opinion of external legal advisors, it is not possible to reasonably estimate a loss or range of losses on these outstanding matters on this time. Therefore, no reserve has been accrued for this litigation by YPF Holdings Inc. Depending on the final proposal released and approved by the EPA regarding the FFS, and the potential assignment of responsibility to YPF Holdings for such remediation, our financial condition and result of operations could negatively be affected. See "Item 8. Financial Information—Legal Proceedings—YPF Holdings."

Environmental, health and safety regulation and jurisprudence in Argentina is developing at a rapid pace and no assurance can be provided that such developments will not increase our cost of doing business and liabilities, including with respect to drilling and exploitation of our unconventional oil and gas reserves. In addition, due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, new regulatory requirements to reduce greenhouse gas emissions, such as carbon taxes, increased efficiency standards, or the adoption of cap and trade regimes. If adopted in Argentina, these requirements could make our products more expensive as well as shift hydrocarbon demand toward relatively lower-carbon sources such as renewable energies.

We face risk relating to certain legal proceedings.

As described under "Item 8. Financial Information—Legal Proceedings," we are party to a number of labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely to us, result in the imposition of material costs, fines, judgments or other losses. While we

believe that we have provisioned such risks appropriately based on the opinions and advice of our external legal advisors and in accordance with applicable accounting rules, certain loss contingencies, particularly those relating to environmental matters, are subject to change as new information develops and it is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to us, could significantly exceed any accruals we have provided.

In addition, we may be subject to undisclosed liabilities related to labor, commercial, civil, tax, criminal or environmental contingencies incurred by businesses we acquire as part of our growth strategy, that we may not be able to identify or that may not be adequately indemnified under our acquisition agreements with the sellers of such businesses, in which case our business, financial condition and results of operation may negatively and adversely affected.

Additionally, following the enactment of the Expropriation Law, the Spanish company Repsol, which had a significant portion of its shares subject to expropriation, commenced legal proceedings against the Argentine government before New York and the International Center for Settlement of Investment Disputes (ICSID) arbitral tribunal. Additionally, Repsol has filed other claims against us in Argentina, New York and Madrid courts. Repsol has also made public its intention to contest the validity of agreements that we may enter into with third parties related to the exploitation and exploration of unconventional oil reserves in the Vaca Muerta formation. On February 25, 2014, the Board of Directors of Repsol approved the text agreed to by the Argentine Ministry of Economy and Finance and Repsol's management to reach an "Amicable Settlement and Compromise of Expropriation" whereby Repsol would agree to accept a payment of U.S.$ 5 billion in Argentine sovereign bonds as compensation for the expropriation of 51% of the share capital of YPF owned, directly or indirectly, by Repsol. As of the date of this annual report, such agreement remains subject to the ratification of Repsol's General Shareholders' Meeting and the Argentine Congress. This agreement, which is public, is subject to certain conditions, and investors should carefully read it in order to make their own assessment. In addition, on February 27, 2014, YPF and Repsol executed an arrangement (the "Arrangement") whereby, mainly, the parties reciprocally agreed to withdraw, subject to certain exclusions, all present and future actions and/or claims based on causes occurring prior to the Arrangement derived from the declaration of public interest and subjection to expropriation of YPF shares owned by Repsol pursuant to the Expropriation Law, the intervention, temporary takeover of public utility-declared shares and management of YPF. Likewise, the parties have agreed to withdraw reciprocal actions and claims with respect to third parties and/or pursued by them, and to grant a series of mutual indemnities subject to certain conditions. The Arrangement will become fully effective on the day following to the date on which Repsol notifies YPF that the Agreement signed between Repsol and the Argentine Republic becomes effective. If such effectiveness does not occur on or prior to May 7, 2014, or at a later date as the parties may agree in writing, the Arrangement shall not be enforced and shall become void, and the parties shall retain all of the rights preexisting at the date of their signature, and the Arrangement shall not create any liability for either party. Thus, we cannot give any assurance that the withdrawals contemplated by the Arrangement will occur, and accordingly, we can give no assurance that actions taken by Repsol will not disrupt our business efforts, including any exploitation and exploration agreements we may seek to enter into, or that Repsol will not continue to litigate the issues related to the expropriation of its shares.

Our business depends to a significant extent on our production and refining facilities and logistics network.

Our oil and natural gas field facilities, refineries and logistics network are our principal production facilities and distribution network on which a significant portion of our revenues depends. Although we insure our properties on terms we consider prudent and have adopted and maintain safety measures, any significant damage to, accident or other production stoppage at our facilities or network could materially and adversely affect our production capabilities, financial condition and results of operations.

On April 2, 2013 our facilities in the La Plata refinery were hit by a severe and unprecedented storm, recording over 400 mm of rainfall (which was the maximum ever recorded in the area). The heavy rainfall disrupted refinery systems and caused a fire that affected the Coke A and Topping C units in the refinery. This incident temporarily affected the crude processing capacity of the refinery, which had to be stopped entirely. Seven days after the event, the processing capacity was restored to about 100 mbbl/d through the commissioning of two distillation units (Topping IV and Topping D). By the end of May 2013, the Topping C unit resumed operations at full nominal capacity. The Coke A unit has been shut down permanently since the storm, affecting the volume of crude processed in the refinery, due to a reduction in conversion capacity. The storm resulted in a decrease in the volume of crude oil processed. YPF has an insurance policy that provides coverage for the loss of income and property damage due to incidents like the storm that affected the La Plata refinery. See note 11.b to the Audited Consolidated Financial Statements for information regarding the amount recognized in our result of operations in connection with our insurance coverage.

In addition, on March 21, 2014, a fire occurred at the Cerro Divisadero crude oil treatment plant, located 20 kilometers from the town of Bardas Blancas in the province of Mendoza. The Cerro Divisadero plant, which has 6 tanks, 4 of which are for processing and 2 are for dispatch of treated crude oil, concentrates the production of 10 fields in the Malargue area, which constitutes a daily production of approximately 9,200 barrels of oil and represents 3.8% of the oil production of YPF. As of the date of this annual report, the fire has been completely extinguished and maintenance works have commenced to reinitiate operations of the surrounding facilities, which had been preventatively shut down due to the risk of being affected, and to work on reestablishing production. The technical personnel of the company are currently defining the plan for the total resumption of activities in the coming days. In addition we are in the process of gathering the necessary information to make a claim under our existing insurance coverage.

We could be subject to organized labor action.

Our operations have been affected by organized work disruptions and stoppages in the past and we cannot assure you that we will not experience them in the future, which could adversely affect our business and revenues. Labor demands are commonplace in Argentina's energy sector and unionized workers have blocked access to and damaged our plants in the recent past. Our operations were affected occasionally by labor strikes in recent years. See "Item 5. Operating and Financing Review and Prospects—Factors Affecting Our Operations—Macroeconomic Conditions."

We may not be able to pay, maintain or increase dividends.

On July 17, 2012 our Shareholder's meeting approved a dividend of Ps.303 million (Ps.0.77 per share or ADS) which was paid during November 2012. In 2013, our Board of Directors in its meeting held on March 11, 2013 approved a proposal to the Shareholders of a Ps.326 million dividend to be paid during 2013 (Ps.0.83 per share or ADS). Such proposal was approved at the Shareholder's meeting which was held on April 30, 2013 and was paid during August 2013. Notwithstanding the foregoing, our ability to pay, maintain or increase dividends is based on many factors, including but not limited to our net income, anticipated levels of capital expenditures and expected levels of growth. A change in any such factor could affect our ability to pay, maintain or increase dividends, and the exact amount of any dividend paid may vary from year to year.

Risks Relating to Our Class D Shares and ADSs

The market price for our shares and ADSs may be subject to significant volatility

The market price of our ordinary shares and ADSs may fluctuate significantly due to a number of factors, including, among others, our actual or anticipated results of operations and financial condition; speculation over the impact of the Argentine government as our controlling shareholder on our business and operations, investor perceptions of investments relating to Argentina and political and regulatory developments affecting our industry or the Company. In addition, recent regulatory and policy developments in Argentina, including the passage of the Expropriation Law, have led to considerable volatility in the market price of our shares and ADSs. For example, the price of our ADSs closed at U.S.$54.58 on January 5, 2011, and fell to a low of U.S.$9.57 on November 16, 2012. In 2013, the price recovered to a high closing price of U.S.$34.17 on December 23, but subsequently fell to U.S.$21.85 on February 3, 2014. See "Item 9. The Offer and Listing." We cannot assure you that concerns about factors that could affect the market price of our ordinary shares as previously mentioned may have a material adverse effect on the trading values of our securities.

Certain strategic transactions require the approval of the holder of our Class A shares or may entail a cash tender offer for all of our outstanding capital stock.

Under our by-laws, the approval of the Argentine government, the sole holder of our Class A shares, is required to undertake certain strategic transactions, including a merger, an acquisition that results in the purchaser holding 15% or more of our capital stock or an acquisition that results in the purchaser holding a majority of our capital stock, requiring consequently the approval of the National State (the holder of our Class A shares) for such decisions.

In addition, under our by-laws, an acquisition that results in the purchaser holding 15% or more of our capital stock would require such purchaser to make a public cash tender offer for all of our outstanding shares and convertible securities, which could discourage certain investors from acquiring significant stakes in our capital stock. See "Item 10. Additional Information—Certain Provisions Relating to Acquisitions of Shares."

Restrictions on the movement of capital out of Argentina may impair your ability to receive dividends and distributions on, and the proceeds of any sale of, the Class D shares underlying the ADSs.

The government is empowered, for reasons of public emergency, as defined in Article 1 of the Emergency Law (Law No. 25,561), to establish the system that will determine the exchange rate between the peso and foreign currency and to impose exchange regulations. Although the transfer of funds abroad in order to pay dividends currently does not require Central Bank approval, restrictions on the movement of capital to and from Argentina may, if imposed, impair or prevent the conversion of dividends, distributions, or the proceeds from any sale of Class D shares, as the case may be, from pesos into U.S. dollars and the remittance of the U.S. dollars abroad. The Argentine government has recently tightened U.S. dollar exchange regulations.

Under the terms of our deposit agreement with the depositary for the ADSs, the depositary will convert any cash dividend or other cash distribution we pay on the shares underlying the ADSs into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If this conversion is not possible for any reason, including regulations of the type described in the preceding paragraph, the deposit agreement allows the depositary to distribute the foreign currency only to those ADR holders to whom it is possible to do so. If the exchange rate fluctuates significantly during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the dividend distribution.

Under Argentine law, shareholder rights may be different from other jurisdictions.

Our corporate affairs are governed by our by-laws and by Argentine corporate law, which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States or in other jurisdictions outside Argentina. In addition, rules governing the Argentine securities markets are different and may be subject to different enforcement in Argentina than in other jurisdictions.

Actual or anticipated sales of a substantial number of Class D shares could decrease the market prices of our Class D shares and the ADSs.

Repsol owns ADSs representing approximately 11.86% of our capital stock (See "Item 7. Major Shareholders and Related Party Transactions"). Sales of a substantial number of Class D shares or ADSs by Repsol or any other present or future significant shareholder, could decrease the trading price of our Class D shares and the ADSs.

You may be unable to exercise preemptive, accretion or other rights with respect to the Class D shares underlying your ADSs.

You may not be able to exercise the preemptive or accretion rights relating to the shares underlying your ADSs (see "Item 10. Additional Information—Preemptive and Accretion Rights") unless a registration statement under the U.S. Securities Act of 1933 (the "Securities Act") is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to the shares relating to these preemptive rights, and we cannot assure you that we will file any such registration statement. Unless we file a registration statement or an exemption from registration is available, you may receive only the net proceeds from the sale of your preemptive rights by the depositary or, if the preemptive rights cannot be sold, they will be allowed to lapse. As a result, U.S. holders of Class D shares or ADSs may suffer dilution of their interest in our company upon future capital increases.

In addition, under the Argentine Corporations Law, foreign companies that own shares in an Argentine corporation are required to register with the Superintendency of Corporations (Inspección General de Justicia, or "IGJ") in order to exercise certain shareholder rights, including voting rights. If you own our Class D shares directly (rather than in the form of ADSs) and you are a non-Argentine company and you fail to register with IGJ, your ability to exercise your rights as a holder of our Class D shares may be limited.

You may be unable to exercise voting rights with respect to the Class D shares underlying your ADSs at our shareholders' meetings.

The depositary will be treated by us for all purposes as the shareholder with respect to the shares underlying your ADSs. As a holder of ADRs representing the ADSs being held by the depositary in your name, you will not have direct shareholder rights and may exercise voting rights with respect to the Class D shares represented by the ADSs only in accordance with the deposit agreement relating to the ADSs. There are no provisions under Argentine law or under our by-laws that limit the exercise by ADS holders of their voting rights through the depositary with respect to the underlying Class D shares. However, there are practical limitations on the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with these holders. For example, holders of our shares will receive notice of shareholders' meetings through publication of a notice in an official gazette in Argentina, an Argentine newspaper of general circulation and the bulletin of the Buenos Aires Stock Exchange, and will be able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS holders, by comparison, will not receive notice directly from us. Instead, in accordance with the deposit agreement, we will provide the notice to the depositary. If we ask it to do so, the depositary will mail to holders of ADSs the notice of the meeting and a statement as to the manner in which instructions may be given by holders. To exercise their voting rights, ADS holders must then instruct the depositary as to voting the Class D shares represented by their ADSs. Due to these procedural steps involving the depositary, the process for exercising voting rights may take longer for ADS holders than for holders of Class D shares, and Class D shares represented by ADSs may not be voted as you desire. Class D shares represented by ADSs for which the depositary fails to receive timely voting instructions may, if requested by us, be voted as we instruct at the corresponding meeting.

Shareholders outside of Argentina may face additional investment risk from currency exchange rate fluctuations in connection with their holding of our Class D shares or the ADSs.

We are an Argentine company and any future payments of dividends on our Class D shares will be denominated in pesos. The peso has historically and recently fluctuated significantly against many major world currencies, including the U.S. dollar. A depreciation of the peso would likely adversely affect the U.S. dollar or other currency equivalent of any dividends paid on our Class D shares and could result in a decline in the value of our Class D shares and the ADSs as measured in U.S. dollars.

ITEM 4. Information on the Company

History and Development of YPF

Overview

YPF is a corporation (*sociedad anónima*), incorporated under the laws of Argentina for an unlimited term. Our address is Macacha Güemes 515, C1106BKK Ciudad Autónoma de Buenos Aires, Argentina and our telephone number is (011-54-11) 5441-2000. Our legal name is YPF Sociedad Anónima and we conduct our business under the commercial name "YPF."

We are Argentina's leading energy company, operating a fully integrated oil and gas chain with leading market positions across the domestic upstream and downstream segments. Our upstream operations consist of the exploration, development and production of crude oil, natural gas and LPG. Our downstream operations include the refining, marketing, transportation and distribution of oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, LPG and bio-fuels. Additionally, we are active in the gas separation and natural gas distribution sectors both directly and through our investments in several affiliated companies. In 2013, we had consolidated revenues of Ps.90,113 million (U.S.$13,825 million) and consolidated net income of Ps.5,079 million (U.S.$779 million). Due to decreased export volumes, the portion of our revenues derived from exports has decreased steadily in recent years. Exports accounted for 13.3%, 11.5% and 14.2%, of our consolidated net sales revenues in 2013, 2012 and 2011, respectively.

Until November 1992, most of our predecessors were state-owned companies with operations dating back to the 1920s. In November 1992, the Argentine government enacted the Privatization Law (Law No. 24,145), which established the procedures for our privatization. In accordance with the Privatization Law, in July 1993, we completed a worldwide offering of 160 million Class D shares that had previously been owned by the Argentine government. As a result of that offering and other transactions, the Argentine government's ownership interest in our capital stock was reduced from 100% to approximately 20% by the end of 1993.

In 1999, Repsol acquired control of YPF and remained in control until the passage of the Expropriation Law. Repsol is an integrated oil and gas company headquartered in Spain with global operations. Repsol YPF owned approximately 99% of our capital stock from 2000 until 2008, when the Petersen Group purchased, in different stages, shares representing 15.46% of our capital stock (the "Petersen Transaction"). In addition, Repsol granted certain affiliates of Petersen Energía S.A. ("Petersen Energía") an option to purchase up to an additional 10% of our outstanding capital stock, which was exercised in May 2011.

On May 3, 2012, the Argentine Congress passed the Expropriation Law. Among other matters, the Expropriation Law provided for the expropriation of 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol YPF and its controlled or controlling entities. The shares subject to expropriation, which have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose

the National Organization of Hydrocarbon Producing States. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina— *The Argentine federal government will control the Company according to domestic energy policies in accordance with the Expropriation Law*," *"Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—We face risk relating to certain legal proceedings,"* "—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law" and "Item 7. Major Shareholders and Related Party Transactions."

In addition to the activities previously mentioned, on March 12, 2014, we acquired 100% of the stake of Apache Overseas Inc. and Apache International Finance II S.a.r.l. (together with their affiliates, "Apache") in certain foreign companies that control Argentine companies that are the owners of assets located in Argentina, including 28 concessions (23 operated and 5 non-operated) in Neuquina Basin (in the provinces of Neuquén and Rio Negro), 7 concessions in Tierra del Fuego, and a significant conventional resource base. Pursuant to this transaction, YPF acquired control of all of the assets of the Apache Corporation in Argentina. The price paid for the transaction includes U.S.$786 million in cash plus the assumption of approximately U.S$31 million of bank debt relating to the companies acquired. The primary assets included in this transaction, located in the provinces of Neuquén, Tierra del Fuego and Río Negro, produce a total of approximately 46,800 boe/d, and have an important infrastructure of pipelines and facilities, employing around 350 employees. In addition, certain assets have potential for exploration and development in the Vaca Muerta formation. YPF also entered into a transfer of assets agreement with Pluspetrol S.A. ("Pluspetrol") whereby it transferred, in exchange for U.S.$217 million, a stake in certain assets related to those acquired from Apache located in the Province of Neuquén, with the objective of jointly exploring and developing the Vaca Muerta formation.

The financial data contained in this annual report as of December 31, 2013, 2012 and 2011 and for the years then ended has been derived from our Audited Consolidated Financial Statements included in this annual report. See Note 14 to the Audited Consolidated Financial Statements.

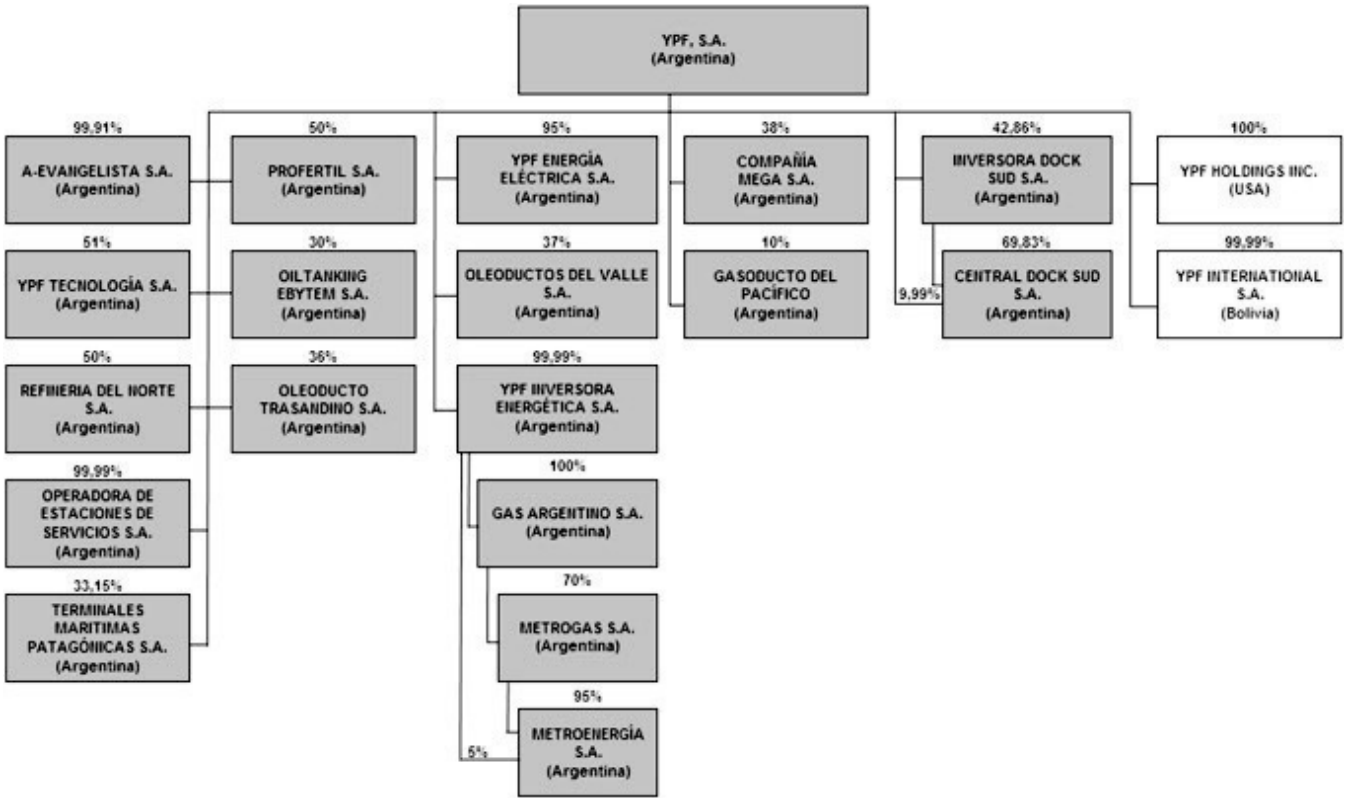
Upstream Operations

- As of December 31, 2013, we held interests in more than 90 oil and gas fields in Argentina. According to the Argentine Secretariat of Energy, in 2013 these assets accounted for approximately 44% of the country's total production of crude oil, excluding natural gas liquids, and approximately 36% of its total natural gas production, including natural gas liquids, in 2013, according to information provided by the Argentine Secretariat of Energy.
- We had proved reserves, as estimated as of December 31, 2013, of approximately 628 mmbbl of oil, including condensates and natural gas liquids, and approximately 2,558 bcf of gas, representing aggregate reserves of approximately 1,083 mmboe as of such date, compared to approximately 590 mmbbl of oil, including condensates and natural gas liquids, and approximately 2,186 bcf of gas, representing aggregate reserves of approximately 979 mmboe as of December 31, 2012.
- In 2013, we produced approximately 102 mmbbl of oil (approximately 279 mbbl/d), including condensates and natural gas liquids, and approximately 437 bcf of gas (approximately 1,197 mmcf/d), representing a total production of approximately 180 mmboe (approximately 493 mboe/d), compared to approximately 101 mmbbl of oil (275 mbbl/d), including condensates and natural gas liquids, and approximately 432 bcf of gas (1,179 mmcf/d) in 2012.

Downstream Operations

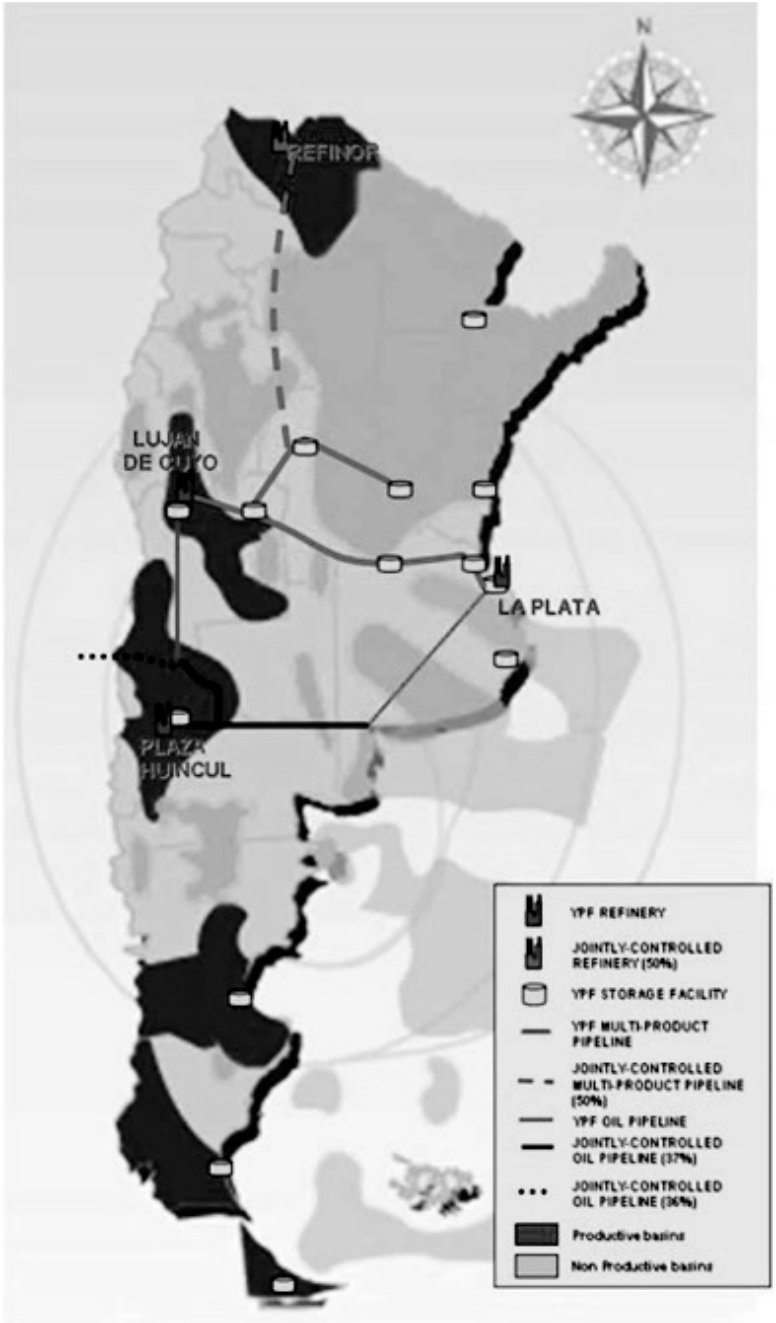
- We are Argentina's leading refiner with operations conducted at three wholly-owned refineries with combined annual refining capacity of approximately 116 mmbbl (319.5 mbbl/d) (See additionally "—Downstream—Refining division.") We also own a 50% equity interest in Refinería del Norte, S.A. ("Refinor"), an entity jointly controlled with and operated by Petrobras Energía S.A., which has a refining capacity of 26.1 mbbl/d.
- Our retail distribution network for automotive petroleum products as of December 31, 2013 consisted of 1,542 YPF-branded service stations, of which we own 111 directly and through our 100% subsidiary Operadora de Estaciones de Servicios S.A. ("OPESSA"), and we estimate we held approximately 34.1% of all gasoline service stations in Argentina.
- We are one of the leading petrochemical producers in Argentina and in the Southern Cone of Latin America, with operations conducted through our Ensenada industrial complex ("CIE") and Plaza Huincul site. In addition, Profertil S.A. ("Profertil"), a company that we jointly control with Agrium Holdco Spain S.L. ("Agrium"), is one of the leading producers of urea in the Southern Cone.

The following chart illustrates our organizational structure, including our principal subsidiaries, as of the date of this annual report.



In addition, see Note 11.c "—Investment Project Agreements" to the Audited Consolidated Financial Statements for a description of the transaction we entered into with Chevron.

The map below illustrates the location of our productive basins, refineries, storage facilities and crude oil and multi-product pipeline networks as of December 31, 2013.



For a description of our principal capital expenditures and divestitures, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital investments, expenditures and divestitures."

The Argentine Market

Argentina is the second largest producer of natural gas and the fourth largest producer of crude oil in Central and South America, based on 2012 production, according to the 2013 edition of the BP Statistical Review of World Energy, published in June 2013.

In response to the economic crisis of 2001 and 2002, the Argentine government, pursuant to the Public Emergency Law (Law No. 25,561), established export taxes on certain hydrocarbon products. In subsequent years, in order to satisfy growing domestic demand and abate inflationary pressures, this policy was supplemented by constraints on domestic prices, temporary export restrictions and subsidies on imports of natural gas and diesel fuel. As a result, until 2008, local prices for oil and natural gas products had remained significantly below those prevalent in neighboring countries and international commodity exchanges.

After declining during the economic crisis of 2001 and 2002, Argentina's GDP grew at an average annual real rate of approximately 8.5% from 2003 to 2008, although the growth rate decelerated to 0.9% in 2009 as a result of the global financial crisis. In 2010 and 2011, Argentina's GDP grew at an annual real rate of approximately 9.0%. In 2012 Argentina's GDP experienced a slowdown, with GDP increasing at a rate of 1.9% on an annualized basis compared to the preceding year. On March 27, 2014, the Argentine government announced a new method of calculating GDP by reference to 2004 as the base year (as opposed to 1993, which was the base reference year under the prior method of calculating GDP). As a result of the application of this new method, the estimated GDP for 2013 was revised from 4.9% to 3%. Driven by this economic expansion and stable domestic prices, energy demand has increased significantly during the same period, outpacing energy supply (which in the case of oil declined). Argentine natural gas consumption grew at average annual rate of approximately 5.0% during the period 2003-2011, according to the BP Statistical Review and the Argentine Secretariat of Energy. As a result of this increasing demand and actions taken by the Argentine regulatory authorities to support domestic supply, exported volumes of hydrocarbon products, especially natural gas, diesel fuel and gasoline, declined steadily over this period. At the same time, Argentina has increased hydrocarbon imports, becoming a net importer of certain products, such as diesel fuel, and increased imports of gas (including NGL). In 2003, Argentina's net exports of diesel fuel amounted to approximately 1,349 mcm, while in 2013 its net imports of diesel fuel amounted to approximately 2,427 mcm, according to preliminary information provided by the Argentine Secretariat of Energy. Significant investments in the energy sector are being carried out, and additional investments are expected to be required in order to support continued economic growth, as the industry is currently operating near capacity.

Demand for diesel fuel in Argentina exceeds domestic production. In addition, the import prices of refined products have been in general substantially higher than the average domestic sales prices of such products, rendering the import and resale of such products less profitable. As a result, from time to time, service stations experience temporary shortages and are required to suspend or curtail diesel fuel sales. On May 3, 2012, the Expropriation Law was passed by Congress. The Expropriation Law declared achieving self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. See "—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law."

History of YPF

Beginning in the 1920s and until 1990, both the upstream and downstream segments of the Argentine oil and gas industry were effectively monopolies of the Argentine government. During this period, we and our predecessors were owned by the state, which controlled the exploration and production of oil and natural gas, as well as the refining of crude oil and marketing of refined petroleum products. In August 1989, Argentina enacted laws aimed at the deregulation of the economy and the privatization of Argentina's state-owned companies, including us. Following the enactment of these laws, a series of presidential decrees were promulgated, which required, among other things, us to sell majority interests in our production rights to certain major producing areas and to undertake an internal management and operational restructuring program.

In November 1992, Law No. 24,145 (referred to as the Privatization Law), which established the procedures by which we were to be privatized, was enacted. In accordance with the Privatization Law, in July 1993, we completed a worldwide offering of 160 million Class D shares that had previously been owned by the Argentine government.

As a result of that offering and other transactions, the Argentine government's ownership percentage in our capital stock was reduced from 100% to approximately 20% by the end of 1993.

In January 1999, Repsol YPF acquired 52,914,700 Class A shares in block (14.99% of our shares) which were converted to Class D shares. Additionally, on April 30, 1999, Repsol YPF announced a tender offer to purchase all outstanding Class A, B, C and D shares (the "Offer"). Pursuant to the Offer, in June 1999, Repsol YPF acquired an additional 82.47% of our outstanding capital stock. Repsol YPF acquired additional stakes in us from minority shareholders and other transactions in 1999 and 2000.

On February 21, 2008, Petersen Energía ("PEISA") purchased 58,603,606 of our ADSs, representing 14.9% of our capital stock, from Repsol YPF for U.S.$2,235 million. In addition, Repsol YPF granted certain affiliates of Petersen Energía options to purchase up to an additional 10.1% of our outstanding capital stock within four years. On May 20, 2008, PEISA exercised an option to purchase shares representing 0.1% of our capital stock. Additionally, PEISA launched a tender offer to purchase all of the shares of YPF that were not already owned by them at a price of U.S.$49.45 per share or ADS. Repsol YPF, pursuant to its first option agreement with Petersen Energía, had stated that it would not tender YPF shares to PEISA. A total of 1,816,879 shares (including Class D shares and ADSs), representing approximately 0.462% of our total shares outstanding, were tendered. On May 3, 2011, PEISA exercised an option to acquire from Repsol YPF shares or ADSs representing 10.0% of our capital stock and on May 4, 2011, Repsol YPF acknowledged and accepted such exercise. See "—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law" and "Item 7. Major Shareholders and Related Party Transactions," for a detail of our current major shareholders.

On May 3, 2012, the Argentine Congress passed the Expropriation Law. Among other matters, the Expropriation Law provided for the expropriation of 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol YPF and its controlled or controlling entities. The shares subject to expropriation, which have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina— The Argentine federal government will control the Company according to domestic energy policies in accordance with the Expropriation Law." As of the date of this annual report, the transfer of the shares subject expropriation between National Executive Office and the provinces that compose the National Organization of Hydrocarbon Producing States was still pending. According to Article 8 of the Expropriation Law, the distribution of the shares among the provinces that accept their transfer must be conducted in an equitable manner, considering their respective levels of hydrocarbon production and proved reserves. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. In addition, in accordance with Article 9 of the Expropriation Law, each of the Argentine provinces to which shares subject to expropriation are allocated must enter into a shareholder's agreement with the federal government which will provide for the unified exercise of its rights as a shareholder. See "—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law," "Item 7. Major Shareholders and Related Party Transactions." Additionally, see "Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—We face risk relating to certain legal proceedings" for a description of the Agreement between Repsol and the Argentine Republic relating to compensation for the expropriation of 51% of the share capital of YPF owned, directly or indirectly, by Repsol.

Furthermore, on April 16, 2012, the Company was notified, through a notarial certification, of Decree No. 530/12 of the National Executive Office , which provides for the Intervention of YPF for a period of thirty days (which was then extended to our next Shareholders meeting to be held on June 4, 2012 at which the composition of our Board of Directors was determined), with the aim of securing the continuity of its business and the preservation of its assets and capital, securing the provision of fuel and the satisfaction of the country's needs, and guaranteeing that the goals of the Expropriation Law are met. See "—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law." In accordance with Article 3 of Decree No. 530/2012, the powers conferred by YPF's by-laws on the Board and/or the President of the Company have been temporarily granted to the Intervenor. On May 7, 2012, through Decree No. 676/2012 of the National Executive Office, Mr. Miguel Matías Galuccio was appointed General Manager of the Company during the Intervention. At our general shareholders' meeting, on June 4, 2012, our shareholders appointed the new members of our Board of Directors. See "Item 6. Directors, Senior Management and Employees—Management of the Company."

On August 30, 2012, we approved and announced the Strategic Plan 2013-2017 establishing the basis of our development for the years to come. Such plan intends to reaffirm our commitment to creating a new model of the Company in Argentina which aligns our objectives, seeking profitable and sustainable growth that generates shareholder value, with those of the country, thereby positioning YPF as an industry-leading company aiming at the reversal of the national energy imbalance and the achievement of hydrocarbon self-sufficiency in the long term.

To achieve the goals set forth above, we intend to focus on (i) the development of unconventional resources, which we see as a unique opportunity because a) the expectation related to the existence of large volumes of unconventional resources in Argentina according to estimations of leading reports on global energy resources, b) we currently possess a relevant participation in terms of exploration and exploitation rights on the acreage in which such resources could be located, and c) we believe we can integrate a portfolio of projects with high production potential; (ii) the re-launch of conventional and unconventional exploration initiatives in existing wells and expansion to new wells, including offshore; (iii) an increase in capital and operating expenditures in mature areas with expected higher return and efficiency potential (through investment in improvements, increased use of new perforation machinery and well intervention); (iv) a return to active production of natural gas to accompany our oil production; and (v) an increase in production of refined products through an enhancement of the refining capacity (including improving and increasing our installed capacity and upgrading and converting our refineries). The previously mentioned initiatives have required and will continue to require organized and planned management of mining, logistic, human and financing resources within the existing regulatory framework, with a long-term perspective.

The investment plan related to our growth needs to be accompanied by an appropriate financial plan, whereby we intend to reinvest earnings, search for strategic partners and raise debt financing at levels we consider prudent for companies in our industry. Consequently, the financial viability of these investments and hydrocarbon recovery efforts will generally depend, among other factors, on the prevailing economic and regulatory conditions in Argentina, the ability to obtain financing in satisfactory amounts at competitive costs, as well as the market prices of hydrocarbon products.

Business Organization

We currently conduct our business according to the following organization:

- Upstream, which consists of our "Exploration and Production" segment;
- Downstream, which consists of our "Refining and Marketing", "Natural Gas Distribution and Electricity Generation" and "Chemicals" segments; and
- Corporate and other, which consists of our "Corporate and Other" segment.

The Exploration and Production segment's sales to third parties in Argentina and abroad include sales of natural gas and services fees (primarily for the transportation, storage and treatment of hydrocarbons and products). In addition, crude oil produced by us in Argentina, or received from third parties in Argentina pursuant to service contracts, is transferred from Exploration and Production to Refining and Marketing at transfer prices established by us, which generally seek to approximate Argentine market prices.

We have recently reorganized our reporting structure by grouping the "Chemical" and "Refining and Marketing" segments into a new "Downstream" segment. We made this change primarily because of the common strategy shared by the former "Chemical" and "Refining and Marketing" segments, in light of the synergies involved in their activities to maximize the volume and quality of fuel offered to the market. Accordingly, the Company has adjusted comparative information for the years 2012 and 2011 to reflect this reorganization.

The Downstream segment purchases crude oil from the Exploration and Production segment and from third parties. Downstream activities include crude oil refining and transportation, as well as the marketing and transportation of refined fuels, lubricants, LPG, natural gas, pretrochemical products and other refined petroleum products in the domestic wholesale and retail markets and the export markets.

In addition, our activities related to power generation, which are not material for us, which we have developed through our controlled company YPF Energía Electrica S.A., and our natural gas distribution activities, which we have developed through Metrogas S.A., are also included in Downstream activities.

Additionally, we record certain assets, liabilities and costs under the Corporate and Other segment, including corporate administration costs and assets, environmental matters related to YPF Holdings, Inc ("YPF Holdings") (see Note 3 to our Audited Consolidated Financial Statements) and certain construction activities, mainly related to the oil and gas industry, through our subsidiary A-Evangelista S.A. and its subsidiaries.

Substantially all of our operations, properties and customers are located in Argentina. However, we carry out exploration activities in the United States, among other foreign jurisdictions, and hold an interest in a producing field in the United States and in two exploratory areas in Uruguay and Chile (see "—Exploration and Production—Principal properties—International properties"). Additionally, we market lubricants and specialties in Brazil and Chile and carry out some construction activities related to the oil and gas industry in Uruguay, Bolivia, Brazil and Peru, through our 100% owned company A-Evangelista S.A. and its subsidiaries.

The following table sets forth revenues and operating income for each of our lines of business for the years ended December 31, 2013, 2012 and 2011:

	For the Year Ended December 31,		
	2013	2012	2011
	(in millions of pesos)		
Revenues(1)			
Exploration and production(2)			
Revenues	3,851	1,135	269
Revenue from intersegment sales (3)	38,846	30,179	23,401
Total exploration and production	42,697	31,314	23,670
Downstream			
Revenues	85,624	65,047	54.636
Revenue from intersegment sales	1,147	1,069	848
Total refining and marketing	86,771	66,116	55,484
Corporate and other			
Revenues	638	992	1,306
Revenue from intersegment sales	2,285	1,243	651
Total Corporate and other	2,923	2,235	1,957
Less inter-segment sales and fees	(42,278)	(32,491)	(24,900)
Total revenues	90,113	67,174	56,211
Operating income (Loss)			
Exploration and production	6,324	5,730	4,067
Downstream	6,721	4,095	5,466
Corporate and other	(1,522)	(2,492)	(1,714)
Consolidation adjustments	(363)	570	(631)
Total operating income	11,160	7,903	7,188

(1) Revenues are net to us after payment of a fuel transfer tax and turnover tax. Custom duties on exports are included in Selling expenses. Royalty payments required to be made to a third party, whether payable in cash or in kind, which are a financial obligation, or are substantially equivalent to a production or similar tax, are accounted for as a cost of production and are not deducted in determining revenues. See "Item 4. Information on the Company-Exploration and Production-Oil and gas production, production prices and production costs" and Note 2 (f) to the Audited Consolidated Financial Statements.
(2) Includes exploration costs in Argentina, Guyana and the United States and production operations in Argentina and the United States.
(3) Intersegment revenues of crude oil to Refining and Marketing are recorded at transfer prices that reflect our estimates of Argentine market prices.

Exploration and Production Overview

Our project portfolio includes more than 1,400 projects to develop proved, probable and possible reserves, in addition to contingent and prospective resources related to future developments and exploration activity. Our business growth objectives, whereby we seek to maximize the productivity and profitability of our project portfolio, are based on the following key concepts: the rejuvenation of mature fields, an ongoing focus on gas development and the intensive development of unconventional reservoirs. See additionally "Item 3. Key Information—Risk Factors."

The projects selected to be pursued and their schedules for completion are periodically determined by a portfolio optimization process, in accordance with our strategic guidelines.

Increased investments in Argentina have enabled us to maintain a high level of activity in projects that have contributed to significant increases in the production and value of our fields. In 2013, our oil production in Argentina increased by 2.19% and our gas production in Argentina increased by 1.45%, in each case compared to our production in 2012. Moreover, our oil and gas production in Argentina from areas we operated in December 2013 increased by 6.31% and 17.63%, respectively, compared to our production in December 2012. This increase reflects the intensive work we do in the fields which we operate both conventional and unconventional hydrocarbons.

Meeting the challenge of the mature oil and gas fields

Most of our oil and gas producing fields in Argentina are mature, which requires us to assume strong commitments to overcome their decline.

We have significantly increased our activity and resources in mature areas that present profitable opportunities for increases in the recovery factor by employing techniques including well infill and extension of secondary recovery and tertiary recovery testing. We are fully dedicated to identifying new opportunities in both infill potential and improved sweep efficiency in our mature fields. These efforts are guided by subsurface modeling conducted by in-house multidisciplinary teams. Furthermore, we place a strong emphasis on surveillance and conformance activities to improve current mature water injection projects. Tertiary recovery is being pursued with polymer and surfactant flooding in mature reservoirs in both the Golfo de San Jorge and Neuquén basins.

Continuous comprehensive technical reviews of our oil and gas fields allow us to identify opportunities to rejuvenate mature fields and optimize new field developments in Argentine basins in order to achieve similar recovery factors that mature fields in other regions of the world have already reached with the application of new technologies.

We have managed, through the extension of most of our concessions with relatively favorable terms and conditions, to continue with the development of strategic waterflooding and improved oil recovery projects, improving our perspectives of production and reserves.

Nevertheless, the financial viability of these investments and reserve recovery efforts will generally depend on prevailing economic and regulatory conditions in Argentina, as well as the market prices of hydrocarbon products. See additionally "Item 3. Key Information—Risk Factors."

In addition, we recently finalized certain agreement related to the acquisition of properties that are part of our core business:

- On January 31, 2014, we acquired Petrobras Argentina S.A.'s 38.45% participation in the concession contract UTE Puesto Hernández executed between both companies for the exploitation of the Puesto Hernández area (the "Area"). The Area is an exploitation concession located in the Provinces of Neuquén and Mendoza. YPF is the holder of the concession until 2027. YPF will own 100% of the participation in the Puesto Hernández area, becoming the operator of the concession. Puesto Hernández currently produces over 10,000 barrels a day of light crude oil (Medanito quality). The transaction was completed for the amount of U.S.$40.7 million. By becoming the operator of the Area, we expect we will be able to accelerate our investment plans to optimize the Area's production potential until 2027.

- On March 12, 2014, we acquired 100% of the stake of Apache Overseas lnc. and Apache International Finance II S.a.r.l. (together with their affiliates, "Apache") in certain foreign companies that control Argentine companies that are the owners of assets located in Argentina, including 28 concessions (23 operated and 5 non-operated) in Neuquina Basin (in the provinces of Neuquén and Rio Negro), 7 concessions in Tierra del Fuego, and a significant conventional resource base. Pursuant to this transaction, YPF acquired control of all of the assets of the Apache Corporation in Argentina. The price paid for the transaction includes U.S.$ 786 million in cash plus the assumption of approximately U.S$31 million of bank debt relating to the companies acquired. The primary assets included in this transaction, located in the provinces of Neuquén, Tierra del Fuego and Río Negro, produce a total of approximately 46,800 boe/d, and have an important infrastructure of pipelines and facilities, employing around 350 employees. In addition, certain assets have potential for exploration and development in the Vaca Muerta formation.

  YPF also entered into a transfer of assets agreement with Pluspetrol S.A. ("Pluspetrol") whereby it transferred, in exchange for U.S.$217 million, a stake in certain assets related to those acquired from Apache located in the Province of Neuquén, with the objective of jointly exploring and developing the Vaca Muerta formation. At March 12, 2014 YPF has made the payment of the transaction giving terminating the operation.

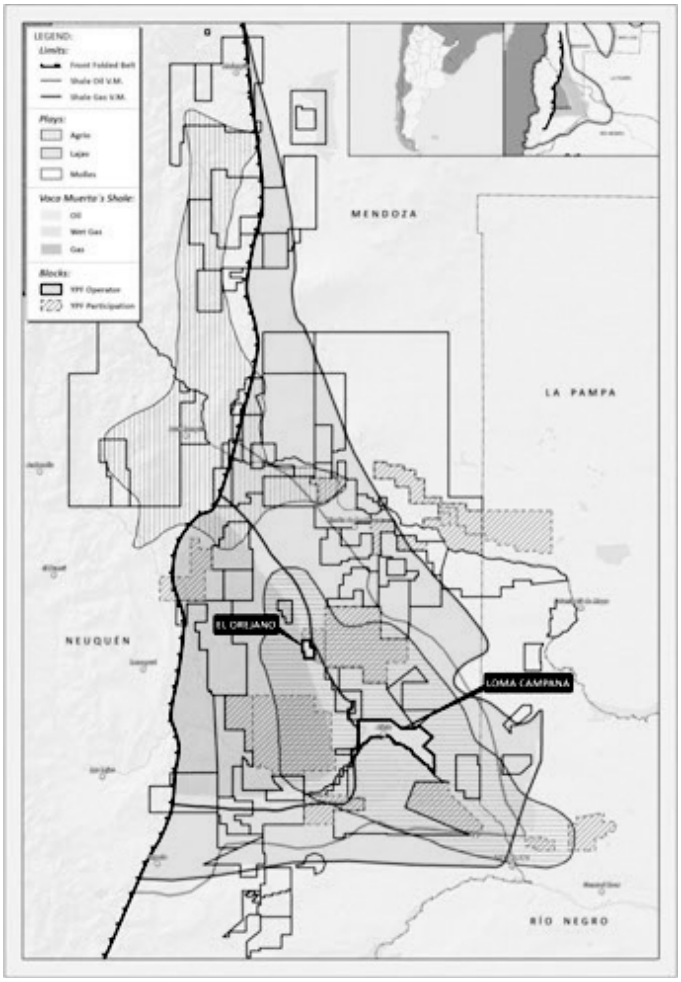
- On February 7, 2014, YPF acquired Potasio Rio Colorado S.A.'s 50% interest in the joint operation contract "Segment 5 Loma La Lata—Sierra Barrosa" (known as the "Lajas" formation) signed by YPF and Potasio Rio Coloroado S.A. for the exploitation of the Lajas formation concession area (the "Area"). The Area is an exploitation concession, located in the Province of Neuquén. YPF is the holder of the concession, which expires in 2027. Exploitation of the Area was conducted under the aforementioned joint operation contract. The terms of the joint operation contract provided that it would expire upon the earlier of the expiration of the concession or the early termination of any agreement or contract that granted the right to continue exploiting the area. As a result of the termination of the joint operation contract, YPF will own 100% interest in the Area. The consideration for the transaction was U.S.$ 25 million.

Staying the Path of Unconventional Resources

We have committed significant technical resources and experience to tap the potential of our unconventional hydrocarbon assets. Through the more than 100 unconventional wells drilled this year (most of which were drilled in Loma Campana concession, which we jointly control with Chevron as detailed below), we clearly showed leadership in this area and expressed our commitment to the objective of growing our production and reserves through the development of unconventional resources.

During 2013, we launched the first shale oil cluster development in Loma Campana field, in association with Chevron, and the first shale gas pilot program in El Orejano field, in association with Dow Chemical, while continuing to delineate the potential of the Vaca Muerta formation in the Neuquina Basin. The map below describes each of these projects.

Vaca Muerta Formation



(1) "Loma Campana": On July 16, 2013, YPF and Chevron signed an investment project agreement with the objective of the joint exploitation of unconventional hydrocarbons in the province of Neuquén. The agreement contemplated an outlay of U.S.$1,240 million by Chevron for a first phase of work to develop about 20 km2 ("pilot project") (4942 acres) of the 395 km2 (97.607 acres) corresponding to the area dedicated to the project. This first pilot project includes the drilling of more than 100 wells. Together with what has already been invested by YPF in the area, this new investment will result in a total investment of 1500 million dollars in the pilot project. In a second stage, after completion of the pilot project, both companies expect to continue with the development of the area, sharing investments 50% each. For additional information see "Note 11.c –Investment Project Agreements" to the Audited Consolidated Financial Statements.

(2) "El Orejano" Area: On September 23, 2013, YPF and Dow Europe Holding B.V. and PBB Polisur SA signed an agreement that includes a disbursement by both parties up to U.S.$188 million dollars that will be directed towards the joint development of an unconventional gas pilot project in the province of Neuquén. Of the U.S.$188 million to be disbursed, Dow will provide up to U.S.$120 million through a convertible financing in their participation in the project. The agreement contemplates a first phase of work during which 16 wells will be drilled.

The agreements with Chevron and Dow Chemical constitute significant steps towards the development of our vast unconventional resources, but the corresponding areas still represent only a fraction of our unconventional acreage.

The development of unconventional resources in the Vaca Muerta formation will demand a significant capital investment. As we rapidly progress on our learning curve, we expect to continue yielding substantial savings due to economies of scale and increasing well productivity through better subsurface understanding of this resource play.

Nevertheless, the financial viability of these investments and reserve recovery efforts will depend on the prevailing economic and regulatory conditions, as well as the market prices of hydrocarbons in Argentina. See additionally "Item 3. Key Information—Risk Factors."

Main properties

Our production is concentrated in Argentina and our domestic operations are subject to numerous risks (See "Item 3. Key Information—Risk Factors.").

The following table sets forth information with regard to our developed and undeveloped acreage by geographic area as of December 31, 2013:

	As of December 31, 2013			
	Developed[1]		*Undeveloped*[2]	
	Gross[3]	*Net*[4]	*Gross*[3]	*Net*[4]
	(thousands of acres)			
South America	1,508	1,002	53,960	33,155
Argentina	1,508	1,002	44,967	25,743
Rest of South America[5]	—	—	8,993	7,412
North America[6]	17	2.6	138	74.8
Total	1,525	1,004.6	54,098	33,229.80

(1) Developed acreage is spaced or assignable to productive wells.
(2) Undeveloped acreage encompasses those leased acres on which wells have not been drilled or completed to a point that would permit the production of economic quantities of oil or gas regardless of whether such acreage contains proved reserves.
(3) A "gross acre" is an acre in which we own a working interest.
(4) "Net" acreage equals gross acreage after deducting third party interests.
(5) Relates to Uruguay, Colombia, Paraguay, and Chile. In the case of Paraguay, YPF non-developed surface totaled of 3,825 thousand acres as of December 31, 2013, and is connected to an exploration permit granted to YPF through Resolution 1703 of the Ministry of Public Works and Communications of Paraguay. The permit expired on September 16, 2012 and a request for a 1 year extension was presented before the Ministry of Public Works and Communications. As of the date of this annual report, the extension request is pending. In the case of Uruguay, YPF's undeveloped acreage includes mining areas and a permit for exploratory drilling. This permit relates to an area of 2,397 thousand acres and was awarded entirely to YPF in March 2012. Related to Colombia, YPF has requested approval from the application authority ("ANH"), for the farm-out of its total working interest in *COR 12 and COR 33* blocks. YPF and its partners informed ANH the decision to relinquish *COR 14* block.
(6) Relates only to the United States' Gulf of Mexico.

As of December 31, 2013, none of our exploratory undeveloped acreage was subject to exploration permits that will expire in 2014 in accordance with Law 17,319. However, as a result of the expiration in 2014 of the first, second or third exploration terms of certain of our exploration permits, we would be required to relinquish a fixed portion of the acreage related to each such expiring permit, as set forth in Law 17,319, as long as exploitable quantities of oil or gas are not discovered in such areas (in which case we may seek to obtain a declaration of their commercial viability from the relevant authorities, and the related areas would then be subject to exploitation concessions). If no such discoveries are made in 2014, we would be required to relinquish approximately 12 thousand square kilometers of exploratory undeveloped acreage (approximately 16% of our 78 thousand square kilometers of net exploratory undeveloped acreage as of December 31, 2013) during 2014. We are entitled to decide, according to our best interest, which portions of each of the exploration permits to keep, within the required relinquishment percentage. Therefore, the areas to be relinquished consist usually of acreage where drilling has not been successful and that are considered non-core lease acreage.

Except as described above, we do not have any material undeveloped acreage related to our production concessions expiring in the near term.

Argentine Exploration Permits and Exploitation Concessions

Argentina is the second largest gas and fourth largest oil producing nation in Central and South America according to the 2013 edition of the BP Statistical Review of World Energy, published in June 2013. Oil has historically accounted for the majority of the country's hydrocarbon production and consumption, although the relative share of natural gas has increased rapidly in recent years. As of the date of this annual report, a total of 24 sedimentary basins were re-evaluated in the country, in line with the *Plan*

Exploratorio Argentina (the "Argentine Exploratory Plan"). The total surface of the continent represents approximately 408 million acres and the total offshore surface includes 194 million acres on the South Atlantic shelf within the 200 meter-deep line. Of the total 602 million acres of the sedimentary basins, a significant part still needs to be evaluated through exploratory and study drilling.

The following table shows our gross and net interests in productive oil and gas wells in Argentina by basin, as of December 31, 2013:

	Wells[1][2]			
	Oil		*Gas*	
Basin	*Gross*	*Net*	*Gross*	*Net*
Onshore	11,836	10,917	902	617
Neuquina	3,928	3,341	759	541
Golfo San Jorge	6,949	6,811	45	43
Cuyana	816	720	—	—
Noroeste	19	7	47	18
Austral	124	37	51	15
Offshore	—	—	19	10
Total	11,836	10,917	921	627

(1) In addition to productive oil and gas wells located in Argentina, we have interests in oil wells located in the United States (7 gross wells and approximately 1 net well, as of December 31, 2013).
(2) A "gross well" is a well in which we own a working interest. A "net well" is deemed to exist when the sum of fractional ownership working interests in gross wells equals one. The number of net wells is the sum of the fractional working interests owned in gross wells expressed as whole numbers and fractions of whole numbers. Gross and net wells include one oil well and three gas wells with multiple completions.

As of December 31, 2013, we held 142 exploration permits and production concessions in Argentina. We directly operate 100 of them, including 42 exploration permits and 58 production concessions.

- *Exploration permits*. As of December 31, 2013, we held 52 exploration permits in Argentina, 48 of which were onshore exploration permits and 4 of which were offshore exploration permits. We had 100% ownership of three onshore permits, and our participating interests in the remainder varied between 45% and 90%. We had 100% ownership of one offshore permit, and our participating interests in the remainder varied between 30% and 35%.
- *Production concessions*. As of December 31, 2013, we had 90 production concessions in Argentina. We had a 100% ownership interest in 50 production concessions, and our participating interests in the remaining 40 production concessions varied between 12.2% and 98%.

In addition, we have 23 crude oil treatment plants and 5 pumping plants where oil is processed and stored; the purpose of these plants is to receive and treat oil from different fields prior to shipment to our refineries and/or commercialization to third parties, as applicable. See "Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business— Our business depends to a significant extent on our production and refining facilities and logistics network."

The table below provides certain information with respect to our net working interests in our principal oil and gas fields in Argentina at December 31, 2013, most of which are mature:

		Production 2013		**Proved Reserves as of December 31, 2013**				
Areas [1]	**Interest %**	**Oil** [2] **(mmbbl)**	**Gas (mmcf)**	**Oil** [2] **(mmbbl)**	**Gas (mmcf)**	**BOE (mmboe)**	**Basin /Location**	**Development Stage of the area**
Loma La Lata Central	100%	7,520	95,907	40,909	732,405	171,347	Neuquina	Mature Field
Magallanes [3]	88%	884	14,165	16,462	298,732	69,664	Austral	Mature Field
Los Perales	100%	5,625	12,730	56,071	64,483	67,555	Golfo San Jorge	Mature Field
Aguada Toledo - Sierra Barrosa	100%	2,218	30,716	14,000	220,502	53,270	Neuquina	Mature Field
Seco León	100%	4,244	4,185	43,976	22,544	47,991	Golfo San Jorge	Mature Field
El Portón	100%	2,710	24,546	17,183	132,908	40,853	Neuquina	Mature Field
Chihuido Sierra Negra	100%	5,160	1,437	33,780	8,751	35,339	Neuquina	Mature Field
San Roque	34%	2,118	29,433	8,812	130,601	32,071	Neuquina	Mature Field
Barranca Baya	100%	4,862	1,020	30,043	5,528	31,027	Golfo San Jorge	Mature Field
Manantiales Behr	100%	6,911	5,029	27,055	15,247	29,770	Golfo San Jorge	Mature Field

Puesto Hernández [4]	89%	2,384	0	26,792	0	26,792	Neuquina	Mature Field
Acambuco	23%	274	11,421	1,997	124,403	24,152	Noroeste	Mature Field
Loma La Lata Norte [5]	75%	3,558	13,618	9,686	72,692	22,632	Neuquina	Mature/New Field
Vizcacheras	100%	3,056	300	21,428	2,398	21,855	Cuyana	Mature Field
Chihuido La Salina	100%	3,890	29,952	10,684	62,089	21,742	Neuquina	Mature Field
Lomas del Cuy	100%	2,477	1,351	19,133	9,077	20,749	Golfo San Jorge	Mature Field
El Trébol	100%	2,086	467	19,606	2,788	20,102	Golfo San Jorge	Mature Field
Rincón del Mangrullo	100%	4	296	5,795	73,960	18,967	Neuquina	New Field
CNQ 7A	50%	4,591	1,408	17,423	682	17,544	Neuquina	Mature Field
La Ventana Central [6]	91%	1,339	174	16,669	2,544	17,122	Cuyana	Mature Field
Tierra del Fuego	30%	587	11,709	3,133	76,916	16,831	Austral	Mature Field
Aguada Pichana	27%	1,509	26,952	4,263	70,380	16,798	Neuquina	Mature Field
Desfiladero Bayo	100%	2,537	187	16,572	1,127	16,773	Neuquina	Mature Field
Aguaragüe	53%	282	7,552	2,467	79,703	16,661	Noroeste	Mature Field
Cañadón Yatel	100%	1,662	8,163	7,909	41,272	15,259	Golfo San Jorge	Mature Field

(1) Exploitation areas.
(2) Includes Condensate and Natural Gas Liquids.
(3) Working Interest is 50% until 2016, and 100% from 2017 until the expiration of the concession.
(4) As of December 31, 2013, working interest is 62% until 2016, and 100% from 2017 until the expiration of the concession. See additionally "—Meeting the challenge of the mature oil and gas fields."
(5) Working Interest is 100% in the Sierras Blancas Formation (Mature Field) and 50% in the Vaca Muerta and Quintuco Formations (New Field).
(6) Working Interest is 69.6% for crude oil and 60% for gas liquids and gas until 2016, and 100% from 2017 until the expiration of the concession.

Approximately 84% of our proved oil reserves in Argentina are concentrated in the Neuquina (44%) and Golfo San Jorge (40%) basins, and approximately 92% of our proved gas reserves in Argentina are concentrated in the Neuquina (66%), Austral (15%) and Noroeste (11%) basins.

Joint ventures and contractual arrangements in Argentina

As of December 31, 2013, we participated in 43 exploration and 25 production joint ventures and contractual arrangements (24 of which were not operated by us) in Argentina. Our interests in these joint ventures and contractual arrangements ranged from 12.2% to 98%, and our obligations to share exploration and development costs varied under these agreements. In addition, under the terms of some of these joint ventures, we have agreed to indemnify our joint venture partners in the event that our rights with respect to such areas are restricted or affected in such a way that the purpose of the joint venture cannot be achieved. For a list of the main exploration and production joint ventures in which we participated as of December 31, 2013, see Note 6 to the Audited Consolidated Financial Statements. We are also a party to a number of other contractual arrangements that arose through the renegotiation of service contracts and risk contracts and their conversion in exploitation concessions and exploration permits, respectively.

Oil and Gas Reserves

Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible (from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations) prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within reasonable time. In some cases, substantial investments in new wells and related facilities may be required to recover proved reserves.

Information on net proved reserves as of December 31, 2013, 2012 and 2011 was calculated in accordance with the SEC rules and FASB's ASC 932, as amended. Accordingly, crude oil prices used to determine reserves were calculated at the beginning of each month, for crude oils of different quality produced by the Company. The Company considered the realized prices for crude oil in the domestic market taking into account the effect of exports taxes as in effect as of each of the corresponding years (until 2016, in accordance with Law No. 26,732). For the years beyond the mentioned periods, the Company considered the unweighted average price of the first-day-of-the-month for each month within the twelve-month period ended December 31, 2013, 2012 and 2011, respectively, which refers to the WTI prices adjusted by each different quality produced by the Company. Additionally, since there are no benchmark market natural gas prices available in Argentina, the Company used average realized gas prices during the year to determine its gas reserves.

Net reserves are defined as that portion of the gross reserves attributable to the interest of YPF after deducting interests owned by third parties. In determining net reserves, the Company excludes from its reported reserves royalties due to others, whether payable in cash or in kind, where the royalty owner has a direct interest in the underlying production and is able to make lifting and sales arrangements independently. By contrast, to the extent that royalty payments required to be made to a third party, whether payable in cash or in kind, are a financial obligation, or are substantially equivalent to a production or severance tax, the related reserves are not excluded from the reported reserves despite the fact that such payments are referred to as "royalties" under local rules. The same methodology is followed in reporting our production amounts.

Gas reserves exclude the gaseous equivalent of liquids expected to be removed from the gas on concessions and leases, at field facilities and at gas processing plants. These liquids are included in net proved reserves of crude oil and natural gas liquids.

Technology used in establishing proved reserves additions

YPF's estimated proved reserves as of December 31, 2013, are based on estimates generated through the integration of available and appropriate data, utilizing well-established technologies that have been demonstrated in the field to yield repeatable and consistent results. Data used in these integrated assessments include information obtained directly from the subsurface via wellbore, such as well logs, reservoir core samples, fluid samples, static and dynamic pressure information, production test data, and surveillance and performance information. The data utilized also include subsurface information obtained through indirect measurements, including high quality 2-D and 3-D seismic data, calibrated with available well control. Where applicable, surface geological information was also utilized. The tools used to interpret and integrate all these data included both proprietary and commercial software for reservoir modeling, simulation and data analysis. In some circumstances, where appropriate analog reservoir models are available, reservoir parameters from these analog models were used to increase the reliability of our reserves estimates.

For further information on the estimation process of our proved reserves, see "—Internal controls on reserves and reserves audits."

Net Proved Developed and Undeveloped Reserves as of December 31, 2013

The following table sets forth our estimated net proved developed and undeveloped reserves of crude oil and natural gas at December 31, 2013.

Proved Developed Reserves	Oil [1] (mmbbl)	Natural Gas (bcf)	Total [2] (mmboe)
Consolidated Entities			
South America			
Argentina	476	1,935	821
North America			
United States	1	3	1
Total Consolidated Entities [6]	477	1,938	822
Equity-Accounted Entities [10]			
South America			
Argentina	—	—	—
North America			
United States	—	—	—
Total Equity-Accounted Entities	—	—	—
Total Proved Developed Reserves [7]	**477**	**1,938**	**822**

Proved Undeveloped Reserves	Oil [1] (mmbbl)	Natural Gas (bcf)	Total [2] (mmboe)
Consolidated Entities			
South America			
Argentina	151	620	261
North America			
United States	—	—	—
Total Consolidated Entities [8]	151	620	261
Equity-Accounted Entities [10]			
South America			
Argentina	—	—	—
North America			
United States	—	—	—
Total Equity-Accounted Entities	—	—	—
Total Proved Undeveloped Reserves [9]	**151**	**620**	**261**

Total Proved Reserves [2][3]	Oil [1] (mmbbl)	Natural Gas (bcf)	Total [2] (mmboe)
Consolidated Entities			
Developed Reserves	477	1,938	822
Undeveloped Reserves	151	620	261
Total Consolidated Entities [4]	628	2,558	1,083
Equity-accounted entities [10]			
Developed Reserves	—	—	—
Undeveloped Reserves	—	—	—
Total Equity-Accounted Entities	—	—	—
Total Proved Reserves [5]	**628**	**2,558**	**1,083**

* Not material (less than 1)

(1) Includes crude oil, condensate and natural gas liquids.

(2) Volumes of natural gas in the table above and elsewhere in this annual report have been converted to boe at 5.615 mcf per barrel.

(3) Proved oil reserves of consolidated entities include an estimated approximately 93 mmbbl of crude oil, condensate and natural gas liquids in respect of royalty payments which, as described above, are a financial obligation, or are substantially equivalent to a production or similar tax. Proved reserves of natural gas of consolidated entities include an estimated approximately 285 bcf of natural gas in respect of such payments. Equity-accounted entities' reserves in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax, are not material.

(4) Includes natural gas liquids of 76, 70 and 74 as of December 31 2013, 2012 and 2011 for Consolidated Entities.

(5) Includes natural gas liquids of 76, 70 and 74 as of December 31 2013, 2012 and 2011 for Consolidated and Equity-accounted Entities.

(6) Includes natural gas liquids of 55, 56 and 58 as of December 31 2013, 2012 and 2011 for Consolidated Entities.

(7) Includes natural gas liquids of 55, 56 and 58 as of December 31 2013, 2012 and 2011 for Consolidated and Equity-accounted Entities.

(8) Includes natural gas liquids of 21, 13 and 14 as of December 31 2013, 2012 and 2011 for Consolidated Entities.

(9) Includes natural gas liquids of 21, 13 and 14 as of December 31 2013, 2012 and 2011 for Consolidated and Equity-accounted Entities.

(10) As of December 31, 2013 we have no Equity Accounted Entities with reserves. See Note 13 to the Audited Consolidated Financial Statements – Business Combination – YPF Energía Eléctrica S.A.

Changes in our estimated proved reserves during 2013

a) Revisions of previous estimates

During 2013, the Company's proved reserves were revised upwards by 106 million barrels ("mmbbl") of crude oil, condensate, and natural gas liquids, and 564 billion cubic feet ("bcf") of natural gas.

The main revisions to proved reserves have been due to the following:

- The term of concession contracts was extended for several operated and non-operated fields located in Chubut Province. Because of this, approximately 43 mmbbl of proved oil reserves and 15 bcf of proved gas reserves were added in the Manantiales Behr, El Trebol, Escalante, Zona Central - Bella Vista, Cañadón Perdido, El Tordillo, La Tapera and Sarmiento fields.
- In the Magallanes field, approximately 36 mmboe (9 mmbbl of oil and 150 bcf of gas) of proved developed reserves were added as a result of better than expected production and revised expected production until the expiration of the concession contract.
- A total of 8 mmbbl of liquids and 84 bcf of gas proved developed reserves were added in Loma La Lata Central (southern part of Loma La Lata field), mainly because of new projects, revision of existing projects, and a higher than forecasted production performance.
- In the Golfo San Jorge Basin, Los Perales and Seco León fields, 12 mmboe of proved developed reserves (10.6 mmbbl of oil and 8.2 bcf of gas) were added because of an improved production performance.
- A total of 9 mmbbl of liquids and 122 bcf of gas proved reserves were added in the El Porton, Chihuido de la Salina, Chihuido de la Salina Sur and Filo Morado fields in relation with production response, workovers activity and project revision in accordance with updated field response.
- In the Rincón del Mangrullo field approximately 6 mmbbl of liquids proved reserves, and 74 bcf of mainly proved undeveloped gas reserves were added because of additional drilling activity planned for 2014.
- The Chihuido de la Sierra Negra field added approximately 7 mmbbl of oil and 3 bcf of gas proved developed reserves due to better than expected production performance.
- Production rates did not behave as expected in the Aguada Pichana, Puesto Hernández, Aguada Toledo - Sierra Barrosa and Barrancas fields. Proved developed reserves were reduced 8.8 mmboe based on this new information.
- New wells drilled during 2013 in several operated areas did not perform as expected. Because of this, proved reserves were reduced in 6 mmbbl of liquids and 4 bcf of gas mainly in the Barranca Baya, Loma La Lata Norte, Loma Campana, Cerro Fortunoso, and Vizcacheras fields.

b) Extensions and discoveries

Wells drilled in unproved reserve areas added approximately 61 mmboe of proved reserves (179 bcf of natural gas and 29 mmbbl of oil).

- A total of approximately 27.5 mmboe of proved reserves were added as a result of wells drilled and scheduled to be drilled during 2014 in the Aguada Toledo - Sierra Barrosa Field. The main contributions came from the Lajas Tight Gas formation (15.9 mmboe), and the Lotena formation (7.9 mmboe).
- Unconventional proved developed oil reserves for a total of 10.6 mmboe were added as a consequence of 57 new wells drilled in unproved reserve and resource areas of the Loma La Lata Norte (Loma La Lata fields), in the Vaca Muerta Formation.
- In the Loma Campana Field, unconventional proved developed oil reserves for a total of 4.0 mmboe were added related to 22 new wells drilled in unproved reserves and resources areas.
- In the Golfo San Jorge Basin, extensions drilled in the Seco León Field (25 new wells) allowed the addition of approximately 2.8 mmboe of proved reserves, mainly oil.
- Also in the Golfo San Jorge Basin, 37 new extension wells drilled in the Barranca Baya Field added 2.6 mmboe of mainly oil reserves.

c) Improved recovery

A total of approximately 11.5 mmboe of proved oil reserves have been added due to positive production response, new production and injection wells, and from workovers, performed as part of the improved recovery projects, including:

- In the Neuquina Basin, Aguada Toledo - Sierra Barrosa field, approximately 6.3 mmboe of oil reserves were added as a result of new scheduled secondary recovery projects, extension projects, and new wells drilled in the area.
- In the San Jorge Basin, Manantiales Behr and El Trebol fields, 3.4 mmboe of secondary recovery reserves were added as a result of recovery factor improvements based on new drilling and project optimization.

- In the Neuquina Basin in Cerro Fortunoso field, proved undeveloped reserves were reduced by approximately 3.7 mmboe because of observed changes in the behavior of a secondary recovery pilot project.

d) Sales and acquisitions

- The acquisition of a 23% working interest in the Aguarague and San Antonio Sur Fields of the Noroeste Basin resulted in the addition of approximately 8.9 mmboe of proved reserves. YPF's working interest in this field is currently 53%.
- The execution of a contract for a joint venture project for the development and operation of the Loma Campana and Loma La Lata Norte (North of Loma La Lata) fields, resulted in an 8.8 mmboe reduction in proved reserves of Vaca Muerta and Quintuco formations. As part of this agreement, YPF's working interest in these fields changed from 100% to 50%.
- Approximately 6.5 mmboe were transferred to Consolidated Entities as a result of YPF Energía Eléctrica's working interest in the Ramos Field. These rights were previously owned by Pluspetrol Energy and are thus disclosed under Equity-accounted Entities reserves.

Changes in our proved undeveloped reserves during 2013

YPF had estimated a volume of net proved undeveloped reserves of 261 mmboe at December 31, 2013, which represented approximately 24% of the 1083 mmboe total reported proved reserves as of such date. This compares to estimated net proved undeveloped reserves of 203 mmboe as of December 31, 2012 (approximately 21% of the 979 mmboe total reported proved reserves as of such date).

The 28% total net increase in net proved undeveloped reserves in 2013 is mainly attributable to:

- New project studies and extensions of gas and oil development projects, which added approximately 83 mmboe of proved undeveloped reserves. The main contributions came from the Aguada Toledo–Sierra Barrosa (Lajas Tight Gas and Lotena formations), Rincón del Mangrullo, Loma La Lata Central (Sierras Blancas formation), and Piedras Negras fields.
- Successful development activities related to proved undeveloped reserves projects, which allowed a transfer of approximately 41 mmboe to proved developed reserves.
- Negotiation of the extension of exploitation concessions in the province of Chubut (See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government Exploration and Production) that resulted in an 8 mmboe addition of proved undeveloped reserves, mainly from scheduled proved undeveloped projects and which will not require additional investment.
- New improved recovery projects, adding approximately 8 mmboe of proved undeveloped secondary recovery reserves.

YPF's total capital expenditure to advance the development of reserves was approximately U.S.$3,631 million during 2013, of which U.S.$628 million was allocated to projects related to proved undeveloped reserves.

As of December 31, 2013 we estimate our proved undeveloped reserves related to gas wells and to primary and secondary oil recovery projects, which account for approximately 84% of our proved undeveloped reserves, will be developed within five years from their initial booking date.

Low pressure gas compression projects in Loma La Lata, which account for the remaining approximately 16% of our proved undeveloped reserves as of December 31, 2013, continue their scheduled development. We estimate that the first stage of these projects will be developed within five years from their initial booking. We estimate that the last compression stage, which accounts for approximately 6% of our proved undeveloped reserves as of December 31, 2013 (representing approximately 2% of our proved reserves as of such date), will be developed within approximately 7 years from its booking date according to expected compression needs based on current (and consequently expected) reservoir behavior.

Internal controls on reserves and reserves audits

All of our oil and gas reserves held in consolidated companies have been estimated by our petroleum engineers. In order to meet the high standard of "reasonable certainty," reserves estimates are stated taking into consideration additional guidance as to reservoir economic producibility requirements, acceptable proved area extensions, drive mechanisms and improved recovery methods, marketability under existing economic and operating conditions and project maturity.

Where applicable, the volumetric method is used to determine the original quantities of petroleum in place. Estimates are made by using various types of logs, core analysis and other available data. Formation tops, gross thickness, and representative values for net pay thickness, porosity and interstitial fluid saturations are used to prepare structural maps to delineate each reservoir and isopachous maps to determine reservoir volume. Where adequate data is available and where circumstances are justified, material-balance and other engineering methods are used to estimate the original hydrocarbon in place.

Estimates of ultimate recovery are obtained by applying recovery factors to the original quantities of petroleum in place. These factors are based on the drive mechanisms inherent in the reservoir, analysis of the fluid and rock properties, the structural position of the reservoir and its production history. In some instances, comparisons are made with similar production reservoirs in the areas where more complete data is available.

Where adequate data is available and where circumstances are justified, material-balance and other engineering methods are used to estimate ultimate recovery. In these instances, reservoir performance parameters such as cumulative production, production rate, reservoir pressure, gas to oil ratio behavior and water production are considered in estimating ultimate recovery.

In certain cases where the above methods could not be used, proved reserves are estimated by analogy to similar reservoirs where more complete data are available.

To control the quality of reserves booking, a process has been established that is integrated into the internal control system of YPF. This process to manage reserves booking is centrally controlled and has the following components:

(a) The Reserves Control Direction (RCD) is separate and independent from the Exploration and Production segment. RCD's activity is overseen by YPF's Audit Committee, which is also responsible for supervising the procedures and systems used in the recording of and internal control over the Company's hydrocarbon reserves. The primary objectives of the RCD are to ensure that YPF's proved reserves estimates and disclosure are in compliance with the rules of the SEC, the Financial Accounting Standards Board (FASB), and the Sarbanes-Oxley Act, and to review annual changes in reserves estimates and the reporting of YPF's proved reserves. The RCD is responsible for preparing the information to be publicly disclosed concerning YPF's reported proved reserves of crude oil, condensate, natural gas liquids, and natural gas. In addition, the RCD is also responsible for providing training to personnel involved in the reserves estimation and reporting process within YPF. The RCD is managed by and staffed with individuals that have an average of more than 20 years of technical experience in the petroleum industry, including in the classification and categorization of reserves under the SEC guidelines. The RCD staff includes several individuals who hold advanced degrees in either engineering or geology, as well as individuals who hold bachelor's degrees in various technical studies. Several members of the RCD are registered with or affiliated to the relevant professional bodies in their fields of expertise.

(b) The Reserves Control Director, head of the RCD since January 2013, who is responsible for overseeing the preparation of the reserves estimates and reserves audits conducted by third party engineers. The current director has over 17 years of experience in geology and geophysics, reserves estimates, project development, finance and general accounting regulation. Over the past six years, he has been Regional Director responsible for the operation and development of YPF's operated fields at Cuyana and North of Neuquina Basins, in western Argentina. He holds a degree in geology from Universidad Nacional de Tucumán, and postgraduate courses at IAE Universidad Austral. Consistent with our internal control system requirements, the Reserves Control Director's compensation is not affected by changes in reported reserves.

(c) A quarterly internal review by the RCD of changes in proved reserves submitted by the Exploration and Production business unit and associated with properties where technical, operational or commercial issues have arisen.

(d) The Quality Reserve Coordinator (QRC), who is a professional assigned at each Exploration and Production business unit of YPF to ensure that there are effective controls in the proved reserves estimation and approval process of the estimates of YPF and the timely reporting of the related financial impact of proved reserves changes. Our QRCs are responsible for reviewing proved reserves estimates. The qualification of each QRC is made on a case-by-case basis with reference to the recognition and respect of such QRC's peers. YPF would normally consider a QRC to be qualified if such person (i) has a minimum of 10 years of practical experience in petroleum engineering or petroleum production geology, with at least five years of such experience in charge of the estimate and evaluation of reserves information, and (ii) has either (A) obtained, from a college or university of recognized stature, a bachelor's or advanced degree in petroleum engineering, geology or other related discipline of engineering or physical science, or (B) received, and is maintaining in good standing, a registered or certified professional engineer's license or a registered or certified professional geologist's license, or the equivalent thereof, from an appropriate governmental authority or professional organization.

(e) A formal review through technical review committees to ensure that both technical and commercial criteria are met prior to the commitment of capital to projects.

(f) Our Internal Audit Team, which examines the effectiveness of YPF's financial controls, designed to ensure the reliability of reporting and safeguarding of all the assets and examining YPF's compliance with the law, regulations and internal standards.

(g) All volumes booked are submitted to a third party reserves audit on a periodic basis. The properties selected for a third party reserves audit in any given year are selected on the following basis:

i. all properties on a three year cycle, and

ii. recently acquired properties not submitted to a third party reserves audit in the previous cycle and properties with respect to which there is new information which could materially affect prior reserves estimates.

For those areas submitted to third party reserves audit, YPF's proved reserves figures have to be within 7% or 10 mmboe of the third party reserves audit figures for YPF to declare that the volumes have been ratified by a third party reserves audit. In the event that the difference is greater than the tolerance, YPF will re-estimate its proved reserves to achieve this tolerance level or should disclose the third party figures.

In 2013, IHS Global Canada Inc. audited areas non operated and operated by YPF in the Neuquina, Golfo San Jorge and Cuyana basins and DeGolyer and MacNaughton audited non operated areas in the United States. These audits were performed as of September 30, 2013, with the exception of Manantiales Behr, Restinga Alí, Río Mayo, Sarmiento, and Zona Central-Bella Vista which was audited as of December 31, 2013. Audited fields as of September 30, 2013 contain in aggregate, according to our estimates, 281.2 mmboe proved reserves (102.2 mmboe of which were proved undeveloped reserves) as of such date, which represented approximately 25.5% of our proved reserves and 38.6% of our proved undeveloped reserves as of September 30, 2013. In addition, the Manantiales Behr, Restinga Alí, Río Mayo, Sarmiento, and Zona Central-Bella Vista Fields, which were audited as of December 31, 2013, contain in aggregate, according to our estimates, 37.6 mmboe proved reserves (3.9 mmboe of which were proved undeveloped reserves) as of such date, which represented approximately 3.5% of our proved reserves and 1.5% of our proved undeveloped reserves as of December 31, 2013. A copy of the related reserves audit reports are filed as Exhibits to this annual report.

We are required, in accordance with Resolution S.E. No. 324/06 of the Argentine Secretariat of Energy, to annually file by March 31 details of our estimates of our oil and gas reserves and resources with the Argentine Secretariat of Energy, as defined in that resolution and certified by an external auditor. The aforementioned certification and external audit only have the meaning established by Resolution S.E. No. 324/06, and are not to be interpreted as a certification or external audit of oil and gas reserves under SEC rules. We last filed such a report for the year ended December 31, 2013. Estimates of our oil and gas reserves filed with the Argentine Secretariat of Energy are materially higher than the estimates of our proved oil and gas reserves contained in this annual report mainly because: (i) information filed with the Argentine Secretariat of Energy includes all properties of which we are operators, irrespective of the level of our ownership interests in such properties; (ii) information filed with the Argentine Secretariat of Energy includes other categories of reserves and resources different to proved reserves that are not included in this annual report, which contains estimates of proved reserves consistent with the SEC's guidance; and (iii) the definition of proved reserves under Resolution S.E. No. 324/06 is different from the definition of "proved oil and gas reserves" established in Rule 4-10(a) of Regulation S-X. Accordingly, all proved oil and gas reserve estimates included in this annual report reflect only proved oil and gas reserves consistent with the rules and disclosure requirements of the SEC.

Oil and gas production, production prices and production costs

The following table shows our oil (including crude oil, condensate and natural gas liquids) and gas production on an as sold and daily basis for the years indicated. In determining net production, we exclude royalties due to others, whether payable in cash or in kind, where the royalty owner has a direct interest in such production and is able to make lifting and sales arrangements independently. By contrast, to the extent that royalty payments required to be made to a third party, whether payable in cash or in kind, are a financial obligation, or are substantially equivalent to a production or severance tax, they are not excluded from our net production amounts despite the fact that such payments are referred to as "royalties" under local rules. This is the case for our production in Argentina, where royalty expense is accounted for as a production cost.

Oil production [(1)(2)]	***2013***	***2012***	***2011***
		(mbbl/d)	
Consolidated Entities			
South America			
Argentina	279	274	272
North America			
United States	1	1	1
Total Consolidated Entities	280	275	273
Equity-Accounted Entities			
South America			
Argentina	1	1	1
Total Equity-Accounted Entities	1	1	1
Total Oil Production [(3)]	**281**	**276**	274

Natural gas production [2]	2013	2012	2011
		(mmcf/d)	
Consolidated Entities			
South America			
Argentina	1,018	1,001	1,049
North America			
United States	2	2	3
Total Consolidated Entities	1,020	1,003	1,052
Equity-Accounted Entities			
South America			
Argentina	14	26	38
Total Equity-Accounted Entities	14	26	38
Total Natural Gas Production [4][5]	**1,034**	**1,029**	**1,090**

Oil equivalent production [2][6]	2013	2012	2011
		(mboe/d)	
Consolidated Entities			
Oil	280	275	273
Natural gas	182	179	187
Equity-Accounted Entities			
Oil	1	1	—
Natural gas	2	5	7
Total Oil Equivalent Production	**465**	**459**	**467**

* Not material (less than 1)

(1) Includes crude oil, condensate and natural gas liquids.

(2) Loma La Lata Central and Loma La Lata Norte (southern and northern parts of Loma La Lata Field) in Argentina contain approximately 18% of our total proved reserves expressed on an oil equivalent barrel basis. Oil production in these fields was 11, 15 and 15 mmbbl for the years ended December 31, 2013, 2012 and 2011 respectively. Natural gas production in the Loma La Lata field was 110, 159 and 182 bcf for the years ended December 31, 2013, 2012 and 2011 respectively.

(3) Oil production for the years 2013, 2012 and 2011 includes an estimated approximately 15, 13 and 12 mmbbl, respectively, of crude oil, condensate and natural gas liquids in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax. Equity-accounted entities' production of crude oil, condensate and natural gas liquids in respect of royalty payment which are a financial obligation, or are substantially equivalent to a production or similar tax, is not material.

(4) Natural gas production for the years 2013, 2012 and 2011 includes an estimated approximately 47, 48 and 48 bcf, respectively, of natural gas in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax. Equity-accounted entities production of natural gas in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax, is not material.

(5) Does not include volumes consumed or flared in operation and inventory changes (whereas sale volumes shown in the reserves table included in "Supplemental Information on Oil and Gas Exploration and Production Activities—Oil and Gas Reserves" include such amounts).

(6) Volumes of natural gas been converted to an oil equivalent basis at 5.615 mcf per barrel.

The composition of the crude oil produced by us in Argentina varies by geographic area. Almost all crude oil produced by us in Argentina has very low or no sulfur content. We sell substantially all the crude oil we produce in Argentina to our Refining and Marketing business segment. Most of the natural gas produced by us is of pipeline quality. All of our gas fields produce commercial quantities of condensate, and substantially all of our oil fields produce associated gas.

The following table sets forth the average production costs and average sales price by geographic area for 2013, 2012, and 2011:

Production costs and sales price	*Total*	*Argentina*	*United States*
		(Ps./boe)	
Year ended December 31, 2013			
Lifting costs	88.02	88.02	88.52
Local taxes and similar payments[1]	5.55	5.58	—
Transportation and other costs	19.89	19.88	21.96
Average production costs	113.46	113.48	110.48
Average oil sales price	393.62	392.77	541.74
Average natural gas sales price	72.39	72.37	108.12
Year ended December 31, 2012			
Lifting costs	66.22	65.89	65.09
Local taxes and similar payments[1]	3.24	3.26	—
Transportation and other costs	19.50	19.51	17.54
Average production costs	88.97	88.66	82.63
Average oil sales price	288.71	317.11	466.75
Average natural gas sales price	54.78	60.33	92.12
Year ended December 31, 2011			
Lifting costs	48.24	48.24	48.93
Local taxes and similar payments[1]	2.03	2.04	—
Transportation and other costs	15.25	15.23	18.07
Average production costs	65.52	65.51	67
Average oil sales price	245.86	244.69	412.19
Average natural gas sales price	55.24	55.21	111.74

(1) Does not include *ad valorem* and severance taxes, including the effect of royalty payments which are a financial obligation or are substantially equivalent to such taxes, in an amount of approximately Ps.32.77 per boe, Ps.25.10 per boe and Ps.19.50 per boe per boe for the years ended December 31, 2013, 2012 and 2011, respectively.

Drilling activity in Argentina

The following table shows the number of wells drilled by us or consortiums in which we had a working interest in Argentina during the periods indicated.

Wells Drilled in Argentina[1]	*For the Year Ended December 31,*		
	2013	*2012*	*2011*
Gross wells drilled[2]			
Exploratory			
Productive	38	33	18
Oil	30	27	17
Gas	8	6	1
Dry	3	5	4
Total	41	38	22
Development			
Productive	728	468	553
Oil	664	455	529
Gas	64	13	24
Dry	2	2	8
Total	730	470	561
Net wells drilled[3]			
Exploratory			
Productive	29	24	15
Oil	25	21	14
Gas	4	3	1
Dry	3	4	2
Total	32	28	17

Development			
Productive	679	441	494
Oil	624	430	485
Gas	55	11	9
Dry	2	1	8
Total	681	442	502

(1) "Gross" wells include all wells in which we have an interest. In addition to wells drilled in Argentina, we participated in the drilling of the following "gross" wells in North America: one exploratory well which was abandoned due to technical reasons in 2011; and nine development wells during the last four years, seven of which were productive. In 2012, we completed a side-track of an off-shore development well not in production for technical reasons and a successful workover of an off-shore development well.

(2) "Gross" wells include all wells in which we have an interest.
(3) "Net" wells equals gross wells after deducting third-party interests. In addition to wells drilled in Argentina, "net" wells drilled in North America round to one well.

Exploration & Production Activity in Argentina

During 2013, our main exploratory and development activities in Argentina have had the following principal focus:

1. Operated Areas - Exploratory Activities

During 2013, our main exploratory activities in Argentina were principally focused on:

1.1. Onshore:

- *Unconventional oil and gas:*

We continued with the regional exploration of the Vaca Muerta formation, oriented towards the characterization of productivity of the shale oil, wet gas and dry gas in different areas of the basin.

- *Shale oil:*

Neuquina Basin. Exploration continued along the shale oil strip, in an attempt to define intermediate control points of productivity, all while complying with the contractual commitments of the exploratory JOAs ("Joint Operation Agreements") of the 2nd and 3rd bidding rounds in the province of Neuquén.

Positive results were obtained in La Amarga Chica.x-4, La Caverna.x-4 and La Caverna.e-6 (Bandurria block) and Meseta Buena Esperanza.x-2002 (operated by Apache Corporation) wells. These results, together with the positive results of the Narambuena.x-8, San Roque.xp-1008 and San Roque.xp-1010 (operated by Total S.A.) wells confirmed the productivity of the Vaca Muerta formation at various points of the basin.

Golfo San Jorge Basin. During 2013, the El Trebol xp-914 well was drilled to initiate exploration of the Neocomian play, the most western area of the Golfo San Jorge basin. The exploration of the Neocomian play is expected to be completed during 2014.

- *Shale gas:*

Neuquina Basin. During 2013, we continued with the regional definition in the shale gas strip area. Positive results were obtained in the following wells: Cerro Arena.x-5, Las Tacanas.x-1, Pampa de las Yeguas I.x-1 (operated by us) and Aguada Pichana.e-1007, Pampa de las Yeguas II.x-1 (operated by Total S.A.). Data integration is in progress to define sweet spot distribution.

- *Tight gas:*

Neuquina Basin. Exploration of the Basin Center Gas System play started with the Lajas Este.x-1 well and is expected to yield results in the first half of 2014.

- *Conventional oil and gas:*
  - *Productive basins*

Chachahuén Block: The evaluation of this block's potential is ongoing. In 2013, 5 wells were drilled targeting reservoirs related to the *Neuquen* and *Malargue* groups (a unit that consists of more than one formation). Additionally, the Chachahuén Sur.xp-44 well was drilled, with positive results in the Rayoso and Mulichinco formations.

Based on the results obtained since 2011, the Chachahuen Sur Exploitation block was defined, and was approved by the authorities of the Province of Mendoza in late 2013. We have designed a development plan for this block.

Llancanello R Block: The exploration of this heavy oil field in the south of the Llancanelo block started with drilling three study wells (targeting reservoirs related to the *Neuquen* group), where positive results were achieved.

Puesto Cortadera Block: Two exploration wells targeting gas reservoirs related to the *Rayoso, Los Molles* and *Precuyano* formations, were drilled. Positive results were achieved in the *Los Molles* formation and negative results were achieved in the *Rayoso* and *Precuyano* formations.

Other blocks in the Neuquina Basin: Additionally, during 2013 four exploratory wells were drilled with positive results:

- Cerro Hamaca, La Ollada.x-1 positive in *Rayoso* formation (oil)
- EL Manzano, Mirador del Valle.x-1 positive in *Neuquen* group (oil)
- Loma de la Mina, Los Pajaritos.x-1 positive in *Huitrin* formation (oil)
- Octógono Fiscal, Campamento.xp-491 positive in *Los Molles* formation (oil)

Golfo San Jorge basin: We restarted exploration activity targeting conventional oil and gas reservoirs in the Golfo San Jorge basin by drilling the nine wells described below:

- *Chubut* province: In the *Restinga Ali* and *Manantiales Behr* blocks, 5 exploratory wells were drilled to evaluate gas from the *Salamanca* formation. As of December 31, 2013, positive results were achieved in the Grimbeek Este.x-2 well, while the remaining wells were pending completion.
- *Santa Cruz* province: In the *C° Piedra-C°Guadal Norte, Barranca Yankowsky* and *Los Monos* blocks, four exploratory wells were drilled to evaluate oil and gas from the *Bajo Barreal* and *Castillo* formations, with the following results:
  - Estancia Zabala.x-5 (*C° Piedra-C°Guadal Norte* block) positive,
  - *Barranca Yankowsky* Oeste.x-3 negative,
  - Puesto Osorio.x-2 (*Los Monos*) and C° Piedra Oriental.x-1 (*C° Piedra-C° Guadal Norte*) were pending completion as of December 31, 2013.
- *Shallow gas workovers:* In order to investigate several conventional shallow gas reservoirs, fifteen workovers were conducted (12 in the *Golfo San Jorge* basin and 3 in the *Neuquina* basin). The encouraging results obtained from these workovers allowed us to define development plans for some of the corresponding shallow gas reservoirs.

- *Bordering areas:*

Los Tordillos Oeste Block*:* Starting with the analysis of the 3D seismic data obtained during the last quarter of 2010, the location of two exploratory wells was established in the Los Tordillos Oeste block, (located in the province of Mendoza), in association with Sinopec Argentina (formerly Occidental Exploration and Production Inc.), with YPF and Sinopec Argentina each holding a 50% working interest in the project. During 2013, the environmental resolution authorizing the drilling of both wells was obtained. The wells are expected to be drilled during 2014.

Gan Gan (CCA-1) block: In early 2013, Wintershall Energía (holder of a 25% working interest in the project) informed us (as holder of a 75% working interest in, and operator of, the project) that Wintershall Energia intended to withdraw from the JV. We informed the Chubut province authorities of our intention to proceed with activities in the second exploratory period. The main goal is to define the remaining potential by finishing field studies and modeling.

CGSJ V/A block: We (as holder of a 75% working interest in the project) and Wintershall Energía (as holder of a 25% working interest in the project) informed the Chubut province authorities of our decision to relinquish the block due the lack of exploration potential.

Bolsón del Oeste block: Inside the Bolsón del Oeste block (in the province of La Rioja), entirely operated by us, the Guandacol es-1 well was drilled in order to evaluate the sediment column from the Tertiary and Paleozoic ages. Although the well was drilled to a final depth of 3700 meters, the well's objective could not be achieved. We decided not to continue with the third exploratory period and, as a result, the block was relinquished to the province.

1.2. Offshore:

- Shallow Waters. The evaluation of the E2 block continues (currently operated by ENAP Sipetrol, with a working interest of 33%, and in which we and Energía Argentina S.A. ("ENARSA") each also hold a 33% working interest), in search of new exploration opportunities. We, along with our partners, are currently conducting the regional studies necessary to support new exploration opportunities. Also, YPF is evaluating the remaining area of the Austral basin.
- Deep Waters. We are currently participating in three blocks:
  - CAA-46. The last exploration period in respect of this block expired in April 2013. We are evaluating alternatives to propose to *Secretaria de Energía* ("SEN") to continue exploring the area.
  - E-1. We hold a 35% working interest in this Colorado basin block, while ENARSA, Petrobras Argentina and Petrouruguay have 35%, 25% and 5% working interests, respectively. To complete the evaluation of the block a new 2D seismic survey was scheduled for 2014.
  - E3. We hold a 30% working interest in this Colorado basin block, while ENARSA and Petrobras Argentina each holds a 35% working interest. During 2013, geological and geophysical studies were carried out in order to define the location of a 2D seismic survey. The seismic acquisition is expected to be conducted in 2014.

2. Operated Areas - Development activities

During 2013 our main development activities in Argentina were principally focused on:

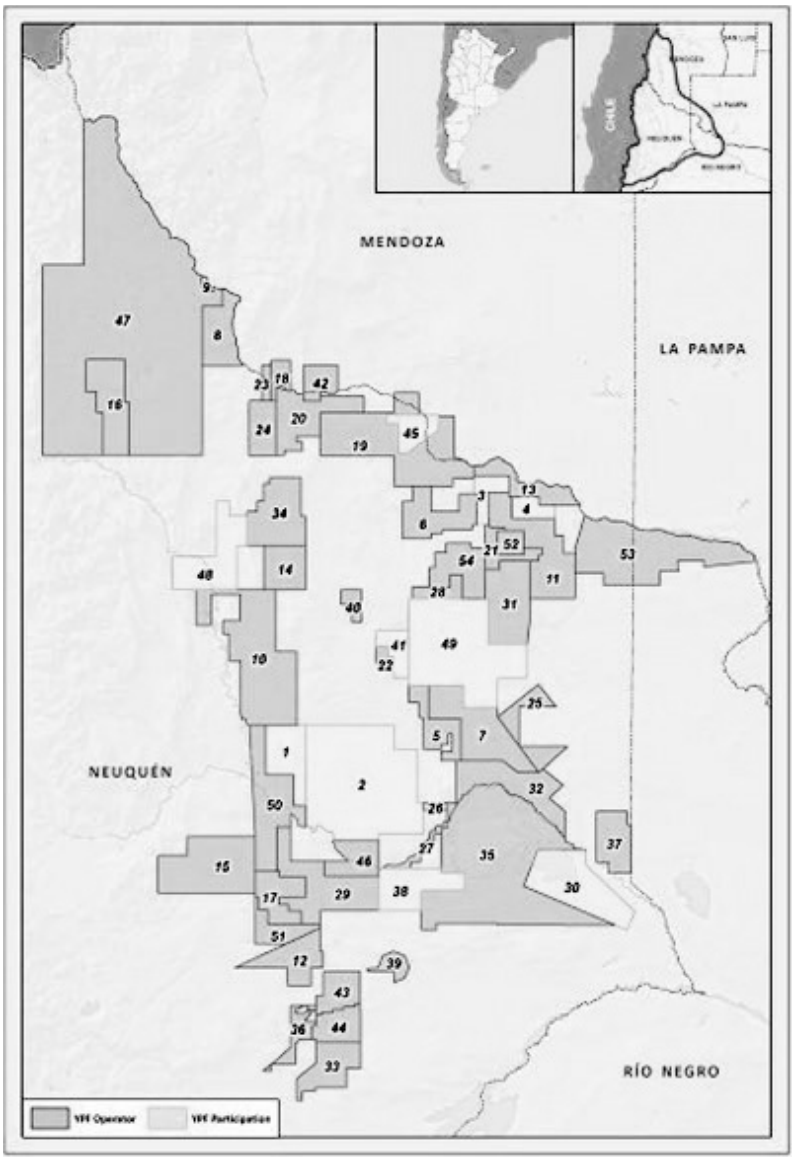
2.1. Neuquén - Río Negro:

During 2013, our development activities were focused on gas development in addition to oil development, including a massive development plan for tight sand gas from the Lajas formation.

In the Octógono field, an oil development project on basement formation was executed by drilling 14 exploitation wells. Although the Octógono field is the oldest field in the Neuquina basin, this oil development project increased the oil production of the field over 10 times compared to the field's production before the implementation of the project, to 270 m3/d of oil.

As part of our strategy to maximize oil production, we continued working on secondary recovery efforts for the Aguada Toledo – Sierra Barrosa field, with the addition of 39 wells and 3 water injectors. Additionally, we built new facilities and renovated old ones in order to increase the injection and product evacuation capacity of the Aguada Toledo – Sierra Barrosa field. By the end of 2014, we expect to double the daily volume of water injection. Finally, there have been advancements with respect to Aguada Toledo – Sierra Barrosa field in the plan for the development of tight gas from the Lajas formation. As of December 31, 2013, 17 wells were put into production with 9 additional wells pending completion. The advancements in the plan for development of tight gas from the Lajas formation resulted in over 2 Mm3/d of natural gas production in December 2013.

Neuquen YPF Concession



1 AGUADA DE CASTRO; 2 AGUADA PICHANA;3 APON I (LA BANDA I); 4 APON II (LA BANDA II); 5 BAJADA DE AÑELO; 6 BAJO DEL TORO; 7 BANDURRIA; 8 BUTA RANQUIL I; 9 BUTA RANQUIL II; 10 CERRO ARENA; 11 CERRO AVISPA; 12 CERRO BANDERA; 13 CERRO HAMACA; 14 CERRO LAS MINAS; 15 CERRO PARTIDO; 16 CHAPUA ESTE; 17 CHASQUIVIL;18 CHIHUIDO DE LA SALINA SUR; 19 CHIHUIDO DE LA SIERRA NEGRA; 20 CORRALERA; 21 DON RUIZ; 22 EL OREJANO; 23 EL PORTON; 24 FILO MORADO; 25 LA AMARGA CHICA; 26 LA RIBERA I; 27LA RIBERA II; 28 LAS MANADAS (CALANDRIA MORA): 29 LAS TACANAS; 30 LINDERO ATRAVESADO; 31 LOMA AMARILLA; 32 LOMA CAMPANA; 33 LOMA DEL MOJON; 34 LOMA DEL MOLLE; 35 LOMA LA LATA - SIERRA BARROSA; 36 LOS CANDELEROS; 37 MATA MORA; 38 MESETA BUENA ESPERANZA; 39 OCTOGONO; 40 PAMPA DE LAS YEGUAS I; 41 PAMPA DE LAS YEGUAS II; 42 PASO DE LAS BARDAS NORTE; 43 PORTEZUELO MINAS; 44 PUESTO CORTADERA (PIEDRA CHENQUE); 45 PUESTO HERNANDEZ; 46 RINCON DEL MANGRULLO; 47 RIO BARRANCAS; 48 SALINAS DEL HUITRIN; 49 SAN ROQUE; 50 SANTO DOMINGO I; 51 SANTO DOMINGO II; 52 SEÑAL CERRO BAYO; 53 SEÑAL PICADA - PUNTA BARDA; 54 VOLCAN AUCA MAHUIDA.

The Lajas tight gas project was originally a joint venture (referred to herein by its Spanish-language acronym as a "UTE") between us and Potasio Rio Colorado. Potasio Rio Colorado subsequently announced its withdrawal from the UTE, which triggered our right to continue the project at our own risk. See "Item 4. Information on the Company— Exploration and Production Overview— Meeting the challenge of the mature oil and gas fields." In order to continue with analysis of the power of tight gas from the Lajas formation in other areas, wells were drilled in the El Triángulo and El Cordón fields during 2013. We are in process of evaluating the productivity of these fields.

In the Loma de la Lata field, which is our largest gas producing field, we have made improvements to our facilities to continue with the low pressure operation project. In addition, compression at the Loma de la Lata field was increased by adding 138 new compressors. Moreover, a plunger lift installation program was implemented to improve the field's production. During 2013, infill wells were drilled and completed according to expected results, continuing with the development of the Sierras Blancas formation. Additionally, in order to continue with the development of other productive formations of the field, a well to the Lotena formation was drilled and is pending completion.

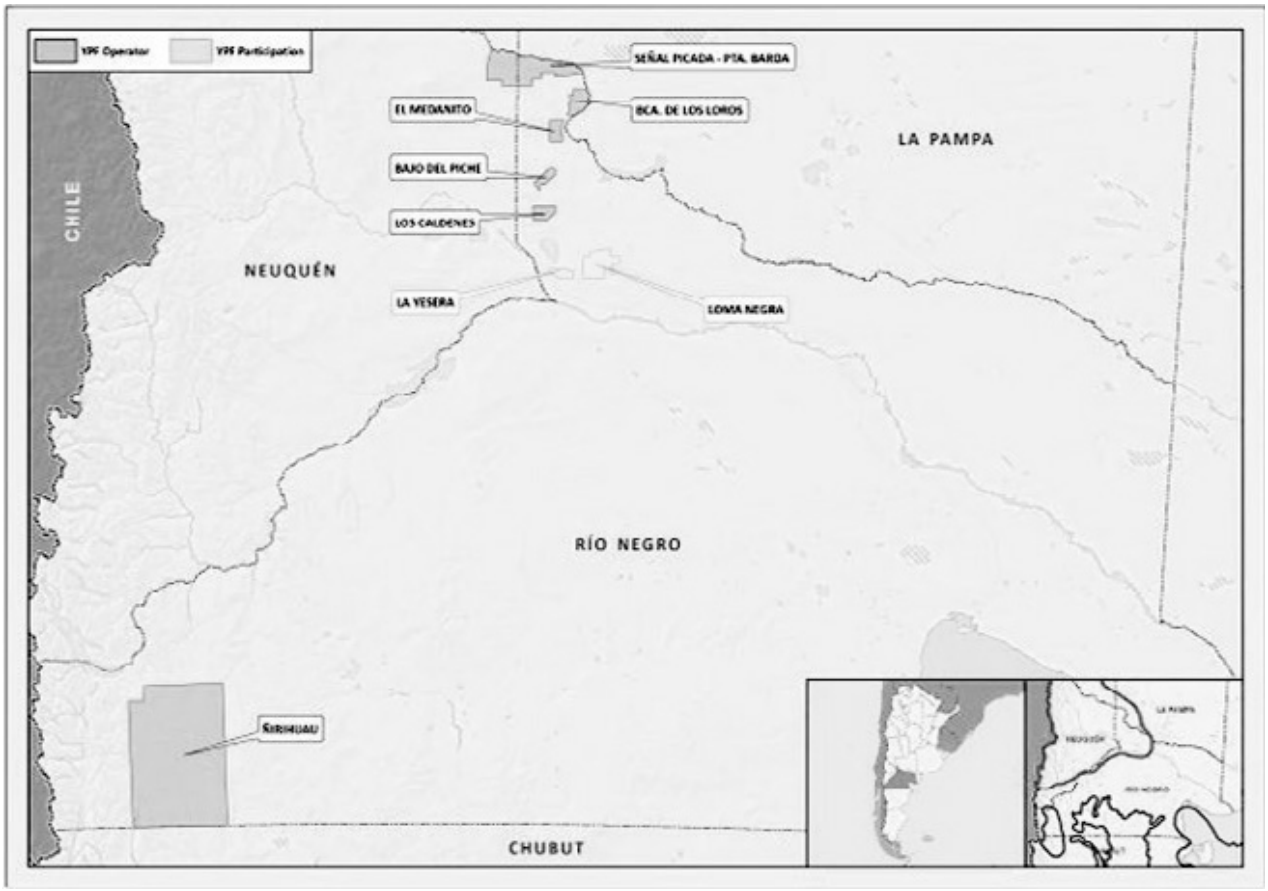
During 2013, the activities related to enhanced oil recovery projects continued in the Chihuido de la Sierra Negra field. An integrated reservoir study and laboratory test were completed during 2013 and a single well chemical tracer test is scheduled to be performed during first quarter 2014. This test will be defined by one workover and the drilling of eight wells (four producers and four injectors). Also, we plan to evaluate new opportunities in this field by drilling three appraisal wells to the west of the main field along with a workover plan to the west and to deeper horizons.

Continuing with the appraisal of the Centenario formation in the Volcan Auca Mahuida field, three new wells were completed during 2013, with an average oil production of 270 bpd per well. In 2014, we expect that eight new wells will be drilled and seven workover operations will be undertaken.

The discovery of the Cerro Hamaca Noroeste field in late 2012 resulted in a drilling campaign of four appraisal wells and two exploitation wells during the second half of 2013. The new field is located in the Cerro Hamaca block and is operated by us, with a 100% working interest in the project. Monthly oil production of the block increased by 47%, up to 786 bopd in January 2014 compared to September 2013. Nine new exploitation wells have been planned for 2014. Water injection is scheduled to begin in 2015.

In Piedras Negras, a gas field located in the province of Neuquén, we drilled one new well in order to supply gas to the existing power station located in Señal Picada. In addition, a new power station is scheduled to be installed in Piedras Negras during the first quarter of 2014. This new plant would enable us to supply Señal Picada and Punta Barda fields with electricity, without having to purchase power on the open market. During 2014, we plan to continue our efforts to delineate the gas accumulation in the Piedras Negras field.

Rio Negro YPF Concession



During 2013, we continued with the optimization of existing waterflooding projects in the Señal Picada field, located in the province of Río Negro. Sixteen new wells were drilled and workovers in existing wells were also performed. We also increased water injection in the Señal Picada field by renovating certain of our facilities. We also started an infill project in the Punta Barda field with nine wells drilled and eleven workovers in 2013. This project resulted in a 28% increase in monthly oil production in December 2013 compared to September 2013.

2.2. Mendoza Norte:

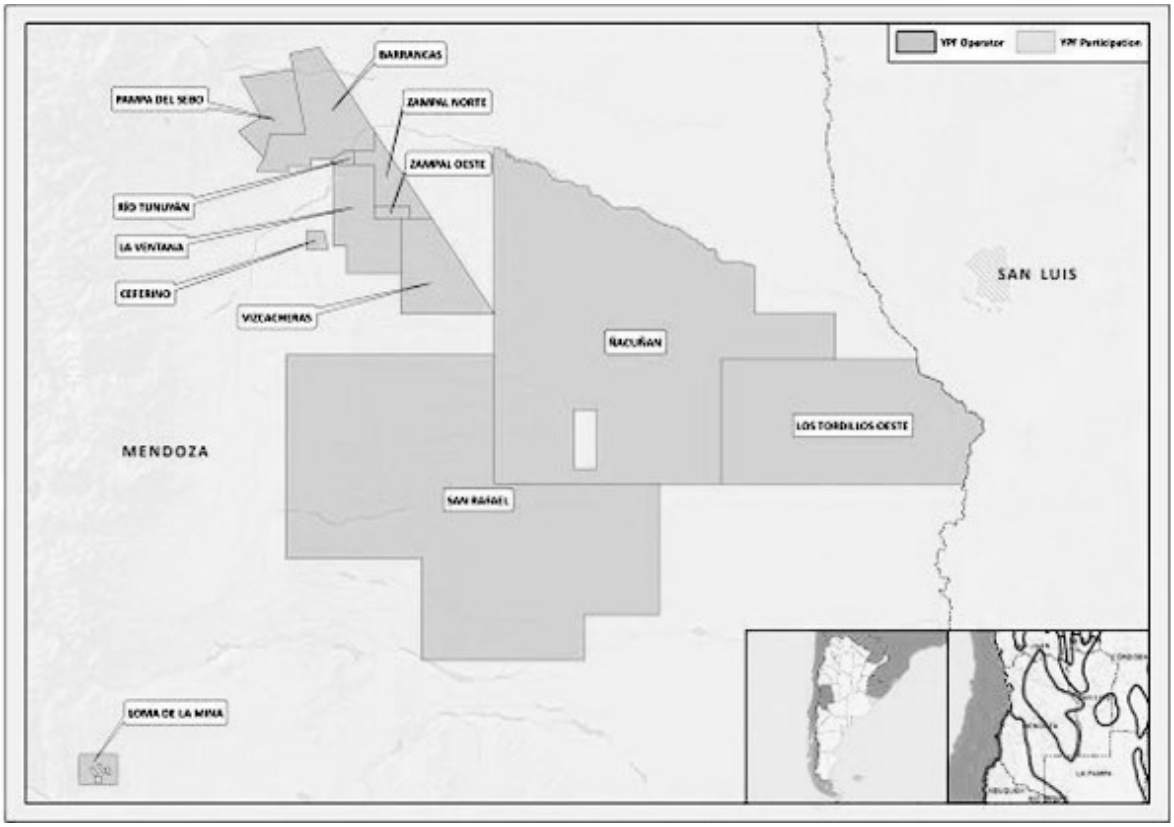
During 2013, we worked to improve the waterflooding project in the Barrancas area of the Conglomerado Rojo Inferior formation by drilling nine new wells (6 producers and 3 injectors), reconditioning 17 existing wells, undertaking 17 workovers and launching a nano spheres injection pilot project. The nano spheres injection technique consists of injecting polyacrylamide in order to improve the area of sweep toward the producing wells, thereby increasing the oil recovery factor.

In the Vizcacheras field, 20 new development wells were drilled targeting the Papagayos and Barrancas formations. The workover activity (18 wells) was focused on primary recovery from the Papagayos formation.

In the Llancanelo field, three wells were drilled, which facilitated our collection of updated production information, and enabled us to evaluate and analyze the field's production based on updated static and dynamic models.

In the Valle de Rio Grande field, three wells were drilled and five workovers were performed, principally targeting the Vaca Muerta formation.

Mendoza Norte YPF Concession



2.3. Mendoza Sur:

During 2013, we drilled one well and two workovers were performed in the lower Troncoso member of the Huitrin formation in the Chihuido de la Salina South field, while one horizontal well was drilled in the Chihuido de la Salina South Central field.

In the Filo Morado oil field, workover activities were focused on four repairs. Additionally, an advanced well was drilled to investigate the potential of the Vaca Muerta and Agrio fractured reservoirs.

In the Ruca Carmelo field, two development wells were drilled in the Troncoso formation of the Rincon de Correa field. Additionally, we gathered data to evaluate the potential for oil in the Mulichinco formation.

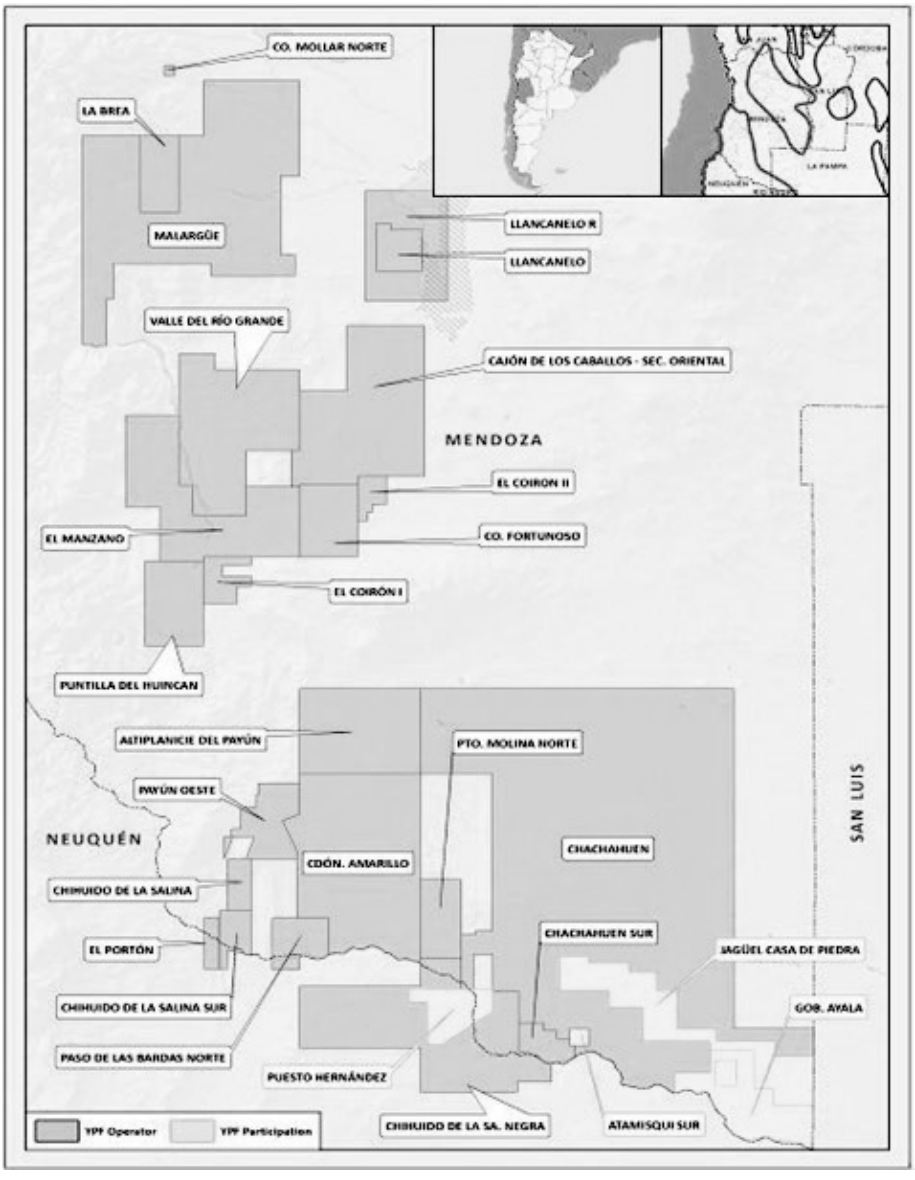
In the Porton field, 11 workovers were completed, incorporating the production of the lower Troncoso formation and expanding productivity by means of new pricks and stimulation of horizontal wells using coil tubing equipment.

In the Desfiladero Bayo field, three infill wells were drilled in the Rayoso, Troncoso bottom and Agrio formations to keep the field in compliance with the level of injection required by our plan of development. In addition, 36 workovers were completed to that end.

Twenty six new development wells were drilled in the Chachahuen South field in the Rayoso formation, and three advanced wells were drilled with positive results in the North and East portions of the field.

We continued with the development of the North block in the Cañadon Amarillo field, with two new wells drilled, and conducted twelve workovers.

Mendoza Sur YPF Concession

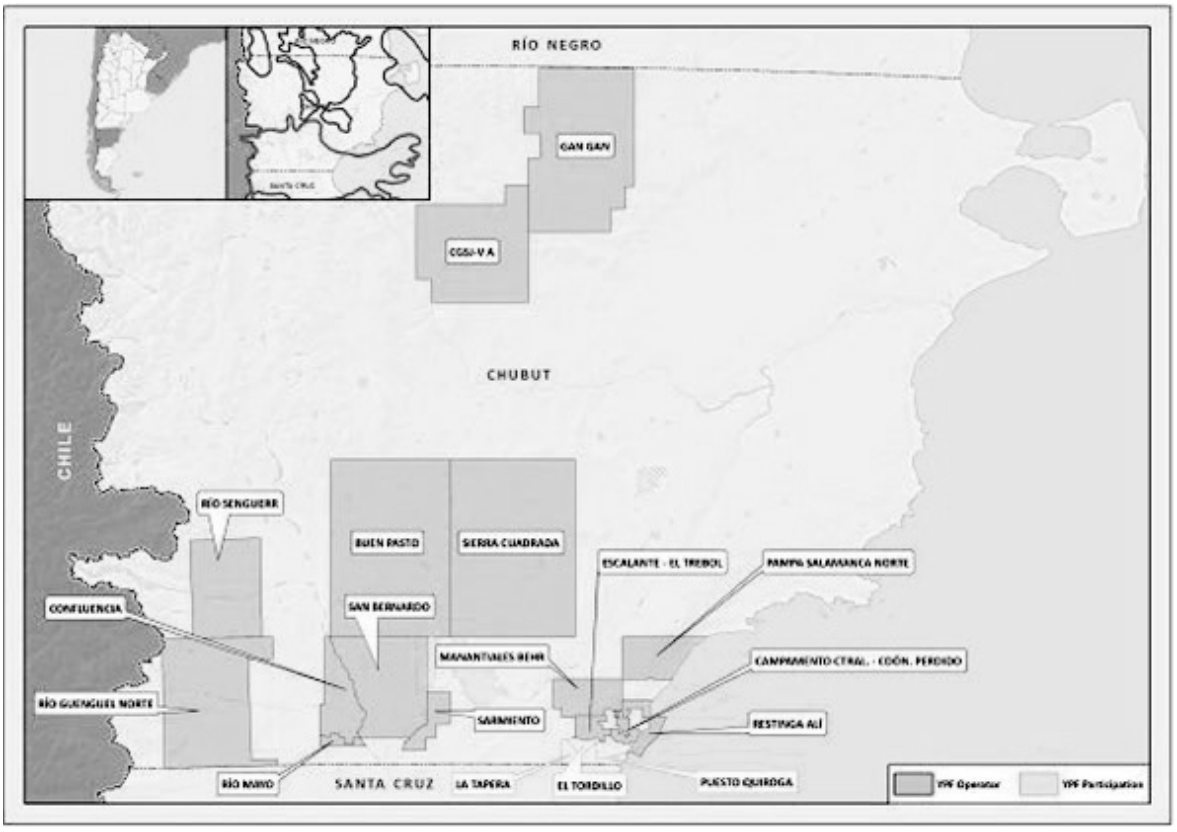


2.4. Chubut

In the Manantiales Behr concession, our main projects included the La Carolina, El Alba and Grimbeek fields. During 2013, sixty five wells were drilled, with good results. Additionally, seventy five workovers were completed with very positive results. Furthermore, operations at the Myburg V water treatment plant were started up in early 2013.

The polymer injection pilot project at the Grimbeek field started with a standard waterflooding and is currently in an advanced stage. We expect to initiate polymer injection when secondary oil recovery is stabilized, which we expect to occur during the first half of 2014. We expect to continue to develop the entire Manantiales Behr area by expanding our waterflooding efforts and using enhanced oil recovery methods.

Chubut YPF Concession



We also experienced growth in the production of our other hydrocarbon assets in the province of Chubut. Oil production from the El Trébol – Escalante area increased by approximately 10% during 2013 compared to 2012 due to waterflooding optimization and discovery of certain small sweet spots on deeper structures. Oil production from the Zona Central – Cañadón Perdido concession increased by nearly 30% during 2013 compared to 2012, primarily as a result of the positive results of the Bella Vista Sur primary project. Additionally, our concession of the Restinga Alí block was reactivated with very promising development prospects.

Overall, our oil production from the province of Chubut grew to historic levels, with an almost 7% increase in oil production in 2013 compared to 2012.

Recently, our board of Directors approved the "Agreement for the Implementation of a Commitment of Activity and Investment in Hydrocarbon Areas in the Province of Chubut" with the Province of Chubut (the "Extension Agreement") with the objective of extending the original term of the exploitation concessions identified below, starting from the expiration of their original granted terms.

The Extension Agreement signed by YPF and the Province of Chubut establishes, among others, the following terms:

- Concessions included: Restinga Alí, Sarmiento, Campamento Central – Cañadón Perdido, Manantiales Behr and El Trébol – Escalante.
- Extension of the concessions: The exploitation concessions that would have expired in 2017 (Campamiento Central – Cañadón Perdido y El Trébol – Escalante), 2015 (Restinga Alí) and 2016 (Manantiales Behr) are extended by a term of 30 years.

By signing the Extension Agreement YPF assumed, among others, the following commitments: (i) pay an Extension Bond of U.S.$30 million; (ii) pay to the Province of Chubut the Compensation Bond for the Sustainable Development of Hydrocarbons in accordance with the provisions of Arts. 16 and 69 to 73 of Law XVII – 102 of the Province of Chubut, equivalent to 3% of the wellhead value defined in accordance with the provisions of articles 59 and 62 of Law 17.319 and the complementary rules; (iii) comply with a minimum investment commitment in the concessions covered by the Extension Agreement during period of 2018 to 2027, inclusive; (iv) maintain a minimum number of drilling and work-over rigs contracted and active during the period of 2014 to 2018, inclusive; and (v) make contributions to the municipality of Comodoro Rivadavia for projects developed within the area.

ENAP Sipetrol S.A., in its capacity as co-owner of the Campamento Central – Cañadón Perdido exploitation concession (it owns 50% of the concession) signed the Extension Agreement in order to ratify and agree to assume its portion of the commitments in such exploitation concession.

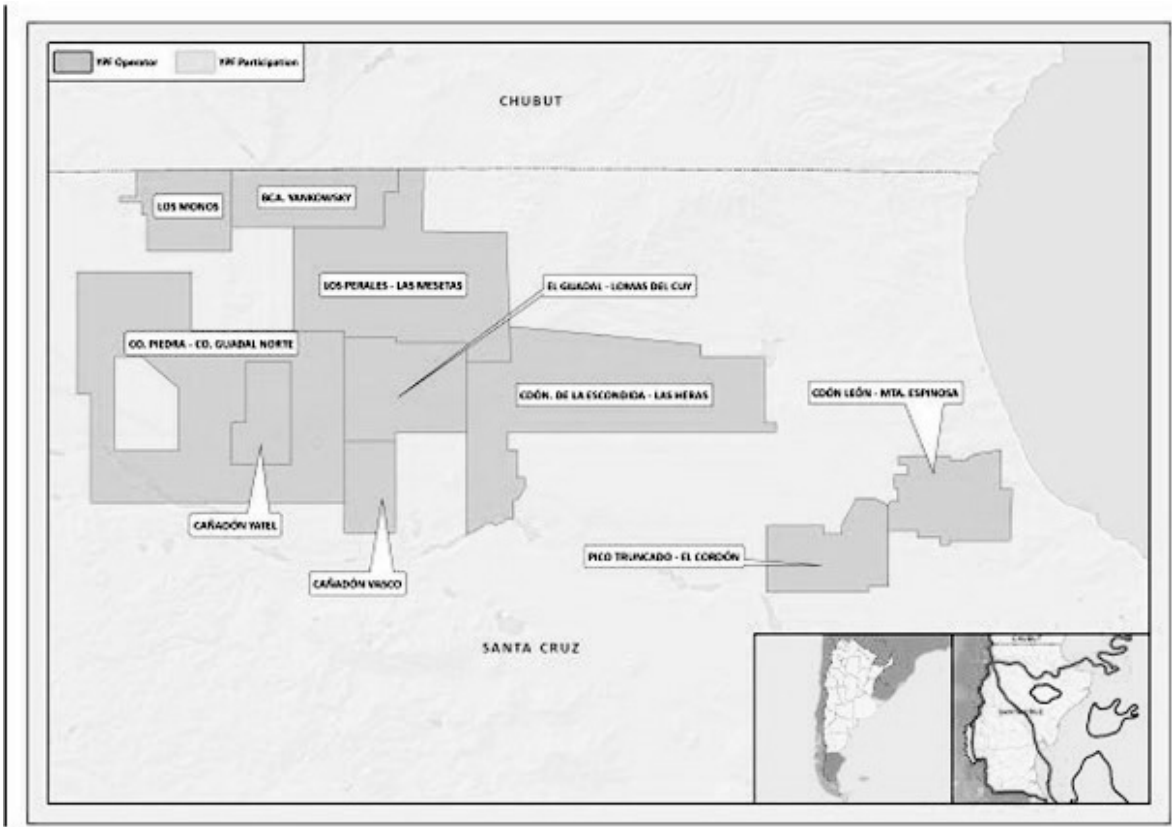
2.5. Santa Cruz

During 2013, nineteen integrated development projects across five major development areas were implemented in the province of Santa Cruz (Las Heras, El Guadal, Los Perales, Pico Truncado and Cañadon Seco), comprising a total portfolio of twenty six projects. The principal integrated projects include the following reserve areas: Cañadón Escondida, Cerro Grande, Cerro Piedra, Seco León y Los Perales, where 246 wells (241 oil wells and five injectors) were drilled and we conducted workovers of 377 wells and associated facilities.

The main objectives of these integrated projects are:

- The comprehensive development of the areas through the drilling of new wells.
- Acquiring the necessary information with electrical logs, rotated plugs and well testing.
- Increasing the recovery factor with new enhanced oil recovery projects.
- Increasing the vertical and areal sweep efficiency.
- Extending horizontal and vertical limits with new appraisal and exploration wells.
- The provision of development support through the appropriate surface facilities.

Santa Cruz YPF Concession



During 2014, we expect to continue with these projects and to increase our portfolio of primary and secondary recovery projects.

3. Non-operated areas

In June 2013, we acquired the 23% working interest previously held by Mobil Argentina S.A. in the Aguaragüe joint venture. As a result of such acquisition, we currently hold a 53% working interest in the joint venture.

In the CNQ 7A block, operated by Petro Andina Resources Argentina SA and in which we hold a 50% working interest, activity during 2013 principally consisted of drilling in edge zones by completing the design development. In addition, we have made significant progress with a polymer injection pilot project, and expect alkalines-surfactants-polymers project testing to begin in 2014.

In the Rio Negro Norte - La Yesera concession, operated by Chevron and in which we hold a 35% working interest, a well in the Western Latigo formation was drilled and put into production in October 2013 with a production of 110 m3/d (approximately 692 boe/d) of oil and a reduction of 10% in usage of water. The drilling of this new well enabled us to reevaluate our model for this reservoir, and we have developed new drilling targets for this concession for 2014.

In the Aguada Pichana - San Roque concession, operated by Total S.A. and in which we hold a 27.27% working interest, five tight natural gas wells were drilled during 2013. The positive results of this project enabled us to target new tight gas sands in the middle of the Mulichinco formation.

In Aguada Pichana, we began drilling the pilot project of 12 shale gas wells so as to evaluate the productive potential of shale gas in the Vaca Muerta formation. In Aguada San Roque, two wells were drilled also to evaluate the productive potential of shale oil in the Vaca Muerta formation.

In the Lindero Atravesado concession, operated by Pan American Energy LLC and in which we hold a 37.5% working interest, thirty nine wells were drilled and are currently in production. This is a tight gas reservoir project targeting the Lajas formation. The project also includes building the corresponding field facilities.

In December 2013, we signed an agreement with the Executive office of the province of Tierra del Fuego in order to extend our concessions in that province, in the CA-7 Los Chorrillos areas, operated by Petrolera Lago Fuego (Apache Corporation) and in which we hold a 30% working interest. The final agreement has been approved by the respective parties and is pending the approval of the provincial legislature. See "—Regulatory Framework and Relationship with the Argentine Government—Negotiation of Extension of Concessions in the province of Tierra del Fuego."

Properties and E&P Activities in rest of the world

1. *United States.*

During 2013, Maxus relinquished a total of 20 blocks, including 3 to the U.S. federal government and 17 to Murphy Oil.

As of December 31, 2013, we had mineral rights in 27 blocks in the United States territorial waters in the Gulf of Mexico, comprised of 24 exploratory blocks, with a net surface area of 557 square kilometers, and three development blocks, with a net surface area of 69.93 square kilometers. Our U.S. subsidiaries' net proved reserves in these properties as of December 31, 2013 were 1.165 mmboe. Our U.S. subsidiaries' net hydrocarbon production in these properties for 2013 was 0.593 mmboe.

The Neptune Field is located approximately 120 miles from the Louisiana coast within the deepwater region of the Central Gulf of Mexico. The unitized field area comprises Atwater Valley Blocks 574, 575 and 618. Our indirect subsidiary, Maxus U.S. Exploration Company, has a 15% working interest in the field. The other joint venture participants are BHP Billiton (35%), Marathon Oil Corp. (30%) and Woodside Petroleum Ltd (20%). BHP Billiton is the operator of the Neptune Field and the associated production facilities. The Neptune reserves are being produced using a standalone, tension leg platform located in Green Canyon Block 613 within 4,230 feet of water. Production began on July 8, 2008. The platform supports seven sub-sea development wells which are tied back to the TLP via a subsea gathering system.

In addition, YPF Holdings has entered into various operating agreements and capital commitments associated with the exploration and development of its oil and gas properties. Such contractual, financial and/or performance commitments are not material. Our operations in the United States, through YPF Holdings, are subject to certain environmental claims. See "—Environmental Matters—YPF Holdings—Operations in the United States."

2. *Chile*

We were selected to operate in two exploratory blocks of the Magallanes basin: (i) San Sebastián, which we will operate and in which we will hold a 40% working interest along with Wintershall (which will hold a 10% working interest) and ENAP (which will hold a 50% working interest); and (ii) Marazzi/Lago Mercedes, which we will operate and in which we will hold a 50% working interest along with ENAP (which will hold a 50% working interest).

Total commitments with respect to the awarded exploration blocks during the first exploratory period include the acquisition of 672 km2 of 3D seismic data and the drilling of 8 exploratory wells. During December 2013, seismic acquisition began in the San Sebastian block.

3. *Colombia.*

Blocks COR12, COR14 and COR33 are located in the Cordillera Oriental basin, which we operate pursuant to authorization by the Colombian National Hydrocarbons Agency (Agencia Nacional de Hidrocarburos, or "ANH"). Our working interest in these blocks ranges from 55% to 60%. The net acreage relating to our working interest in the blocks is 890 km2. We have requested approval from the ANH to farm out our working interest in the COR 12 and COR 33 blocks. Also during 2013, we and our partners *informed* the ANH of our decision to relinquish the COR 14 block.

4. *Paraguay.*

In September 2011, we were awarded 100% of the Manduvira exploration permit. The area covers a surface of 15,475 km2 and is located in the eastern area of Paraguay, within the scope of the Chacoparaná basin. Our main goal in this project is to explore non-conventional resources. In September 2012, the one-year exploration period established by the Manduvira exploration permit expired. We requested a one-year extension of the exploration period from the Ministry of Public Works and Communications in order to finalize our initial exploration. In late 2013, the one-year extension was approved

5. *Peru.*

The process for completing the award of the rights to explore in Blocks 180, 182, 184 y 176 was never completed by Perupetro (the enforcement authority for this bid) and the parties to the consortium formed for such purpose decided to relinquish their rights to continue participating in the process. Said relinquishment was communicated and accepted by Perupetro during 2013.

6. *Uruguay*

6.1 Deep Water Offshore– Punta del Este basin:

- Area 3: We (40% working interest) act as operator, in partnership with Petrobras Uruguay (40% working interest) and Galp (20% working interest). Exploration is in the first geological and geophysical evaluation stage. The main leads were defined. In the last quarter of 2013, 2000 km2 of 3D seismic data acquisition was performed.
- Area 4: We (40% working interest) and Petrobras Uruguay (40% working interest), act as operator, together with Galp (20% working interest). Exploration is in the first geological and geophysical evaluation stage.

6.2 Onshore:

In March 2012, the Arapey exploration permit was awarded in its entirety to us. The block has a surface area of 9,700 km2. Our main goal in this project is to explore unconventional resources. During 2012, 1,600 km2 of 2D seismic data was re-processed, in addition to field visits and geochemical, biostratography and sedimentology studies. Currently, a seismic interpretation study is being conducted and a gravimetry and magnetometry model is being built.

Additional information on our present activities

The following table shows the number of wells in the process of being drilled as of December 31, 2013.

	As of December 31, 2013	
Number of wells in the process of being drilled	*Gross*	*Net*
Argentina	80	78
Rest of South America	—	—
North America	0	0
Total	80	78

Delivery commitments

We are committed to providing fixed and determinable quantities of crude oil and natural gas in the near future under a variety of contractual arrangements.

With respect to crude oil, we sell substantially all of our Argentine production to our Refining and Marketing business segment to satisfy our refining requirements. As of December 31, 2013, we were not contractually committed to deliver material quantities of crude oil in the future.

As of December 31, 2013, we were contractually committed to deliver 24.711 mmcm (or 873 bcf) of natural gas in the future, without considering export interruptible supply contracts, of which approximately 13.762, mmcm (or 486 bcf) will have to be delivered in the period from 2014 through 2016. According to our estimates as of December 31, 2013, our contractual delivery commitments for the next three years could be met with our own production and, if necessary, with purchases from third parties.

However, since 2004 the Argentine government has established regulations for both the export and internal natural gas markets which have affected Argentine producers' ability to export natural gas. Consequently, since 2004 we have been forced in many instances to partially or fully suspend natural gas export deliveries that are contemplated by our contracts with export customers. Charges to income totaling Ps. 174 million, Ps. 212 million and Ps. 88 million have been recorded in 2013, 2012 and 2011, respectively, in connection with our contractual commitments in the natural gas export market.

Among the regulations adopted by the Argentine government, on June 14, 2007, the Argentine Secretariat of Energy passed Resolution No. 599/07, according to which we were compelled to enter into an agreement with the Argentine government regarding the supply of natural gas to the domestic market during the period 2007 through 2011 (the "Agreement 2007-2011"). On January 5, 2012, the Official Gazette published Resolution S.E. No. 172, which temporarily extends the rules and criteria established by Resolution No. 599/07 until new legislation is passed replacing such rules and criteria. On February 17, 2012, we filed a motion for reconsideration of Resolution S.E. No. 172 with the Argentine Secretariat of Energy.

As a consequence of such agreement, YPF has not entered into any contractual commitment to supply natural gas to distribution companies. The purpose of the Agreement 2007-2011 is to guarantee the supply of natural gas to the domestic market at the demand levels registered in 2006, plus the growth in demand by residential and small commercial customers. See "—Regulatory Framework and Relationship with the Argentine Government—Market Regulation" and "Item 3. Key Information—Risk Factors—Risks Relating to Argentina— We are subject to direct and indirect export restrictions, which have affected our results of operations and caused us to declare force majeure under certain of our export contracts." According to our estimates as of December 31, 2013, supply requirements under the Agreement 2007-2011 (which we were compelled to enter into and which was approved by a resolution

that has been challenged by us) could be met with our own production and, if necessary, with purchases from third parties. Additionally, on October 4, 2010, the National Gas Regulatory Authority ("ENARGAS") issued Resolution No. 1410/2010, which approves the "*Procedimiento para Solicitudes, Confirmaciones y Control de Gas*" setting new rules for natural gas dispatch applicable to all participants in the gas industry and imposing new and more severe priority demand gas restrictions on producers. See "—Regulatory Framework and Relationship with the Argentine Government—Market Regulation."

We have appealed the validity of the aforementioned regulations and have invoked the occurrence of a force majeure event (government action) under our export natural gas purchase and sale agreements, although certain counterparties to such agreements have rejected our position. See "Item 8. Financial Information—Legal Proceedings—Argentina-Accrued, probable contingencies—Alleged defaults under natural gas supply contracts."

In addition, on May 3, 2012, the Expropriation Law was passed by Congress. The Expropriation Law declared achieving self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. After the takeover of the Company by the new shareholders in accordance with the Expropriation Law, on August 30, 2012, we approved and announced the Strategic Plan 2013-2017 establishing the basis of our development for the years to come. Such plan intends to reaffirm our commitment to creating a new model for the Company in Argentina which aligns our objectives, seeking profitable and sustainable growth that generates shareholder value, with those of the country, thereby positioning YPF as an industry-leading company aiming at the reversal of the national energy imbalance and the achievement of hydrocarbon self-sufficiency in the long term.

To achieve the goals set forth above, we intend to focus on (i) the development of unconventional resources, which we see as a unique opportunity because a) the expectation related to the existence of large volumes of unconventional resources in Argentina according to estimates of leading reports on global energy resources, b) we currently possess a relevant participation in terms of exploration and exploitation rights on the acreage in which such resources could be located, and c) we believe we can integrate a portfolio of projects with high production potential; (ii) the re-launch of conventional and unconventional exploration initiatives in existing wells and expansion to new wells, including offshore; (iii) an increase in capital and operating expenditures in mature areas with expected higher return and efficiency potential (through investment in improvements, increased use of new perforation machinery and well intervention); (iv) a return to active production of natural gas to accompany our oil production; and (v) an increase in production of refined products through an enhancement of the refining capacity (including improving and increasing our installed capacity and upgrading and converting our refineries). The previously mentioned initiatives have required and will continue to require organized and planned management of mining, logistic, human and financing resources within the existing regulatory framework, with a long-term perspective.

The investment plan related to our growth needs to be accompanied by an appropriate financial plan, whereby we intend to reinvest earnings, search for strategic partners and acquire debt financing at levels we consider prudent for companies in our industry. Consequently, the financial viability of these investments and hydrocarbon recovery efforts will generally depend, among other factors, on the prevailing economic and regulatory conditions in Argentina, the ability to obtain financing in satisfactory amounts at competitive costs, as well as the market prices of hydrocarbon products.

Natural gas supply contracts

The Argentine government has established regulations for both the export and internal natural gas markets which have affected Argentine producers' ability to export natural gas under their contracts. YPF's principal supply contracts are briefly described below.

We were committed to supply a daily quantity of 125 mmcf/d (or 4 mmcm/d) to the Methanex plant in Cabo Negro, Punta Arenas, in Chile (under three agreements which expire between 2017 and 2025). Pursuant to instructions from the Argentine government, deliveries were interrupted from 2007. In connection with these contracts, the Company has renegotiated them and has agreed to make investments, and export gas to temporarily import certain final products, subject to approval by the relevant government authorities, which have been recently obtained. As of the date of this annual report, the Company is fulfilling the agreed commitments mentioned above. To the extent that the Company does not comply with such agreements, we could be subject to significant claims, subject to the defenses that the Company might have.

We currently have several supply contracts with Chilean electricity producers (through the Gas Andes pipeline linking Mendoza, Argentina to Santiago, Chile, which has a transportation capacity of 353 mmcf/d (or 10 mmcf/d) (designed capacity with compression plants)), including:

- a 15-year contract (signed in 1998) to provide 63 mmcf/d (or 1.78 mmcm/d) to the San Isidro Electricity Company (Endesa) in Quillota, Chile (all of this plant's natural gas needs);
- a 15-year contract (signed in 1999) to supply 20% of the natural gas requirements of the electricity company, Colbun (approximately 11 mmcf/d or 0.3 mmcm/d); and

- a 15-year contract (signed in 2003) to supply 35 mmcf/d (or 1 mmcm/d) to Gas Valpo, a distributor of natural gas in Chile.

The contracts with Colbun and Gas Valpo have been modified and became interruptible supply contracts.

We also have a 21-year contract (entered into in 1999) to deliver 93 mmcf/d (or 2.63 mmcm/d) of natural gas to a Chilean distribution company (Innergy) that distributes natural gas to residential and industrial clients through a natural gas pipeline (with a capacity of 318 mmcf/d or 9 mmcm/d) connecting Loma La Lata (Neuquén, Argentina) with Chile, which was modified to become an interruptible supply contract.

Finally, we also have natural gas supply contracts with certain thermal power plants in northern Chile (Edelnor, Electroandina, Nopel and Endesa) utilizing two natural gas pipelines (with a carrying capacity of 300 mmcf/d (or 8.5 mmcm/d) each) connecting Salta, Argentina, to Northern Chile (Región II). The contracts with Edelnor and Electroandina have been modified, becoming interruptible supply contracts.

With respect to Brazil, we entered into a 20-year supply contract in 2000 to provide 99 mmcf/d (or 2.8 mmcm/d) of natural gas to the thermal power plant of AES Uruguaiana Empreendimentos S.A. (AESU) through a pipeline linking Aldea Brasilera, Argentina, to Uruguaiana, Brazil (with a capacity of 560 mmcf/d or 15.8 mmcm/d). In May 2009, AESU notified us of the termination of the contract. We are currently in arbitration with AESU. See "Item 8. Financial Information—Legal Proceedings—Argentina-Accrued, probable contingencies—Alleged defaults under natural gas supply contracts."

Because of certain regulations implemented by the Argentine government (see "—The Argentine natural gas market," below), we could not meet our export commitments and were forced to declare *force majeure* under our natural gas export sales agreements, although certain counterparties have rejected our position (see "Item 8. Financial Information—Legal Proceedings"). As a result of actions taken by the Argentine authorities, through measures described in greater detail under "—Regulatory Framework and Relationship with the Argentine Government—Market Regulation—Natural gas," we have been forced to reduce the export volumes authorized to be provided under the relevant agreements and permits as shown in the chart below:

Year	*Maximum Contracted Volumes (MCV)[1]* (mmcm)	*Restricted Volumes[2]* (mmcm)	*Percentage of Restricted Volumes vs. MCV*
2011	6,120.4	2,785.3	45.5%
2012	6,137.2	2,728.4	44.5%
2013	6,120.4	1,828.3	29.9%

(1) Reflects the maximum quantities committed under our natural gas export contracts. Includes all of our natural gas export contracts pursuant to which natural gas is exported to Chile.
(2) Reflects the volume of contracted quantities of natural gas for export that were not delivered.

The Argentine natural gas market

We estimate (based on preliminary reports of amounts delivered by gas transportation companies) that natural gas consumption in Argentina totaled approximately 1,697 bcf (or 47.9944 bcm) in 2013. We estimate that the number of users connected to distribution systems throughout Argentina amounted to approximately 8,2 million as of October 31, 2013. The domestic natural gas market has grown over recent years, driven by the forces of economic growth in Argentina.

In 2013, we sold approximately 46% of our natural gas to local residential distribution companies, approximately 7% to Compressed Natural Gas end users, approximately 38% to industrial users (including our affiliates Mega and Profertil) and power plants, less than 1% in exports to foreign markets (Chile) and 8% was consumed in YPF downstream operations. Sales are affected by increased consumption by residential consumers during winter months (June-August). During 2013, approximately 80% of our natural gas sales were produced in the Neuquina basin. In 2013, our domestic natural gas sales volumes were 8% lower than those in 2012, See "Item 5. Operating and Financial Review and Prospects—Factors Affecting Our Operations—Relative maturity of our oil and gas assets."

The Argentine government has taken a number of steps aimed at satisfying domestic natural gas demand, including pricing and export regulations and higher export taxes and domestic market injection requirements. These regulations were applied to all Argentine producers, affecting natural gas production and exports from every producing basin. See "—Delivery commitments—Natural gas supply contracts." Argentine producers, such as us, complied with the Argentine government's directions to curtail exports in order to supply gas to the domestic market, whether such directions are issued pursuant to resolutions or otherwise. Resolutions adopted by the Argentine government provide penalties for non-compliance. Rule SSC No. 27/2004 issued by the Undersecretary of

Fuels ("Rule 27"), for example, punishes the violation of any order issued thereunder by suspending or revoking the production concession. Resolutions No. 659 and No. 752 also provide that producers not complying with injection orders will have their concessions and export permits suspended or revoked and state that pipeline operators are prohibited from shipping any natural gas injected by a non-complying exporting producer.

The Argentine government began suspending natural gas export permits pursuant to Rule 27 in April 2004, and in June 2004 the Argentine government began issuing injection orders to us under Resolution No. 659. Thereafter, the volumes of natural gas required to be provided to the domestic market under the different mechanisms described above have continued to increase substantially. The regulations pursuant to which the Argentine government has restricted natural gas export volumes in most cases do not have an expiration date. We are unable to predict how long these measures will be in place, or whether such measures or any further measures adopted will affect additional volumes of natural gas.

See "—Regulatory Framework and Relationship with the Argentine Government" for additional information on these and other related regulations.

Argentine natural gas supplies

Most of our proved natural gas reserves in Argentina are situated in the Neuquina basin (approximately 66% as of December 31, 2013), which is strategically located in relation to the principal market of Buenos Aires and is supported by sufficient pipeline capacity during most of the year. Accordingly, we believe that natural gas from this region has a competitive advantage compared to natural gas from other regions. The capacity of the natural gas pipelines in Argentina has proven in the past to be inadequate at times to meet peak-day winter demand, and there is no meaningful storage capacity in Argentina. Since privatization, local pipeline companies have added capacity, improving their ability to satisfy peak-day winter demand but no assurances can be given that this additional capacity will be sufficient to meet demand.

In order to bridge the gap between supply and demand, especially with respect to peak-day winter demand, the Argentine government has entered into gas import agreements. The Framework Agreement between the Bolivian and the Argentine governments (executed on June 29, 2006) provides for natural gas imports from Bolivia to Argentina to be managed by ENARSA. In May 2010, we accepted the offer made by ENARSA for the sale to us of a minimum amount of 2.5 mmcm/d (or 88.28 mmcf/d) of natural gas obtained by ENARSA from the Republic of Bolivia through initially May 1, 2011 and then extended through May 1, 2013

In April 2013, quantity and price conditions were renegotiated with ENARSA. According to the new conditions, which are set to expire in May 1st, 2014, ENARSA undertook to sell us a minimum amount of 1.5 mmcm/d (or 52.97 mmcf/d) of natural gas during the winter of 2013 and 1.0 mmcm/d (or 35.31 mmcf/d) of natural gas during the summer of 2013 and 2014, at fixed seasonal prices. The offer also establishes an additional quantity of up to 2.5 mmcm/d (or 88.3 mmcf/d).

YPF has provided regasification services to ENARSA since May 2008. In 2011, YPF executed an extension to the Charter Party Agreement and a Regasification Services Agreement with Excelerate Energy to provide and operate a 151,000 cm (or 533,25 cf) regasification vessel moored at the Bahía Blanca port facilities, which allowed for the supply of up to 17 mmcm/d of natural gas(or 600.34 mmcf/d). In December 2013, as a result of the first automatic extension of 36 additional months already included in this Charter Party Agreement, the expiration date of such Agreement was extended to October 2018.

Since beginning its operations, the vessel referred to above has converted liquefied natural gas (LNG) into its gaseous state (natural gas) in an approximate amount of 11,12 bcm (or 392,7 bcf), which has been injected into a pipeline which feeds the Argentine national network. Most of this volume was supplied during the peak demand period, i.e., winter. In 2013, natural gas injected into the network amounted to approximately 3,31bcm (or 116,8 bcf).

In June 2011, YPF, acting as the operator of the UTE Escobar (a joint venture formed by YPF and ENARSA), finalized the construction of a new LNG Regasification Terminal ("LNG Escobar"), which is located in the km 74.5 of the Paraná River. The LNG Escobar terminal has a floating, storage and regasification unit permanently moored at the new port facilities, for which UTE Escobar has executed agreements with Excelerate Energy to provide and operate a 151,000 cm (or 533,252 cf) regasification vessel moored at the LNG Escobar terminal with the capacity to supply up to 17 mmcm/d (or 600 mmcf/d) of natural gas. Since beginning its operations the total volume injected into the network by this vessel was 6,51 bcm (or 229,9 bcf). In 2013 natural gas injected into the network amounted to approximately 2.72 bcm (or 96,2 bcf).

Natural gas transportation and storage capacity

Natural gas is delivered by us through our own gathering systems to the five trunk lines operated by Transportadora de Gas del Norte S.A and Transportadora de Gas del Sur S.A. from each of the major basins. The capacity of the natural gas transportation pipelines in Argentina is mainly used by distribution companies. A major portion of the available capacity of the transportation pipelines is booked by firm customers, mainly during the winter, leaving capacity available for interruptible customers to varying extents throughout the rest of the year.

We have utilized natural underground structures located close to consuming markets as underground natural gas storage facilities, with the objective of storing limited volumes of natural gas during periods of low demand and selling such natural gas during periods of high demand. Our principal gas storage facility, "Diadema," is located in the Patagonia region, near Comodoro Rivadavia city. The injection of natural gas into the reservoir started in January 2001.

Downstream

During 2013, our Downstream activities included crude oil refining and transportation, and the marketing and transportation of refined fuels, lubricants, LPG, compressed natural gas, and other refined petroleum products in the domestic wholesale and retail markets and certain export markets and also power generation and natural gas distribution.

The Downstream segment is organized into the following divisions:

- Refining and Logistic Division;
  - Refining Division
  - Logistic Division
  - Trading Division
- Domestic Marketing Division;
- LPG General Division; and
- Chemicals;

We market a wide range of refined petroleum products throughout Argentina through an extensive network of sales personnel, YPF-owned and independent distributors, and a broad retail distribution system. In addition, we export refined products, mainly from the port at La Plata. The refined petroleum products marketed by us include gasoline, diesel fuel, jet fuel, kerosene, heavy fuel oil and other crude oil products, such as motor oils, industrial lubricants, LPG and asphalts.

Refining division

We wholly own and operate three refineries in Argentina:

- La Plata refinery, located in the province of Buenos Aires;
- Luján de Cuyo refinery, located in the province of Mendoza; and
- Plaza Huincul refinery, located in the province of Neuquén.

Our three wholly-owned refineries have an aggregate refining capacity of approximately 319,500 boe/d. The refineries are strategically located along our crude oil pipeline and product pipeline distribution systems. In 2013, our crude oil production, substantially all of which was destined to our refineries, represented approximately 80.4% of the total crude oil processed by our refineries. Through our stake in Refinor, we also own a 50% interest in a 26,100 boe/d refinery located in the province of Salta, known as Campo Durán.

The following table sets forth the throughputs and production yields for our three wholly-owned refineries for each of the three years ended December 31, 2013, 2012 and 2011:

	For the Year Ended December 31,		
	2013	***2012***	***2011***
		(mmboe)	
Throughput crude	101.4	105.4	103.8
Throughput Feedstock	4.1	3.0	3.1
Throughput crude/Feedstock[(1)]	105.5	108.4	107
Production			
Diesel fuel	38.8	41.5	43.5
Motor Gasoline	23.1	23.1	22.7
Petrochemical naphtha	5.7	6.9	8.1
Jet fuel	6.1	6.6	6.4
Base oils	1.0	1.3	1.2

	For the Year Ended December 31,		
	2013	2012	2011
	(thousands of tons)		
Fuel oil	1,338	1,295	991
Coke	803	916	897
LPG	607	589	620
Asphalt	198	195	195

During 2013, our global refinery utilization reached 86.9%, compared to 90.2% in 2012, both calculated over a nominal capacity of 319.5 mboe/d. See below for a description of certain considerations related to the incident that affected our refinery in La Plata during 2013 which limited our processing capacity during certain months of 2013.

The La Plata refinery is the largest refinery in Argentina, with a nominal capacity of 189,000 bbl/d. The refinery includes three distillation units, two vacuum distillation units, two catalytic cracking units, a coking unit, a coker naphtha hydrotreater unit, a platforming unit, a gasoline hydrotreater, two diesel fuel hydrofinishing units, an isomerization unit, an FCC (fluid cracking catalysts) naphtha splitter and desulfuration unit, and a lubricants complex. The refinery is located at the port in the city of La Plata, in the province of Buenos Aires, approximately 60 kilometers from the City of Buenos Aires. During 2013, the refinery processed approximately 147 mbbl/d. The capacity utilization rate at the La Plata refinery for 2013 was 77.6%. As mentioned below, capacity utilization was affected by the shut down of the Coke A unit. In 2012, the refinery processed approximately 165 mbbl/d. The capacity utilization rate at the La Plata refinery for 2012 was 87.5%. The crude oil processed at the La Plata refinery comes mainly from our own production in the Neuquina and Golfo San Jorge basins, representing 81.6% of the total crude oil processed. Crude oil supplies for the La Plata refinery are transported from the Neuquina basin by pipeline and from the Golfo San Jorge basin by vessel, in each case to Puerto Rosales, and then by pipeline from Puerto Rosales to the refinery.

On April 2, 2013 our facilities in the La Plata refinery were hit by a severe and unprecedented storm, recording over 400 mm of rainfall (which was the maximum ever recorded in the area). The heavy rainfall disrupted refinery systems and caused a fire that affected the Coke A and Topping C units in the refinery. This incident temporarily affected the crude processing capacity of the refinery, which had to be stopped entirely. Seven days after the event, the processing capacity was restored to about 100 mbbl/d through the commissioning of two distillation units (Topping IV and Topping D). By the end of May 2013, the Topping C unit resumed operations at full nominal capacity. The Coke A unit has been shut down permanently since the storm, affecting the volume of crude processed in the refinery, due to a reduction in conversion capacity. The storm resulted in a decrease in the volume of crude oil processed. YPF has an insurance policy that provides coverage for the loss of income and property damage due to incidents like the storm that affected the La Plata refinery. See note 11.b to the Audited Consolidated Financial Statements for information regarding the amount recognized in our result of operations in connection with our insurance coverage.

In order to increase the conversion capacity, a new Coke A facility is already under construction and is expected to be commissioned by 2015. The capacity of the new unit will be 1,160 bbl of fresh feed per hour. This feed will come from the bottoms of the Topping and Vacuum Units, providing the refinery with an increase in crude processing capacity. The production of the new facility will be a component for the blend to be used in the production of diesel fuel, motor gasoline; and coke.

In June 2012, we started up a new Gasoil Hydrotreater Unit (HTG “B”) and in November 2012 we finished a revamp of the former Gasoil Hydrotreater Unit (HTG “A”), seeking to comply with Resolution 478/09, which requires that diesel fuel that will be sold in large cities be produced with a maximum level of sulphur of 500 parts per million.

The Luján de Cuyo refinery has a nominal capacity of 105,500 bbl/d, the third largest capacity among Argentine refineries. The refinery includes two distillation units, a vacuum distillation unit, two coking units, one catalytic cracking unit, a platforming unit, a Methyl TerButil Eter (“MTBE”) unit, an isomerization unit, an alkylation unit, a naphtha splitter, a hydrocracking unit, a naphtha hydrotreater unit and two gasoil hydrotreating units. During 2013, the refinery processed approximately 106.4 mbbl/d. During 2013, the capacity utilization rate was 7.0% higher than in 2012. During 2012, the refinery processed approximately 99.4 mbbl/d. Because of its location in the western province of Mendoza and its proximity to significant distribution terminals owned by us, the Luján de Cuyo refinery has become the primary facility responsible for providing the central provinces of Argentina with petroleum products for domestic consumption. The Luján de Cuyo refinery receives crude supplies from the Neuquina and Cuyana basins by pipeline directly into the facility. Approximately 79.1% of the crude oil processed at the Luján de Cuyo refinery in 2013 (and 83.5% of the crude oil processed in this refinery in 2012) was produced by us. Most of the crude oil purchased from third parties comes from oil fields located in the provinces of Neuquén or Mendoza.

In order to comply with government regulations on sulfur specifications for fuels, in June 2013, the Luján de Cuyo refinery started up a new naphtha Hydrotreater Unit (HTN II) and in July 2013, started up a new gasoil Hydrotreater Unit (HDS III).

The Plaza Huincul refinery, located near the town of Plaza Huincul in the province of Neuquén, has an installed capacity of 25,000 boe/d. During 2013, the refinery processed approximately 24.6 mbbl/d. In this period, the capacity utilization rate was 98.3%. During 2012, the refinery processed approximately 23.5 mbbl/d. In this period, the capacity utilization rate was 94.1%. The only products currently produced at the refinery are gasoline, diesel fuel and jet fuel, which are sold primarily in nearby areas and in the southern regions of Argentina. Heavier products, to the extent production exceeds local demand, are blended with crude oil and transported by pipeline from the refinery to La Plata refinery for further processing. The Plaza Huincul refinery receives its crude supplies from the Neuquina basin by pipeline. Crude oil processed at the Plaza Huincul refinery is mostly produced by us. In 2013, 22.6% of the refinery's crude supplies were purchased from third parties, while in 2012, such purchases reached 18.5% of the refinery's crude supplies.

Since 1997 and 1998, each of our refineries (La Plata, Luján de Cuyo, and Plaza Huincul) have been certified under the ISO (International Organization for Standardization) 9001 (quality performance) and ISO 14001 (environmental performance). All of them are also certified under the OHSAS 18001 (occupational health and safety performance) standard. The refineries maintain their systems under continuous improvement and revision by authorized organizations.

Logistic division

Crude oil and products transportation and storage

We have available for our use a network of five major pipelines, two of which are wholly-owned by us. The crude oil transportation network includes nearly 2,700 kilometers of crude oil pipelines with approximately 640,000 barrels of aggregate daily transportation capacity of refined products. We have total crude oil tankage of approximately 7 mmbbl and maintain terminal facilities at five Argentine ports.

Information with respect to YPF's interests in its network of crude oil pipelines is set forth in the table below:

From	*To*	*YPF Interest*	*Length (km)*	*Daily Capacity (boe/d)*
Puesto Hernández	Luján de Cuyo refinery	100%	528	85,200
Puerto Rosales	La Plata refinery	100%	585	316,000
La Plata refinery	Dock Sud	100%	52	106,000
Brandsen	Campana	30%	168	120,700
Puesto Hernández/ P. Huincul/Allen	Puerto Rosales	37%	888(1)	232,000
Puesto Hernández	Concepción (Chile)	(2)	428(3)	114,000

(1) Includes two parallel pipelines of 513 kilometers each from Allen to Puerto Rosales, with a combined daily throughput of 232,000 barrels.
(2) We hold a 36% interest in Oleoducto Transandino Argentina S.A., which operated the Argentine portion of the pipeline, and a 18% interest in Oleoducto Transandino Chile S.A., which operated the Chilean portion of the pipeline.
(3) This pipeline ceased operating on December 29, 2005.

We own two crude oil pipelines in Argentina. One connects Puesto Hernández to the Luján de Cuyo refinery (528 kilometers), and the other connects Puerto Rosales to the La Plata refinery (585 kilometers) and extends to Shell's refinery in Dock Sud at the Buenos Aires port (another 52 kilometers). We also own a plant for the storage and distribution of crude oil in the northern province of Formosa with an operating capacity of 19,000 cubic meters, and two tanks in the city of Berisso, in the province of Buenos Aires, with 60,000 cubic meters of capacity. We own 37% of Oleoductos del Valle S.A., operator of an 888-kilometer pipeline network, its main pipeline being a double 513 kilometer pipeline that connects the Neuquina basin and Puerto Rosales.

We hold, through Oleoducto Transandino Argentina S.A. and Oleoducto Transandino Chile S.A., an interest in the 428-kilometer transandean pipeline, which transported crude oil from Argentina to Concepción in Chile. This pipeline ceased operating on December 29, 2005, as a consequence of the interruption of oil exports resulting from decreased production in the north of the province of Neuquén. The book value of the assets related to this pipeline was reduced to their recovery value.

We also own 33.15% of Terminales Marítimas Patagónicas S.A., operator of two storage and port facilities: Caleta Córdova (province of Chubut), which has a capacity of 314,000 cubic meters, and Caleta Olivia (province of Santa Cruz), which has a capacity of 246,000 cubic meters. We also have a 30% interest in Oiltanking Ebytem S.A., operator of the maritime terminal of Puerto Rosales, which has a capacity of 480,000 cubic meters, and of the crude oil pipeline that connects Brandsen (60,000 cubic meters of storage capacity) to the Axion Energy Argentina S.R.L. ("Axion," previously ESSO, a former subsidiary of ExxonMobil which was recently acquired by Bridas Corporation) refinery in Campana (168 km), in the province of Buenos Aires.

In Argentina, we also operate a network of multiple pipelines for the transportation of refined products with a total length of 1,801 kilometers. We also own seventeen plants for the storage and distribution of refined products and seven LPG plants with an approximate aggregate capacity of 1,620,000 cubic meters. Three of our storage and distribution plants are annexed to the refineries of Luján de Cuyo, La Plata and Plaza Huincul. Ten of our storage and distribution plants have maritime or river connections. We operate 53 airplane refueling facilities (40 of them are wholly-owned) with a capacity of 22,500 mcm, and we also own 28 trucks, 123 manual fuel dispensers and 17 automatic fuel dispensers. These facilities provide a flexible countrywide distribution system and allow us to facilitate exports to foreign markets, to the extent allowed pursuant to government regulations. Products are shipped mainly by truck, ship or river barge.

Between 2010 and 2013, we completed the construction of tanks and facilities for the reception and blending of ethanol in the storage plants of Luján de Cuyo, Monte Cristo, La Matanza, San Lorenzo and Barranqueras, in order to facilitate compliance with the new specifications for gasoline set forth by Law 26,093. YPF is currently blending ethanol in the Luján de Cuyo, Monte Cristo, San Lorenzo, La Plata, Junín, Plaza Huincul, Barranqueras and La Matanza storage plants.

In 1998, our logistic activities were certified under ISO (International Organization for Standardization) 9001 (quality performance) and ISO 14001 (environmental performance), and recertified in 2012 under ISO 9001:2008 and ISO 14001:2004. In 2010, logistics activities were also certified under OHSAS 18001 (security performance) and recertified in 2013.

Trading division

Our Trading Division sells refined products and crude oil to international customers and crude oil to domestic oil companies. Exports may include crude oil, unleaded gasoline, diesel fuel, fuel oil, LPG, light naphtha and virgin naphtha.

This Division's export sales are made principally to Brazil and the rest of South America. Sales to international customers for the years 2013 and 2012 totaled Ps.3,792 million and Ps.3,297 million, respectively, 10% and 45% of which, respectively, represented sales of refined products and 57% and 55% of which, respectively, represented sales of marine fuels. On a volume basis, in 2013 and 2012 sales to international customers consisted of 0.9 mmbbl and 3.3 mmbbl of refined products, respectively, and 4.11 mmbbl and 3.94 mmbbl of marine fuels, respectively. Domestic sales of crude oil totaled Ps.1,020 million and Ps.561 million or 2.5 mmbbl and 1.7 mmbbl in 2013 and 2012, respectively. Domestic sales of marine fuels totaled Ps.771 million and Ps.1080 million or 1.2 mmbbl and 1.3 mmbbl in 2013 and 2012, respectively. In addition, imports of high and low sulfur diesel fuel have increased, totaling 7.8 mmbbl in 2013.

Marketing division

Our Marketing Division, markets gasoline, diesel fuel, LPG and other petroleum products throughout the country and countries in the region. We supply all of the fuel market segments: retail, agriculture and industry, including transport. During 2013, we continued to hold a leading position in the sale of the highest quality naphtha (grade 3) "N-Premium" and in the sale of our standard quality naphtha "Super", reaching a market share, according to our estimates, of 58.7% and 54.3% as of December 31, 2013 (compared with 61,3% and 53.1% in 2012), respectively. Our sales volume for N-Premiun was 1,147 mcm in 2013 (2.4% higher than in 2012) and 3,307 mcm for Super in 2013 (12.2% higher than in 2012).

With respect to diesel fuel, according to our own estimates, as of December 2013 our market share was 57.7% (57.9% in 2012), with an increase in our share of low sulphur content products. Along with D-Euro (10 ppm), for which sales volume was 886 mcm in 2013, our product D-500 (500 ppm) reached a volume of 1887 mcm compared to approximately 968 mcm in 2012, both fuels representing 36.4% of the total diesel fuel sales of the division. The strategy of promoting D-Euro allowed us to allocate a larger portion of our Ultradiesel fuel to the industry, transport and agriculture market segments, adequately supplying the market and minimizing the imports of D-Euro.

With respect to lubricants, we market our products through the three segments of the domestic market: retail, agriculture and industry. Our three manufacturing plants located in the CIE produce YPF's lubricant, asphalt and paraffin lines of products. Our line of automotive lubricants, including mono-grade, multi-grade and oil, has received approvals and recommendations from leading global automotive manufacturers (Ford, Volkswagen, GM, Porsche and Scania).

Concerning LPG, we are engaged in the wholesale business, which encompasses LPG storage, logistics and commercialization to the domestic and foreign markets. We obtain LPG from our fractioning plants and refineries, as well as from third parties. In addition to butane and propane, we also sell propellants which are used in the manufacturing of aerosols.

With regard to the international market, in addition to the sale of lubricants in Brazil which began at the end of 2010, during 2013 we decreased the commercialization in Chile of lubricants and aviation fuels, mainly as a result of the incident that affected our refinery in La Plata, as mentioned above, which limited the product availability, reaching a volume of 10.8 mcm (-7.2% vs 2012) and 145,6 mcm (+ 1.43% vs 2012) respectively. Moreover, we currently market lubricants through exclusive distributors in four other countries outside Argentina (Uruguay, Paraguay, Bolivia and Ecuador).

Retail

As of December 31, 2013, the Retail Division's sales network in Argentina included 1,542 retail service stations (compared to 1,535 at December 31, 2012), of which 111 are directly owned by us, and the remaining 1,431 are affiliated service stations. OPESSA, our wholly-owned subsidiary, operates actively 174 of our retail service stations, 89 of which are directly owned by us, 26 of which are leased to ACA (Automóvil Club Argentino), and 59 of which are leased to independent owners.

According to our latest internal estimates, as of December 31, 2013, we were the main retailer in Argentina, with 34.1% of the country's gasoline service stations, followed by Shell, Axion, Petrobras and Oil with shares of 14.5%, 10.8%, 6.4% and 6.3%, respectively. During 2013, our market share in diesel fuel and gasoline, marketed in all segments, remainde flat at 56.45%, according to our analysis of data provided by the Argentine Secretariat of Energy.

The "Red XXI" program, released in October 1997, has significantly improved operational efficiency in service stations. This program provides us with online performance data for each active station and connects most of our network of service stations. As of December 31, 2013, 1,280 stations were linked to the Red XXI network system.

Our convenience stores, "Full YPF" and "Full Express YPF", included 386 and 95 point of sales as of December 31, 2013, respectively. Also, fuel sales are complemented by a modern oil change service, provide by our "YPF Boxes," with 256 points of sales. Additionally, we have a marketing loyalty program called "Serviclub" with more than 500.000 card members.

In order to maintain unified standardsa YPF service station operation manual was developed to be implemented in all of our affiliated service stations, in 2013. The main objective of this model is to promote self-management of our service stations. The model is being implemented in stages, starting with 458 service stations throughout the country in 2013 and, and is expected to continue in 2014 with the rest of our service stations.

As of December 31, 2013, 15 modular systems were implemented in remote locations without supply alternatives (Mencue, Las Coloradas, El Huecu, Canalejas, for example). These so-called Social Supply Modules (MAS) have minimal environmental impact and an innovative and technological appearance, using alternative energy and requiring a minimum investment with low operating costs.

Agriculture

Through the Agriculture Division we sell diesel fuel, fertilizers, lubricants, agrochemicals, and ensiling bags ("silobolsa"), among other products, directly or through a network of 104 wholesaler bases (9 owned by YPF), offering an extensive portfolio to the agriculture producer and delivering products to the consumption site. As an option we accept as payment different types of grains, especially soybean, some of which are processed by third party companies to obtain meal and oil that we then sell mainly to the external market. In 2013, revenue from such exports amounted to U.S.$383 million. Although we encountered irregular market conditions in 2013, with serious draughts in the central and northern regions of Argentina affecting demand for fertilizers and agrochemicals, we received approximately 967,000 tons of grains (oilseed and cereal), primarily soy, a 23% increase compared to 2012. In addition, part of the oil produced from processing soybeans is used for the production of fatty acid methyl esters ("FAME"), a product which is used internally for the production of commercial grade diesel fuel, in accordance with local regulations. Oil produced from processing soybeans provides approximately 11% of YPF's FAME needs.

Industry

This Division supplies the entire domestic industrial and transportation (ground and air) sectors, directly (over 5,500 customers) or through a network of 37 wholesale bases. We offer a broad portfolio of products and services tailor-made according to the needs of our customers. This portfolio includes products such as fuels (diesel, gasoline, fuel oil, Jet A-1), lubricants, coal, asphalts, paraffin's and derivatives (sulfur, CO2, decanted oil, aromatic extract) and services such as " YPF Road Card" (fleet management service for the transportation sector), "Expert Service" (certified quality and quantity of bulk lubricants), "Service & Quality" (technical pre—and-post-sales services, training and quality product control) and "Supply solution at customer facilities" (plant operation services and associated logistics).

Our vision as a strategic partner in the industry is to integrate the value chain by promoting energy solutions. In line with this, we have begun to develop a commercial network to meet the needs of road freight transport, energy supply contracts and lubricants to mining companies and energy supply projects in industrial clusters.

Lubricants and Specialties

During 2013, our lubricants sales decreased by approximately 11.7% by volume compared to 2012. Sales to domestic markets

decreased by 4.1%, while sales to export markets decreased by 35.9% from 37.7 mcm in 2012 to 24.1 mcm in 2013. Sales of asphalts and paraffins decreased by 4.8% and 11.2% respectively, compared to 2012.

We export to two main groups. First, to our fully-owned companies in Brazil and Chile, where sales volume decreased by 51% compared to the previous year in Brazil, and by 26% in Chile. On the other hand, we export to our distributor network located in Bolivia, Uruguay, Paraguay and Ecuador, in which sales volume decreased by 26% compared to 2012.

Our lubricants and specialties unit has followed a strategy of differentiation, allowing it to achieve and maintain the leading position in the Argentinean market. Our market share as of December 31, 2013 was approximately 39.2%, compared to 42.2% as of December 31, 2012, according to our analysis of data provided by the Argentine Secretariat of Energy. As indicated above, our line of automotive lubricants has received approvals and recommendations from leading global automotive manufacturers (Ford, Volkswagen, GM, Porsche and Scania).

With respect to lubricants, the performance of the high-end light and heavy products represented by "Elaion" and "Extravida" respectively, were approximately the same in 2013 compared with the previous year (with 40.890 mcm in 2013 compared to 40.894 mcm in 2012).

Sales of our most important Elaion brand (automotive) in 2013 amounted to 12.983m3, a 5% increase compared to 2012.

Sales of the Elaion Moto (used for motorcycles) products (which started to be commercialized across the entire distributor and specialized products network in 2012) increased by 22.5% in 2013 compared to 2012.

Lubricants and Specialties Division has had an integrated management system since 1995. This division currently holds the following certifications: ISO 9001:2008, ISO 14001;2004, OSHAS 18001:2007 ISO/TS 16949-Third edition.

LPG

Through our LPG division we sell LPG to the foreign market, the domestic wholesale market and to distributors that supply the domestic retail market. The LPG division does not directly supply the retail market and such market is supplied by YPF Gas S.A. (we sold approximately 37% of our LPG production in 2013 to YPF Gas S.A.), which is not a YPF company.

We are the largest LPG producer in Argentina with sales in 2013 reaching approximately 593 mtn (compared with 566 mtn in 2012), of which approximately 432 mtn were sold in the domestic market (compared to 472 mtn in 2012). Our principal clients in the domestic market are companies that sell LPG in bottled or in bulk packing to end-consumers and the networks that distribute LPG to households in some regions. Additionally, exports in 2013 reached approximately 161 mtn, compared to 94 mtn in 2012, the main destinations being Chile, Paraguay and Bolivia. The transport of LPG to overseas customers is carried out by truck, pipeline and barges.

Total sales of LPG (excluding LPG used as petrochemical feedstock) were Ps.1,298 million and Ps.1,015 million in 2013 and 2012, respectively.

The LPG division obtains LPG from natural gas processing plants and from our refineries and petrochemical plant. We produced 524 mtn of LPG in 2013 (not including LPG destined for petrochemical usage), and also purchased LPG from third parties, as detailed in the following table:

	Purchase (tons) 2013
LPG from Natural Gas Processing Plants:[1]	
General Cerri	20,938
El Portón	127,904
San Sebastián	7,972
Total Upstream	156,814
LPG from Refineries and Petrochemical Plants:	
La Plata Refinery	223,279
Luján de Cuyo Refinery	118,470
CIE	25,349
Total Refineries & Petrochemical Plants[2]	367,098
LPG purchased from joint ventures:[3]	**14,992**
LPG purchased from unrelated parties	**40,502**
Total	579,406

(1) The San Sebastian plant is a joint-venture in which we own a 30% interest; El Portón is 100% owned by us; General Cerri belongs to a third party with which we have a processing agreement.
(2) This production does not include LPG used as petrochemical feedstock (olefins derivatives, polybutenes and maleic).
(3) Purchased from Refinor.

We also have a 50% interest in Refinor, which produced 308 mtn of LPG in 2013.

Chemicals

Petrochemicals are produced at our petrochemical complexes in Ensenada and Plaza Huincul. Additionally, we also own a 50% interest in Profertil a company that has a petrochemical complex in Bahía Blanca as mentioned below.

Our petrochemical production operations in the CIE are closely integrated with our refining activities (La Plata refinery). This close integration allows for a flexible supply of feedstock, the efficient use of byproducts (such as hydrogen) and the supply of aromatics to increase gasoline octane levels.

The main petrochemical products and production capacity per year are as follows:

	Capacity (tons per year)
CIE:	
Aromatics	
BTX (Benzene, Toluene, Mixed Xylenes)	386.500
Paraxylene	38,000
Orthoxylene	25,000
Cyclohexane	95,000
Solvents	66,100
Olefins Derivatives	
MTBE	60,000
Butene I	25,000
Oxoalcohols	35,000
TAME	105,000
LAB/LAS	
LAB	52,000
LAS	25,000
Polybutenes	
PIB	26,000
Maleic	
Maleic Anhydride	17,500
Plaza Huincul:	
Methanol	411,000

Natural gas, the raw material for methanol, is supplied by our Exploration and Production business segment. The use of natural gas as a raw material allows us to monetize reserves, demonstrating the integration between the Chemical and the Upstream units.

We also use high carbon dioxide-content natural gas in our methanol production, allowing us to keep our methanol plant working at 50% of its production capacity during the winter period.

The raw materials for petrochemical production in the CIE, including virgin naphtha, propane, butane and kerosene, are supplied mainly by the La Plata refinery.

In 2013 and 2012, 71.1 % and 80.8%, respectively, of our petrochemicals sales (including propylene) were made in the domestic market. Petrochemical exports are destined to Mercosur countries, the rest of Latin America, Europe and the United States. The increase in exports in 2013 was due to products sold in Brazil, especially Solvente B.

We also participate in the fertilizer business, directly and through Profertil, our 50%-owned subsidiary. Profertil is a joint venture with Agrium (a worldwide leader in fertilizers), that started operations in 2001. Profertil has a production facility in Bahía Blanca which produces 1.1 million tons of urea and 750 thousand tons of ammonia per year. In addition, Profertil commercializes other nutrients and special blends prepared land to optimize land performance.

The CIE was certified under ISO 9001 in 1996 and recertified in 2013 (version 2008). The La Plata petrochemical plant was certified under ISO 14001 in 2001 and last recertified (version 2004) , in 2013.The plant was also certified under OHSAS 18001 in 2005 and last recertified in 2013 (version 2007). Since 2008, the plant verified the inventory of CO2 emissions under ISO 14064: 1 and, in 2011, inventories of CH4 and N2O emissions were verified as well. The laboratory of our Ensenada petrochemical plant was certified under ISO 17025 (version 2005), in 2005 and recertified in 2013.

The certification of our petrochemical business covers the following processes:

- Refining process of crude oil and production of gas and liquid fuels, lubricant base stocks and paraffin, petroleum coke (green coke) and petrochemical products in the units of refining, conversion, lubricants, aromatics, olefins PIB / Maleic and LAB / LAS.
- Methanol production and storage.
- Management and development of the petrochemical business of the Company, planning and economical/commercial control, commercialization and post-sale service of petrochemical products.

Our Methanol plant was certified under ISO 9001 (version 2000) in December 2001, and last recertified in August 2012 (version 2008). The Methanol plant was also certified under ISO 14001 in July 1998 with the Plaza Huincul Refinery, and last recertified in August 2012 (version 2004), and it was also certified under OHSAS 18001 in December 2008, and last recertified in August 2012 (version 2007).

During 2010, YPF initiated the construction of a new continuous catalytic reforming unit (CCR) in the CIE Complex in Ensenada. Our total investment was U.S.$453.1 million . Start up was in the third quarter of 2013. The new production from this unit is satisfying the growing demand of high octane gasoline in the local market, while at the same time the CCR is providing hydrogen to the new hydrotreater unit in our La Plata refinery.

Other investments and activities

Natural gas liquids

We participated in the development of Mega to increase its ability to separate liquid petroleum products from natural gas. Mega allowed YPF, through the fractionation of gas liquids, to increase production at the Loma La Lata gas field by approximately 5.0 mmcm/d (or 176.5 mmcf/d) in 2001.

We own 38% of Mega, while Petrobras and Dow Chemical have stakes of 34% and 28%, respectively.

Mega operates:

- A separation plant, which is located in the Loma La Lata, in the province of Neuquén.
- A natural gas liquids fractionation plant, which produces ethane, propane, butane and natural gasoline. This plant is located in the city of Bahía Blanca in the province of Buenos Aires.
- A pipeline that links both plants and that transports natural gas liquids.
- Transportation, storage and port facilities in the proximity of the fractionation plant.

Mega commenced operations at the beginning of 2001. Mega's maximum annual production capacity is 1.35 million tons of natural gasoline, LPG and ethane. YPF is Mega's main supplier of natural gas. The production of the fractionation plant is used mainly in the petrochemical operations of PBBPolisur S.A. ("PBB"), owned by Dow Chemical Company, and is also exported by tanker to Petrobras' facilities in Brazil.

Pursuant to Decree No. 2067/08 and resolutions No. 1982/2011 and 1991/2011 of ENARGAS, since December 1, 2011, Mega is required to pay, on a monthly basis, a fee of Ps.0.405 per cubic meter of natural gas it purchases. This requirement has a significant impact on the operations of Mega and has been challenged by the company. On August 14, 2012, the Argentine Judicial Court issued a first instance ruling in favor of Mega, declaring the unconstitutionality of Decree No. 2067/08 and ENARGAS' resolutions No. 1982/11 and 1991/11. Such ruling was appealed by both the ENARGAS and the Ministry of Planning. On June 18, 2013 the Federal Administrative Court of Appeals ruled in favor of Mega. Such ruling was appealed by both the ENARGAS and the Ministry of Planning before the Supreme Court. On February 25, 2013 Mega filed a petition for declaratory relief, petitioning the court to declare the unconstitutionality of Articles 53 and 54 of the General State Budget Law of 2013 that included in the provisions of Law 26,095 the fee created by Decree No. 2067/08 and ENARGAS resolutions No. 1982/2011 and 1991/2011. If such actions are not resolved in favor of Mega, this fee could significantly and adversely affect Mega's ability to continue operating. The Audited Consolidated Financial Statements included elsewhere in this annual report do not include any impairment of assets to be accrued if Mega were to cease its activity.

Electricity market – generation

The Argentine Electricity Market

Argentina´s overall power generation was 3.53% higher in 2013 than 2012 according to Compañía Administradora del Mercado Mayorísta Eléctrico S.A. (CAMMESA). In 2013, 63.9% of Argentina's power generation came from thermal power plants, 31% from hydroelectric power plants, 4.4% from nuclear power plants, 0.2% from spot imports from Uruguay and Paraguay and the balance from unconventional sources such as wind and solar power.

Thermal power plants consumed 2,548,701 m3 of diesel oil (a 39.49% increase compared to 2012), 2,022,053 tn of fuel oil (a 29.30% decrease compared to 2012) and 13,571,018 dam3 of natural gas (a 3.3% decrease compared to 2012).

The average electricity production cost was 280.13 Ps./MWh, a 7% increase compared to 2012, while the annual average marginal cost of production was 809.83 Ps./MWh, a 15.6% increase compared to 2012.

In 2013, a new rule titled Resolution No. 95/2013 of the Secretariat of Energy changed the procedures and increased rates of remuneration that power generation plants receive, giving incentives to increase power plant reliability.

YPF in Power Generation

We participate in three power generation plants with an aggregate installed capacity of 1,622 megawatts ("MW"):

- a 100% interest in Central Térmica Tucumán (410 MW combined cycle) through YPF Energía Eléctrica S.A ("YPF EE");
- a 100% interest in Central Térmica San Miguel de Tucumán (370 MW combined cycle) through YPF EE in which we have 100% interest; and
- a 40% interest in Central Dock Sud (775 MW combined cycle and 67 MW gas turbines), directly and through Inversora Dock Sud S.A.

On August 1, 2013, as a result of the spinoff of the assets of PlusPetrol Energy S.A., YPF EE was created to continue the power generation operations and businesses of Central Térmica Tucumán and Central Térmica San Miguel de Tucumán.

In 2013, YPF EE generated 4,504 GWh with its two combined cycles. Central Térmica Tucuman's production was 2,133 GWh, and Central Termica San Miguel de Tucumán's production was 2,371 Gwh. Additionally, Central Dock Sud generated 4,902 GWh. The energy produced by YPF EE and Central Dock Sud (9,406 GWh in total) represented 7.22 % of Argentina´s electricity generation in 2013.

The energy produced by Central Térmica Tucumán was 12.7% lower in 2013 compared to 2012 due to a serious failure inside the TG-01 unit on May 28. Maintenance works to restore the plant's availability were finished on November 28 and were successful.

Energy produced by Central Térmica San Miguel de Tucumán in 2013 increased by 5% compared to 2012 despite a hot gas path inspection in unit TG-01 in November and December of 2013.

In August, after taking over the power plants, YPF EE accepted Resolution No. 95/2013 issued by the Secretariat of Energy, which allowed the company to increase rates of remuneration it received for spot electricity sales.

Energy produced by Central Dock Sud in 2013 increased by 24.6 % compared to 2012, primarily because planned major maintenance activities were carried out in Central Dock Sud's generation facilities.

Additionally, we own assets that are part of Filo Morado Partnership, which has an installed capacity of 63 MW. However the relevant facilities have not been in operation since November 2008.

In addition to YPF EE, we also own and operate power plants supplied with natural gas produced by YPF, which produce power to supply our upstream and downstream activities:

- Los Perales power plant (74 MW), which is located in the Los Perales natural gas field;
- Chihuido de la Sierra Negra power plant (40 MW); and
- the power plant located at the Plaza Huincul refinery (40 MW).

Natural gas distribution

We currently hold through our subsidiary YPF Inversora Energética S.A. ("YPF Inversora Energética") a 100 % stake in Gas Argentino S.A. ("GASA"), which in turn holds a 70% stake in Metrogas S.A. ("Metrogas"), a natural gas distribution company in the capital region and southern suburbs of Buenos Aires, and one of the main distributors in Argentina. During 2013, Metrogas distributed approximately 19.5 mmcm (689 mmcf) of natural gas per day to 2.3 million customers in comparison with approximately 20.4 mmcm (or 720mmcf) of natural gas per day distributed to 2.3 million customers in 2012. During May 2013, the Company, through its subsidiary YPF Inversora Energética S.A. took control of GASA (the controlling company of Metrogas), by acquiring shares representing a 54.67% interest in GASA. Prior to this acquisition, the Company through its interest in YPF Inversora Energética S.A. owned 45.33% of the capital of GASA (See Note 13 to the Audited Consolidated Financial Statements).

GASA's debt issues. On May 11, 2009, GASA was notified of a bankruptcy petition brought by an alleged GASA creditor, and on May 19, 2009, GASA filed a voluntary reorganization petition ("*concurso preventivo*"), which was approved on June 8, 2009. On February 10, 2012, GASA presented a draft debt restructuring proposal addressed to verified unsecured creditors who have been declared admissible. On August 6, 2012, GASA filed with the court an amended debt restructuring proposal. The final proposal includes a debt haircut of 61.4% of the claims admitted by the court and the issuance of new debt securities, with a maturity date of December 31, 2015, an option to extend to December 31, 2016 in case all accrued interest is paid on December 31, 2015, and an interest rate of 8.875%.

On August 22, 2012, the intervening court ratified the GASA agreement. The court protection proceedings will be finalized once the court issues a final declaration confirming that the terms of the agreement have been fulfilled.

Under the terms of the debt restructuring proposal, GASA will deliver new notes in exchange for outstanding claims. The proposal consists of the issuance of two new classes of notes: Class A (for the equivalent of 38.6% of existing notes), and Class B (contingent notes, for the equivalent of 61.4% of existing notes). The new Class B Notes will become due and payable only if the New Class A Notes are accelerated as a result of the occurrence of an event of default on or before December 2015. If an event of default does not occur prior to December 2015, the New Class B Notes will be automatically cancelled.

In compliance with the reorganization proceeding, on March 15, 2013, GASA issued new notes which were delivered in exchange for outstanding claims to financial creditors and non-financial creditors who were admitted and declared acceptable.

On June 13, 2013, GASA's Board of Directors decided to approve the capitalization of 100% of accrued interest to be paid on June 15, 2013 in respect of the new notes issued on March 15, 2013, and the issuance of additional bonds to effect the capitalization. GASA has received the relevant regulatory authorizations and on July 15, 2013 it issued Additional Negotiable Obligations Class A-L for U.S.$1,167,480 and Class A-U for U.S.$29,632 for the capitalization of such accrued interest.

On July 12, 2013, the relevant court ordered the termination of the reorganization proceedings of GASA.

On October 9, 2013, GASA's Board of Directors decided to approve the capitalization of 100% of accrued interest to be paid on December 15, 2013 in respect of the new notes issued on March 15, 2013, and the issuance of additional bonds to effect the capitalization. The Company has received the relevant regulatory authorizations and on January 14, 2014 it issued Additional Negotiable Obligations Class A-L for U.S.$2,336,009 and Class A-U for U.S.$59,296 for the capitalization of such accrued interest.

Metrogas debt reorganization. Given the adverse business conditions, Metrogas decided to file a voluntary reorganization petition ("concurso preventivo") in June 2010.On the same date, Metrogas was notified of the Resolution No. I-1260 dictated by ENARGAS, which provided for the judicial intervention of the company. The resolution based the intervention decision on the filing of a voluntary reorganization petition by Metrogas, and stated that the intervention would control administration and disposition of Metrogas´activities that may in any manner affect its normal gas distribution. On July 15, 2010, the judge approved the commencement of Metrogas's voluntary reorganization proceedings. On July 2011, Metrogas filed with the court a debt restructuring proposal, which was subsequently amended. The final proposal included a debt haircut of 46.8% of the claims admitted by the court and the issuance of new debt securities, with a maturity date of December 31, 2018 and an interest rate of 8.875%. In June 2012, a noteholders' meeting was held within the framework of the Article 45 bis of the Bankruptcy Law, where the company's proposal was unanimously approved. On July 13, 2012, Metrogas informed the Judge that it considered that had obtained the legal majorities established in the Article 45 of the Bankruptcy Law to approve the proposal.

On September 6, 2012, the intervening court ratified the Metrogas's debt reorganization agreement. It also stipulated the creation of the final creditors' committee, which will act as controlling agent to determine compliance with the agreement under the terms of articles 59 and 260 of the Bankruptcy Law.

Under the terms of the debt restructuring proposal, Metrogas would deliver new notes in exchange for outstanding claims. The proposal consists of the issuance of two new classes of notes: Class A (for the equivalent of 38.6% of existing notes), and Class B (contingent notes, for the equivalent of 61.4% of existing notes). The new Class B Notes will become due and payable only if the New Class A Notes are accelerated as a result of the occurrence of an event of default on or before December 2015. If an event of default does not occur prior to December 2015, the New Class B Notes will be automatically cancelled.

In compliance with the reorganization proceeding, on January 11, 2013, Metrogas issued new notes which were delivered in exchange for outstanding claims to financial creditors and non-financial creditors who were admitted and declared acceptable.

On February 1 and February 13, 2013, Metrogas submitted to the intervening Court the documentation evidencing compliance with the debt exchange and the issuance of the new notes in order to obtain the removal of all general inhibitions and the formal declaration of completion of the reorganization proceedings, in accordance with the terms and conditions of Section 59 of the

Argentine Bankruptcy Law.

On March 26, 2013, the Metrogas Board of Directors decided by a majority of votes to capitalize 100% of the portion subject to capitalization of accrued interest payable on June 30, 2013 and to issue Additional Negotiable Obligations to effect the capitalization.

Furthermore, the Board also decided to issue New Negotiable Obligations for the new unsecured creditors, as long as their claims have been verified in the relevant court in the reorganization proceedings.

On July 25, 2013, Metrogas issued:

- Negotiable Obligations of Late Verification:

  Series A-U: U.S.$5,087,459

  Series B-U: U.S.$4,013,541

- Negotiable Obligations of Capitalization:

  Additional Series A-L: U.S.$6,756,665

  Additional Series A-U: U.S.$704,581

On May 31, 2013, ENARGAS published Resolution ENRG I-2,587/13 providing for the termination of the ENARGAS intervention in Metrogas.

On September 9, 2013, Metrogas made a formal presentation in connection with the reorganization proceedings requesting that the court formally declare the completion of the proceedings.

On October 9, 2013, the Metrogas Board of Directors decided by a majority of votes to capitalize 50% of the portion subject to capitalization of accrued interest payable on December 31, 2013 and to issue Additional Negotiable Obligations to effect the capitalization.

On January 29, 2014, Metrogas issued:

- Negotiable Obligations of Capitalization:

  Additional Series A-L: U.S.$ 3.516.500

  Additional Series A-U: U.S.$ 371.456

On November 18, 2013 Metrogas received a notice from the National Commercial Court of First Instance No. 26, Clerk's Office No. 51, on the file entitled Metrogas S.A. about Reorganization Proceedings (filed on 10/17/2010 Court "D"). This notice, dated November 8, 2013, sets forth the Court's decision to terminate the reorganization proceedings following Metrogas's compliance with the terms of Sect. 59 of the Argentine Bankruptcy Law.

Metrogas tariff issues: In January 2002, pursuant to the Public Emergency Law, the tariffs that Metrogas charges to his customers were converted from their original dollar values to pesos at a rate of Ps.1.00 to U.S.$1.00. Thus the company's tariffs were frozen since indexation of any kind is not permitted under the Public Emergency Law.

The Public Emergency Law also provides that the Argentine government should renegotiate public utility services agreements affected by the pesification. In February 2002, the Government issued Executive Order No. 293, which entrusted the Ministry of Economy with the renegotiation of public utility licenses and created a Committee for the Renegotiation of Contracts for Public Works and Services ("CRC").

On July 3, 2003, by means of Executive Order No. 311/03, the "Unit for the Renegotiation and Analysis of Utility Contracts" ("UNIREN") was created, aiming at giving advice during the renegotiation process of public works and services contracts and developing a regulatory framework common to all public services. The UNIREN continues the renegotiation process developed by the previous CRC.

The Emergency Law, which was originally schedule to be terminated in December 2003, was consecutively extended up to December 31, 2013 (currently extended until December 31, 2015). As a consequence, the renegotiation terms for licenses and concessions of utility services were also extended.

Metrogas and the UNIREN signed a temporary agreement in September 2008. In November 2012 the ENARGAS published the resolution No. 2,407/12 that authorizes Metrogas, following the terms of the temporary agreement previously mentioned, to apply a fixed amount in each customer's bill, differentiating by type of customer according to the terms of the resolution and following the application of the methodology to be determined by the regulating agency. The resolution also states that the revenue charged by the company is to be deposited in a trust, and the funds collected are to be used for infrastructure investments, connection works, repowering, expansion and technology upgrades of the gas distribution system as well as any other cost associated with supply of gas distribution to customers. Metrogas needs to submit for approval of the execution committee (a regulatory committee created by Resolution 2407/12), a consolidation and expansion investment plan that expresses both physically and financially the details of such plan, which is to be aligned with the goals set in the trust's contract between Metrogas and Nación Fideicomisos S.A. ("NAFISA").

Metrogas has been invoicing this new tariff charge since December 3, 2012.

On March 27, 2013, Metrogas received, from the Execution Committee, the notification of approval of the Consolidation and Expansion Investment Plan submitted on February 1, 2013.

Seasonality

For a description of the seasonality of our business, see "Item 5. Operating and Financial Review and Prospects—Factors Affecting Our Operations—Seasonality."

Research and Development

Our R&D projects and activities are related to the entire hydrocarbons value chain, including exploration of new sources of oil or gas, extraction and conditioning for transportation, transformation and manufacturing of products at industrial facilities, and their distribution to the end customer. In 2013, approximately U.S.$16 million was allocated to R&D activities, 21% of which corresponded to cooperation with external technology centers. In order to support these R&D activities, we invested U.S.$4.5 million in new laboratory equipment.

Twelve important research and development projects are being partially subsidized by ANPCYC (a technology funding organization of the Argentine government). Uncertainty about what the main technologies in the future will be, prospective R&D results and business cycles led us to develop a technology plan that supports YPF's business strategy. The focus of the plan includes hydrocarbons, the natural gas value chain, oil refining and oil derivatives and petrochemicals, the future diversification of energy uses, biofuels production and electricity generation.

R&D efforts were focused on the exploration and exploitation of unconventional resources, where our most important challenges required the development and application of very specific technologies, including design and development of simulation modeling, specific software, measuring equipment, fluid and materials design for optimizing perforation, hydraulic stimulation and production in our oilfields.

To optimize production of mature fields, we focused on the development of enhanced oil recovery technologies in order to increase recovery of oil from mature fields, and the development of new processes and materials to reduce the operational costs of our facilities.

Regarding refining and marketing of petroleum products, we applied our technological knowledge to optimize refinery operations and improve product quality, with a strong focus on achieving energy efficiency and environmental improvements.

In the petrochemical business, R&D activities were mainly focused on the development of new products with higher added value, such as special solvents, fertilizers and several agricultural products.

As of December 2013, our R&D projects portfolio consisted of 90 projects; 49 of which are under execution; 18 have been under technical-economic feasibility evaluation since December 31, 2013 and 23 of which are short-term high impact projects (Quick Wins).

At the end of 2013, YPF created YPF Tecnología S.A. (YPF holds an equity stake of 51% and CONICET, a state-owned research and development organization, holds an equity stake of 49%). The Board of Directors of YPF Tecnología consists of 3 directors appointed by YPF and 2 directors appointed by CONICET; additionally, the Chairman and the General Manager of YPF Tecnología are appointed by YPF. All lines of research and development carried out in YPF Tecnología will be in line with the needs of YPF.

For operation of YPF Tecnología, 5 hectares on the farm belonging to the National University of La Plata were acquired, and a 12,000 m2 building is planned for construction, with an estimated investment of U.S.$ 48 million (approximately U.S.$ 25 million relates to YPF'working interest). Completion of the work is expected in July 2015.

We expect that about 250 professionals will work in the new building, and their main goal is to acquire knowledge, to work in research and development about unconventional fields and secondary and tertiary oil recovery from mature fields. Additionally, development of alternative energies such as marine, geothermal, wind and solar energy, among others, will be part of their objectives. All of these activities will be supported by a staff of over 6,000 researchers and doctors from different areas of science, available to the CONICET through agreements with different universities and institutes of research and development.

Competition

In our Exploration and Production business, we encounter competition from major international oil companies and other domestic oil companies in acquiring exploration permits and production concessions. Our Exploration and Production business may also encounter competition from oil and gas companies created and owned by certain Argentine provinces, including La Pampa, Neuquén, Santa Cruz and Chubut. See "—Regulatory Framework and Relationship with the Argentine Government—Overview" and "—Regulatory Framework and Relationship with the Argentine Government—Law No. 26,197."

In this new context, several measures to promote the development of the industry have occurred. The Argentine government established a program to encourage additional production of natural gas which provides participating companies with a natural gas price of U.S.$/7.5 mmbtu for such additional production. . Producers who account for more than 70 % of the total natural gas production in the country participate in the program through contracts with the Argentine government. In late 2013, the Argentine government launched a similar program aimed at second tier producers (mid and small sized oil and gas companies with less diversified portfolios), to further promote the development of indigenous natural gas resources. Still another measure to promote de oil and gas industry was the creation of the "Investment Promotion Scheme for the Exploitation of Hydrocarbons" in Argentina set forth in in Decree 929/13. The decree creates an allowance to export, free of export taxes, up to 20% of hydrocarbons produced from projects requiring an investment in excess of U.S.$1 billion. Companies accessing the allowance can also retain dollars from their exports abroad. YPF believes that the new measures have helped attract strategic partners for the development of its unconventional resource base, such as Chevron and Dow Chemical, who in turn increase the number of participants in the market, thus causing the market to become more dynamic in the long term.

In our Refining and Marketing and Chemicals businesses, we face competition from several major international oil companies, such as Axion (previously ESSO, a former subsidiary of ExxonMobil which was recently acquired by Bridas Corporation), Shell and Petrobras, as well as several domestic oil companies. In our export markets, we compete with numerous oil companies and trading companies in global markets.

We operate in a dynamic market in the Argentine downstream industry and the crude oil and natural gas production industry. Crude oil and most refined products prices are subject to international supply and demand and, in certain cases, to Argentine regulations; accordingly, prices may fluctuate for a variety of reasons. On April 10, 2013, Resolution 35/2013 of the Argentine Secretariat of Domestic Commerce determined a maximum prices for fuel at all service stations for period of six months, which would not exceed the highest outstanding price as of April 9, 2013 in each of the regions identified in the Annex of the Resolution. See "—Regulatory Framework and Relationship with the Argentine Government." Changes in the domestic and international prices of crude oil and refined products have a direct effect on our results of operations and on our levels of capital expenditures. See "Item 3. Key Information—Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—oil and gas prices could affect our level of capital expenditures."

On May 3, 2012, the Expropriation Law was passed by Congress. The Expropriation Law declared achieving self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. See "—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law."

It is expected that the Argentine government's actions taken to promote the industry along with the competitive responses of different players during 2013 have further strengthened the competitive nature of our industry and fostered a positive business environment. Nevertheless, we cannot assure you that all the actions and measures previously mentioned will be taken by the Argentine government and players in our industry.

As mentioned before, the Argentine peso has recently been subject to devaluation (approximately 23% during January 2014). The Argentine government is analyzing certain measures in response to such devaluation and the impact on the rest of the economy, including inflation. As discussed under the section "Risk Factors," devaluation may adversely affect our business and results of operations. Similar implications may apply to our competitors, thus creating several competitive tensions beyond our control.

Environmental Matters

YPF-Argentine operations

Our operations are subject to a wide range of laws and regulations relating to the general impact of industrial operations on the environment, including air emissions and waste water, the disposal or remediation of soil or water contaminated with hazardous or toxic waste, fuel specifications to address air emissions and the effect of the environment on health and safety. We have made and will

continue to make expenditures to comply with these laws and regulations. In Argentina, local, provincial and national authorities are moving towards more stringent enforcement of applicable laws. In addition, since 1997, Argentina has been implementing regulations that require our operations to meet stricter environmental standards that are comparable in many respects to those in effect in the United States and in countries within the European Community. These regulations establish the general framework for environmental protection requirements, including the establishment of fines and criminal penalties for their violation. We have undertaken measures to achieve compliance with these standards and are undertaking various abatement and remediation projects, the more significant of which are discussed below. We cannot predict what environmental legislation or regulation will be enacted in the future or how existing or future laws will be administered or enforced. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies of regulatory agencies, could require additional expenditures in the future by us, including the installation and operation of systems and equipment for remedial measures, and could affect our operations generally. In addition, violations of these laws and regulations may result in the imposition of administrative or criminal fines or penalties and may lead to personal injury claims or other liabilities.

We continued making investments in order to comply with new Argentine fuel specifications, pursuant to Resolution No. 1283/06 (amended by Resolution No. 478/2009) of the Argentine Secretariat of Energy (which replaces Resolution No. 398/03) relating to, among other things, the purity of diesel fuels. In the La Plata Refinery, a new ultra-low sulphur diesel fuel desulphuration plant (HTGB) was started up during 2012. In Luján de Cuyo refinery, new HDS III (diesel desulphuration) and HTN II (gasoline desulphuration) plants were started up in 2013. Additionally, we are increasing the tankage capacity of several of our terminals in order to optimize fuel distribution logistics. During 2013, new diesel tanks were implemented in Luján de Cuyo refinery and Montecristo terminal.

First stage projects related to biofuels, such as the addition of bioethanol to gasoline and FAME to diesel fuel, were accomplished by the end of 2009 and were operational by the beginning of 2010. During 2010 and 2011, additional bioethanol facilities at several terminals were installed and became ready to operate. Also, during this period, further investments were made in several terminals in order to allow the increased addition of FAME to diesel fuel and to improve the related biofuel logistics. A new facility for FAME blending was started up in 2013 in the Montecristo terminal. These projects are expected to enable YPF to comply with governmental requirements and to enter into the renewable energy sources market.

At each of our refineries during 2013, we continued with the initiatives relating to remedial investigations, feasibility studies and pollution abatement projects, which are designed to address potentially contaminated sites and air emissions. In addition, we have implemented an environmental management system to assist our efforts to collect and analyze environmental data in our upstream and downstream operations.

Also, as part of our commitment to satisfying domestic demand for fuels and meeting high environmental standards, during 2013 we started up a new CCR unit which involved an investment of U.S.$453 million. The plant uses the latest worldwide technology to perform chemical processes and improvements in productivity, safety and environmental standards. Additionally, the plant produces aromatics that can be used as octane enhancers for gasoline and automotive applications, as well as increases hydrogen production to feed the fuel hydrogenation processes to increase fuel quality and reduce sulfur content, further reducing the environmental impact of internal combustion engines.

We also continue construction of a new Coker Unit at La Plata refinery which will involve an investment of approximately U.S.$ 790 million, replacing the one that was recently severely damaged in the incident occurred on April 2, 2013. The new unit design is expected to optimize energy efficiency and minimize particulate matter emissions. We expect that this project will be completed by 2015.

In addition to the projects mentioned above, we have begun to implement a broad range of environmental projects in the domestic Exploration and Production and Refining and Marketing and Chemicals segments, such as a new flare in the Luján de Cuyo refinery, wastewater treatment and fire protection facilities.

We and several other industrial companies operating in the La Plata area have entered into a community emergency response agreement with three municipalities and local hospitals, firefighters and other health and safety service providers to implement an emergency response program. This program is intended to prevent damages and losses resulting from accidents and emergencies, including environmental emergencies. Similar projects and agreements were developed at other refineries and harbor terminals as well.

In 1991, we entered into an agreement with certain other oil and gas companies to implement a plan to reduce and assess environmental damage resulting from oil spills in Argentine surface waters to reduce the environmental impact of potential oil spills offshore. This agreement involves consultation on technological matters and mutual assistance in the event of any oil spills in rivers or at sea due to accidents involving tankers or offshore exploration and production facilities.

With respect to climate change, YPF has:

- committed to active promotion of identification and pursuit of opportunities to reduce greenhouse gas emissions in our operations; intensifying the execution of internal projects for the obtention of credits under the relevant clean development mechanisms through the efficient use of resources, contributing to the transfer of technology and to the sustainable development of Argentina;

- obtained in December 2010 the approval of United Nations for an industrial project developed by YPF in Argentina defined as a Clean Development Mechanism (CDM) project, the first of its kind in the world. The project in the La Plata refinery reduces the emissions of greenhouse waste gases from fossil fuels used for process heating by replacing these fuels with recovered waste gases that were previously burned in flares. The project increases energy efficiency by reducing the demand for fuel oil and natural gas, allowing an annual emission reduction of approximately 200,000 tons of carbon dioxide. During 2013 the La Plata project reduced CO2e emissions by 79.150 tons;
- obtained in December 2011 the approval of United Nations for an industrial project developed by YPF in Argentina defined as a Clean Development Mechanism (CDM) at the Luján de Cuyo refinery. During 2013 the project reduced CO_2e emissions by 9,820 tons;
- secured the approval of the CDM project: YPF developed a new methodology, which was approved by United Nations in 2007 under the name of AM0055 "Baseline and Monitoring Methodology for the recovery and utilization of waste gas in refinery facilities". At the moment, 5 CDM projects in the world (Argentine, China, and Egypt) are being developed applying this methodology designed by YPF; and
- undertaken and verify third-party GHG (Greenhouse Gas) emission inventories for refining and chemical operations in accordance with the ISO 14064 standard. The inventory at CIE has been verified since 2008. In May 2013, the verification process inventory of greenhouse gases in the La Plata complex and the Luján de Cuyo refinery was completed. A 2013 inventory check, ending in the first half of 2014, is planned.

Our estimated capital expenditures are based on currently available information and on current laws. Any future information or future changes in laws or technology could cause a revision of such estimates. Moreover, while we do not expect environmental expenditures to have a significant impact on our future results of operations, changes in management's business plans or in Argentine laws and regulations may cause expenditures to become material to our financial position, and may affect results of operations in any given year.

Unconventional oil and gas efforts led by YPF

Organically rich shale gas and oil accumulations are drawing increasing attention worldwide as sources of significant natural gas and oil reserves.

Since 2008, YPF has led various exploration and development projects related to unconventional resources in Argentina, the most important being in the Vaca Muerta formation within Neuquina basin.

Hydraulic stimulation, a long time proven technology, allows these resources to be extracted in an efficient and environmentally-friendly way. Hydraulic stimulation consists of injecting high pressure fluids and sand into the wellbore to crack the rock and enable the trapped hydrocarbons in the formation to flow to the surface like in any conventional well.

On average, this technique uses water (99.5% can be recycled), additives (0.5%) and sand (to keep the cracks opened). These additives are the same as those used in products for household and commercial applications, such as sodium chloride (used in table salt), borate salts (cosmetics), potassium carbonate (detergents), guar gum (ice cream) and isopropyl alcohol (used in deodorants).

The water used for the development of these reservoirs is acquired from bodies of running water and it represents only a small percentage of the total flow. An example would be the development of unconventional resources in the Neuquina basin, which would consume only 0.1% of the flow of the Neuquén rivers within a given year. This accounts for much lower volumes than those used for agricultural and human consumption in the province.

The water handling process complies with all applicable environmental regulations. The policies for the use, treatment and reuse of the water are rigorous and detailed controls are carried out by the environmental authorities at both the provincial and national level.

The Vaca Muerta formation if found between 2,500 and 4,000 meters of depth, more than 2,000 meters below the water table, which is usually located at depths of 300-500 meters. See "—Risk Factors— Risks Relating to the Argentine Oil and Gas Business and Our Business — Our domestic operations are subject to extensive regulation" and "—Oil and gas activities are subject to significant economic, environmental and operational risks."

YPF Holdings-Operations in the United States

Laws and regulations relating to health and environmental quality in the United States affect the operations of YPF Holdings, a 100% subsidiary of YPF. See "—Regulatory Framework and Relationship with the Argentine Government—U.S. Environmental Regulations."

In 1995 YPF acquired Maxus Energy Corporation ("Maxus"), a U.S. corporation headquartered in Dallas, Texas. In connection with the sale of Diamond Shamrock Chemicals Company ("Chemicals Company") to a subsidiary of Occidental Petroleum Corporation ("Occidental") in 1986, Maxus had agreed to indemnify Chemicals and Occidental from and against certain liabilities relating to the business and activities of Chemicals Company prior to the September 4, 1986 closing date (the "Closing Date"), including certain environmental liabilities relating to certain chemical plants and waste disposal sites used by Chemicals Company prior to the Closing Date.

In addition, under the agreement pursuant to which Maxus sold Chemicals Company to Occidental (the "1986 Stock Purchase Agreement"), Maxus is obligated to indemnify Chemicals Company and Occidental for certain environmental costs incurred on projects involving remedial activities relating to chemical plant sites or other property used to conduct Chemicals Company's business as of the Closing Date and for any period of time following the Closing Date which relate to, result from or arise out of conditions, events or circumstances discovered by Chemicals Company and as to which Chemicals Company provided written notice prior to September 4, 1996, irrespective of when Chemicals Company incurs and gives notice of such costs.

Tierra Solutions Inc. ("Tierra"), a subsidiary of YPF Holdings, was formed to deal with the results of the alleged obligations of Maxus, as described above, resulting from actions or facts that occurred primarily between the 1940s and 1970s while Chemicals Company was controlled by other companies.

See "Item 8. Financial Information—Legal Proceedings—YPF Holdings" below for a description of environmental matters in connection with YPF Holdings.

Offshore Operations

All of the offshore fields in which we have a working interest have in place a Health, Safety, Environmental and Community ("HSEC") management plan to address risks associated with the project. In addition, all drilling projects that we operate or in which we have a working interest have in place an Emergency Response Plan ("ERP"), including response plans for oil spills.

The HSEC management plans in place include ERPs for an oil spill or leak, and these ERPs are regularly assessed for adequacy in light of available information and technical developments. We review our HSEC management plans for our drilling projects on a regular basis to seek to ensure that appropriate measures are in place for every phase of the project.

Neptune

Under the Neptune Joint Operating Agreement, the operator of the field is required to maintain an HSEC management plan based on health and safety rules agreed upon between the operator and the non-operators. As a non-operator, we are entitled to review the operator's safety and environmental management systems for compliance with the HSEC management plan, but we do not have direct control over the measures taken by the field operator to remedy any particular spill or leak. The operator of the field is required to notify all non-operators, including us, in writing of any spill greater than 50 barrels, among other incidents.

The HSEC management plan for Neptune, which is maintained by the operator of the field, includes the following critical elements and procedures:

- Emergency Shutdown (ESD) System
- Fire Detection System
- Combustible Gas Detection System
- Ventilation Systems (Mechanical)
- Spill/Leak Containment Systems
- Vent/Flare System
- Subsea Well Control System
- Temporary Refuge

- Escape Water Craft
- Critical Power Systems (including electric, pneumatic, hydraulic)
- Emergency Communication Systems
- Hull Ballast Systems

- Hull Tendons
- Riser Hang-off Components
- Design HSE Case Critical Procedures
- Emergency Shutdown (ESD) Procedures
- Evacuation Procedures
- Dire Fighting Procedures
- Helideck Operations Procedures
- Emergency Response Procedures

Additionally, the operator's Emergency, Preparedness and Response procedures include teams that generally are on call 24 hours a day, 7 days a week and are summoned based on the severity level of the emergency (1-low up to 7-extreme) through a third party London based emergency dispatcher. The operator's teams include the following:

- Fire and Safety Team (FAST) Site Response (Level 1 to 2 severity): Provides initial on-scene response and incident containment in the operator's tower building including evacuation, first aid, CPR, search and rescue.
- Incident Management Team (IMT)—Asset/Local Response (Level 2 to 5 severity): Provides tactical, operational, HSEC, planning, logistical and regulatory notification support and other technical expertise. An Incident Management Center is established for the IMT in one room of the operator building in Houston. The IMT is also supported by a drilling-specific team from the World Wide Drilling group for any incidents during drilling and completions activities.
- Emergency Management Team (EMT)—Petroleum/Asset Response (Level 3 to 5 severity): Provides support to the IMT with emphasis on strategic issues affecting the Asset and Petroleum including internal and external stakeholder management, financial, legal, and communication support. An Emergency Management Room for the EMT is established in one room of the operator's building in Houston.
- Crisis Management Team (CMT)—Operator Response (Levels 5 to 7 severity): Provides support to the EMT with emphasis on strategic issues affecting the operator including communications with stakeholders at senior levels.
- External Response Organizations: Summoned for any severity level based on needs assessed by the IMT, EMT or CMT. Includes government response groups and external oil spill response organizations and emergency management consultants.

The HSEC management plan is administered by a leading oil field services company contracted by the operator and includes a plan of action in the event of a spill or leak.

Property, Plant and Equipment

Most of our property, which comprises investments in assets which allow us to explore and/or exploit crude oil and natural gas reserves, as well as refineries, storage, manufacturing and transportation facilities and service stations, is located in Argentina. As of December 31, 2013, more than 99% of our proved reserves were located in Argentina. We also own property outside Argentina, mainly in the United States. See "—Exploration and Production—Principal properties."

Our petroleum exploration and production rights are in general based on sovereign grants of concession. Upon the expiration of the concession, our exploration and production assets associated with the particular property subject to the relevant concession revert to the government. In addition, as of December 31, 2013, we leased 85 service stations to third parties and also had activities with service stations that are owned by third parties and operated by them under a supply contract with us for the distribution of our products.

Insurance

The scope and coverage of the insurance policies and indemnification obligations discussed below are subject to change, and such policies are subject to cancellation in certain circumstances. In addition, the indemnification provisions of certain of our drilling, maintenance and other service contracts may be subject to differing interpretations, and enforcement of those provisions may be limited by public policy and other considerations. We may also be subject to potential liabilities for which we are not insured or in excess of our insurance coverage, including liabilities discussed in "Item 3. Key Information—Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—We may not have sufficient insurance to cover all the operating hazards that we are subject to," "Item 3. Key Information—Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—The oil and gas industry is subject to particular economic and operational risks" and "Item 3. Key Information—Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—We may incur significant costs and liabilities related to environmental, health and safety matters."

Argentine operations

We insure our operations against risks inherent in the oil and gas industry, including loss of or damage to property and our equipment, control-of-well incidents, loss of production or profits incidents, removal of debris, sudden and accidental pollution, damage and clean up and third-party claims, including personal injury and loss of life, among other business risks. Our insurance policies are typically renewable annually and generally contain policy limits, exclusions and deductibles.

Our insurance policy covering our Argentine operations provides third party liability coverage up to U.S.$400 million per incident, with a deductible of U.S.$2 million, in each and every loss . Certain types of incidents, such as intentional pollution and gradual and progressive pollution are excluded from the policy's coverage. The policy's coverage extends to control-of-well incidents, defined as an unintended flow of drilling fluid, oil, gas or water from the well that cannot be contained by equipment on site, by increasing the weight of drilling fluid or by diverting the fluids safely into production. Our policy provides coverage for third-party liability claims relating to pollution from a control-of-well event ranging from U.S.$75 million for certain onshore losses and a maximum combined single limit of U.S.$250 million for offshore losses.

Our insurance policy also covers physical loss or damage in respect of, but not limited to, onshore and offshore property of any kind and description (whether upstream or downstream), up to U.S.$1,500 million per incident, with varying deductibles of between U.S.$1 million and U.S.$10 million, including loss of production or profits with deductibles of 90 days for downstream operations and 60 days with a minimum deductible of U.S.$20 million for upstream operations.

Argentine regulations require us to purchase from specialized insurance companies (*Aseguradoras de Riesgos de Trabajo* – ART) insurance covering the risk of personal injury and loss of life of our employees. Our insurance policies cover medical expenses, lost wages and loss of life, in the amounts set forth in the applicable regulations. These regulatory requirements also apply to all of our contractors.

We have adopted a position in agreements entered into with contractors that provide drilling services, well services or other services to our exploration and production operations ("E&P Services Agreements"), whereby contractors are generally responsible for indemnifying us to varying degrees for certain damages caused by their personnel and property above the drilling surface. Similarly, we are generally responsible under our drilling contracts to indemnify our contractors for any damages caused by our personnel and property above the drilling surface.

In connection with losses or liabilities resulting from damages caused below the surface, we have agreed with some contractors that YPF assumes responsibility for indemnifying our contractors provided that such damages below the surface have not been caused by the negligence of the contractor in which case the contractor shall be liable up to a limited amount agreed by the parties in the E&P Services Agreements. However, we have also agreed with a number of contractors that YPF shall be responsible and shall indemnify contractors for damages or liabilities caused below the surface, unless such damages or liabilities result from the gross negligence or wilful misconduct of contractors, in which case contractor shall be liable in full or, in certain cases, up to a limited amount.

E&P Services Agreements usually establish that contractors are responsible for pollution or contamination including clean-up costs and third party damages caused above the surface by the spill of substances under their control, provided that the damage has been caused by the negligence or willful misconduct of the contractor. In the event of pollution or contamination produced below the surface, contractors shall also typically be liable for damages caused due to the contractor's negligence or willful misconduct. However, in this last case the damages are also usually limited to an amount agreed upon by the parties in the E&P Services Agreement.

We are also partners in several joint ventures and projects that are not operated by us. Contractual provisions, as well as our obligations arising from each agreement, can vary. In certain cases, insurance coverage is provided by the insurance policy entered into by the operator, while in others, our risks are covered by our insurance policy covering our Argentine operations. In addition, in certain cases we may contract insurance covering specific incidents or damages which are not provided for in the operator's insurance policy. We also retain the risk for liability not indemnified by the field or rig operator in excess of our insurance coverage.

With respect to downstream servicing contracts, contractors are usually responsible for damages to their own personnel and caused by them to third parties and they typically indemnify us for damages to equipment. A mutual hold-harmless provision for indirect damages such as those resulting from loss of use or loss of profits is normally included.

Gulf of Mexico operations

Our operations in the Gulf of Mexico currently include only our 15% working interest, through Maxus U.S. Exploration Company (a YPF Holdings subsidiary), in the Neptune field, which is operated by BHP Billiton.

Our Gulf of Mexico operations insurance policy provides coverage for property damage, operator's extra expenses, loss of production and third party liability, subject to certain customary exclusions such as property damage resulting from wear and tear and gradual deterioration. The following limits and deductibles are applicable to our insurance coverage:

- Physical loss or damage to owned property and equipment is limited to U.S.$772 million (100%), with deductibles ranging from U.S.$0.75 million (100%) to U.S.$1.25 million (100%).
- Coverage for operator's extra expenses is subject to a limit of U.S.$250 million (100%) per incident, with a U.S.$1 million deductible (100%) (U.S.$10 million (100%) in respect of incidents related to windstorms). Our control-of-well insurance mainly covers expenses incurred on account of bringing or attempting to bring under control a well that is out of control or extinguishing a well fire, including but not limited to the value of materials and supplies consumed in the operation, rental of equipment, fees of individuals, firms or corporations specializing in fire fighting and/or the control of wells, deliberate well firing, and cost of drilling direction relief well(s) necessary to bring the well(s) under control or to extinguish the fire and excludes bodily injury, damage to property of others and loss of hole (except in respect of certain costs incurred in re-drilling and/or recompletion as a result of an occurrence). For the purpose of this insurance, a well shall be deemed to be out of control only when there is an unintended flow from the well of drilling fluid, oil, gas or water (1) which flow cannot promptly be (a) stopped by use of the equipment on site and/or the blowout preventor, storm chokes or other equipment; or (b) stopped by increasing the weight by volume of drilling fluid or by use of the other conditioning materials in the well; or (c) safely diverted into production; or (2) which flow is deemed to be out of control by the appropriate regulatory authority.
- Loss of production following damage to insured property or extra expenses paid by the operator arising from an incident is covered up to a limit of U.S.$32.0 million (15%) with a waiting time of 60 days
- Gulf of Mexico windstorm coverage is subject to a limit of U.S.$40 million (for the insured's interest) with respect to each and every occurrence and in the aggregate in respect of Named Gulf of Mexico Windstorm (this limit applies across Property, OEE and Loss of Production); which is excess of a retention of U.S.$10 million (100%) each and every occurrence plus 90 days waiting time in respect of loss of production.
- Coverage for third party liability arising from personal injury or loss of life, which extends to our employees, contractors and unaffiliated third party individuals, is subject to a limit of U.S.$333.33 million (100 %) per incident, with a U.S.$5,000 deductible (100%).

According to the procedures applicable to the Neptune field consortium, its operator shall use its best efforts to require contractors to carry insurance coverage for worker compensation, employers liability, commercial general liability and automobile liability. To our knowledge, based solely on inquiries made to the operator, this policy is applicable to all contracts and a majority of contractors carry such insurance. Contractors providing aircraft and watercraft are required to provide further insurance cover relevant to this activity. In addition, our own insurance policy covers risks of physical loss or damage incurred as a result of negligence by any contractor to supplies and equipment of every kind and description incidental to our operations, including, among others, materials, equipment, machinery, outfit and consumables, in each case as defined in our insurance contract and with the deductibles and exclusions specified therein. The consortium or operator, as applicable, is responsible for indemnifying a contractor for damages caused by its personnel and property. The operator or consortium, as applicable, is also responsible for indemnifying contractors for certain losses and liabilities resulting from pollution or contamination.

Regulatory Framework and Relationship with the Argentine Government

Overview

The Argentine oil and gas industry has been and continues to be subject to certain policies and regulations that have resulted in domestic prices that are, in some cases, lower than prevailing international market prices, export regulations, domestic supply requirements that oblige us from time to time to divert supplies from the export or industrial markets in order to meet domestic consumer demand, and incremental export duties on the volumes of hydrocarbons allowed to be exported. These governmental pricing and export regulations and tax policies have been implemented in an effort to satisfy increasing domestic market demand.

The Argentine oil and gas industry is regulated by Law No. 17,319, referred to as the "Hydrocarbons Law," which was enacted in 1967 and amended by Law No. 26,197 in 2007, which established the general legal framework for the exploration and production of oil and gas, and Law No. 24,076, referred to as the "Natural Gas Law," enacted in 1992, which established the basis for deregulation of natural gas transportation and distribution industries.

The National Executive Office issues the regulations to complement these laws. The regulatory framework of the Hydrocarbons Law was established on the assumption that the reservoirs of hydrocarbons would be national properties and Yacimientos Petrolíferos Fiscales Sociedad del Estado, our predecessor, would lead the oil and gas industry and operate under a different framework than private companies. In 1992, Law No. 24,145, referred to as the "Privatization Law," privatized YPF and provided for transfer of hydrocarbon reservoirs from the Argentine government to the provinces, subject to the existing rights of the holders of exploration permits and production concessions.

The Privatization Law granted us 24 exploration permits covering approximately 132,735 square kilometers and 50 production concessions covering approximately 32,560 square kilometers. The Hydrocarbons Law limits to five the number of concessions that may be held by any one entity, and also limits the total area of exploration permits that may be granted to a single entity. Based on our interpretation of the law, we were exempted from such limit with regard to the exploration permits and production concessions awarded to us by the Privatization Law. Nevertheless, the National Department of Economy of Hydrocarbons (*Dirección Nacional de Economía de los Hidrocarburos*), applying a restrictive interpretation of Section 25 and 34 of the Hydrocarbons Law, has objected to the award of new exploration permits and production concessions in which we have a 100% interest. As a result, our ability to acquire 100% of new exploration permits and/or production concessions has been hindered, although this interpretation has not impeded our ability to acquire any permits or concessions where an interest is also granted to other parties. As a consequence of the transfer of ownership of certain hydrocarbons areas to the provinces, we participate in competitive bidding rounds organized since the year 2000 by several provincial governments for the award of contracts for the exploration of hydrocarbons.

In October 2004, the Argentine Congress enacted Law No. 25,943 creating a new state-owned energy company, ENARSA. The corporate purpose of ENARSA is the exploration and exploitation of solid, liquid and gaseous hydrocarbons, the transport, storage, distribution, commercialization and industrialization of these products, as well as the transportation and distribution of natural gas, and the generation, transportation, distribution and sale of electricity. Moreover, Law No. 25,943 granted to ENARSA all exploration concessions in respect to offshore areas located beyond 12 nautical miles from the coast line up to the outer boundary of the continental shelf that were vacant at the time of the effectiveness of this law (i.e., November 3, 2004).

In addition, in October 2006, Law No. 26,154 created a regime of tax incentives aimed at encouraging hydrocarbon exploration and which apply to new exploration permits awarded in respect of the offshore areas granted to ENARSA and those over which no rights have been granted to third parties under the Hydrocarbons Law, provided the provinces in which the hydrocarbon reservoirs are located adhere to this regime. Association with ENARSA is a precondition to qualifying for the benefits provided by the regime created by Law No. 26,154. The benefits include: early reimbursement of the value added tax for investments made and expenses incurred during the exploration period and for investments made within the production period; accelerated amortization of investments made in the exploration period and the accelerated recognition of expenses in connection with production over a period of three years rather than over the duration of production; and exemptions to the payment of import duties for capital assets not manufactured within Argentina. As of the date of this annual report, we have not used the tax incentives previously mentioned.

Ownership of hydrocarbons reserves was transferred to the provinces through the enactment of the following legal provisions that effectively amended the Hydrocarbons Law:

- In 1992, the Privatization Law approved the transfer of the ownership of hydrocarbons reserves to the provinces where they are located. However, this law provided that the transfer was conditioned on the enactment of a law amending the Hydrocarbons Law to contemplate the privatization of Yacimientos Petrolíferos Fiscales Sociedad del Estado.
- In October 1994, the Argentine National Constitution was amended and pursuant to Article 124 thereof, provinces were granted the primary control of natural resources within their territories.
- In August 2003, Executive Decree No. 546/03 transferred to the provinces the right to grant exploration permits, hydrocarbons exploitation and transportation concessions in certain locations designated as "transfer areas," as well as in other areas designated by the competent provincial authorities.
- In January 2007, Law No. 26,197 acknowledged the provinces' ownership of the hydrocarbon reservoirs in accordance with Article 124 of the National Constitution (including reservoirs to which concessions were granted prior to 1994) and granted provinces the right to administer such reservoirs.

The Expropriation Law

On May 3, 2012, the Expropriation Law (Law No. 26,741) was passed by the Argentine Congress and, on May 7, it was published in the Official Gazette of the Republic of Argentina. The Expropriation Law declared achieving self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions.

Article 3 of the Expropriation Law provides that the principles of the hydrocarbon policy of the Republic of Argentina are the following:

(a) Promote the use of hydrocarbons and their derivatives to promote development, and as a mechanism to increase the competitiveness of the various economic sectors and that of the provinces and regions of Argentina;

(b) Convert hydrocarbon resources to proved reserves and their exploitation and the restoration of reserves;

(c) Integrate public and private capital, both national and international, into strategic alliances dedicated to the exploration and exploitation of conventional and nonconventional hydrocarbons;

(d) Maximize the investments and the resources employed for the achievement of self-sufficiency in hydrocarbons in the short, medium and long term;

(e) Incorporate new technologies and categories of management that contribute to the improvement of hydrocarbon exploration and exploitation activities and the advancement of technological development in the Republic of Argentina in this regard;

(f) Promote the industrialization and sale of hydrocarbons with a high added-value;

(g) Protect the interests of consumers with respect to the price, quality and availability of hydrocarbon derivatives; and

(h) Export hydrocarbons produced in excess of local demand, in order to improve the trade balance, ensuring a rational exploitation of the resources and the sustainability of its exploitation for use by future generations.

According to Article 2 of the Expropriation Law, the National Executive Office will be responsible for setting forth this policy and shall introduce the measures necessary to accomplish the purpose of the Expropriation Law with the participation of the Argentine provinces and public and private capital, both national and international.

Creation of Federal Council of Hydrocarbons

Article 4 of the Expropriation Law provides for the creation of a Federal Council of Hydrocarbons which shall include the participation of (a) the Ministry of Economy, the Ministry of Federal Planning, the Ministry of Labor, and the Ministry of Industry, through their respective representatives; and (b) the provinces of Argentina and the City of Buenos Aires, through the representatives that each may appoint. According to Article 5 of the Expropriation Law, the responsibilities of the Federal Council of Hydrocarbons will be the following: (a) promote the coordinated action of the national and provincial governments, with the purpose of ensuring the fulfillment of the objectives of the Expropriation Law; and (b) adopt decisions regarding all questions related to the accomplishment of the objectives of the Expropriation Law and the establishment of the hydrocarbons policy of the Republic of Argentina that the National Executive Office may submit for consideration.

Expropriation of shares held by Repsol YPF

For purposes of ensuring the fulfillment of its objectives, the Expropriation Law provides for the expropriation of 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol YPF and its controlled or controlling entities. The shares subject to expropriation, which have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. In addition, the Expropriation Law provides for the expropriation of 51% of the share capital of the company Repsol YPF GAS S.A. represented by 60% of the Class A shares of such company owned, directly or indirectly, by Repsol Butano S.A. and its controlled or controlling entities.

As of the date of this annual report, the transfer of the shares subject to expropriation between National Executive Office and the provinces that compose the National Organization of Hydrocarbon Producing States was still pending. According to Article 8 of the Expropriation Law, the distribution of the shares among the provinces that accept their transfer must be conducted in an equitable manner, considering their respective levels of hydrocarbon production and proved reserves.

To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. In addition, in accordance with Article 9 of the Expropriation Law, each of the Argentine provinces to which shares subject to expropriation are allocated must enter into a shareholder's agreement with the federal government which will provide for the unified exercise of its rights as a shareholder.

Any future transfer of the shares subject to expropriation is prohibited without the permission of the National Congress by a vote

of two-thirds of its members.

In accordance with article 9 of the Expropriation Law, the appointment of YPF S.A. Directors representing the expropriated shares shall be completed proportionately considering the holdings of the Argentine government and provincial governments, and one Director shall represent the employees of the Company.

In accordance with Article 16 of the Expropriation Law, the national government and the provinces must exercise their rights pursuant to the following principles: (a) the strategic contribution of YPF to the achievement of the objectives set forth in the Expropriation Law; (b) the administration of YPF pursuant to the industry's best practices and corporate governance, safeguarding shareholders' interests and generating value on their behalf; and (c) the professional management of YPF.

See "Risk Factors—Risks Relating to Argentina—The Argentine federal government will control the Company according to domestic energy policies in accordance with Law 26,741 (the "Expropriation Law")" for a description of the Agreement between Repsol and the Argentine Republic relating to compensation for the expropriation of 51% of the share capital of YPF owned, directly or indirectly, by Repsol, and "Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—We face risk relating to certain legal proceedings" for a description of the arrangement between Repsol and YPF for the withdrawal of certain claims and actions relating to such expropriation.

Legal nature of the Company

YPF will continue to operate as a publicly traded corporation pursuant to Chapter II, Section V of Law Nº 19,550 and its corresponding regulations, and will not be subject to any legislation or regulation applicable to the management or control of companies or entities owned by the national government or provincial governments.

In accordance with Article 17 of the Expropriation Law, YPF will resort to internal and external sources of funding, strategic alliances, joint ventures, transitory business unions, and cooperation partnerships whether public, private or mixed companies, domestic and foreign.

You can find a copy of an English translation of the Expropriation Law in the report on Form 6-K furnished by the Company to the SEC on May 9, 2012 (Item 1).

Decree No. 530/12

In connection with the Expropriation Law, Decree No. 530/12 of the National Executive Office provided for the temporary intervention of YPF for a period of thirty days which was extended by Decree 732/12 until our shareholders' meeting held on June 4, 2012, with the aim of securing the continuity of its business and the preservation of its assets and capital, securing the provision of fuel and the satisfaction of the country's needs, and guaranteeing that the goals of the Expropriation Law are met. In accordance with Article 3 of Decree No. 530/2012, the powers conferred by YPF's by-laws on the Board and/or the President of the Company were temporarily granted to Julio M. De Vido (the "Intervenor"). On May 7, 2012, through Decree No. 676/2012 of the National Executive Office, Mr. Miguel Matías Galuccio was appointed General Manager of the Company during the Intervention. At our general shareholders' meeting held on June 4, 2012, our shareholders appointed new members of our Board of Directors. See "Item 6. Directors, Senior Management and Employees—Management of the Company."

Law No. 26,197

Law No. 26,197, which amended the Hydrocarbons Law, transferred to the provinces and the City of Buenos Aires the ownership over all hydrocarbon reservoirs located within their territories and in the adjacent seas up to 12 nautical miles from the coast. Law No. 26,197 also provides that the hydrocarbon reservoirs located beyond 12 nautical miles from the coast to the outer limit of the continental shelf shall remain within the ownership of the federal government.

Pursuant to Law No. 26,197, the Argentine Congress shall continue to enact laws and regulations to develop oil and gas resources existing within all of the Argentine territory (including its sea), but the governments of the provinces where the hydrocarbon reservoirs are located shall be responsible for the enforcement of these laws and regulations, the administration of the hydrocarbon fields and shall act as granting authorities for the exploration permits and production concessions. However, the administrative powers granted to the provinces shall be exercised within the framework of the Hydrocarbons Law and the regulations which complement this law.

Consequently, even though Law No. 26,197 established that the provinces shall be responsible for administering the hydrocarbon fields, the Argentine Congress retained its power to issue rules and regulations regarding the oil and gas legal framework. Additionally, the Argentine government retained the power to determine the national energy policy.

It is expressly stated that the transfer will not affect the rights and obligations of exploration permit and production concession holders, or the basis for the calculation of royalties, which shall be calculated in accordance with the concession title and paid to the province where the reservoirs are located.

Law No. 26,197 provides that the Argentine government shall retain the authority to grant transportation concessions for: (i) transportation concessions located within two or more provinces territory and (ii) transportation concessions directly connected to export pipelines for export purposes. Consequently, transportation concessions which are located within the territory of only one province and which are not connected to export facilities shall be transferred to the provinces.

Finally, Law No. 26,197 grants the following powers to the provinces: (i) the exercise in a complete and independent manner of all activities related to the supervision and control of the exploration permits and production concessions transferred by Law No. 26,197; (ii) the enforcement of all applicable legal and/or contractual obligations regarding investments, rational production and information and surface fee and royalties payment; (iii) the extension of legal and/or contractual terms; (iv) the application of sanctions provided in the Hydrocarbons Law; and (v) all the other faculties related to the granting power of the Hydrocarbons Law.

Decree No. 1277/2012

Decree No. 1277/12 derogated main previsions about free availability of hydrocarbons which were specifically contained in section 5 subsection d) and section 13, 14 and 15 of Decree No. 1055/89, sections 1, 6 and 9 form Decree No. 1212/89 and sections 3 and 5 from Decree No. 1589/89. Decree No. 1277/12 enacted the "Hydrocarbons Sovereignty Regime Rules", regulating Law No. 26,741.

This regulation creates a commission, the Commission for Planning and Strategic Coordination of the National Plan of Hydrocarbons Investments (the "Commission") which consists of representatives of Secretariat of Economic Policy and Development Planning, Secretariat of Energy and Argentine Secretariat of Domestic Commerce. This Commission is entrusted with annually making the National Plan for Hydrocarbons Investments. According to section 6 of Annex I, the aforementioned plan will take into consideration a complete and integral evaluation of the hydrocarbons sector of Argentina and will establish the criteria and the desirable goals on matter of investments in exploration, exploitation, refining, transport and commercialization of hydrocarbons.

Decree No. 1277/12 requires every company that performs activities of exploration, exploitation, refining, transport and commercialization of hydrocarbons to supply the Commission with all technical information required. The Commission is also responsible for a National Hydrocarbons Investments Registry for all companies performing the activities of exploration, exploitation, refining, transport and commercialization. All these companies will also need to file an annual plan of investments before the Commission.

With respect to the refining industry, Decree No. 1277/12 gives the Commission the power to regulate the minimum utilization rates for primary or secondary refining. It also has the ability to enact measures of promotion and coordination, aimed to guarantee the development of the local processing capacity according with the goals established by the National Plan of Hydrocarbons Investments.

With respect to commercialization, the Commission is entitled to publish reference prices of every component of the costs and sales prices of hydrocarbons and fuels, which should enable the recovery of production costs plus a reasonable profit margin. The Commission also has to periodically audit the reasonability of the informed costs and the respective sales prices, being entitled to adopt necessary measures to prevent or correct distortive practices that might affect the interests of consumers.

Public Emergency

On January 6, 2002, the Argentine Congress enacted Law No. 25,561, the Public Emergency and Foreign Exchange System Reform Law ("Public Emergency Law"), which represented a profound change of the economic model effective as of that date, and rescinded the Convertibility Law No. 23,928, which had been in effect since 1991 and had pegged the peso to the dollar on a one-to-one basis. In addition, the Public Emergency Law granted to National Executive Office the authority to enact all necessary regulations in order to overcome the economic crisis which Argentina was then facing. The situation of emergency declared by Law No.25,561 has been extended until December 31, 2015 by Law No.26,896. The National Executive Office is authorized to execute the powers delegated by Law No.25,561 until such date.

After the enactment of the Public Emergency Law, several other laws and regulations have been enacted. The following are to overcome the economic crisis, including (1) the conversion into pesos of deposit, obligations and tariffs of public services, among others, (2) the imposition of customs duties on the export of hydrocarbons with instructions to the National Executive Office to set the applicable rate thereof. The application of these duties and the instruction to the National Executive Office have been extended until January 2017 by Law 26,732. See also "—Taxation" below.

Exploration and Production

The Hydrocarbons Law establishes the basic legal framework for the regulation of oil and gas exploration and production in Argentina. The Hydrocarbons Law empowers the National Executive Office to establish a national policy for development of Argentina's hydrocarbon reserves, with the principal purpose of satisfying domestic demand.

Pursuant to the Hydrocarbons Law, exploration and production of oil and gas is carried out through exploration permits, production concessions, exploitation contracts or partnership agreements. The Hydrocarbons Law also permits surface reconnaissance

of territory not covered by exploration permits or production concessions upon authorization of the Argentine Secretariat of Energy and/or competent provincial authorities, as established by Law No. 26,197, and with permission of the private property owner. Information obtained as a result of surface reconnaissance must be provided to the Argentine Secretariat of Energy and/or competent provincial authorities, which may not disclose this information for two years without permission of the party who conducted the reconnaissance, except in connection with the grant of exploration permits or production concessions.

Under the Hydrocarbons Law, the federal and/or competent provincial authorities may grant exploration permits after submission of competitive bids. Permits granted to third parties in connection with the deregulation and demonopolization process were granted in accordance with procedures specified in Executive Decrees No. 1055/89, 1212/89 and 1589/89 (the "Oil Deregulation Decrees"), and permits covering areas in which our predecessor company, Yacimientos Petrolíferos Fiscales S.A., was operating at the date of the Privatization Law and that were granted to us by such law. In 1991, the National Executive Office established a program under the Hydrocarbons Law (known as *Plan Argentina*) pursuant to which exploration permits were auctioned. The holder of an exploration permit has the exclusive right to perform the operations necessary or appropriate for the exploration of oil and gas within the area specified by the permit. Each exploration permit may cover only unproved areas not to exceed 10,000 square kilometers (15,000 square kilometers offshore), and may have a term of up to 14 years (17 years for offshore exploration). The 14-year term is divided into three basic terms and one extension term. The first basic term is up to four years, the second basic term is up to three years, the third basic term is up to two years and the extension term is up to five years. At the expiration of each of the first two basic terms, the acreage covered by the permit is reduced, at a minimum, to 50% of the remaining acreage covered by the permit, with the permit holder deciding which portion of the acreage to keep. At the expiration of the three basic terms, the permit holder is required to revert all of the remaining acreage to the Argentine government, unless the holder requests an extension term, in which case such grant is limited to 50% of the remaining acreage.

If the holder of an exploration permit discovers commercially exploitable quantities of oil or gas, the holder has the right to obtain an exclusive concession for the production and development of this oil and gas. The Hydrocarbons Law provides that oil and gas production concessions shall remain in effect for 25 years as from the date of the award of the production concession, in addition to any remaining exploration term at the date of such award. The Hydrocarbons Law further provides for the concession term to be extended for up to 10 additional years, subject to terms and conditions approved by the grantor at the time of the extension. Under Law No. 26,197, the authority to extend the terms of current and new permits and concessions has been vested in the governments of the provinces in which the relevant block is located (and the Argentine government in respect of offshore blocks beyond 12 nautical miles). In order to be entitled to the extension, a concessionaire, such as us, must have complied with all of its obligations under the Hydrocarbons Law, including, without limitation, evidence of payment of taxes and royalties and compliance with environmental, investment and development obligations. Upon the expiration of the 10-year extension period of the current concessions, the provinces are entitled to award new concessions or contracts in respect of the relevant blocks.

A production concession also confers on the holder the right to conduct all activities necessary or appropriate for the production of oil and gas, provided that such activities do not interfere with the activities of other holders of exploration permits and production concessions. A production concession entitles the holder to obtain a transportation concession for the oil and gas produced. See "—Transportation of Liquid Hydrocarbons" below.

Exploration permits and production concessions require holders to carry out all necessary work to find or extract hydrocarbons, using appropriate techniques, and to make specified investments. In addition, holders are required to:

- avoid damage to oil fields and waste of hydrocarbons;
- adopt adequate measures to avoid accidents and damage to agricultural activities, fishing industry, communications networks and the water table; and
- comply with all applicable federal, provincial and municipal laws and regulations.

According to the Hydrocarbons Law, holders of production concessions, including us, are also required to pay royalties to the province where production occurs. A 12% royalty, and an additional 3% royalty in certain concessions for which the expiration has been extended (see "—Extension of Exploitation Concessions in the province of Neuquén, —Mendoza, —Salta, —Santa Cruz, —Chubut and —Tierra del Fuego" below), is payable on the value at the wellhead (equal to the price upon delivery of the product, less transportation, treatment costs and other deductions) of crude oil production and natural gas volumes commercialized. Notwithstanding the foregoing, in the extension of our concessions in Santa Cruz, we agreed to a 10% royalty (instead of 12%) for nonconventional hydrocarbons. The value is calculated based upon the volume and the sale price of the crude oil and gas produced, less the costs of transportation and storage. In addition, pursuant to Resolution S.E. 435/04 issued by the Argentine Secretariat of Energy, if a concession holder allots crude oil production for further industrialization processes at its plants, the concession holder is required to agree with the provincial authorities or the Argentine Secretariat of Energy, as applicable, on the reference price to be used for purposes of calculating royalties.

As a result of Resolution 394/07 of the Ministry of Economy, among other things, which increased duties on exports of certain hydrocarbons, Argentine companies began to negotiate the price for crude oil in the domestic market, which would in turn be used as the basis for calculation of royalties. In January 2013, the Ministry of Economy issued Resolution 1/13, modifying exhibit I of Resolution 394/07 of the Ministry of Economy, thus setting a new reference price for crude oil (U.S.$70 per barrel) and certain products.

In addition to the above, the Public Emergency Law, which created the export withholdings, established that export withholdings were not to be deducted from the export price for purposes of calculating the 12% royalties. The royalty expense incurred in Argentina is accounted for as a production cost (as explained in "—Exploration and Production—Oil and gas production, production prices and production costs"). According to the Hydrocarbons Law, any oil and gas produced by the holder of an exploration permit prior to the grant of a production concession is subject to the payment of a 15% royalty.

Furthermore, pursuant to Sections 57 and 58 of the Hydrocarbons Law, holders of exploration permits and production concessions must pay an annual surface fee that is based on acreage of each block and which varies depending on the phase of the operation, i.e., exploration or production, and in the case of the former, depending on the relevant period of the exploration permit. Additionally, Executive Decree No. 1,454/07, dated October 17, 2007, increased the amount of exploration and production surface fees expressed in Argentine pesos that are payable to the provinces in which the hydrocarbon fields are located or, in the case of offshore and certain other fields, to the Argentine government.

Exploration permits and production or transportation concessions may be terminated upon any of the following events:

- failure to pay annual surface taxes within three months of the due date;
- failure to pay royalties within three months of the due date;
- substantial and unjustifiable failure to comply with specified production, conservation, investment, work or other obligations;
- repeated failure to provide information to, or facilitate inspection by, authorities or to utilize adequate technology in operations;
- in the case of exploration permits, failure to apply for a production concession within 30 days of determining the existence of commercially exploitable quantities of hydrocarbons;
- bankruptcy of the permit or concession holder;
- death or end of legal existence of the permit or concession holder; or
- failure to transport hydrocarbons for third parties on a non-discriminatory basis or repeated violation of the authorized tariffs for such transportation.

The Hydrocarbons Law further provides that a cure period, of a duration to be determined by the Argentine Secretariat of Energy and/or the competent provincial authorities, must be provided to the defaulting concessionaire prior to the termination.

When a production concession expires or terminates, all oil and gas wells, operating and maintenance equipment and facilities automatically revert to the province where the reservoir is located or to the Argentine government in the case of reservoirs under federal jurisdiction (i.e., located on the continental shelf or beyond 12 nautical miles offshore), without compensation to the holder of the concession.

Certain of our production concessions expire in 2017 (See "—Risk Factors— Risks Relating to the Argentine Oil and Gas Business and Our Business — Argentine oil and gas production concessions and exploration permits are subject to certain conditions and may be cancelled or not renewed."). The granting of an extension is an unregulated process and normally involves lengthy negotiations between the applicant and the relevant government. Although the Hydrocarbons Law provides that applications must be submitted at least six months prior to the concession expiration date, it is industry practice to commence the process far earlier, typically as soon as the technical and economic feasibility of new investment projects beyond the concession term become apparent.

On March 16, 2006, the Argentine Secretariat of Energy issued Resolution S.E. No. 324/06 establishing that holders of exploration permits and hydrocarbon concessions must file with such agency details of their proved reserves existing in each of their areas, certified by an external reserves auditor, each year. Holders of hydrocarbon concessions that export hydrocarbons are obliged to certify their oil and gas proved reserves. The aforementioned certification only has the meaning established by Resolution S.E. No. 324/06, according to which it is not to be interpreted as a certification of oil and gas reserves under the SEC rules. See "—Exploration and Production—Oil and Gas Reserves."

In March 2007, the Argentine Secretariat of Energy issued Resolution No 407/07 which approved new regulations concerning the Oil and Gas Exploration and Production Companies Registry. According to Resolution No 407/07, YPF, as a holder of Production Concessions and Exploration Permits, is banned from hiring or in any way benefiting from any company or entity which is developing or has developed oil and gas exploration activities within the Argentine continental platform without an authorization from the relevant Argentine authorities.

In addition, by Resolution 130/2013 of the Ministry of Economy published on April 19, 2013 in the Official Gazette, the Argentine Oil Fund was created. This fund will manage resources for an amount of up to U.S.$2,000 million, to provide loans or capital contributions or acquire financial instruments for the implementation of projects of exploration, exploitation, processing and marketing of hydrocarbons in relation to oil and gas companies in which the Argentine government has interest or the exercise of economic and political rights. See “Item 5—Operating and Financial Review and Prospects-Liquidity and Capital Resources.”

Extension of Exploitation Concessions in the province of Neuquén

In addition to the extension in 2002 of the expiration date of the exploitation concession of the Loma La Lata field until 2027, during the years 2008 and 2009, YPF entered into a number of agreements with the province of Neuquén, pursuant to which the exploitation concession terms of several areas located within the province were extended for a 10-year term, which now expires between 2026 and 2027. As a condition to the extension of the concession terms, YPF has undertaken to do the following under the relevant agreements: (i) to make initial payments to the province of Neuquén in an aggregate amount of approximately U.S.$204 million; (ii) to pay the province of Neuquén an "Extraordinary Production Royalty" of 3% of the production of the areas affected by this extension (in addition, the parties agreed to make additional adjustments of up to an additional 3% in the event of extraordinary income, as defined in each agreement); (iii) to carry out exploration activities in the remaining exploration areas and make certain investments and expenditures until the expiration of the concessions in an aggregate amount of approximately U.S.$3,512 million, and (iv) to make "Corporate Social Responsibility" contributions to the province of Neuquén in an aggregate amount of approximately U.S.$23 million.

Decree No. 1208/2013 of the Province of Neuquén approves an agreement entered into between the Province of Neuquén and YPF S.A. dated July 24, 2013, that (i) separates from the Loma La Lata—Sierra Barrosa concession a surface area of 327.5 km2, (ii) incorporates the separated surface area into the Loma Campana concession and (iii) extends the Loma Campana concession to November 11, 2048, according to Decree 929/13.

Extension of Exploitation Concessions in the province of Mendoza

In April 2011, YPF entered into an agreement with the province of Mendoza to extend the term of the exploitation concessions identified below, and the transportation concessions located within the province, which was ratified by a decree published in July 2011.

The agreement between YPF and the province of Mendoza provides, *inter alia*, the following:

- Concessions involved: El Portón, Barrancas, Cerro Fortunoso, El Manzano, La Brea, Llancanelo, Llancanelo R, Puntilla de Huincán, Río Tunuyan, Valle del Río Grande, Vizcacheras, Cañadón Amarillo, Altiplanicie del Payún, Chihuido de la Sierra Negra, Puesto Hernández and La Ventana;
- Exploitation concession terms, which were originally set to expire in 2017, were extended for a 10-year term; and
- YPF has undertaken: (i) to make initial payments to the province of Mendoza in an aggregate amount of approximately U.S.$135 million, on the date specified in the agreement; (ii) to pay the province of Mendoza an "Extraordinary Production Royalty" of 3% of the production of the areas included in the agreement; (iii) to carry out exploration activities in the remaining exploration areas and make certain investments and expenditures in a total amount of U.S.$4,113 million until the expiration of the extended term, as stipulated in the agreement; (iv) to contribute with U.S.$16.2 million to a "Social Infrastructure Investment Fund" to satisfy community needs in the province of Mendoza, and; (v) to make payments equal to 0.3% of the annual amount paid as "Extraordinary Production Royalty" in order to fund the purchase of equipment and finance training activities in certain government agencies of the province of Mendoza.

Extension of Exploitation Concessions in the province of Santa Cruz

In November 2012, YPF entered into an agreement with the province of Santa Cruz to extend the term of the exploitation concessions identified below, which was ratified by a provincial law published on November 2012.

The agreement between YPF and the province of Santa Cruz provides, *inter alia*, the following:

- Concessions involved: Cerro Piedra-Cerro Guadal Norte; Cañadón de la Escondida-Las Heras; Cañadón León-Meseta Espinosa; Los Monos; Pico Truncado-El Cordón; Los Perales-Las Mesetas; El Guadal-Lomas del Cuy; Cañadón Vasco; Cañadón Yatel, Magallanes (portion located in Santa Cruz) and Barranca Yankowsky;
- Exploitation concession terms, which were originally set to expire in 2017, are extended for a 25-year term; and
- YPF has undertaken:

  (i) to make initial payments to the province of Santa Cruz in an aggregate amount of approximately of U.S.$200 million, on the date specified in the agreement;

  (ii) to pay the province of Santa Cruz a Production Royalty of 12% plus an additional of 3% on the production of conventional hydrocarbons, and 10% on the production of unconventional hydrocarbons;

(iii) to carry out exploration activities in the remaining exploration areas and make certain investments and expenditures on the exploitation concessions, as stipulated in the agreement;

(iv) to contribute with infrastructure investments within the province of Santa Cruz in an amount equivalent to 20% of the initial payment, and;

(v) to contribute to an "Institutional Strengthening Fund" and to carry out a program for technical formation ("YPF y los Trabajadores") and a program for development of contractors ("Sustenta") within the province of Santa Cruz.

Negotiation of Extension of Concessions in the province of Tierra del Fuego

The Company has negotiated with the Executive office of the province of Tierra del Fuego the terms in order to extend the Tierra del Fuego and Chorrillos exploitation concessions which are jointly held by YPF (30%), Petrolera LF Company S.R.L. (35%), and Petrolera TDF Company S.R.L. (35%). Petrolera LF Company S.R.L. and Petrolera TDF Company S.R.L. were subsidiaries of Apache and have recently been acquired by us. The final agreement was executed by YPF, Petrolera LF Company S.R.L. and Petrolera TDF Company S.R.L. on December 18, 2013. The agreement grants an extension of the Tierra del Fuego concession until November, 2027 and an extension of the Chorrillos concession until November 2026.

Extension of Concessions in the province of Chubut

The Company has obtained the extension of the following concessions in the Province of Chubut:

- El Tordillo – La Tapera and Puesto Quiroga Exploitation Concessions: On October 2, 2013 the Province of Chubut published the Provincial law approving the agreement for the extension of the El Tordillo, La Tapera and Puesto Quiroga concessions located in the Province of Chubut. YPF holds a 12.196% interest in these concessions while Petrobras Argentina S.A. holds a 35.67% interest and TECPETROL S.A. holds the remaining 52.133%. The concessions were extended for a period of 30 years as from 2017. The following are the main terms and conditions of the Extension Agreement entered into by and between the Province of Chubut and the Parties that hold interests in the Concessions:

  (i) To make initial payments to the Province of Chubut in an aggregate amount of U.S.$ 18 Million.

  (ii) To pay an extraordinary production royalty of 4% of the production of the areas included in the extension.

  (iii) To make disbursements and investments aimed at the conservation and protection of the environment.

  (iv) To maintain operational a minimum number of drilling and work-over rigs.

  (v) Upon expiration of the first ten years of the extension period, the Parties shall transfer and assign to PETROMINERA S.E., the provincial oil company, a 10% interest in the areas covered by the Extension Agreement.

- Restinga Alí, Sarmiento, Campamento Central – Cañadón Perdido, Manantiales Behr and El Trébol - Escalante – Escalante Exploitation Concessions: On December 26, 2013 YPF executed an agreement with the Province of Chubut for the extension of the original term of duration of these concessions. YPF holds a 100% interest in all the concessions except for the Campamento Central – Cañadón Perdido Concession where ENAP SIPETROL S.A. and YPF each hold a 50% interest.

The concessions were extended for a period of 30 years following the expiration of the original concession terms which ended in 2017 (Campamento Central – Cañadón Perdido and El Trébol – Escalante), in 2015 (Restinga Alí) and in 2016 (Manantiales Behr).

The following are the main terms and conditions agreed by and between YPF and the Province of Chubut.

(i) To make initial payments to the Province of Chubut in an aggregate amount of U.S.$ 30 million.

(ii) To pay an extraordinary production royalty of 3% of the production of the areas included in the extension agreement.

(iii) To comply with a minimum investment program.

(iv) To maintain a minimum number of drilling and work-over rigs operational.

(v) To assign to PETROMINERA S.E., 41% of YPF's interest in the El Tordillo, La Tapera and Puesto Quiroga exploitation concessions (equal to 5% of the total interest in the concessions).

ENAP SIPETROL S.A. has agreed to fulfill the obligations set forth in the extension agreement on a pro-rata basis relative to its participation interest in the Campamento Central – Cañadon Perdido concession agreement.

Extension of Exploitation Concessions in the Province of Salta

In October 2012, YPF entered into an agreement with the province of Salta to extend the original term of the exploitation concessions identified below, subject to the approval of the National Executive Office by decree in a sixty-day term.

The agreement was approved by Resolution No. 35/12 of Salta's Secretariat of Energy on October 26, 2012 and Decree 3694/12 on December 6, 2012. The agreement was signed between YPF, Tecpetrol S.A., Petrobras Argentina S.A., Compañía General de Combustibles S.A. and Ledesma S.A.A.I. and the Province of Salta, and provides the following:

- Concessions involved: exploitation concession on the following areas: Sierras de Aguaragüe, Campo Durán-Madrejones, La Bolsa and Río Pescado.
- Exploitation concession terms, are extended for a 10-year term from the beginning of expiration of the original 25 year term, thus ending the extension on November 14, 2027.
- Commitments: (i) to conduct in Aguaragüe, on the dates indicated in the agreement and during the first two years, the following investments: a minimum amount in development plans, involving the drilling of development wells (at least 3) and expansion of production facilities and treatment of hydrocarbons of U.S.$36 million, (ii) to recognize for the province a special, extraordinary contribution equal to 25% of the amount corresponding to royalties of 12% referred to in art. 59 and 62 of Law 17,319, (iii) to recognize for the province an additional payment, when conditions of extraordinary income are verified in the marketing of crude oil production and natural gas from concessions, when prices exceed U.S.$90/bbl in the case of crude oil and the equivalent of 70% of import prices in the case of natural gas, (iv) to pay the province, in aggregate, a one-time amount of U.S.$5 million as an extension bonus, (v) to make investments for a minimum amount of U.S.$30 million, in aggregate, in additional exploration work to be implemented in the concessions, subject to certain conditions and (vi) to invest U.S.$1 million, in aggregate, in the implementation of social infrastructure projects in the province.

Security Zones Legislation

Argentine law restricts the ability of non-Argentine companies to own real estate, oil concessions or mineral rights located within, or with respect to areas defined as, security zones (principally border areas).

Additionally, prior approval of the Argentine government is required:

- for non-Argentine shareholders to acquire control of us; or
- if and when the majority of our shares belong to non-Argentine shareholders, such as it was recently the case (see "— The Expropriation Law"), for any additional acquisition of real estate, mineral rights, oil or other Argentine government concessions located within, or with respect to, security zones.

Natural Gas Transportation and Distribution

The gas transmission system is currently divided into two systems principally on a geographical basis (the northern and the southern trunk pipeline systems), designed to give both systems access to gas sources and to the main centers of demand in and around Buenos Aires. These systems are operated by two transportation companies. In addition, the distribution system is divided into nine regional distribution companies, including two distribution companies serving the greater Buenos Aires area.

The regulatory structure for the natural gas industry creates an open-access system, under which gas producers, such as us, will have open access to future available capacity on transmission and distribution systems on a non-discriminatory basis.

Cross-border gas pipelines were built to interconnect Argentina, Chile, Brazil and Uruguay, and producers such as us had been exporting natural gas to the Chilean and Brazilian markets, to the extent permitted by the Argentine government. During the last several years the Argentine authorities have adopted a number of measures restricting exports of natural gas from Argentina, including issuing domestic supply instruction pursuant to Regulation No. 27/04 and Resolutions Nos. 265/04, 659/04 and 752/05 (which require exporters to supply natural gas to the Argentine domestic market), issuing express instructions to suspend exports, suspending processing of natural gas and adopting restrictions on natural gas exports imposed through transportation companies and/or emergency committees created to address crisis situations. See "—Market Regulation— Natural gas export administration and domestic supply priorities."

Transportation of Liquid Hydrocarbons

The Hydrocarbons Law permits the National Executive Office to award 35-year concessions for the transportation of oil, gas and petroleum products following submission of competitive bids. Pursuant to Law No. 26,197, the relevant provincial governments have the same powers. Holders of production concessions are entitled to receive a transportation concession for the oil, gas and petroleum products that they produce. The term of a transportation concession may be extended for an additional ten-year term upon application to the National Executive Office. The holder of a transportation concession has the right to:

- transport oil, gas and petroleum products; and
- construct and operate oil, gas and products pipelines, storage facilities, pump stations, compressor plants, roads, railways and other facilities and equipment necessary for the efficient operation of a pipeline system.

The holder of a transportation concession is obligated to transport hydrocarbons for third parties on a non-discriminatory basis for a fee. This obligation, however, applies to producers of oil or gas only to the extent that the concession holder has surplus capacity available and is expressly subordinated to the transportation requirements of the holder of the concession. Transportation tariffs are subject to approval by the Argentine Secretariat of Energy for oil and petroleum pipelines and by the ENARGAS for gas pipelines. Upon expiration of a transportation concession, the pipelines and related facilities automatically revert to the Argentine government without payment to the holder. The Privatization Law granted us a 35-year transportation concession with respect to the pipelines operated by Yacimientos Petrolíferos Fiscales S.A. at the time. Gas pipelines and distribution systems sold in connection with the privatization of Gas del Estado are subject to a different regime as described above.

Additionally, pursuant to Law No. 26,197, all transportation concessions located entirely within a province's jurisdiction and not directly connected to any export pipeline are to be transferred to such province. The National Executive Office retains the power to regulate and enforce all transportation concessions located within two or more provinces and all transportation concessions directly connected to export pipelines.

Refining

Crude oil refining activities conducted by oil producers or others are subject to prior registration of oil companies in the registry maintained by the Argentine Secretariat of Energy and compliance with safety and environmental regulations, as well as to provincial environmental legislation and municipal health and safety inspections.

In January 2008, the Argentine Secretariat of Domestic Commerce issued Resolution No. 14/2008, whereby the refining companies were instructed to optimize their production in order to obtain maximum volumes according to their capacity.

Executive Decree No. 2014/08 of November 25, 2008, created the "Refining Plus" program to encourage the production of diesel fuel and gasoline. The Argentine Secretariat of Energy, by Resolution S.E. No. 1312/08 of December 1, 2008, approved the regulations of the program. Pursuant to this program, refining companies that undertook the construction of a new refinery or the expansion of their refining and/or conversion capacity, and whose plans were approved by the Argentine Secretariat of Energy, were entitled to receive export duty credits to be applied to exports of products within the scope of Resolution No. 394/07 and Resolution No. 127/08 (Annex) issued by the Ministry of Economy. In February 2012, by Notes Nos. 707/12 and 800/12 (the "Notes") of the Argentine Secretariat of Energy, YPF was notified that the benefits granted under the "Refining Plus" program had been temporarily suspended. The effects of the suspension extend to benefits accrued and not yet redeemed by YPF at the time of the issuance of the Notes. The reasons alleged for such suspension were that the "Refining Plus" program had been created in a context where domestic prices were lower than prevailing prices and that the objectives sought by the program had already been achieved. On March 16, 2012, YPF challenged this temporary suspension.

Market Regulation

Overview

Under the Hydrocarbons Law and the Oil Deregulation Decrees, holders of production concessions, such as us, have the right to produce and own the oil and gas they extract and are allowed to sell such production in the domestic or export markets, in each case subject to the conditions described below.

The Hydrocarbons Law authorizes the National Executive Office to regulate the Argentine oil and gas markets and prohibits the export of crude oil during any period in which the National Executive Office finds domestic production to be insufficient to satisfy domestic demand. If the National Executive Office restricts the export of crude oil and petroleum products or the sale of natural gas, the Oil Deregulation Decrees provide that producers, refiners and exporters shall receive a price:

- in the case of crude oil and petroleum products, not lower than that of imported crude oil and petroleum products of similar quality; and
- in the case of natural gas, not less than 35% of the international price per cubic meter of Arabian light oil, 34 API.

Furthermore, the Oil Deregulation Decrees required the National Executive Office to give twelve months' notice of any future export restrictions. Notwithstanding the above provisions, certain subsequently-enacted resolutions (Resolution S.E. 1679/04, Resolution S.E. 532/04 and Resolution of the Ministry of Economy 394/07) have modified the aforementioned price mechanism, resulting, in certain cases, in prices to producers that are below the levels described above.

In addition, on May 3, 2012, the Expropriation Law was passed by the Argentine Congress and, on May 7, it was published in the Official Gazette of the Republic of Argentina. The Expropriation Law declared achieving self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. Furthermore, Decree No. 1277/12 derogated main previsions about free availability of hydrocarbons which were specifically contained in section 5 subsection d) and section 13, 14 and 15 of Decree No. 1055/89, sections 1, 6 and 9 form Decree No. 1212/89 and sections 3 and 5 from Decree No. 1589/89. Decree No. 1277/12 enacted the "Hydrocarbons Sovereignty Regime Rules," regulating Law No. 26,741. This regulation creates the Commission, which among other matters is entitled to publish reference prices of every component of the costs and sales prices of hydrocarbons and fuels, which should permit covering up production costs and obtaining a reasonable profit margin. See "The Expropriation Law" and "Decree No. 1277/2012."

On July 15, 2013 Decree No. 929/2013 was published in the Official Gazette. Decree 929/2013 provides for the creation of an Investment Promotion Regime for the Exploitation of Hydrocarbons (the "Promotion Regime"), both for conventional and unconventional hydrocarbons to be applied across the Argentine territory. Applications to be included in this Promotion Regime may be filed by subjects duly registered with the National Registry of Hydrocarbon Investments who are holders of exploration permits and/or exploitation concessions and/or third parties associated with those holders and who submit an Investment Project for Hydrocarbon Exploitation (the "Investment Project") to the Commission of Strategic Planning and Coordination of the National Hydrocarbons Investment Plan created by Decree No. 1,277/12, entailing a direct investment in foreign currency of at least U.S.$ 1 billion, calculated at the time of submission of the Investment Project, and to be invested in the first five years of the Project. Beneficiaries to this Promotion Regime shall enjoy the following benefits, among others: i) they shall be entitled, under the terms of Law No. 17,319, as from the fifth anniversary of the start-up of their respective Investment Project, to freely export 20% of the production of liquid and gaseous hydrocarbons produced under such Projects, at a 0% export tax rate, if applicable; ii) they shall freely dispose of 100% of the proceeds derived from the export of the hydrocarbons mentioned in i) above, provided the approved Investment Project would have generated an inflow of foreign currency into Argentina's financial market equal to at least U.S.$ 1 billion, following the requirements mentioned above; iii) the Decree sets forth that if hydrocarbon production in Argentina is not enough to cover domestic supply needs in accordance with section 6 of Law No. 17,319, beneficiaries to the Promotion Regime, as from the fifth anniversary of the start-up of their respective Investment projects, shall be entitled to obtain, in relation to the aforementioned exportable rate of liquid and gaseous hydrocarbons produced in said Projects, a price not lower than the reference export price calculated without deducting any export duties that would have been applicable.

Additionally, the Decree created a new type of concession for the "Exploitation of Unconventional Hydrocarbons," consisting of the extraction of liquid and/or gaseous hydrocarbons through unconventional stimulation techniques applied to reservoirs located in geological formations of schist and slates (shale gas or shale oil), tight sands (tight oil and tight gas), coal layers (coal bed methane) and, in general, from any reservoir that presents low-permeability rock as its main feature. In this respect, the Decree provides that holders of exploration permits and/or exploitation concessions that are beneficiaries of the Promotion Regime shall be entitled to apply for a "Concession for Unconventional Hydrocarbons Exploitation." Likewise, holders of a Concession for Unconventional Hydrocarbons Exploitation who are also holders of an adjacent and pre-existing concession may request the unification of both areas into a single unconventional exploitation concession, provided the geological continuity of such areas is duly proven.

Production of crude oil and reserves

Executive Decree No. 2014/08 of November 25, 2008, created the "Petroleum Plus" program to encourage the production of crude oil and the increase of reserves through new investments in exploration and development. The Argentine Secretariat of Energy, by Resolution S.E. No. 1312/08 of December 1, 2008, approved the regulations of the program. The program entitled production companies which increased their production and reserves within the scope of the program, and whose plans were approved by the Argentine Secretariat of Energy, to receive export duty credits to be applied to exports of products within the scope of Resolution No. 394/07 and Resolution No. 127/08 (Annex) issued by the Ministry of Economy. In February 2012, YPF was notified by the Argentine Secretariat of Energy that the benefits granted under the "Petroleum Plus" program had been temporarily suspended. The effects of the suspension extend to benefits accrued and not yet redeemed by YPF at the time of the issuance of the Notes. The reasons alleged for such suspension were that the "Petroleum Plus" program had been created in a context where domestic prices were lower than prevailing prices and that the objectives sought by the program had already been achieved. On March 16, 2012, YPF challenged this temporary suspension.

Refined products

In April 2002, the Argentine government and the main oil companies in Argentina, including us, reached an agreement on a subsidy provided by the Argentine government to public bus transportation companies. The Agreement on Stability of Supply of Diesel Oil was approved by Executive Decree No. 652/02 and assured the transportation companies their necessary supply of diesel oil at a fixed price of Ps.0.75 per liter from April 22, 2002 to July 31, 2002. Additionally, it established that the oil companies are to be compensated for the difference between this fixed price and the market price through export duty credits. Subsequent agreements entered into between the Argentine government and the main oil companies in Argentina extended the subsidy scheme until December 2009, while the aforementioned fixed price was revised from time to time, the current price being Ps.2.50 per liter.

In March 2009, Executive Decree No. 1390/09 empowered the Chief of Staff to sign annual agreements extending the diesel oil subsidy to transportation companies for the fiscal year 2009 and until the end of the public emergency declared by the Public Emergency Law and its amendments, and instructed such official to incorporate the necessary modifications in order to extend the possibility to compensate with export duty credits on all hydrocarbon products currently exported, or with cash. As of the date of this annual report, execution of the annual agreements for the fiscal years 2010 and 2011 is pending. Nevertheless, the subsidy scheme has continued to be in place on the basis of the monthly communications issued by the Argentine Secretariat of Transport notifying oil companies of the volumes to be delivered to each beneficiary of the scheme at the fixed price, and the Argentine government has continued to compensate oil companies for deliveries of diesel oil made under the scheme. Additionally, as of the date of this annual report, agreements for the fiscal years 2012 and 2013 have been executed.

Over the past months, the Argentine Secretariat of Transport has substantially reduced the volumes of diesel oil subsidized under this scheme. In addition, on January 11, 2012, the Argentine Secretary of Transport filed with the National Antitrust Commission ("CNDC") a complaint against five oil companies (including YPF) for alleged abuse of a dominant position regarding bulk sales of diesel oil to public bus transportation companies. The alleged conduct consists of selling bulk diesel oil to public bus transportation companies at prices higher than the retail price charged in service stations. On January 26, 2012, the Argentine Secretariat of Domestic Commerce issued Resolution No. 6/2012 whereby, effective from the date of the resolution, (i) each of these five oil companies was ordered to sell diesel oil to public bus transportation companies at a price no higher than the retail price charged by its nearest service station, while maintaining both historic volumes and delivery conditions; and (ii) created a price monitoring scheme for both the retail and the bulk markets to be implemented by the CNDC. YPF challenged this Resolution and requested a preliminary injunction against its implementation. YPF's preliminary injunction has been granted and the effects of the Resolution have been temporarily suspended. See "Item 8. Financial Information—Legal proceedings—Argentina—Non-accrued, possible contingencies—CNDC investigation."

On March 13, 2012, YPF was notified of Resolution No. 17/2012, issued by the Argentine Secretariat of Domestic Commerce, pursuant to which YPF, Shell and Axion (previously Esso) were ordered to supply jet fuel for domestic and international air transport at a price, net of taxes, not to exceed by 2.7% the price, net of taxes, of medium octane gasoline (not premium) offered at its closest service station to the relevant airport, while maintaining its existing supply logistics and its usual supply quantities. The above mentioned resolution benefits companies that operate in the field of commercial passenger and/or cargo aviation which are registered under the Argentine National Aircraft Registry. According to a later clarification from the Argentine Secretariat of Domestic Commerce, the beneficiaries of the measure adopted by this resolution are the following companies: Aerolíneas Argentinas, S.A., Andes Líneas Aéreas S.A., Austral – Cielos del Sur, LAN Argentina, S.A. and Sol S.A. Líneas Aéreas. In addition, in said resolution, the Argentine Secretariat of Domestic Commerce suggested the implementation of a price surveillance system by the CNDC. YPF appealed the Resolution and on May 15, 2012 it was notified that the Federal Civil and Commercial Court of Appeals accepted YPF's presentation and suspended the effectiveness of Resolution No. 17/2012 until the final judgement regarding its legality. On August 31, 2012 YPF was notified of the decision of such Court of Appeals who declared the Resolution to be null, on the basis of lack of authority of the Argentine Secretariat of Domestic Commerce. This decision was appealed by the Secretariat and a final judgment is pending.

The Argentine Secretariat of Energy has issued a series of resolutions affecting the fuel market. For example, Resolution S.E. No. 1,102/04 created the Registry of Liquid Fuels Supply Points, Self Consumption, Storage, Distributors and Bulk Sellers of Fuels and Hydrocarbons, and of Compressed Natural Gas; Resolution S.E. No. 1,104/04 created a bulk sales price information module as an integral part of the federal fuel information system, as well as a mechanism for communication of volumes sold; Resolution S.E. No. 1,834/05 compels service stations and/or supply point operators and/or self consumption of liquid fuels and hydrocarbons who have requested supply, and have not been supplied, to communicate such situation to the Argentine Secretariat of Energy; and Resolution S.E. No. 1,879/05 established that refining companies registered by the Argentine Secretariat of Energy, who are parties to contracts that create any degree of exclusivity between the refining company and the fuel seller, shall assure continuous, reliable, regular and non-discriminatory supply to its counterparties, giving the right to the seller to obtain the product from a different source, and thereupon, charging any applicable overcosts to the refining company.

Disposition S.S.C. No. 157/06 of the Undersecretariat of Fuels provides that fuel sellers who are parties to contracts that create any degree of exclusivity between the refining company and the fuel seller, and which for any reason are seeking to terminate such contract, shall report the termination in advance with the Undersecretariat of Fuels in order to inform the Argentine Secretariat of Domestic Commerce of the situation. In that case, the Argentine Secretariat of Domestic Commerce is to: (i) issue a statement regarding the validity of the termination of the contract and (ii) use all necessary means to allow the fuel seller terminating the contract to execute another agreement with a refining company and/or fuel broker in order to guarantee its fuel supply.

Resolution S.E. No. 1679/04 reinstalled the registry of diesel oil and crude oil export transactions created by Executive Decree No. 645/02, and mandated that producers, sellers, refining companies and any other market agent that wishes to export diesel oil or crude oil to register such transaction and to demonstrate that domestic demand has been satisfied and that they have offered the product to be exported to the domestic market. In addition, Resolution S.E. No. 1338/06 added other petroleum products to the registration regime created by Executive Decree No. 645/02, including gasoline, fuel oil and its derivatives, aviation fuel, coke coal, asphalts, certain petrochemicals and certain lubricants. Resolution No. 715/07 of the Argentine Secretariat of Energy empowered the National Refining and Marketing Direction to determine the amounts of diesel oil to be imported by each company, in specific periods of the year, to compensate exports of products included under the regime of Resolution No. 1679/04; the fulfillment of this obligation to import diesel fuel is necessary to obtain authorization to export the products included under Decree No. 645/02 (crude, fuel oil, diesel fuel, coke coal and gasoline, among others). In addition, Resolution No. 25/06 of the Argentine Secretariat of Domestic Commerce, issued within the framework of Law No. 20,680, imposes on each Argentine refining company the obligation to supply all reasonable diesel fuel demand, by supplying certain minimum volumes (established pursuant to the resolution) to their usual customers, mainly service station operators and distributors.

On August 17, 2010, the Argentine Secretariat of Domestic Commerce issued Resolution No. 295/10, imposing that the trade price of liquid fuels should be rolled back to those prices prevailing on July 31, 2010. This Resolution has been successfully challenged by another company and a preliminary injunction was granted suspending the effectiveness of such Resolution. This Resolution was later on repealed by Resolution No. 543/10 of the Argentine Secretariat of Domestic Commerce.

On February 2, 2011, the Argentine Secretariat of Domestic Commerce issued Resolution No. 13/11 stating that the retail price of liquid fuels had to be rolled back to those prices prevailing on January 28, 2011. This resolution also required refineries and oil companies to continue to supply amounts of fuel to the domestic market consistent with amounts supplied the prior year, as adjusted for the positive correlation between the increase in the demand of fuel and gross domestic product. On March 29, 2011, however, the Argentine Secretariat of Domestic Commerce issued Resolution No. 46/11, which repealed Resolution No. 13/11, alleging that market conditions had changed since its issuance.

In addition, an May 3, 2012, the Expropriation Law was enacted by the Argentine Congress and, on May 7, 2012 it was published in the Official Gazette of the Republic of Argentina. The Expropriation Law declared achieving self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. Furthermore, Decree No. 1277/12 derogated main previsions about free availability of hydrocarbons which were specifically contained in section 5 subsection d) and section 13, 14 and 15 of Decree No. 1055/89, sections 1, 6 and 9 form Decree No. 1212/89 and sections 3 and 5 from Decree No. 1589/89. Decree No. 1277/12 enacted the "Hydrocarbons Sovereignty Regime Rules," regulating Law No. 26,741. This regulation creates the Commission, which among other matters is entitled to publish reference prices of every component of the costs and sales prices of hydrocarbons and fuels, which should permit covering up production costs and obtaining a reasonable profit margin. See "The Expropriation Law" and "Decree No. 1277/12."

On April 10, 2013, Resolution 35/2013 of the Argentine Secretariat of Domestic Commerce, determined a price cap for fuel at all service stations for period of six months, which shall not exceed the highest outstanding price as of April 9, 2013 in each of the regions identified of the Annex of the Resolution.

On December 30, 2013, the Planning and Strategic Coordination Commission of the National Hydrocarbon Investment Plan (Comisión Nacional de Planificación y Coordinación Estratégica del Plan Nacional de Inversiones Hidrocarburíferas) approved, through Resolution No. 99/2013, the general rules for the grant of quotes of liquid fuels volumes allowed to be imported by locally registered companies, including, among others, oil companies registered in the relevant registries of the Secretariat of Energy. These Rules regulate the requirements, grant of volumes to be imported and other conditions to be complied with by the companies that wish to import liquid fuels free of the tax on liquid fuels (imposed by Law 23.966) and the tax on diesel oil (imposed by Law 26.098), jointly with other fuels up to a maximum aggregate amount of 7 million m3.

Natural gas

In January 2004, Executive Decree No. 180/04 (i) created the Electronic Gas Market (MEG) for the trade of daily spot sales of gas and a secondary market of transportation and distribution services and (ii) established information obligations for buyers and sellers of natural gas in relation to their respective commercial operations, required as a condition to be authorized to inject into and transport through the transportation system any volume of natural gas (further regulated by Resolution No. 1,146/04 issued on November 9, 2004 and Resolution No. 882/05 issued by the Argentine Secretariat of Energy). According to Executive Decree No. 180/04, all daily spot sales of natural gas must be traded within the MEG.

In January 2004, Executive Decree No. 181/04 authorized the Argentine Secretariat of Energy to negotiate with natural gas producers a pricing mechanism for natural gas supplied to industries and electric generation companies. Domestic market prices at the retail market level were excluded from these negotiations.

On June 14, 2007, Resolution No. 599/07 of the Argentine Secretariat of Energy approved a proposal of agreement with natural gas producers regarding the supply of natural gas to the domestic market during the period 2007 through 2011 (the "Agreement 2007-2011"), giving such producers a five-business-day term to enter into the Agreement 2007-2011. We executed the Agreement 2007-2011 taking into account that producers that did not enter into the Agreement 2007-2011 would be required to satisfy domestic demand before those who entered into the agreement 2007-2011. Producers are authorized to withdraw from the Agreement 2007-2011 and will be treated as any producer that has not entered into the Agreement 2007-2011. On January 5, 2012, the Official Gazette published Resolution S.E. No. 172, which temporarily extends the assignation rules and other criteria established by Resolution No. 599/07 until new legislation is passed replacing such rules and criteria.

On February 17, 2012, we filed a motion for reconsideration of Resolution S.E. No. 172 with the Argentine Secretariat of Energy.

The purpose of the Agreement 2007-2011 was to guarantee the supply of the domestic market demand at the levels registered in 2006, plus the growth in demand by residential and small commercial customers (the "Agreed Demand Levels"). Producers that have entered into the Agreement 2007-2011 would commit to supply a part of the Agreed Demand Levels according to certain shares determined for each producer based upon its share of production for the 36 months prior to April 2004. For this period, our share of production was approximately 36.5%, or 36.8 mmcm/d (or 1,300 mmcf/d). The Agreement 2007-2011 also provides guidelines for the terms of supply agreements for each market segment, and certain pricing limitations for each market segment of the Agreed Demand Levels. In order to guarantee any domestic market demand of natural gas in excess of the Agreed Demand Levels, Resolution S.E. No. 599/07 maintains the effectiveness of the Resolutions that implemented the curtailment of natural gas export commitments and the re-routing of such natural gas volumes to certain sectors of the domestic market. See "—Natural gas export administration and domestic supply priorities." The Resolution also states that the Agreement 2007-2011 does not prevent the possible suspension or termination of export permits.

We were compelled to execute the Agreement 2007-2011, among other reasons, in order to mitigate our potential damages. Producers failing to sign the Agreement 2007-2011 could be penalized and subject to other unfavorable measures by regulatory authorities. However, we expressly stated that the execution of the Agreement 2007-2011 did not entail any recognition by us of the validity of the terms and conditions of the various Resolutions of the Argentine Secretariat of Energy establishing programs for the curtailment or re-routing of exports to satisfy domestic demand. We challenged Resolution No. 599/07 and stated that we signed the Agreement 2007-2011 taking into account the potential consequences of not doing so.

The Argentine Secretariat of Energy created, by its Resolution No. 24/08 issued on March 13, 2008, a program named "Gas Plus" to encourage natural gas production resulting from discoveries, new fields and tight gas, among other factors. The natural gas produced under the Gas Plus program is not be subject to the Agreement 2007-2011 and the price conditions established under such Agreement.

The Argentine Secretariat of Energy, through Resolution No. 1031/08 issued on September 12, 2008, modified Resolution No. 24/07, establishing the specific conditions petitioners must meet in order to qualify for the Gas Plus program. Certain of such conditions were modified by Resolution No. 695/09 of the Argentine Secretariat of Energy, which demands compliance with commitments already assumed.

The Argentine Secretariat of Energy, through Resolution No. 1070/08 issued on October 1, 2008, ratified the complementary agreement entered into between Argentine natural gas producers and the Argentine Secretariat of Energy on September 19, 2008 (the "Complementary Agreement"), which (i) modified gas prices at the wellhead and segmented the residential sector in terms of natural gas demand, and (ii) established the requirement that natural gas producers contribute to the fiduciary fund created by Law No. 26,020. The Complementary Agreement also contains certain requirements concerning the provision of LPG to the domestic market. See "—Liquefied Petroleum Gas." Through Resolution No. 1417/08, the Secretariat of Energy determined the basin prices for the residential segment applicable to the producers that signed the Complementary Agreement. On January 13, 2010, the natural gas producers signed an addendum to the Complementary Agreement which extended the commitment to contribute to the fiduciary funds created by Law No. 26,020 until December 31, 2010. On January 25, 2011, the natural gas producers signed a second addendum to the Complementary Agreement which extended such commitment until December 31, 2011.

On March 19, 2012, the Official Gazette published Resolution SE No. 55/2012 of the Secretariat of Energy, which extended the Complementary Agreement for 2012 and established the following with respect to non-signing parties: (i) the natural gas price increase established by the Complementary Agreement will not be applicable to natural gas injected into the gas system by non-signing parties; (ii) natural gas injected by non-signing parties will be consumed first in the order of priority by residential users, which has the lowest tariffs; and (iii) non-signing parties must fulfill all of the commitments undertaken by natural gas producers under the Agreement 2007-2011, which was extended by Resolution S.E. No. 172. On March 23, 2012, Resolution SE No. 55/2012 was supplemented by Resolution ENARGAS No. 2087/2012, which sets forth, among others, the procedure that distribution companies should follow to secure amounts to be deposited with the fiduciary fund created by Law No. 26,020. Additionally,

according to this resolution, producers which have not signed the 2012 extension of the Complementary Agreement are not allowed to charge the well-head price increases for gas set forth in Resolutions SE No. 1070/2008 and 1417/2008 to consumers directly supplied by distribution companies. Thus, such non-signing producers have to invoice the lower prices which were in effect prior to the adoption of these resolutions for the gas supplied to the distribution companies.

Thereafter, on April 19, 2012, December 18, 2012 and December 19, 2013, YPF signed the 2012, 2013 and 2014 extensions of the Complementary Agreement, respectively.

Executive Decree No. 2067/08 of December 3, 2008, created a fiduciary fund to finance natural gas imports destined for injection into the national pipeline system, when required to satisfy the internal demand. The fiduciary fund is funded through the following mechanisms: (i) various tariff charges which are paid by users of regular transport and distribution services, gas consumers that receive gas directly from producers and companies that process natural gas; (ii) special credit programs that may be arranged with domestic or international organizations; and (iii) specific contributions assessed by the Argentine Secretariat of Energy on participants in the natural gas industry. This decree has been subject to different judicial claims and judges throughout the country have issued precautionary measures suspending its effects. On November 8, 2009, ENARGAS published Resolution No. 1982/11, which supplements Decree No. 2067/08. This Resolution adjusts the tariff charges established by Executive Decree No. 2067/08 to be paid by users in the residential segment and gas processing and electric power companies, among others, starting December 1, 2011. On November 24, 2011, ENARGAS issued Resolution No. 1991/11, which extends the type of users that will be required to pay tariff charges. YPF has challenged these Resolutions. On April 13, 2012, a precautionary measure was granted regarding the processing plant El Porton, suspending the effects of these Resolutions with respect to such plant.

On November 5, 2012 the Official Gazette published Law No. 26,784 which approves the National Administration Budget for 2013. Article 54 of the Law established that the tariff charges and the fiduciary fund established by Executive Decree No. 2067/08 and all its supplementary acts shall be ruled by Law No. 26,095.

On July 17, 2009, the Ministry of Federal Planning and certain natural gas producers (including YPF) signed an agreement which sets forth: (i) natural gas prices at the wellhead for the electric power generators segment from July to December 2009, and (ii) amounts to be received by natural gas producers for volumes sold to the residential segment from August 2009 onwards. These amounts are adjusted on a monthly basis so that they represent 50% of the amount collected by the fiduciary fund to finance natural gas imports.

On October 4, 2010, the Official Gazette published ENARGAS Resolution No. 1410/10, which approves new rules for natural gas dispatch applicable to all participants in the gas industry and imposing the following new and more severe priority demand gas restrictions on producers:

- Distributors remain able to solicit all the gas necessary to cover the priority demand despite such gas volumes' exceeding those that the Argentine Secretariat of Energy would have allocated by virtue of the Agreement 2007-2011 ratified by the Resolution No. 599/07. See "—Exploration and Production—Delivery commitments."
- Producers are obligated to confirm all the natural gas requested by distributors in respect of the priority demand. The producers' portion of such volumes follows the allocation criterion established by the Resolution No. 599/07. We cannot predict the amount of the estimated domestic demand that a producer may be required to satisfy regardless of whether such producer signed the Agreement 2007-2011.
- Once the priority demand has been satisfied, the remaining demands are fulfilled with exports last in order of priority.
- In the event a producer is unable to meet the requested demand, transporters are responsible for redirecting gas until a distributor's gas demand is met. The gas deficiency is either (i) deducted from the producer suffering the deficiency if it is able to meet the demands of its other clients in the same basin or (ii) recuperated from the remainder of the gas producers in the event the deficient producer is not able to serve any of its clients in the same basin.

As a result, this regime imposes a jointly liable supply obligation on all producers in the event any producer experiences a gas supply deficiency. We have challenged the validity of the aforementioned regulation.

On December 17, 2010 certain natural gas producers (including YPF) signed an agreement which set forth the percentage of regasified LNG assigned to each natural gas producer for 2011. Amounts produced under this agreement were counted towards such producers' commitments to supply natural gas to distributors under Resolution No. 599/07. As of the date of this annual report, a similar agreement has not been entered into for 2012.

On August 27, 2012 the Official Gazette published Resolution SE No. 1445/2012 of the Secretariat of Energy, according to considerations set by Decree No. 1,277/2012, which modified gas prices at the wellhead for compressed natural gas (CNG) which represents an increase of approximately 369% of the prices realized by the Company for such segment product.

On December 2012, YPF and other gas producing companies of Argentina agreed with the Commission to establish an incentive scheme for the additional injection (all gas injected by the companies above certain threshold) of natural gas. On February 14, 2013 Resolution 1/2013 of the Commission was published in the Official Gazette. This Resolution formally creates the "Natural

Gas Additional Injection Stimulus Program." Under this regulation, gas producing companies are invited to file with the Commission before June 30th, 2013 projects to increase natural gas injection , in order to receive an increased price of 7.5 U.S.$/MBTU for all additional natural gas injected. These projects shall comply with minimum requirements established in Resolution 1/2013, and will be subject to consideration approval by the Commission, including a maximum term of five (5) years, renewable at the request of the beneficiary, upon decision of the Commission. If the beneficiary company in a given month does not reach the committed production increase it will have to make up for such volumes not produced. On May 23, 2013 the Commission approved the project submitted by YPF.

Natural gas export administration and domestic supply priorities

In March 2004, the Argentine Secretariat of Energy issued Resolution S.E. No. 265/04 adopting measures intended to ensure the adequate supply of natural gas to the domestic market and regulate its consequences on electricity wholesale prices. Among the measures adopted were:

- the suspension of all exports of surplus of natural gas;
- the suspension of automatic approvals of requests to export natural gas;
- the suspension of all applications for new authorizations to export natural gas, filed or to be filed before the Argentine Secretariat of Energy; and
- the authorization to the Undersecretariat of Fuels to create a rationalization plan of gas exports and transportation capacity.

In March 2004, the Undersecretariat of Fuels, pursuant to the authority given to it under Resolution S.E. No. 265/04, issued Regulation S.S.C. No. 27/04 establishing a rationalization plan of gas exports and transportation capacity. Among other things, Regulation No. 27/04 established a limit on natural gas export authorizations, which, absent an express authorization by the Undersecretariat of Fuels, may not be executed for volumes exceeding exports registered during 2003.

In June 2004, the Argentine Secretariat of Energy issued Resolution S.E. No. 659/04, which established a new program to assure natural gas supply to the domestic market (which substitutes for program created by Regulation No. S.S.C. 27/04). Under Resolution S.E. No. 659/04 (amended by Resolution S.E. No. 1,681/04), natural gas exports may be restricted due to shortages of natural gas in the domestic market, because exporting producers may be required to supply additional volumes of natural gas to the domestic market beyond those that they are contractually committed to supply. The export of natural gas under current export permits is conditioned on the fulfillment of additional supply requirements imposed on exporting producers by governmental authorities.

This program was further amended and supplemented by Resolution S.E. No. 752/05 issued by the Argentine Secretariat of Energy in May 2005, which further reduced the ability of producers to export natural gas, and created a mechanism under which the Argentine Secretariat of Energy may require exporting producers to supply additional volumes to domestic consumers during a seasonal period (Permanent Additional Supply), which volumes of natural gas are also not committed by the exporting producers. Based on the provisions of Rule No. 27/04, Resolution S.E. No. 659/04 and Resolution S.E. No. 752/05, the Argentine Secretariat of Energy and/or the Undersecretariat of Fuels have instructed us to re direct natural gas export volumes to the internal market, thereby affecting natural gas export commitments. We have challenged the validity of the aforementioned regulations and resolutions, and have invoked the occurrence of a *force majeure* event under the corresponding natural gas export purchase and sale agreements. The counterparties to such agreements have rejected our position. See "Item 8. Financial Information—Legal Proceedings."

Resolution S.E. No. 752/05 also establishes (i) a special market, open and anonymous, for compressed natural gas stations to purchase natural gas under regulated commercial conditions, with the demand being ensured by the Argentine Secretariat of Energy through Permanent Additional Supply required of exporting producers, and (ii) a mechanism of standardized irrevocable offers for electric power generators and industrial and commercial consumers to obtain supply of natural gas, with the demand being ensured by the Argentine Secretariat of Energy through the issuance of the Permanent Additional Supply mentioned above.

Pursuant to the standardized irrevocable offers procedure mentioned above, which operates at the MEG, any direct consumer may bid for a term gas purchase at the export average gas price net of withholdings by basin. The volume necessary to satisfy the standardized irrevocable offers which have not been satisfied will be required as a Permanent Additional Supply only until the end of the seasonal period during which the unsatisfied requests should be made (October–April or May–September). Such Permanent Additional Supply will be requested from the producers that export gas and that inject the natural gas from the basins that are able to supply those unsatisfied irrevocable offers. Resolution of the Argentine Secretariat of Energy S.E. No. 1886/06, published on January 4, 2007, extended the term of effectiveness of this mechanism of standardized irrevocable offers until 2016, and empowered the Undersecretariat of Fuels to suspend its effectiveness subject to the satisfaction of internal demand of natural gas achieved by means of regulations, agreements or due to the discovery of reserves.

By means of Resolution S.E. No. 1329/06, later supplemented by Note SSC No. 1011/07, the Argentine Secretariat of Energy forced producers to give first priority in their injections of natural gas into the gas pipelines to certain preferential consumers and obligated transportation companies to guarantee these priorities through the allocation of transportation capacity. In general, these regulations subordinate all exports of natural gas to the prior delivery of natural gas volumes that are sufficient to satisfy domestic market demand.

Also, beginning during the severe Argentine winter in 2007 and continuing thereafter, we and most gas producers, as well as the transportation companies in Argentina, received instructions from the government to decrease exports, except for certain volumes addressed to satisfy Chilean residential consumptions and other specific consumptions.

Liquefied petroleum gas

Law No. 26,020 enacted on March 9, 2005 sets forth the regulatory framework for the industry and commercialization of LPG. This law regulates the activities of production, bottling, transportation, storage, distribution, and commercialization of LPG in Argentina and declares such activities to be of public interest. Among other things, the law:

- creates the registry of LPG bottlers, obliging LPG bottlers to register the bottles of their property;
- protects the trademarks of LPG bottlers;
- creates a reference price system, pursuant to which, the Argentine Secretariat of Energy shall periodically publish reference prices for LPG sold in bottles of 45 kilograms or less;
- required the Argentine Secretariat of Energy to comply with the following tasks: (i) create LPG transfer mechanisms, in order to guarantee access to the product to all the agents of the supply chain; (ii) establish mechanisms for the stabilization of LPG prices charged to local LPG bottlers; and (iii) together with the CNDC, analyze the composition of the LPG market and its behavior, in order to establish limitations on market concentration in each phase, or limitations to the vertical integration throughout the chain of the LPG industry (such limitations apply to affiliates, subsidiaries and controlled companies);
- grants open access to LPG storage facilities; and
- creates a fiduciary fund to finance bottled LPG consumption for low-income communities in Argentina and the extension of the natural gas distribution network to new areas, where technically possible and economically feasible. The fiduciary fund is funded through the following mechanisms: (i) penalties established by Law No. 26,020, (ii) assignments from the General State Budget, (iii) funds from special credit programs that may be arranged with national or international institutions, and (iv) funds that may be assessed by the Argentine Secretariat of Energy on participants in the LPG industry.

The Argentine Secretariat of Energy established, through several subsequent resolutions, reference prices applicable to sales of LPG bottles of less than 45 kilograms, and to sales of bulk LPG exclusively to LPG bottlers. Also, the Argentine Secretariat of Energy approved the method for calculating the LPG export parity to be updated monthly by the Undersecretariat of Fuels. In 2007, the Argentine Secretariat of Energy increased the LPG volumes to be sold to bottlers at the reference prices set forth in the above-mentioned resolutions.

Disposition 168/05 of the Undersecretariat of Fuels requires companies intending to export LPG to first obtain an authorization from the Argentine Secretariat of Energy. Companies seeking to export LPG must first demonstrate that the local demand is satisfied or that an offer to sell LPG to local demand has been made and rejected.

On September 19, 2008, the Secretariat of Energy and Argentine LPG producers entered into the Complementary Agreement which, among other objectives, seeks to stabilize the price of LPG in the domestic market. The Complementary Agreement applies only to LPG sold to bottlers that declare their intention to bottle such LPG in LPG bottles of 10, 12 or 15 kilograms. The Complementary Agreement requires LPG producers to supply LPG bottlers with the same volume of LPG supplied the prior year and to accept the price per ton set forth in the Complementary Agreement. The Complementary Agreement was extended until December 31, 2010, pursuant to an addendum entered into on October 23, 2009 by YPF and Repsol YPF Gas S.A., which required LPG producers to supply LPG bottlers in 2010 with the same volume provided during 2009 plus an additional 5%.

On December 29, 2010, LPG producers signed a second addendum to the Complementary Agreement which extended the Complementary Agreement until December 31, 2011 and required LPG producers to supply LPG bottlers in 2011 with the same volume provided during 2010.

On March 16, 2012, the Official Gazette published Resolution No. 77 of the Argentine Secretariat of Energy, which ratified the execution of the extension of the Complementary Agreement for 2012 regarding the provision of LPG bottles of 10, 12 and 15 kilograms for residential users. This Resolution also provides that all LPG producers, whether they are parties or not to the

Complementary Agreement, must provide the volumes of LPG to be determined by the Argentine Secretariat of Energy at the reference prices established in the Complementary Agreement. The failure to comply with such obligations may result in the application of the penalties established in the Resolution, including the prohibition to export LPG and the limitation of LPG sales in the domestic market. On April 19, 2012, YPF signed the 2012 extension of the Complementary Agreement. On December 21, 2012 YPF signed the 2013 extension of the Complementary Agreement.

On July 5, 2013, Resolution No. 429 of the Argentine Secretariat of Energy was published in the Official Gazette, approving the extension of the Complementary Agreement for the provision of LPG bottles of 10, 12 and 15 kilograms for residential users for year. Similar terms to those of the 2012 extension (Resolution No. 77 dated March 16, 2012) were included in the 2013 extension.

Argentine Environmental Regulations

The enactment of Articles 41 and 43 in the National Constitution, as amended in 1994, as well as new federal, provincial and municipal legislation, has strengthened the legal framework dealing with damage to the environment. Legislative and government agencies have become more vigilant in enforcing the laws and regulations regarding the environment, increasing sanctions for environmental violations.

Under the amended Articles 41 and 43 of the National Constitution, all Argentine inhabitants have both the right to an undamaged environment and a duty to protect it. The primary obligation of any person held liable for environmental damage is to rectify such damage according to and within the scope of applicable law. The federal government sets forth the minimum standards for the protection of the environment and the provinces and municipalities establish specific standards and implementing regulations.

Federal, provincial and municipal laws and regulations relating to environmental quality in Argentina affect our operations. These laws and regulations set standards for certain aspects of environmental quality, provide for penalties and other liabilities for the violation of such standards, and establish remedial obligations in certain circumstances.

In general, we are subject to the requirements of the following federal environmental regulations (including the regulations issued thereunder):

- National Constitution (Articles 41 and 43);
- Law No. 25,675 on National Environmental Policy;
- Law No. 25,612 on Integrated Management of Industrial and Service Industry Waste;
- Law No. 24,051 on Hazardous Waste;
- Law No. 20,284 on Clean Air;
- Law No. 25,688 on Environmental Management of Waters;
- Law No. 25,670 on the Management and Elimination of Polychlorinated Biphenyls;
- Criminal Code; and
- Civil Code, which sets forth the general rules of tort law.

These laws address environmental issues, including limits on the discharge of waste associated with oil and gas operations, investigation and cleanup of hazardous substances, workplace safety and health, natural resource damages claims and toxic tort liabilities. Furthermore, these laws typically require compliance with associated regulations and permits and provide for the imposition of penalties in case of non-compliance.

In addition, we are subject to various other provincial and municipal regulations, including those relating to gas venting, oil spills and well abandonment, among other matters.

By Resolution No. 404/94, the Argentine Secretariat of Energy amended Resolution No. 419/93, and created the Registry of Independent Professionals and Safety Auditing Companies (*Registro de Profesionales Independientes y Empresas Auditoras de Seguridad*), which may act with respect to areas of hydrocarbons storage, oil refineries, gas stations, fuel commercialization plants and plants for fractionation of LPG in containers or cylinders. The Resolution provides that external audits of oil refineries, gas stations and all fuel storage plants must be carried out by professionals registered in the Registry. Domestic fuel manufacturing companies and companies that sell fuels are prohibited from supplying these products to any station failing to comply with its obligations. Penalties for failure to perform the audits and remedial or safety tasks include the disqualification of plants or gas stations. In addition, a set of obligations is established in relation to underground fuel storage systems, including a mechanism for instant notification in cases of loss or suspicion of loss from the storage facilities.

On July 19, 2001, the Secretariat of Environmental Policy of the province of Buenos Aires issued Resolution No. 1037/01 ordering us to clean up certain areas adjacent to the La Plata refinery. The resolution was appealed through an administrative procedure which has not yet been resolved. Nevertheless, we have commenced certain works in order to identify potential technical

solutions for the treatment of the historical contamination, while reserving that the remediation must be made by the parties responsible for the environmental damage. Under current law, the Argentine government has the obligation to indemnify us against any liability and hold us harmless for events and claims arising prior to January 1, 1991, according to Law No. 24,145.

During 2005, the Argentine Secretariat of Energy, by means of Resolution No. 785/05, created the National Program of Hydrocarbons Warehousing Aerial Tank Loss Control, a measure aimed at reducing and correcting environmental pollution caused by hydrocarbons warehousing-aerial tanks. We have commenced the development and implementation of a technical and environmental audit plan as required by this Resolution.

The above description of the material Argentine environmental regulations is only a summary and does not purport to be a comprehensive description of the Argentine environmental regulatory framework. The summary is based upon Argentine regulations related to environmental issues as in effect on the date of this annual report, and such regulations are subject to change.

U.S. Environmental Regulations

Federal, state and local laws and regulations relating to health, safety and environmental quality in the United States, where YPF Holdings operates, affect the operations of this subsidiary. YPF Holdings' U.S. operations, conducted primarily through Maxus Energy Corporation ("Maxus"), are subject to the requirements of the following U.S. environmental laws:

- Safe Drinking Water Act;
- Clean Water Act;
- Oil Pollution Act;
- Clean Air Act;
- Resource Conservation and Recovery Act;
- National Environmental Policy Act;
- Occupational Safety and Health Act;
- Comprehensive Environmental Response, Compensation and Liability Act; and
- various other federal, state and local laws.

These laws and regulations set various standards for many aspects of health, safety and environmental quality (including limits on discharges associated with oil and gas operations), provide for fines and criminal penalties and other consequences (including limits on operations and loss of applicable permits) for the violation of such standards, establish procedures affecting location of facilities and other operations, and in certain circumstances impose obligations concerning reporting, investigation and remediation, as well as liability for natural resource damages and toxic tort claims.

Taxation

Holders of exploration permits and production concessions are subject to federal, provincial and municipal taxes and regular customs duties on imports. The Hydrocarbons Law grants such holders a legal guarantee against new taxes and certain tax increases at the provincial and municipal levels, except in the case of a general increase in taxes.

Pursuant to Sections 57 and 58 of the Hydrocarbons Law, holders of exploration permits and production concessions must pay an annual surface fee that is based on acreage of each block and which varies depending on the phase of the operation, i.e., exploration or production, and in the case of the former, depending on the relevant period of the exploration permit. On October 17, 2007, the *Official Gazette* published Executive Decree No. 1,454/07, which significantly increased the amount of exploration and production surface fees expressed in Argentine pesos that are payable to the different jurisdictions where the hydrocarbon fields are located. See "—Exploration and Production."

In addition, "net profit" (as defined in the Hydrocarbons Law) of holders of permits or concessions accruing from activity as such holders might be subject to the application of a special 55% income tax. This tax has never been applied. Each permit or concession granted to an entity other than us has provided that the holder thereof is subject instead to the general Argentine tax regime, and a decree of the National Executive Office provides that we are also subject to the general Argentine tax regime.

Following the introduction of market prices for downstream petroleum products in connection with the deregulation of the petroleum industry, Law No. 23,966 established a volume-based tax on transfers of certain types of fuel, replacing the prior regime, which was based on the regulated price. Law No. 25,745, modified, effective as of August 2003, the mechanism for calculating the tax, replacing the old fixed value per liter according to the type of fuel for a percentage to apply to the sales price, maintaining the old fixed value as the minimum tax.

Export taxes

In 2002, the Argentine government began to implement customs duties on the export of hydrocarbons. Export tax rates were increased on crude oil to 20%, on butane, methane and LPG to 20% and gasoline and diesel oil to 5%. In May 2004, Resolution No. 337/04 of the Ministry of Economy increased export duties on crude oil to 25%. These export tax rates were increased again in 2004, when the Ministry of Economy issued Resolution No. 532/04, establishing a progressive scheme of export duties for crude oil, with rates ranging from 25% to 45%, depending on the quotation of the WTI reference price at the time of the exportation. In addition, in May 2004, pursuant to Resolution No. 645/04 of the Ministry of Economy, an export duty on natural gas and natural gas liquids was established at a rate of 20%. The export duty on natural gas was increased again in July 2006, when the Ministry of Economy increased the rate to 45% and instructed the Customs General Administration to apply the price fixed by the Framework Agreement between Argentina and Bolivia as the base price to which to apply the new tax rate, irrespective of the actual sales price. In addition, on October 10, 2006, the Ministry of Economy imposed prevalent export duties on exports from the Tierra del Fuego province, which were previously exempted from taxes. Moreover, in May 2007 the Ministry of Economy increased to 25% the export duty on butane, propane and LPG.

Resolution No. 394/07 of the Ministry of Economy, effective as of November 16, 2007, increased export duties on Argentine oil exports (as defined by the regulator) on crude oil and other crude derivatives products. The new regime provides that when the WTI international price exceeds the reference price, which was fixed at U.S.$60.9/barrel, the producer should be allowed to collect at U.S.$42/barrel, with the remainder being withheld by the Argentine government as an export tax. If the WTI international price is under the reference price but over U.S.$45/barrel, a 45% withholding rate would apply. If such price was under U.S.$45/barrel, the applicable export tax was to be determined by the Argentine government within a term of 90 business days. By Resolution No. 1/2013 of the Ministry of Economy and Public Finances, Resolution No. 394/07 was amended, increasing cutoff values from 42 U.S.$/barrel to U.S.$70/barrel, and reference price from U.S.$60.9 to U.S.$80 for crude oil. This means that when the international price of crude oil is over U.S.$80/barrel, the local producer shall be allowed to collect at U.S.$70/barrel, with the remainder being withheld by the Argentine government.

Resolution No. 127/08 of the Ministry of Economy increased export duties applicable to natural gas exports from 45% to 100%, mandating a valuation basis for the calculation of the duty as the highest price established in any contract of any Argentine importer for the import of gas (abandoning the previously applicable reference price set by the Framework Agreement between Argentina and Bolivia mentioned above). Resolution No. 127/08 provides with respect to LPG products (including butane, propane and blends thereof) that if the international price of the relevant LPG product, as notified daily by the Argentine Secretariat of Energy, is under the reference price established for such product in the Resolution (U.S.$338/cm for propane, U.S.$393/cm for butane and U.S.$363/cm for blends of the two), the applicable export duty for such product will be 45%. If the international price exceeds the reference price, the producer shall be allowed to collect the maximum amount established by the Resolution for the relevant product (U.S.$233/cm for propane, U.S.$271/cm for butane and U.S.$250/cm for blends of the two), with the remainder being withheld by the Argentine government as an export tax.

In addition, the calculation procedure described above also applies to other petroleum products and lubricants based upon different withholding rates, reference prices and prices allowed to producers.

There can be no assurances as to future levels of export taxes.

Repatriation of Foreign Currency

Executive Decree No. 1,589/89, relating to the deregulation of the upstream oil industry, allowed us and other companies engaged in oil and gas production activities in Argentina to freely sell and dispose of the hydrocarbons we produce. Additionally, under Decree No. 1,589/89, we and other oil producers were entitled to keep outside of Argentina up to 70% of foreign currency proceeds we received from crude oil and gas export sales, but were required to repatriate the remaining 30% through the exchange markets of Argentina.

In July 2002, Argentina's Attorney General issued an opinion which would have effectively required us to liquidate 100% of our export receivables in Argentina, instead of the 30% provided in Decree No. 1,589/89 based on the assumption that Decree No. 1,589/89 had been superseded by other decrees (Decree No. 530/91 and 1,606/01) issued by the government. Subsequent to this opinion, however, the government issued Decree No. 1,912/02 ordering the Central Bank to apply the 70%/30% regime set out in Decree No. 1,589/89. Nevertheless, the uncertainty generated by the opinion of Argentina's Attorney General resulted in a legal proceeding described under "Item 8. Financial Information—Legal proceedings—Argentina—Non-accrued, remote contingencies—Proceedings related to foreign currency proceeds."

Decree No. 1722/2011, of October 26, 2011, re-established Decree No. 2581/64 and requires all oil and gas companies (including YPF), among other entities, to repatriate 100% of their foreign currency export receivables.

ITEM 4A. Unresolved Staff Comments.

YPF does not have any unresolved Staff comments.

ITEM 5. Operating and Financial Review and Prospects

The following discussion should be read in conjunction with our Audited Consolidated Financial Statements included in this annual report.

Overview

We are Argentina's leading energy company, operating a fully integrated oil and gas chain with leading market positions across the domestic upstream and downstream segments. Our upstream operations consist of the exploration, development and production of crude oil, natural gas and liquefied petroleum gas. Our downstream operations include the refining, marketing, transportation and distribution of oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, LPG and bio-fuels. Additionally, we are active in the gas separation and natural gas distribution sectors both directly and through our investments in several affiliated companies. In 2013, we had consolidated revenues of Ps.90,113 million (U.S.$13,825 million) and consolidated net income of Ps.5,079 million (U.S.$779 million).

Presentation of Financial Information

Our Audited Consolidated Financial Statements are prepared in accordance with IFRS as issued by the IASB. Our Audited Consolidated Financial Statements are fully compliant with IFRS.

We fully consolidate the results of subsidiaries in which we have a sufficient number of voting shares to control corporate decisions. Interest in joint operations and other agreements which give the Company a percentage contractually established over the rights of the assets and obligations that emerge from the contract ("joint operations"), have been consolidated line by line on the basis of the mentioned participation over the assets, liabilities, income and expenses related to each contract.

On March 20, 2009, the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") approved Technical Resolution No. 26 on the "Adoption of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB)." Such resolution was approved by the CNV through General Resolution No. 562/09 on December 29, 2009 (modified by General Resolution No. 576/10 on July 1, 2010), with respect to certain publicly-traded entities subject to Law No. 17,811. Compliance with such rules was mandatory for YPF for the fiscal year which begun on January 1, 2012, with transition date of January 1, 2011.

The financial data contained in this annual report as of December 31, 2013, 2012 and 2011 and for the years then ended has been derived from our Audited Consolidated Financial Statements included in this annual report. See Note 14to the Audited Consolidated Financial Statements.

Finally, certain oil and gas disclosures are included in this annual report under the heading "Supplemental information on oil and gas producing activities (unaudited)."

Segment Reporting

We report our business into the following segments: (i) exploration and production, which includes exploration and production activities, natural gas and crude oil purchases, sales of natural gas, and to a lesser extent crude oil, to third parties and intersegment sales of crude oil, natural gas and its byproducts ("Exploration and Production"); (ii) the refining, transport, purchase of crude oil and natural gas to third parties and intersegment sales, and marketing of crude oil, natural gas, refined products, petrochemicals, electric power generation and natural gas distribution ("Downstream"). Other activities not falling into the previously described categories are reported under a separate segment ("Corporate and Other"), principally including corporate administration costs and assets, environmental matters related to YPF Holdings (see Note 3 to our Audited Consolidated Financial Statements) and construction activities. See "Item 4. Information on the Company—Business Organization."

Sales between business segments are made at internal transfer prices established by us, which generally seek to approximate market prices.

Summarized Income Statement

	For the Year Ended December 31,		
	2013	2012	2011
	(in millions of pesos)		
Revenues	90,113	67,174	56,211
Cost of sales	(68,571)	(50,267)	(41,143)
Gross profit	21,542	16,907	15,068
Administrative expenses	(2,686)	(2,232)	(1,822)
Selling expenses	(7,571)	(5,662)	(5,438)
Exploration expenses	(829)	(582)	(574)
(Expense)/Other income, net	704	(528)	(46)
Operating income	11,160	7,903	7,188
Income (Loss) on investments in companies	353	114	685
Financial income (expense), net	2,835	548	(287)
Net income before income tax	14,348	8,565	7,586
Income tax	(2,844)	(2,720)	(2,495)
Deferred tax	(6,425)	(1,943)	(646)
Net income	5,079	3,902	4,445
Total other comprehensive income	12,031	4,241	1,852
Total comprehensive income	17,110	8,143	6,297

Factors Affecting Our Operations

Our operations are affected by a number of factors, including:

- the volume of crude oil, oil byproducts and natural gas we produce and sell;
- regulation on domestic pricing;
- export administration by the Argentine government and domestic supply requirements;
- international prices of crude oil and oil products;
- our capital expenditures and financing availability for the Company;
- cost increases;
- domestic market demand for hydrocarbon products;
- operational risks, labor strikes and other forms of public protest in the country;
- taxes, including export taxes;
- regulations of capital flows;
- the Argentine peso/U.S. dollar exchange rate;
- the revocation of our concessions in case of noncompliance with certain provisions as set by laws and agreements with provinces in Argentina;
- dependence on the infrastructure and logistics network used to deliver our products;
- laws and regulations affecting our operations, such us import regulations; and
- interest rates.

Our business is inherently volatile due to the influence of exogenous factors such as internal demand, market prices, financial availability for our business plan and the corresponding cost, and government regulations. Consequently, our past financial condition, results of operations and the trends indicated by such results and financial condition may not be indicative of future financial condition, results of operations or trends in future periods. See additionally “Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law.”

Our operating income in 2013 increased by approximately 41 % compared to 2012. This increase was attributable to, among other things, the increased in diesel oil and gasoline domestic prices and the increase in volumes sold of gasoline and fuel oil. The aforementioned effects were partially offset by an increase in depreciation of fixed assets, increased prices of crude oil purchased

from third parties, increased volumes of refined products (principally diesel and gasoline) purchased from third parties mainly as a consequence of the incident suffered by our La Plata refinery (see below), increased royalties (driven mainly by higher prices of crude oil at the wellhead), higher costs of sales and general cost increases (mainly preservation, repair and maintenance costs, salaries and social security costs and costs of services rendered by third parties). This increase in costs is attributable mainly to our increased activity and price increases in Argentina.

On April 2, 2013 our facilities in the La Plata refinery were hit by a severe and unprecedented storm, recording over 400 mm of rainfall (which was the maximum ever recorded in the area). The heavy rainfall disrupted refinery systems and caused a fire that affected the Coke A and Topping C units in the refinery. This incident temporarily affected the crude processing capacity of the refinery, which had to be stopped entirely. The Coke A unit has been shut down permanently since the storm, and, after a significant restoration effort, the Topping C unit resumed operations up to its full nominal capacity in late May 2013. The industrial complex is insured for damage and loss of profits caused by the incident under our insurance policy. As of December 31, 2013 we have recognized in our result of operations U.S.$ 300 million relating to the partial compensation of Coke A damages and operational losses for 2013 from our insurance coverage. (See "Item 4. Information on the Company—Insurance—Argentine Operations").

In addition, on March 21, 2014, a fire occurred at the Cerro Divisadero crude oil treatment plant, located 20 kilometers from the town of Bardas Blancas in the province of Mendoza. The Cerro Divisadero plant, which has 6 tanks, 4 of which are for processing and 2 are for dispatch of treated crude oil, concentrates the production of 10 fields in the Malargue area, which constitutes a daily production of approximately 9,200 barrels of oil and represents 3.8% of the oil production of YPF. As of the date of this annual report, the fire has been completely extinguished and maintenance works have commenced to reinitiate operations of the surrounding facilities, which had been preventatively shut down due to the risk of being affected, and to work on reestablishing production. The technical personnel of the company are currently defining the plan for the total resumption of activities in the coming days. In addition we are in the process of gathering the necessary information to make a claim under our existing insurance coverage.

Macroeconomic conditions

Substantially all of our revenues are derived from our operations in Argentina and are therefore subject to prevailing macroeconomic conditions in Argentina. Changes in economic, political and regulatory conditions in Argentina and measures taken by the Argentine government have had and are expected to continue to have a significant impact on us. You should make your own investigation about Argentina and prevailing conditions in that country before making an investment in us.

The Argentine economy has experienced significant volatility in past decades, characterized by periods of low or negative growth and high variable levels of inflation. Inflation reached its peak in the late 1980s and early 1990s. Due to inflationary pressures prior to the 1990s, the Argentine currency was devalued repeatedly and macroeconomic instability led to broad fluctuations in the real exchange rate of the Argentine currency relative to the U.S. dollar. To address these pressures, past Argentine governments implemented various plans and utilized a number of exchange rate systems.

In the fourth quarter of 1998, adverse international financial conditions caused the Argentine economy to enter into a recession and GDP to decrease between 1999 and 2001. By the end of 2001, Argentina suffered a profound deterioration in social and economic conditions, accompanied by high political and economic instability. The restrictions on the withdrawal of bank deposits, the imposition of exchange controls, the suspension of the payment of Argentina's public debt and the abrogation of the peso's one-to-one peg to the dollar (with the consequent depreciation of the peso against the dollar) caused a decline in economic activity. Real GDP declined by 10.9% in 2002, annual inflation rose to 41%, the exchange rate continued to be highly volatile, and the unemployment rate rose to more than 20%. The political and economic instability not only curtailed commercial and financial activities in Argentina but also severely restricted the country's access to international financing.

Strong economic growth in the world's developed economies, favorable raw material prices from 2003 through the first half of 2008 and the implementation of new macroeconomic policies paved the way for Argentina's economic recovery. Real GDP grew at an average cumulative rate of 8.5% between 2003 and 2008. As a result of the crisis in the global economy, Argentina's real GDP growth rate decelerated in 2009 to 0.9%, but recovered in 2010 and 2011 growing by approximately 9% each year, according to preliminary data.

After vigorous growth in 2010 and2011, several factors led to a decrease in growth of the Argentine economy in 2012 and 2013. The growth of the global economy was not as strong as expected following the easing of U.S. economic crisis that started in 2007, and financial volatility continued at high levels. Although global economic activity increased during the second half of 2013, downward revisions to growth forecasts in some economies highlight continued fragilities, and downside risks remain. This creates uncertainty about the future behavior of developed and emerging economies. Locally, among other factors, key agricultural sectors suffered from a heavy drought, reducing production and Argentine exports. Private consumption remained positive, although growing at a slower pace than projected.

In this framework, according to the IMF's estimates, in 2013, global economic growth reached 3%, although the rate of growth or, in some cases, contraction, varied significantly from region to region. Additionally, according to the IMF, global output is projected to expand by approximately 3.7% in 2014. On March 27, 2014, the Argentine government announced a new method of calculating GDP by reference to 2004 as the base year (as opposed to 1993, which was the base reference year under the prior method of calculating GDP). As a result of the application of this new method, the estimated GDP for 2013 was revised from 4.9% to 3%.

The official exchange rate of the Argentine peso against the U.S. dollar as of December 31, 2013, was Ps.6.52 per U.S.$1.00, reflecting an approximate 32.5% depreciation of the peso relative to the U.S. dollar compared to December 31, 2012 (Ps.4.92 per U.S.$1.00). In addition, the Argentine peso has recently been subject to devaluation (approximately 23% during January 2014). The Argentine government is analyzing certain measures in response to such devaluation and the impact on the rest of the economy, including inflation. In this framework, recent negotiations between crude oil producers, refineries and the Argentine government have led to an informal agreement to pass through the effect of the previously mentioned devaluation to crude oil and refined products during the coming months in gradual terms, with the objective to mitigate the economic effects in the rest of the Argentine economy.

Argentina has confronted inflationary pressures. According to inflation data published by INDEC, from 2008 to 2013, the Argentine consumer price index ("CPI") increased 7.2%, 7.7%, 10.9%, 9.5%, 10.8% and 10.9%, respectively; the wholesale price index increased 8.8%, 10.3%, 14.5%, 12.7% 13.1% and 14.7% , respectively. In 2014, the Argentine government established a new consumer price index ("IPCNU") which more broadly reflects consumer prices by considering price information from the 24 provinces of the country, divided into six regions. According to the IPCNU, inflation for January and February 2014 was 3.7% and 3.4%, respectively. See "Item 3. Risk Factors—Risks Relating to Argentina- Our business is largely dependent upon economic conditions in Argentina."

During 2013, Argentina's trade balance was a surplus of approximately U.S.$9,024 million according to preliminary estimates from INDEC, compared to total exports of approximately U.S.$83,026 million during 2013, which represents a 3% increase compared to 2012, and total imports were approximately U.S.$74,002, which represents an 8% increase compared to 2012.

In Argentina, domestic fuel prices have increased over the past five years, but have not kept pace with either increases or decreases in international market prices for petroleum products due to the market conditions and regulations affecting the Argentine market. Nonetheless, the gap between domestic and international prices for certain products has narrowed from time to time as a result of the increase in domestic fuel prices.

In 2005, Argentina successfully restructured a substantial portion of its sovereign bonds and settled all of its debt with the IMF. In June 2010, Argentina completed the renegotiation of approximately 67% of the defaulted bonds that were not swapped in 2005. As a result of the 2005 and 2010 debt swaps, approximately 91% of the bond indebtedness on which Argentina had defaulted in 2002 was restructured. Certain bondholders did not participate in the restructuring and instead sued Argentina for payment. In late October 2012, the United States Court of Appeals for the Second Circuit rejected an appeal by Argentina concerning payments allegedly due on bonds that had not been the subject of the swaps in 2005 and 2010. On November 21, 2012, the United States District Court for the Southern District of New York ordered Argentina to make a deposit of U.S.$1,330 million for payment to the holdout bondholders. Argentina appealed the District Court's November 21 order to the Second Circuit Court of Appeals, which granted Argentina's request for a stay of the order. On March 19, 2013, Argentina submitted to the Second Circuit a proposed payment plan for holdout bondholders. That proposal was rejected by the plaintiff holdout bondholders on April 19, 2013. On August 30, 2013, the Second Circuit Court of Appeals affirmed the District Court's November 21, 2012 order, but stayed its decision pending an appeal to the Supreme Court of the United States.

On September 3, 2013, the District Court granted plaintiff holdout bondholders' requests for discovery from Argentina and certain financial institutions concerning, among other things, Argentina's assets and the relationship between Argentina and YPF. In January 2014, the United States Supreme Court accepted an appeal by Argentina concerning the permissible scope of discovery into its assets. Litigation initiated by holdout bondholders has resulted, and may result, in material judgments against Argentina and could result in attachments of or injunctions relating to assets of or deemed owned by Argentina. Such attachments or injunctions could have a material adverse effect on the country's economy and also affect our ability to access international financing or repay our obligations.

In connection with the holdout bondholder litigation in New York federal court against the Republic of Argentina (to which YPF is not a party), the bondholders had served subpoenas on various financial institutions in New York seeking the production of documents concerning the accounts and transfers of hundreds of entities allegedly owned or controlled, in whole or in part, by the Republic of Argentina, including YPF. At a hearing on September 3, 2013, the New York judge ruled that this discovery from those institutions can go forward as to, among others, the accounts of YPF, in order for the bondholders to determine if those documents might support an argument that YPF is the alter ego of the Republic of Argentina. Notably, the New York courts previously held that Banco de la Nación Argentina is not an alter ego of Argentina, and a California Magistrate Judge has recently ruled that bondholders' factual allegations made in support of asset discovery were insufficient to find YPF to be an alter ego of Argentina. YPF is not a recipient of any such subpoenas and, as such, has no obligation to produce discovery or otherwise participate in discovery.

We cannot predict the evolution of future macroeconomic events, or the effect that they are likely to have on our business, financial condition and results of operations. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina".

Energy consumption in Argentina has increased significantly since 2003. Continued growth in demand has led to fuel shortages and power outages, prompting the Argentine government to take additional measures to assure domestic supply. As a result of this increasing demand, declines in production of certain products and companies in our industry, and actions taken by the Argentine regulatory authorities to prioritize domestic supply, exported volumes of hydrocarbon products, especially natural gas, declined steadily over this period. At the same time, in the recent years, Argentina has increased its natural gas and refined products imports.

The table below shows Argentina's total sales, production, exports and imports of crude oil, diesel fuel and gasoline products for the periods indicated.

	Year Ended December 31,		
	2013	2012	2011
Crude Oil in Argentina			
Production (mmbbl)	191.7	197.3	208.9
Exports (mmbbl)	13.7	21.8	21.7
Imports (mmbbl)	2.6	—	—
Diesel oil in Argentina			
Sales (mcm)(1)	14,490.6	14,076.4	14,680.2
Production (mmbbl)	11,680.8	11,978.2	12,091.5
Exports (mcm)	—	—	—
Imports (mcm)	2,427.1	1,348.7	1,994.8
Gasoline in Argentina			
Sales (mcm)(1)	8,579.7	7,846.3	7,320.2
Production (mmbbl)	7,609.8	7,301.1	6,853.6
Exports (mcm)	14.0	—	1.3
Imports (mcm)	378.7	53.0	143.0

(1) Includes domestic market sales.

Sources: Argentine Secretariat of Energy.

Policy and regulatory developments in Argentina, including the Expropriation Law

The Argentine oil and gas industry is currently subject to certain governmental policies and regulations that have resulted in: (i) domestic prices that do not keep pace with those prevailing in international markets and that have usually been lower than prevailing international market prices; (ii) export and import regulations; (iii) domestic supply requirements that oblige us from time to time to divert supplies from the export or industrial markets in order to meet domestic consumer demand; (iv) increasingly higher export duties on the volumes of hydrocarbons allowed to be exported; (v) increasingly higher investment and costs expenditure requirements in order to satisfy domestic demand; and (vi) increasingly higher taxes. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government." These governmental pricing and export administration and tax policies have been implemented in an effort to satisfy increasing domestic market demand. As discussed in "Item 3. Key Information—Risk Factors" and elsewhere in this annual report, actions by the Argentine government have had and will continue to have a significant effect on Argentine companies, including us.

Policy and regulatory developments relating to the oil and gas industry in Argentina include, among others:

- *Price administration*. In order to support economic growth, the Argentine government has sought a number of policies and measures to limit increases in hydrocarbon prices which could affect directly final consumers (See additionally "*—Macroeconomic conditions*"). Notwithstanding the foregoing, and for certain products, the Argentine government has implemented from time to time certain price and investment incentives which allowed companies to receive increased prices mainly in connection with investments and certain sales (See "*—Gas programs"* and "*—Refining Plus and Petroleum Plus programs").* As a result, fluctuations in Argentina's domestic hydrocarbon prices have not matched increases or decreases at the pace of international and regional prices.
- *Export administration*. Since 2004, the Argentine government has prioritized domestic demand and adopted policies and regulations partially restricting the export of certain hydrocarbon products. These regulations have impacted our export sales as described in "—Declining export volumes."
- *Export duties*. Since the economic crisis in 2002, the Argentine government has imposed export taxes on certain hydrocarbon products. These taxes have substantially increased over time as international prices have surged. For a description of the most recent export duties on hydrocarbon exports, see "—International oil and gas prices and Argentine export taxes."
- *Domestic supply requirements*. The Argentine government has at times issued regulatory orders requiring producers to inject natural gas in excess of contractual commitments and supply other hydrocarbon products to the domestic market. As a result, we have had to limit our exports. In addition, we have imported diesel fuel in order to satisfy domestic demand, which has increased our operating costs, as described in "—Cost of sales."

- *Gas programs*. a) The Argentine Secretariat of Energy, by Resolution S.E. No. 24/2008 of March 13, 2008, created the "Gas Plus" program to encourage the production of natural gas from newly discovered reserves, new fields and tight gas, among other sources. Natural gas produced under the Gas Plus program is not subject to the prices set forth in the Agreement 2007-2011. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Market Regulation—Natural Gas;" b) On February 14, 2013 Resolution 1/2013 of the Commission was published in the Official Gazette. This Resolution formally creates the "Natural Gas Additional Injection Stimulus Program." Under this regulation, gas producing companies were invited to file with the Commission before June 30th, 2013 projects to increase natural gas injection , in order to receive an increased price of 7.5 U.S.$/MBTU for all additional natural gas injected. These projects shall comply with minimum requirements established in Resolution 1/2013, and will be subject to approval by the Commission The projects will have a maximum term of five (5) years, renewable at the request of the company, upon decision of the Commission. If the company in a given month does not reach the committed production increase it will be required to make up for such volumes not produced. On May 23, 2013 the Commission approved the project submitted by YPF; c) On November 29, 2013, Resolution 60/2013 of the Commission was published in the Official Gazette. This Resolution formally creates the "Natural Gas Additional Injection Stimulus Program for Companies with Reduced Injection." Under this regulation, gas producing companies with a natural gas average injection lower than 3,500,000 cubic meters per day during the six months preceding the issuance of Resolution 60/2013 may apply, including those with no gas injection at all. Companies were invited to file with the Commission before March 31st, 2014 projects to increase natural gas injection. Companies which currently participate in the "Natural Gas Additional Injection Stimulus Program" and are eligible for the new program, may withdraw from the original program and apply to the new program. Projects may have a maximum term of four (4) years, and participants may petition the Commission for a one-year extension, granted at the Commission's discretion. The program sets a range of guaranteed prices (7.5 U.S.$/MBTU—4 U.S.$/MBTU) depending on the natural gas injection performance of each producer.
- *Refining Plus and Petroleum Plus programs*. Decree No. 2014/2008 of the Department of Federal Planning, Public Investment and Services of November 25, 2008, created the "Refining Plus" and the "Petroleum Plus" programs to encourage (a) the production of diesel fuel and gasoline and (b) the production of crude oil and the increase of reserves through new investments in exploration and operation. The Argentine Secretariat of Energy, by Resolution S.E. No. 1312/2008 of December 1, 2008, approved the regulation of these programs. The programs entitle refining companies that undertake the construction of a new refinery or the expansion of their refining and/or conversion capacity and production companies that increase their production and reserves within the scope of the program to receive export duty credits to be applied to exports of products within the scope of Resolution No. 394/2007 and Resolution No. 127/2008 (Annex) issued by the Department of Economy and Production. In February 2012, by Notes Nos. 707/12 and 800/12 of the Argentine Secretariat of Energy, YPF was notified that the benefits granted under the "Refining Plus" and the "Petroleum Plus" programs have been temporarily suspended. The reasons alleged for such suspension are that the programs were created in a context where domestic prices were lower than currently prevailing prices and that the objectives sought by the programs have already been achieved.
- *Sworn declaration regarding imports.* On January 5, 2012, the Federal Administration of Public Revenue ("AFIP") issued Resolution No. 3252, which requires importers to submit a sworn declaration prior to the placing of a purchasing order for all imports to Argentina, with effect from February 1, 2012. Depending on the nature of the goods to be imported as well as other criteria, certain State agencies may have access to this declaration and can raise objections. The criteria for the approval or rejection of the sworn declaration are not legally defined.
- *Cross-border services information reporting*. On February 9, 2012, the AFIP issued Resolution No. 3276, which requires Argentine individuals and companies that employ the services of providers located outside of Argentina, where the fee for such services is equal to or greater than U.S.$100,000, to submit a sworn declaration in respect of such services, with effect from April 1, 2012.

During 2012, the Expropriation Law declared achieving self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. On July 25, 2012, the executive decree of Law No. 26,741, Decree No. 1,277/2012, was published, creating the "Regulation of the Hydrocarbons Sovereignty Regime in the Argentine Republic." Among other matters, the mentioned decree establishes: the creation of the National Plan of Investment in Hydrocarbons; the creation of the Commission, which will elaborate on an annual basis, within the framework of the National Hydrocarbon Policy, the National Plan of Investment in Hydrocarbons; the National Registry of Investments in Hydrocarbons in which the companies undertaking activities of exploration, exploitation, refining, transport and commercialization of hydrocarbons and fuels will have to register; and the obligation for the registered companies to provide their

Plan of Investments every year before September 30, including a detail of quantitative information in relation to the activities of exploration, exploitation, refining, transport and commercialization of hydrocarbons and fuels according to each company. Additionally, the mentioned companies have to provide their plans in relation to the maintenance and increase of hydrocarbons reserves, including: a) an investment in exploration plan; b) an investment plan in primary hydrocarbons reserves recovery techniques; and c) an investment plan in secondary hydrocarbons reserves recovery techniques, which will be analyzed by the Commission; the Commission will adopt the promotion and coordination measures that it may consider necessary for the development of new refineries in the National Territory, that may allow the growth in the local processing capacity in accordance with the aims and requirements of the National Plan of Investment in Hydrocarbons; in relation to prices, and according to the Decree, for the purpose of granting reasonable commercial prices, the Commission will determine the criteria that shall govern the operations in the domestic market. In addition, the Commission will publish reference prices of each of the components of the costs and the reference prices for the sale of hydrocarbons and fuels, which will allow to cover the production costs attributable to the activity and to reach a reasonable margin of profit. Not complying with the dispositions included in the Decree and supplementary rules may result in the following penalties: fine, admonition, suspension or deregistration from the registry included in section 50 of Law No. 17.319, the nullity or expiration of the concessions or permits. Moreover, the mentioned Decree abrogates the dispositions of the Decrees No. 1,055/89, 1,012/89 and 1,589/89 (the "Deregulation Decrees") which set, among other matters, the right to the free disposition of hydrocarbon production. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law." Upon the passage of the Expropriation Law, the Argentine government gained control over the Company. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina— The Argentine federal government will control the Company according to domestic energy policies in accordance with the Expropriation Law."

Declining export volumes

The exported volumes of many of our hydrocarbon products have declined significantly in recent years, driven mainly by increasing domestic demand and export administration, as well as by declines in production. This shift from exports to domestic sales has impacted our results of operations as the prices for hydrocarbons in the domestic market have, due to price administration, generally not kept pace with international and regional prices. Notwithstanding the foregoing, and as a result of export taxes affecting hydrocarbon products ("Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government— Exploration and Production."), net sale prices in the export market do not materially differ from those prevailing in the domestic market.

The table below presents, for the periods indicated, the exported volumes of certain of our principal hydrocarbon products.

	Year Ended December 31,		
	2013	2012	2011
		(units sold)	
Product			
Natural gas (mmcm)	27	45	91
Gasoline (mcm)	74	184	290
Fuel oil (mtn)[(1)]	567	544	490
Petrochemicals (mtn)	281	335	334

(1) Includes bunker oil sales of 567,544 and 490 mtn for the years 2013, 2012 and 2011, respectively.

Due to the decreased export product volumes indicated above, the portion of our revenues accounted for by exports decreased steadily in recent years. Exports accounted for 13.3%, 11.5% and 14.2%, of our consolidated revenues in 2013, 2012 and 2011, respectively. Export duties are accounted for as tax expenses in our Audited Consolidated Financial Statements.

The Argentine government currently requires companies intending to export crude oil, diesel fuel and LPG to obtain prior authorization from the Argentine Secretariat of Energy by demonstrating that local demand for those products has been satisfied. Since 2005, because domestic diesel oil production has generally not been sufficient to satisfy Argentine consumption needs, exports of diesel oil have been substantially restricted.

International oil and gas prices and Argentine export taxes

Since the economic crisis in 2002, the Argentine government has imposed export taxes on certain hydrocarbon products. These taxes have substantially increased over time as international prices have surged. For a description of these taxes, reference prices and prices allowed to producers, see "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Market Regulation" and "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Taxation."

Export taxes have affected the profitability of hydrocarbon exportation. They have also contributed to a shift away from exports and towards domestic sales, as described in "—Declining export volumes," and reduced the export parity prices.

Seasonality

Historically, our results have been subject to seasonal fluctuations during the year, particularly as a result of greater natural gas sales during the winter. After the 2002 devaluation and as a consequence of the natural gas price freeze imposed by the Argentine government, the use of this fuel has diversified, generating an increase in its long-term demand throughout the year. However, sales of natural gas are still typically much higher in the winter to the residential sector of the Argentine domestic market, the prices for which are significantly lower than other sectors of the Argentine market. Notwithstanding the foregoing, on February 14, 2013 Resolution 1/2013 of the Commission was published in the Official Gazette. This Resolution formally creates the "Natural Gas Additional Injection Stimulus Program." Under this regulation, gas producing companies were invited to file with the Commission before June 30th, 2013 projects to increase natural gas injection , in order to receive an increased price of 7.5 U.S.$/MBTU for all additional natural gas injected. These projects shall comply with minimum requirements established in Resolution 1/2013, and will be subject to consideration approval by the Commission, including a maximum term of five (5) years, renewable at the request of the beneficiary, upon decision of the Commission. If the beneficiary company in a given month does not reach the committed production increase it will have to make up for such volumes not produced.

Critical Accounting Policies

On March 20, 2009, the FACPCE approved the Technical Resolution No. 26 "Adoption of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB)." Such resolution was approved by the CNV through General Resolution No. 562/09 dated December 29, 2009 (modified by General Resolution No. 576/10 on July 1, 2010), with respect to certain publicly-traded entities subject to Law No. 17,811. The application of such rules was mandatory for YPF for the fiscal year which began on January 1, 2012.

Our accounting policies are described in Note 1 to the Audited Consolidated Financial Statements. IFRS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures of contingent assets and liabilities in our financial statements. Actual results could differ from those estimates. We consider the following policies or matters to be most critical in understanding the judgments that are involved in preparing our Audited Consolidated Financial Statements and the uncertainties that could impact our results of operations, financial condition and cash flows:

- Functional and reporting currency. See Note 1.b.1) to the Audited Consolidated Financial Statements.
- Impairment of long-lived assets. See Note 1.b.8) to the Audited Consolidated Financial Statements.
- Depreciation of oil and gas producing properties. See Note 1.b.6) to the Audited Consolidated Financial Statements.
- Asset retirement obligations. See Note 1.b.6) to the Audited Consolidated Financial Statements.
- Environmental liabilities, litigation and other contingencies. See Note 3 and 11 to the Audited Consolidated Financial Statements.
- Income tax and deferred tax. See Note 10 to the Audited Consolidated Financial Statements.

In addition, for information regarding to our estimation of oil and gas reserves, see "Item 4—.Information on the Company—Exploration and Production—Oil and Gas reserves."

Principal Income Statement Line Items

The following is a brief description of the principal line items of our income statement.

Revenues

Revenues include primarily our consolidated sales of crude oil and natural gas and refined fuel and chemical products net of the payment of applicable fuel transfer taxes and turnover taxes. Custom duties on exports are accounted as selling expenses in our consolidated results of operations. Royalty payments required to be made to a third party, whether payable in cash or in kind, which are a financial obligation, or are substantially equivalent to a production or similar tax, are accounted for as a cost of production and are not deducted from revenues. See "Item 4. Information on the Company—Exploration and Production—Oil and gas production, production prices and production costs" and Note1.b.16 to the Audited Consolidated Financial Statements.

Cost of sales

The following table presents, for each of the years indicated, a breakdown of our consolidated cost of sales by category:

	For the Year Ended December 31,		
	2013	2012	2011
	(in millions of pesos)		
Inventories at beginning of year	6,992	6,006	3,748
Purchases for the year	26,323	17,974	17,679
Production costs(1)	42,980	32,374	25,354
Translation effect	2,227	835	368
Inventories at end of year	(9,881)	(6,922)	(6,006)
Cost of sales	**68,571**	**50,267**	**41,143**

(1) The table below presents, for each of the years indicated, a breakdown of our consolidated production costs by category:

	For the Year Ended December 31,		
	2013	2012	2011
	(in millions of pesos)		
Salaries and social security costs	4,211	3,229	2,430
Fees and compensation for services	393	251	247
Other personnel expenses	1,108	782	684
Taxes, charges and contributions	1,123	590	426
Royalties and easements	5,845	4,444	3,518
Insurance	520	208	160
Rental of real estate and equipment	1,747	1,315	943
Depreciation of fixed assets	10,766	7,832	6,141
Amortization of intangible assets	95	90	61
Industrial inputs, consumable material and supplies	1,992	1,447	989
Operation services and other service contracts	2,540	2,555	3,006
Preservation, repair and maintenance	7,673	5,690	3,988
Contractual commitments	167	212	88
Transportation, products and charges	2,582	2,002	1,211
Fuel, gas, energy and miscellaneous	2,218	1,727	1,462
Total	**42,980**	**32,374**	**25,354**

Our cost of sales accounted for 76.1% and 74.8% of our consolidated revenues in 2013 and 2012, respectively. Our cost of sales increased by 36.4% from 2012 to 2013, mainly as a result of: increased purchases of crude oil from third parties, driven mainly by the increased oil price in the domestic market mainly during 2013; increased purchases of refined products (principally gasoline and diesel) from third parties, mainly as a result of the incident at our La Plata refinery in April 2013; increased royalties, driven mainly by higher crude oil prices at the wellhead as a result of the foregoing; higher labor costs; higher costs related to the renegotiation of certain service contracts; and increased depreciation of fixed assets as a result of the higher investment in fixed assets and asset remeasurement in pesos, as a result of depreciation of the Argentine peso against the U.S. dollar, which is our the functional currency.

Other income/(expense), net

Other income/(expense), net principally includes reserves for pending lawsuits and other claims, provisions for environmental remediation and provisions for defined benefit pension plans and other post-retirement benefits. For the year ended December 31, 2013, Other income also includes U.S.$ 300 million relating to the partial compensation of Coke A damages and operational losses for 2013 related to our insurance coverage for the La Plata refinery incident in April 2013 (See additionally Note 11.b to the Audited Consolidated Financial Statements).

Financial income/(expense), net

Financial income/(expense), net consists of the net of gains and losses on interest paid and interest earned and foreign currency exchange differences.

Taxes

The effective income tax rates for the periods discussed in this annual report differ from the statutory tax rate (35%) mainly because: the registration of the deferred income tax as a result of the effect of applying the current tax rate (35%) on the difference generated between the tax basis of fixed and intangible assets (for which any reameasure from the original value in pesos is not acceptable under income tax law) and their book value under IFRS, measured in its functional currency and converted into pesos as described in Note 1.b.1) to our Audited Consolidated Financial Statements. See Note 10 to the Audited Consolidated Financial Statements for a more detailed description of the difference between statutory income tax rate and effective income tax rate.

Results of Operations

Consolidated results of operations for the years ended December 31, 2013, 2012 and 2011

The following table sets forth certain financial information as a percentage of net revenes for the years indicated.

	Year Ended December 31,		
	2013	**2012**	**2011**
	(percentage of revenues)		
Revenues	100.0	100.0	100.0
Cost of sales	(76.1)	(74.8)	(73.2)
Gross Profit	23.9	25.2	26.8
Administrative expenses	(3.0)	(3.3)	(3.2)
Selling expenses	(8.4)	(8.4)	(9.7)
(Expense)/ Other income, net	0.8	(0.8)	(0.1)
Exploration expenses	(0.9)	(0.9)	(1.0)
Operating Income	12.4	11.8	12.8

The tables below present, for the years indicated, volume and price data with respect to our sales of our principal products in the domestic and export markets, respectively. Due to the decreased export product volumes, the portion of our revenues accounted for by exports decreased steadily in recent years. Exports accounted for 13.3%, 11.5% and 14.2%, of our consolidated revenues in 2013, 2012 and 2011, respectively.

Domestic Market

	Year Ended December 31,					
	2013		**2012**		**2011**	
Product	**Units sold**	**Average price per unit(1)**	**Units sold**	**Average price per unit(1)**	**Units sold**	**Average price per unit(1)**
		(in pesos)		*(in pesos)*		*(in pesos)*
Natural gas	11,092 mmcm	817/mcm	12,176 mmcm	375/mcm	12,170 mmcm	341/mcm
Diesel fuel	8,098 mcm	4,277/cm	8,029 mcm	3,409/cm	8,546 mcm	2,613/ cm
Gasoline	4,545 mcm	3,895 /cm	4,128 mcm	3,000/ cm	3,884 mcm	2,400/ cm
Fuel oil	734 mtn	2,963 /ton	736 mtn	2,467/ton	353 mtn	1,997/ton
Petrochemicals	579 mtn	4,189/ton	609 mtn	3,210/ton	665 mtn	2,669/ton

(1) Average prices shown are net of applicable domestic fuel transfer taxes payable by consumers.

Export Markets

	Year Ended December 31,					
	2013		**2012**		**2011**	
Product	**Units sold**	**Average price per unit(1)**	**Units sold**	**Average price per unit(1)**	**Units sold**	**Average price per unit(1)**
		(in pesos)		*(in pesos)*		*(in pesos)*
Natural gas	27 mmcm	4,540/mcm	45 mmcm	3,096/mcm	91 mmcm	2,115/mcm
Gasoline	74 mcm	5,274/ cm	131 mcm	4,398/ cm	290 mcm	2,730/ cm
Fuel oil	567 mtn	3,157/ton	544 mtn	2,777/ton	490 mtn	2,507/ton
Petrochemicals(2)	281 mtn	5,262/ton	335 mtn	4,521/ton	334 mtn	4,038/ton

(1) Average prices shown are gross of applicable export withholding taxes payable by us.
(2) Includes exports of refined paraffinic.

Revenues

Revenues in 2013 were Ps.90,113 million, which represented a 34.1% increase compared to Ps.67,174 million in 2012. Among the main causes that contributed to the increase in revenues, we highlight the following:

- Diesel oil sales revenues increased in 2013 by approximately Ps.7,259 million compared to 2012, which represented an increase of 27%. In addition, the average price for diesel mix during 2013 increased by approximately 25.4% compared to 2012. This effect was accompanied by a slight increase in sales volumes of approximately 1%. The latter is expressed primarily in our Eurodiesel and Diesel 500 products at retail segment, partially offset by decreased sales volumes of Ultradiesel to the retail and transport segments;
- With respect to the gasoline, during 2013, there was an increase in volumes sold compared to the same period in 2012 of approximately 10.1% (12.7% if only "unleaded" gasoline is considered). In addition, during 2013, the average price for the gasoline mix during 2013 increased by approximately 29.8%, compared to 2012. These factors represented a net increase in gasoline revenues during 2013 of approximately Ps.5,320 million compared to 2012, which represents an increase of 43%;
- Fuel oil revenues increased in 2013 by approximately Ps. 359 million compared to 2012 in domestic market, which represented an increase of approximately 19.8%. Volumes sold in local market were flat during 2013 when compared to 2012 (734,000 tons versus 736,000 tons), having been mainly provided to the electricity generation market. Volumes had substantially increased during the first quarter of 2013, but were affected by the lower processing capacity temporarily at the La Plata refinery due to the storm on April 2, 2013. In addition, fuel oil prices increased approximately by 20.1% during 2013 compared to 2012;
- Crude oil sales to third parties revenues increased in 2013 by approximately Ps.1,702 million compared to 2012, which represented an increase of 298%. This increase was due to the temporary lower processing capacity in La Plata refinery, as mentioned elsewhere in this annual report, crude oil volumes in excess of amounts processed by our Downstream segment were sold to local third parties which represented an increase of 123,000 cm, and also there were exports sales of 378,000 cm in 2013;
- Natural gas revenues from sales in Argentina increased in 2013 by approximately Ps.4,492 million compared to 2012, which represented an increase of 98%. This increase was due to a partial recovery in prices obtained in certain segments in the domestic natural gas market, such as CNG, power generation plants and some industries. In addition, during 2013, we recorded revenues related to the Incentive Scheme for Additional Injection of Natural Gas, set by Resolution No. 1/2013 from Planning and Strategic Coordination Commission of the National Plan of Hydrocarbon Investments. The increase was partially offset by a decrease mainly in sales to the power generation segment and secondarily in the CNG.
- Grain and related products commercialization revenues increased in 2013 by Ps.1,013 million compared to 2012, which represented an increase of 78.9%, mainly as a result of higher export volumes, partially offset by lower sales in the local market; and;
- In addition, revenues also increased by Ps.1,363 million as a result of the consolidation of GASA, which controls Metrogas, following our acquisition of control of such company, , and by Ps.266 million as a result of revenues from YPF Energía Eléctrica S.A. See Note 13 to the Audited Consolidated Financial Statements.

Revenues in 2012 were Ps.67,174 million, which represented a 19.5% increase compared to Ps.56,211 million in 2011. The evolution and behavior of the oil and gas market, in terms of volume traded among the market players, shows a direct link with the changes in the macroeconomic variables that affect Argentina, mainly in regard to our core products. Consequently, during 2012, the evolution of the main productive sectors in Argentina has been affected by, among others factors, the effects of adverse weather conditions that affected the agricultural sector during 2011 and 2012, which reduced the volume of diesel fuel sold to that sector. Notwithstanding the foregoing, the main causes of the increase in our revenues during 2012 include:

- Diesel oil sales revenues in 2012 increased in 2012 by approximately Ps.5,000 million compared to 2011, which represented a 22.6% increase. The average price received by the Company for the mix of diesel oil during 2012 increased by approximately 30% compared to 2011. The aforementioned effect was partially offset by an approximately 6% decrease in sale volumes of our product "Ultradiesel" fuel, although such decrease was partially compensated by an increase in our service stations sales of our new product Diesel 500.

- Gasoline sales revenues increased in 2012 by Ps.3,068 million compared to 2011, which represented a 32.9% increase. This increase was due to an approximately 6.3% increase in the volume of gasoline sold in 2012 compared to 2011, as well as an approximately 25% increase in the average price of the mix of gasoline sold by the Company during 2012.
- Fuel oil sales revenues increased in 2012 by Ps.1,395 million compared to 2011, which represented a 72.2% increase. This increase was due to an approximately 108% increase in the volume of fuel oil sold in 2012 compared to 2011 which was in turn primarily due to increased demand from the electricity generation sector, as well as an approximately 24% increase in the average price of fuel oil sold by the Company in Argentina in 2012 compared to 2011. Revenues from sales of fuel oil considering domestic and export sales increased approximately Ps.1,395 million in 2012 compared to 2011.
- Natural gas sales revenues in Argentina increased in 2012 by Ps.420 million compared to 2011, which represented a 10.1% increase. This increase was due to the increase of the average price of natural gas sold by the Company by approximately 10% during 2012. The volume of natural gas sold in Argentina during 2012 remained stable compared to 2011.

As for the international reference price of crude oil, the average price of a barrel of Brent crude oil remained almost unchanged for 2012 over the average for 2011.

According to Notes Nos. 707/12 and 800/12 of the Argentine Secretariat of Energy received during February 2012, the Government suspended the Petroleum Plus program. As a result, during 2011 our operating result was adversely affected in an amount of approximately Ps.431 million, by the reversal of the benefits accrued and not yet redeemed by YPF corresponding to such program, at the time of the suspension. In addition, during 2012, and considering the renegotiation of certain concessions, the Company recognized the effect of gas imbalances with certain third parties, in accordance with contractual rights, which represented a net positive effect of approximately 194 million pesos. For further information on our revenues for the years discussed above, see "—Results of operations by business segment for the years ended December 31, 2013, 2012 and 2011"

Cost of sales

Cost of sales during 2013 was Ps.68,571 million compared to Ps.50,267 million during 2012, which represented a 36.4% increase. Among the main causes that contributed to this increase, we highlight the following:

- Higher volumes purchased and prices paid for fuels resulted in a cost increase of Ps.8,349 million. This increase in cost of sales was due to higher volumes imported of diesel, mainly in its variety of low sulfur ("Eurodiesel"), and of "unleaded" and "Premium" gasoline, with the aim of domestic demand satisfaction, taking into consideration the effects of the storm that affected our La Plata refinery that reduced our processing capacity. These imports have been made at higher prices in Ps. (slightly lower in dollars) during 2013 compared to 2012, resulting in an increase of costs of fuels of approximately Ps.2,946 million, or 78%. In addition, local purchases of diesel and gasoline were made at higher prices of approximately Ps 342 million. Furthermore, the purchases of biofuels ("FAME" and bioethanol) added to diesel and gasoline sold by the Company, in compliance with current regulations, during 2013, were made at higher prices than in 2012. In the case of bioethanol, volumes purchased increased by approximately 18.6%, all of which represented an increase of approximately Ps.916 million in bioethanol costs;
- Increase in expenses related to operational services and other repair and maintenance services contracts of approximately Ps.1,974 million, or 27%, due to increased activity mainly in the Upstream segment where the Company has managed to stop the decline of oil production and further increase natural gas production;
- During 2013, approximately 150 thousand cm more of crude oil were purchased from third parties compared to 2012, in order to optimize the supply of liquid fuels in the local market, and to increase the supply of fuel oil to the electricity generating plants, among others. The average price of crude oil purchases, in pesos, increased by approximately 24.5% during 2013 compared to 2012, principally due to the impact of the depreciation of the Argentine Peso against the U.S. dollar. These factors caused a net increase in costs of the purchase of crude oil of approximately Ps.1,871 million, or 31%;
- Increase in fixed assets depreciation by Ps.2,934 million, or 37%, mainly as a result of higher asset values under depreciation compared to 2012, due to higher investments in fixed assets during 2012 and 2013, as well as to higher translation differences of fixed assets remeasured in pesos taking into account the functional currency of the Company;
- Higher salaries, social security taxes and other personnel expenses, mainly arising from negotiations and agreements with unions, with an increase of Ps.1,308 million, or 33%, in costs during 2013 when compared to 2012;
- Increase in oil royalties paid by approximately Ps.1.258 million, or 37%, due mainly to the higher wellhead value of hydrocarbons produced (as a reference, the average purchase price of crude oil during 2013 compared to 2012, showed a slight increase of 2.5%, reaching U.S.$77 per barrel at the end of 2013: it has greater impact expressed in pesos, due to the 20.4% average devaluation of the peso between the two periods). Additionally, the amount of royalties for 2013 compared to 2012 increased as a result of the increase in the royalty rates which applied to production from recently renewed concessions, such as Santa Cruz at the end of 2012.

Cost of sales in 2012 was Ps.50,267 million compared to Ps.41,143 million in 2011, representing a 22.2% increase. This increase was attributable to, among other things:

- Increase in royalties, driven mainly by the higher crude oil prices at the wellhead. As a reference, the average purchase price in 2012 was U.S.$72.0 per barrel, while in 2011 it was U.S.$59.7. The increase had greater impact in pesos than in dollars, due to the average devaluation of 10.3% in 2012. Additionally, the amount of royalties increased in 2012 as a result of a 2.5% higher production of crude oil, and as a result of the increased rate of royalty applied to production from recently renewed concessions, such as in Mendoza at the end of 2011 and Santa Cruz at the end of 2012.
- Increase in the cost of services rendered by third parties, mainly due to negotiations carried out by the Company with suppliers. In some cases, the increases involved the adjustment of tariffs which had not been changed since 2010, resulting in a cumulative impact on operating costs during 2012. Additionally, greater development activity occurred during 2012, related to both unconventional resources and our mature fields, resulting in an increase in operating costs in 2012
- Wage increases primarily as a result of negotiations and agreements with labor unions.
- Increases in depreciation of fixed assets by approximately Ps.1,691 million, mainly as a result of higher crude oil production during 2012, higher capital expenditures and increased effect of currency translation.
- During 2012 the Company purchased lower volumes of crude oil from third parties in an amount of approximately 772 mcm compared to the previous year, mainly as a consequence of lower production by the Company in the second quarter of 2011, as well as the reduced availability in the market of light crude oil from Neuquén in the first quarter of 2012. The average price for crude purchases from third parties, measured in pesos, increased approximately 34% in 2012 compared to 2011, mainly as a result of price negotiations among domestic producers and refiners in light of the market trend and, to a lesser extent, to the devaluation of the Argentine peso against the U.S. dollar, considering that such prices are set in U.S. dollars. Consequently, the net effect of the previously mentioned variations resulted in an increase cost to the Company of crude oil purchases of approximately 334 million pesos during 2012 compared to 2011;
- In addition, during 2012 there were also lower imports of ultra diesel fuel and low-sulfur diesel fuel (Eurodiesel), although at higher prices compared to the year 2011.
- Increases in volumes of purchases of biofuels (FAME and bioethanol) by approximately 23% in 2012 (to blend with our diesel fuel and gasoline, in compliance with current regulations) at higher prices than those recorded in the same period last year according to international prices for these products.

Administrative expenses

Our administrative expenses were Ps. 2, 686 millon for 2013, an increase of Ps.454 million, or 20.4%, compared to 2012, particularly due to increases in wages and social security costs, driven mainly by wage adjustments during 2012 and during 2013, as well as increases in legal fees related to certain contingencies and because we began consolidating Metrogas S.A. since the takeover of that company on May 2013, into our consolidated financial statements, as described in Note 13 to our Audited Consolidated Financial Statements.

Our administrative expenses increased by Ps.410 million (22.5%) in 2012 compared to 2011 mainly due to increases in wages and related costs, driven mainly by wage adjustments during 2012, as well as increases in fees and compensation for services rendered by third parties mainly related to technology information service contracts and license expenses.

Selling expenses

Our selling expenses were Ps.7,571 million during 2013 compared to Ps.5,662 million in 2012, which represented an increase of 33.7%, resulting mainly from the increase in fuel freight rates in the domestic market and from higher volumes transported related to sales increases, and higher export taxes as a result of increased volumes exported during 2013, especially crude oil and LPG volumes compared to 2012. Higher export taxes related to crude oil exports amounted to Ps.367 million in 2013.

Our selling expenses were Ps.5,662 million in 2012, compared to Ps.5,438 million in 2011, representing an increase of 4.1%. This increase was attributable mainly to increases in transportation expenses, primarily related to the increase in fuel freight rates in the domestic market, partially compensated by lower export taxes as a result of lower export volumes of virgin naphtha, light naphtha and liquefied gas in 2012.

Exploration Expenses

Exploration expenses were Ps. 829 million in 2013, with a net increase of Ps.247 million compared to 2012. This was mainly due to the registration of the permanent abandonment of six exploratory wells in the Neuquina Basin, for shale oil projects. Although these wells did discover hydrocarbons and provide geological data for the future development of the area, given the production volume and other particular characteristics thereof, we did not consider them for further commercial development.

Exploration expenses remained almost unchanged in 2012 compared to 2011, mainly due to the similarity of the amount of the exploratory expenses incurred in the Malvinas area in 2011 and those incurred in 2012 in connection with the abandonment according to unsuccessful result of the Jaguar well corresponding to our share in the offshore block of Georgetown, Guyana. Additionally, during 2012, exploration activity related to projects for conventional and unconventional resources in our country continued to be one of our strategic targets.

Other income (expenses), net

During 2013, other income (expense), net, was Ps.704 million compared to expenses of Ps.528 million in 2012. This increase is mainly attributable to the net effect of the following factors: the U.S.$300 million (Ps. 1,956 millon) recognized in our results of operations relating to the partial compensation of Coke A damages and operational losses for 2013 related to our insurance coverage for the La Plata refinery incident in April 2013. partially offset by the non material effect attributable to the total write-off of the book value of the La Plata refinery Coke A Unit and partial write-off of the book value of the Topping C Unit; our increased provisions related to arbitration proceedings involving the Company in connection with AES Uruguaiana Emprendimientos S.A. (AESU) and Transportadora de Gas del Mercosur S.A. (TGM), and to the Partial Award issued by the International Chamber of Commerce Arbitration Tribunal (see Note 3 to the Audited Consolidated Financial Statements).

As we have previously mentioned, the Company was affected by the consequences of an unprecedented storm that involved all the La Plata, Berisso and Ensenada areas and particularly our La Plata refinery. This storm damaged certain facilities of the Company, and has also had an impact on operating margins associated with our Downstream segment. Since the storm, the Company has made significant efforts to continue to satisfy demand, as well as to restore the processing capacity of its Topping C unit on schedule, which has been fully operational since the end of May 2013.

During 2012 other expenses net were negatively affected, by results related to our subsidiary YPF Holdings, derived from the progress of settlement negotiations with U.S. government agencies related to certain litigation proceedings, as well as the update of the estimated costs related to environmental provisions in accordance with new information and / or developments in site characterization, among other factors. Additionally, in 2011 we had recognized Ps.135 million relating to the insurance compensation related to the accident occurred on the off-shore platform of the UTE Magallanes in 2010.

Operating income

Operating income in 2013 was Ps.11,160 million compared to Ps.7,903 million in 2012, which represented an increase of Ps.3,257 million or 41.2%, due to the factors described above.

Operating income in 2012 was Ps.7,903 million, compared to Ps.7,188 million in 2011, representing a 9.9% increase, due to the factors described above. Our operating margins (operating income divided by revenues) were 11.7% and 12.8% in 2012 and 2011, respectively.

Financial income (expense)

Financial income for 2013 was Ps.2,835 million compared to financial income of Ps.548 million in 2012. This income was mainly due to higher interest paid due to the higher average amount of borrowings during 2013 and also due to higher interest rates applicable to our debt due to changes in market conditions in Argentina, which were partially offset by the higher positive exchange rate differences generated by higher peso depreciation during 2013 compared to 2012, considering the net liability position in pesos of the Company.

Financial income for 2012 was Ps.548 million, compared to negative amount of Ps.287 million for the year 2011. This income was mainly due to higher financial expenses, due to higher average debt and higher interest rates during the year 2012, which were offset by the effect of the increase in positive exchange difference generated by the further devaluation of the peso in 2012 compared to previous year, considering the functional currency of the Company and the peso monetary liability position of the Company.

Income tax and deferred income tax

Income tax and deferred income tax expense during 2013 were Ps.9,269 million, Ps.4,606 million higher than the charge in 2012, which had reached Ps.4,663 million. The total charge related to current income tax was Ps.2,844 million and Ps.2,720 million respectively in 2013 and 2012, while Ps.6,425 million and Ps.1,943 million respectively, correspond to deferred income tax charges in

2013, and 2012, respectively. The latter charges are primarily related to the recording of deferred tax liabilities associated with the translation differences of fixed assets, taking into account the functional currency of the Company, which represented an increase of Ps.4,482 million that affected the Company's results.

Income tax expense for the year 2012 reached Ps.4,663 million compared to Ps.3,141 million in 2011, representing an increase of 48.4%. Income tax expense in 2012 relates to current income tax in the amount of Ps.2,720 million (Ps.2,495 million for the same period in 2011), and Ps.1,943 million (Ps.646 million for the same period in 2011) from deferred income tax mainly associated with translation differences of fixed assets, taking into account the functional currency of the Company and the income tax law.

For additional information on our income tax expense see Note 10 to the Audited Consolidated Financial Statements.

Net income and other comprehensive income

Net income for 2013 was Ps.5,079 million compared to Ps.3,902 million in 2012, representing an increase of 30,2%, due to the factors described above.

Net income for 2012 was Ps.3,902 million, compared to Ps.4,445 million in 2011, a decrease of 12.2% due to the factors described above.

Other comprehensive income in 2013 was Ps.12,031 million compared to Ps.4,241 million for 2012, which represented an increase of 183.7%. This increase is mainly attributable to higher translation differences of fixed assets, due to the impact of the depreciation of the peso against the U.S. dollar, which is the functional currency of the Company, and the changes in the U.S. dollar/peso exchange rate.

Based on the above, the total comprehensive income for 2013 was Ps.17,110 million compared to Ps.8,143 million in 2012, which represented an increase of 110.1%.

Other comprehensive income for the year 2012 was Ps.4,241 million, compared to Ps.1,852 million in 2011, representing an increase of 129.0%. This increase is mainly attributable to higher translation differences of fixed assets, taking into account the functional currency of the Company and changes in the exchange rate.

Based on the above, the total comprehensive income for the year 2012 was Ps.8,143 million, compared to Ps.6,297 million for the year 2011, representing an increase of approximately 29.3%.

Consolidated results of operations by business segment for the years ended December 31, 2013, 2012 and 2011

We have recently reorganized our reporting structure by grouping the "Chemical" and "Refining and Marketing" segments into a new "Downstream" segment. We made this change primarily because of the common strategy shared by the former "Chemical" and "Refining and Marketing" segments, in light of the synergies involved in their activities to maximize the volume and quality of fuel offered to the market. Accordingly, the Company has adjusted comparative information for the years 2012 and 2011 to reflect this reorganization.

The following table sets forth revenues and operating income for each of our lines of business for the years ended December 31, 2013, 2012 and 2011:

	For the year ended December 31,		
	2013	2012	2011
	(in millions of pesos)		
Revenues(1)			
Exploration and production(2)			
Revenues	3,851	1,135	269
Revenue from intersegment sales (3)	38,846	30,179	23,401
Total exploration and production	42,697	31,314	23,670
Downstream			
Revenues	85,624	65,047	54.636
Revenue from intersegment sales	1,147	1,069	848
Total refining and marketing	86,771	66,116	55,484
Corporate and other			
Revenues	638	992	1,306

Revenue from intersegment sales	2,285	1,243	651
Total Corporate and others	2,923	2,235	1,957
Less inter-segment sales and fees	(42,278)	(32,491)	(24,900)
Total revenues	90,113	67,174	56,211
Operating income (Loss)			
Exploration and production	6,324	5,730	4,067
Downstream	6,721	4,095	5,466
Corporate and other	(1,522)	(2,492)	(1,714)
Consolidation adjustments	(363)	570	(631)
Total operating income	11,160	7,903	7,188

(1) Revenues are net to us after payment of a fuel transfer tax and turnover tax. Customs duties on hydrocarbon exports are disclosed in "Taxes, charges and contributions," as indicated in Note 2.k) to the Audited Consolidated Financial Statements. Royalties with respect to our production are accounted for as a cost of production and are not deducted in determining revenues. See Note 1.b.16) to the Audited Consolidated Financial Statement.

(2) Includes exploration costs in Argentina, Guyana and the United States and production operations in Argentina and the United States.
(3) Intersegment revenues of crude oil to Downstream are recorded at transfer prices that reflect our estimate of Argentine market prices.

Exploration and Production

During 2013, the Exploration and Production segment had operating income of Ps. 6,324 million, an increase of 10.4% compared to Ps. 5,730 million for the year 2012.

During 2013 total crude oil production was 2.2% higher than in 2012 (2.81% if only fields operated by YPF are taken into account), reflecting the efforts of the Company to reverse the production decline since mid 2012. Regarding operations between business segments, transferred volume between the Exploration & Production segment and Downstream segment was 2.8% lower during 2013 compared to 2012, mainly due to the temporary reduction in processing capacity suffered at our La Plata refinery due to the storm on April 2, 2013. As a result of this, crude oil sales increased in the local market during 2013 (about 123,000 m3) and 378,000 m3 were exported, mainly, during the second quarter of the year, while there had been no exports of crude oil in 2012.

The intersegment price in dollars during 2013 increased slightly (2.7%, despite an increase of approximately 23.7% measured in pesos, considering the depreciation of the peso against the US dollar) compared to 2012.

Natural gas production during 2013 amounted to 33.9 mmm3/d, which represented an increase of approximately 1.4% over the last year, (4.4% if only fields operated by YPF are taken into account), thus showing a reversal of the decline in production. Our entire natural gas production, net of internal consumption, is assigned to the Downstream segment for commercialization to third parties, in which the Exploration & Production segment received the average price obtained by the Company in such sales, net of commercialization fees. Additionally, the Exploration & Production segment includes the Incentive Scheme for Additional Injection of Natural Gas, which represented an increase of Ps.4,281 million in revenues during 2013.

As a result of the above factors, crude oil and natural gas net income increased by 36.4% during 2013 compared to 2012.

Operating expenses for the Exploration & Production segment during 2013, compared to 2012, were affected by the following factors:

- A Ps.2,713 million increase in fixed assets depreciation, mainly as a result of higher asset values under depreciation compared to the same period of 2012, due to the increase of investments in fixed assets during 2012 and 2013, as well as to higher translation differences of fixed assets taking into account the functional currency of the Company;
- A Ps.1,974 million increase in costs related to operation services and other repair and maintenance services contracts, primarily due to increased activity, which resulted in the reversal of in the decline in production of crude oil and natural gas, and also as a result of increased prices paid for such serivces;
- A Ps.1,258 million increase in royalties paid, due to the higher wellhead price of hydrocarbons produced (as a reference, the average purchase price of crude oil during 2013, compared to 2012, showed a slight increase of 2.5% to U.S.$77 per barrel at the end of 2013, although it had greater impact expressed in pesos, due to the 20.4% average devaluation of the peso against the U.S. dollar). Additionally, the amount of royalties paid for 2013 increased as a result of the increase in royalty rates applicable to production from recently renewed concessions, such as Santa Cruz at the end of 2012; and

- An increase in provisions recorded by the Company in connection with AES Uruguaiana Emprendimientos S.A. (AESU) and Transportadora de Gas del Mercosur S.A. (TGM) arbitration claims, and based on the Partial Award issued by the International Chamber of Commerce Arbitration Tribunal (see Note 3 to the Audited Financial Statements).

Exploration and production revenues increased to Ps.31,314 million in 2012 from Ps.23,670 million in 2011, representing an increase of 33.6%. Substantially all of our Exploration and Production oil sales went to our Refining and Marketing segment: intersegment revenues (substantially all of which relate to intersegment sales of crude oil) increased by Ps.6,778 during 2012 compared to the prior year mainly as a result of an approximately 30% increase in the average intersegment price in pesos of a barrel of oil (an approximately 18% increase in U.S. dollars), which reflects the evolution of prices in domestic market for our different types of crude oil, as well as due to a 4.5% increase in volumes transferred. The average price of gas sold in the domestic market presented partial increases in the CNG and Industries segments, totaling additional revenues for Ps.420. Additionally in 2011, Exploration and Production operating income had been impacted by the reversal of the balance recognized by the Company for Petroleum Plus program, which was suspended at the beginning of 2012 for a total net amount of Ps 431 million pesos. Also during 2012, and from the renegotiation of concessions, the Company recorded the effect of credits for gas imbalances in its favor and in relation to other partners, all in accordance with contractual rights, all of which represented a positive net effect between the two periods of about Ps.194 million pesos. Exploration and Production operating income reached Ps.5,730 million in 2012, a 40.9% increase from Ps.4,067 million in 2011. Increases in crude oil sales were partially offset by an increase in operating expenses. Segment operating expenses increased by approximately 30.5% due mainly to (i) a Ps.1,413 million increase in fixed assets depreciation, mainly as a result of higher assets value under depreciation, (ii) a Ps.1,245 million increase in expenses related to operation services and other repair and maintenance services contracts due to negotiations carried out by the Company with suppliers, as well as more activity developed in 2012, (iii) a Ps.929 million increase in royalties paid, due mainly to the higher wellhead value of hydrocarbons produced (used as the basis for calculation of such royalties), expressed in pesos, mainly as a result of the higher product prices in 2012 as previously mentioned, and also as a result of the increased rate of royalty which applied to production from recently renewed concessions, such as in Mendoza at the end of 2011 and Santa Cruz at the end of 2012, and (iv) higher environmental expenses in Argentina by approximately Ps.374 million.

Exploration expenses remained almost unchanged in 2012 compared to 2011, mainly due to the similarity of the amount of the exploratory expenses incurred in the Malvinas area in 2011 and those incurred in 2012 in connection with the abandonment according to unsuccessful result of the Jaguar well corresponding to our share in the offshore block of Georgetown, Guyana. Additionally, during 2012, exploration activity related to projects for conventional and unconventional resources in our country continued to be one of our strategic targets.

During 2012, average oil, condensate and liquids production increased by approximately 1.0% compared to 2011, reaching 275 mbbl/d. However, fiscal year 2011 should not be considered as a reference year in terms of production considering, among others, the work stoppages that affected our production in such year and for which previous management did not apply effective measures. Natural gas production in 2012 decreased by 2.1% to 1,179 mmcf/d from 1,208 million cubic feet per day in 2011 (33.4 and 34.2 million cubic meters per day in 2012 and 2011, respectively). This decrease was mainly attributable to the natural decline in the production curve resulting from the continuing overall maturity of our fields. According to what was previously mentioned, the total production of oil, condensate, liquids and natural gas, expressed in barrels of oil equivalent, amounted to 177 million in 2012 (approximately 485 thousand barrels per day), compared with 178 million in 2011 (about 488 thousand barrels per day).

Downstream

During 2013, the Downstream segment, which activities include refining and marketing, logistics, chemicals, natural gas distribution and electricity power generation, recorded operating income of Ps.6,721 million, compared to Ps.4,095 million in 2012. The main factors that affected the results of operations of this segment during 2013 are the following:

- Diesel oil sales revenues during 2013 increased by approximately Ps.7,259 million compared to 2012. Within this context, the average price for diesel mix during 2013, represented an increase of approximately 25.4% over the average price obtained for the same period in 2012. In addition, there was a slight increase in sales volumes of approximately 1% primarily in our Diesel 500 and Eurodiesel products in the retail segment, which was partially offset by a decrease in sales of Ultradiesel at YPF-branded service stations and transportation segment;
- Net increase in gasoline sales, during 2013, of approximately Ps.5,320 million compared to 2012 . Within this context, there was an increase in volumes sold of approximately 10.1% (12.7% if only considered the “unleaded” gasoline). Additionally, during 2013, the average price for the gasoline mix showed an increase of approximately 29.8% , compared to the average price registered in 2012;

- Sales volumes of fuel oil in the local market during 2013 remained almost unchanged from 2012 (approximately 734,000 tons in 2013 versus 736,000 tons in 2012), which represented primarily sales to the electricity generation market. Product volumes had increased substantially during the first, quarter of 2013, but then we were affected by lower capacity utilization temporarily suffered in our Refinery in La Plata from April 2 accident explained below. Additionally, the average price of fuel oil increased during 2013, approximately 20.1% compared to 2012. These effects had a positive impact of approximately Ps.359 million in sales revenues from these products compared to 2012;
- Petrochemicals sales revenues in the local market, during 2013, experienced higher volumes and higher prices related to aromatic products, LAB and alcohols, and lower volumes of methanol, but with higher prices, all which represented a net revenue increase of approximately Ps.470 million compared to 2012. Regarding exports of petrochemicals, there were higher volumes exported of methanol and solvents , cut under light paraffinic and alcohols, offset by the sales price of petrochemical exports, resulting in a negative net effect on sales revenue of approximately Ps.33 million;
- During 2013, higher volumes imported of "unleaded" and "Premium" gasoline and diesel, mainly in its variety of low sulfur ("Eurodiesel"), the latter having been made at higher prices in pesos (slightly less in dollars) compared to 2012, which resulted in a combined increase of approximately Ps.2,946 million. These imports, like the higher local purchases of diesel and gasoline of approximately Ps.342 million, were undertaken in order to maintain the level of customer satisfaction;
- Higher volumes and costs in purchases of biofuels ("FAME" and bioethanol) to be included in diesel and gasoline sold by the Company, in compliance with current regulations (Law No. 26,093), In the case of bioethanol, volumes increased by approximately 18.6%, all of which represented an increase of approximately Ps.916 million;
- During 2013 (especially during the first quarter), approximately 150 thousand cm of crude oil were purchased from third parties compared to 2012, in order to optimize the supply of liquid fuels in the local market and to increase the supply of fuel oil to electricity generating plants, among others. The average price of crude oil purchases, in pesos, increased approximately 24.5% during 2013 compared to 2012, due to an increase in the exchange rate. These effects contributed to a net increase of the purchase of crude oil from other producers of approximately Ps.1,871 million. Also, the average purchase price of crude oil exploration and production segment, measured in pesos, increased approximately 23,7% during 2013 compared to 2012;
- Regarding production costs, during 2013, freight rates for crude oil and raw materials transportation increased as well as rates for use of port and harbor facilities and contracted services rates for repair and maintenance of our refineries, primarily due to economic recovery and wage increases. Also, especially in the second and third quarter of 2013, we recorded charges related to the repair of damages caused by the storm suffered at our refinery La Plata, and to cleaning, remediation and general repairs of the Complex. As a result of this, the total amount of charges increased by approximately by 32.8% and considering also the lower level of processing in refineries as mentioned below, the refining cost increased by approximately 38.2% during 2013 compared to in 2012, being the current Ps.37.5 per barrel;
- Increases in provisions for environmental remediation were recorded for approximately Ps. 287 million in 2013 compared to 2012; and
- Regarding natural gas, the Company has continued to fulfill domestic demand, allocating almost all of its production to the local market. During 2013, there was a similar level of volumes sold to distributors in the residential segment, decreasing the volumes allocated to power generation plants, CNG, and to suppliers and customers of the industrial segment. In terms of prices, there was a partial recovery primarily on CNG and industrial segments in the Argentine market. On the other hand, average selling prices in dollars to our jointly-controlled company, Mega, whose contract links prices to internationally traded commodities, decreased approximately by 9.1%, having been increased by approximately 9.4% when expressed in pesos.

During 2013, the utilization capacity of our refineries was approximately 278 thousand barrels of oil per day, representing a decrease of approximately 3.6% compared to 2012. This decrease was due almost entirely to the lower refining capacity of La Plata refinery, affected by a storm. The other two refineries of the Company, Lujan de Cuyo and Plaza Huincul, operated practically at 100% capacity during 2013.

On April 2, 2013 our facilities in the La Plata refinery were hit by a severe and unprecedented storm, recording over 400 mm of rainfall (which was the maximum ever recorded in the area). The heavy rainfall disrupted refinery systems and caused a fire that affected the Coke A and Topping C units in the refinery. This incident temporarily affected the crude processing capacity of the refinery, which had to be stopped entirely. Seven days after the event, the processing capacity was restored to about 100 mbbl/d through the commissioning of two distillation units (Topping IV and Topping D). The Coke A unit has been shut down permanently since the storm, and, after a significant restoration effort, the Topping C unit resumed operation with full nominal capacity in late May 2013.

Regarding this incident, during 2013 we recognized U.S.$300 million in our results of operations relating to the partial compensation of Coke A damages and operational losses for 2013 related to our insurance coverage for the La Plata refinery incident in April 2013, partially offset by the non material effect attributable to the total write-off of the book value of the La Plata refinery Coke A Unit and partial write-off of the book value of the Topping C Unit.

For information related to revenues and costs of our subsidiaries Metrogas S.A. and YPF Energía Eléctrica S.A. , which we began consolidating in the second and third quarters of 2013, respectively , see Note 13 to the Audited Consolidated Financial Statements.

Downstream segment revenues in 2012 were Ps.66,116 million, a 19.2% increase compared to Ps.55,484 million in revenues recorded in 2011. This increase was attributable, among other factors, to the following:

- An approximately 6.0% decrease in the volume sold of diesel fuels, especially in our Ultradiesel in almost all business segments, partially offset by an increase in the volume sold of our new product, Diesel 500, in the service station segment. Additionally, the price of all types of diesel fuels sold domestically increased approximately 30%.
- An approximately 6.3% increase in the volume of gasoline sold, as well as price increases in the mix of gasoline sold locally of about 25%. The net effect of the aforementioned variations accounted for an increase in revenues of approximately Ps 3.1 billion in 2012 compared to 2011.
- An approximately 108% increase in domestic fuel oil sales, mainly for power generation. Additionally, the domestic sale price of fuel oil increased in average by approximately 24% in 2012.
- Regarding petrochemicals sales revenues in the local market, during 2012, lower volumes of methanol, aromatics and alcohols were sold, but with better prices in all these cases, which yielded a net increase in revenues of approximately Ps. 180 million compared to 2011. As for exports of petrochemicals, decreased export volumes of methanol, solvents and alcohols and paraffinic cut under light were recorded, which decrease was offset by higher prices for the aggregate amount of products exported, resulting in a Ps.164 million increase in revenues.

Operating income in 2012 was Ps.4,095 million compared to Ps.5,466 million for the previous year, representing a 25.1% decrease. Increases in gasoline volumes sold in domestic market and in diesel fuel and gasoline local prices were more than offset by increased operating expenses, which increase was attributable, among other factors, to the following:

- A 30% increase in the average price paid for purchases of crude oil from third parties as well as from our Exploration and Production business segment (which purchases account for approximately 90% of our Refining and Marketing business segment's operating costs). This increase reflected the adjustments made in crude oil prices in the domestic market among local producers, considering the evolution of the market and differences in the quality of crude oil.
- A decrease in imports of regular diesel fuel and low-sulfur diesel fuel (Eurodiesel), offset by higher prices compared to 2011.
- A 23% increase in the volume of biofuels purchased (FAME and bioethanol) to be incorporated into the fuel and gasoline sold by the Company, in compliance with current regulations (Law 26,093). Additionally, the price of such biofuels (particularly bioethanol) increased in 2012.
- A 15% increase in refining cost (other than crude oil purchases) during 2012, to Ps.26.3 per barrel in 2012 compared to Ps.22.9 per barrel in 2011. This increase was mainly attributable to increases in (i) contracted service fees for repair and maintenance of our refineries, (ii) crude and product transportation fees and use of port facilities, (iii) the cost of electricity, water and steam and raw materials which are primarily driven by general economic conditions, and (iv) wage increases.

During 2012, the utilization capacity of our refineries was approximately 288 thousand barrels of oil per day, representing an increase of approximately 1.4% compared to 2011. It is worth noting however, that the utilization capacity of our refineries increased by approximately 4.8% in the second half of 2012 compared to the second half of the previous year.

Corporate and others

In 2013, operating loss for the Corporate and others segment were Ps.1,522 million, compared to Ps.2,492 million for 2012 . Segment results were positively affected by lower losses related to the estimated costs of environmental remediations of our subsidiary YPF Holdings compared to those recorded in 2012, improved results in 2013 by our subsidiary A-Evangelista SA, as well as by the effect of the redistribution of certain corporate costs to business units and were partially offset by higher costs of salaries, social security and IT services contracts and institutional advertising.

In 2012, operating loss for corporate and others segment reached Ps.2,492 million, a 45.4% increase compared to 2011, particularly due to higher salaries and related charges, increases in fees and compensation for services, higher technology information services and licenses expenses and the lower operating income of our controlled company A-Evangelista S.A. primarily due to the recognition of lower margins in the development of long-term construction operations the cumulative impact of which affected A-Evangelista S.A.'s results for 2012. In addition, the results of this segment were negatively affected by the environmental expenses incurred by our subsidiary YPF Holdings (incremental negative effect of approximately Ps.249 million in 2012) in accordance with the progress of settlement negotiations with U.S. government agencies related to litigation, as well as the update of the estimated costs related to environmental provisions in accordance with new information and / or advancement in sites characterizations.

Liquidity and Capital Resources

Financial condition

Total loans outstanding as of December 31, 2013, 2012 and 2011 was Ps.31,890 million, Ps.17,104 million and Ps.12,198 million, respectively, consisting of current loans (including the current portion of long-term debt) of Ps.8,814 million and long-term debt of Ps.23,076 million as of December 31, 2013, of Ps.5,004 million and non-current loans debt of Ps.12,100 million as of December 31, 2012, and short-term debt of Ps.7,763 million and long-term debt of Ps.4,435 million as of December 31, 2011. As of December 31, 2013, 2012 and 2011, approximately 60%, 52% and 83%of our debt was denominated in U.S. dollars, respectively.

In the past we have repurchased certain of our publicly-traded bonds in open market transactions on an arms-length basis. As of December 31, 2013, we had repurchased approximately U.S.$23.97 million of our outstanding bonds. We may, from time to time, make additional purchases of, or effect other transactions relating to, our publicly-traded bonds if, in our own judgment, the market conditions are attractive.

The following tables set forth our consolidated cash flow information for the periods indicated.

	For the Year Ended December 31,		
	2013	**2012**	**2011**
	(in millions of pesos)		
Net cash flows provided by operating activities	20,964	17,301	12,686
Net cash flows used in investing activities	(22,344)	(16,403)	(12,158)
Net cash flows provided by (used in) financing activities	6,979	2,654	(1,844)
Translation differences generated by cash and equivalents	224	83	102
Net increase/(decrease) in cash and equivalents	5,823	3,635	(1,214)
Cash and equivalents at the beginning of period	4,747	1,112	2,326
Cash and equivalents provided by the acquisition of GASA	143		
Cash and equivalents at the end of period	10,713	4,747	1,112

Net cash flows provided by operating activities were Ps.20,964 million in 2013, compared to Ps.17,301 million in 2012. This 21% increase was primarily attributable to improved operating results, after taking account of depreciation of fixed assets and provisions included in liabilities (mainly recording the provisions related to the effects of awards in arbitration proceedings relating to TGM and AESU), which did not require dibursement of funds, during 2013 compared to 2012.

Net cash flow provided by operating activities was Ps.17,301 million in 2012, compared to Ps.12,686 million in 2011. This increase was primarily attributable to higher operating income before depreciation of fixed assets in 2012 compared to 2011, as explained above. In our opinion, given the operating income of the company and the financing alternatives we expect to have available if needed according to the information available to us as of the date of this annual report, we consider that our working capital is sufficient for the company's present requirements. See "—Risk Factors—Risks Relating to Argentina" and "—Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business."

Our principal uses of cash in investing and financing activities during 2013 included Ps.22,288 million for investments in fixed assets and intangible assets (net of sales of fixed assets and intangible assets), which relate mainly to investments made by our Exploration & Production unit and investment in our refineries. Our principal uses of cash in investing and financing activities during 2012 included Ps.16,403 million for investments in fixed assets, which relate mainly to investments made by our Exploration and Production unit and investment in our refineries.

Our principal uses of cash in investing and financing activities in 2011 included Ps.12,158 million for investments in fixed assets, which relate mainly to investments made by our Exploration and Production unit, as well as net debt repayment totaling Ps.1,844 million and the payment of dividends amounting to Ps.2,753 million.

In addition, net cash flows provided by financing activities in 2013 and 2012 includes our increased financing obtained during 2013, principally incurred with the objective to finance our increased investment activities as mentioned before, totaling Ps.6,979 million during 2013 in comparison to Ps.2,654 million in 2012. During 2013 we issued notes in the international debt capital markets for an aggregate principal amount of U.S. dollars 650 million. During 2011, our net cash flow used in financing activities includes net financing obtained during 2011 in the amount of Ps. 3,721, net of dividends paid in the amount of Ps. 5,565.In the shareholders' agreement entered into by Repsol YPF and Petersen Energía in connection with the Petersen Transaction, they had agreed to effect the adoption of a dividend policy under which we would distribute 90% of our net income as dividends, starting with our net income for 2007. In 2011, we paid Ps.5,565 million (Ps.14.15 per share) with respect to 2010 earnings. However, after the passage of the Expropriation Law, at our Shareholder's meeting held on July 17, 2012 a dividend of Ps.303 million (Ps.0.77 per share or ADS) was authorized for payment during 2012. Furthermore, at the shareholders' general ordinary and extraordinary meeting held on April 30, 2013 and its continuation on May 30, 2013 a dividend of Ps.326 million (Ps.0.83 per share or ADS) was authorized for payment during 2013. In addition, during 2012 the Company approved its 2013-2017 Strategic Plan, which provides for an increased level of investments that will require a significant reinvestment of earnings and therefore considers a potential dividend distribution consistent with such strategy.

The Shareholder's meeting held on January 8, 2008, approved a Medium Term Notes Program for an amount up to U.S.$1,000 million. On September 13, 2012 and on April 30, the Shareholders meeting approved the increase of the amount of the program, mentioned above, for an amount of U.S.$2,000 million in each time, resulting in a maximum nominal amount in circulation at any time under the program of U.S.$5,000 million, or its equivalent in other currencies, and providing the use of the proceeds, to cover all alternatives contemplated by Article 36 of Law No 23,576 of Negotiable Obligations and Supplementary rules.

Under such Medium-Term Notes Program, YPF S.A. issued several series of notes in the local and international markets, and at different interest rates. All such securities are authorized to be traded on the Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) and the Electronic Open Market (Mercado Abierto Electrónico) in Argentina. In addition, during 2013 we acquired the control of GASA which has outstanding notes, including those related to it controlled company Metrogas S.A., for an amount of Ps.1,225 million as of December 31, 2013. For additional information about the outstanding notes of YPF S.A. and our controlled companies as of December 31, 2013, see Note 13 to the Audited Consolidated Financial Statements.

In addition, pursuant to Resolution 130/2013 of the Ministry of Economy that created the Argentine Oil Fund (See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government— Exploration and Production"), the Company has recently received a Ps. 8.5 billion line of credit. The amount we may draw down under this line of credit can be for investments in fixed assets and working capital in Argentina. Each tranche we draw down under the line of credit will be due in three annual installments after the fith year since they are disbursed to us, and will accrue interest at BADLAR plus a 400 point margin.

The following table sets forth our commitments for the periods indicated below with regard to the principal amount of our debt, as of December 31, 2013, plus accrued but unpaid interest as of that date:

	Expected Maturity Date						
	Total	*Less than 1 year*	*1 – 2 years*	*2 – 3 years*	*3 – 4 years*	*4 – 5 years*	*More than 5 years*
	(in millions of pesos)						
Debt	31,890	8,814	3,379	5,986	3,599	5,892	4,220

For detailed information regarding our indebtedness, see Note 2.i to the Audited Consolidated Financial Statements.

Contractual obligations

The following table sets forth information with regard to our commitments, expressed in U.S. dollars, under commercial contracts for the periods indicated below, as of December 31, 2013:

Contractual Obligations	*Total*	*Less than 1 year*	*1 –3 years*	*3 –5 years*	*More than 5 years*
		(in millions of U.S.$)[5]			
Debt[1]	3,349	1,820	2,248	1,819	1,001
Operating Lease Obligations	655	250	297	100	8
Purchase Obligations[2]	2,155	1,273	607	200	75
Purchases of services	1,234	621	361	178	75
Purchases of goods	920	652	247	22	—
LPG	—	—	—	—	—

Electricity	38	10	21	7	—
Gas	21	21	—	—	—
Oil	4,287	122	165	—	—
Steam	29	6	12	12	—
Others	545	493	49	3	—
Other Liabilities[3][6]	7,735	3,666	947	908	2,214
Total[3][4]	13,894	7,009	2,663	1,714	2,509

(1) These projected amounts include interest due during all the periods presented. Interest on variable rate instruments is calculated using the rate as of December 31, 2013 for all periods. See additionally Operating and Financial Review and Prospects—Liquidity and Capital Resources—Covenants in our indebtedness."

(2) Includes purchase commitments under commercial agreements that do not provide for a total fixed amount, which have been valued using our best estimates. Accordingly, our actual purchase obligations may differ from the estimated amounts shown in the table.
(3) Reserves for contingent liabilities under commercial contracts, which amounted to U.S.$797 million as of December 31, 2013, are not included in the table above since we cannot, based on available evidence, reasonably estimate the settlement dates of such contingencies.
(4) In addition to the contractual obligations detailed in the preceding table, we are also committed to carry out exploration activities in certain exploration areas and to make certain investments and expenditures until the expiration of some of our concessions. These commitments amounted to approximately U.S.$15,565 million as of December 31, 2013.
(5) The table is presented in U.S.$, which is the Company's functional currency, and not in its reporting currency, as the majority of the Company's contractual obligations are originally denominated in U.S.$.
(6) Includes accounts payable, salaries and social security, taxes payable, provisions for pensions, provisions for environmental liabilities and provisions for hydrocarbon wells abandonment obligations as set forth in our audited consolidated financial statements included as of December 31, 2013.

We have additional commitments under guarantees. For a discussion of these additional commitments see "—Guarantees provided" below.

Covenants in our indebtedness

Our financial debt generally contains customary covenants. With respect to a significant portion of our financial debt totalling Ps.31,890 million, including accrued interest (long- and short-term debt) as of December 31, 2013, we have agreed, among other things and subject to certain exceptions, not to establish liens or charges on our assets. In addition, approximately 19% of our financial debt outstanding as of December 31, 2013 was subject to financial covenants related to our leverage ratio and debt service coverage ratio.

Regarding our outstanding debt amounting to Ps.24,770 million as of December 31, 2013, the creditors may, upon an event of default, declare due and immediately payable the principal and accrued interest on amounts owed to them.

Almost all of our total outstanding financial debt is subject to cross-default provisions. As a result of these cross-default provisions, a default on our part or, in certain cases, the part of any of our consolidated subsidiaries covered by such provisions, could result in a substantial portion of our debt being declared in default or accelerated.

As of the date of this annual report none of our debt is under any event of default that could trigger an acceleration provision. In connection with the change of control of the Company as a result of the Expropriation Law all waivers have been obtained. As of December 31, 2013, we were in compliance with all covenants in connection with our indebtedness.

Guarantees provided

As of December 31, 2013, we have issued letters of credit in an aggregate total value of U.S.$27 million (as of the date of this annual report this amount remains unchanged) to guarantee certain environmental obligations and guarantees in an aggregate amount of U.S.$57 million in relation with the performance of contracts of certain of our controlled companies.

In addition, see Note 11.c"—Investment Project Agreements" to the Audited Consolidated Financial Statements for a description of the transaction we entered into with Chevron.

Capital investments, expenditures and divestitures

Capital investments and expenditures

Capital investments in 2013 totaled approximately Ps. 30,163 million. The table below sets forth our capital expenditures and investments by activity for each of the years ended 2013, 2012 and 2011.

	2013		*2012*		*2011*	
	(in millions of pesos)	*(%)*	*(in millions of pesos)*	*(%)*	*(in millions of pesos)*	*(%)*
Capital Expenditures and Investments[(1)]						
Exploration and Production	24,807	82	12,377	74	9,083	68
Downstream	4,903	16	4,232	25	4,032	30
Corporate and Other	453	2	142	1	231	2
Total	30,163	100%	16,751	100%	13,436	100%

(1) Includes acquisitions of fixed assets and exploration expenses, net of unproductive drilling expenses and well abandonment costs.

On August 30, 2012, we approved and announced the Strategic Plan 2013-2017 establishing the basis of our development for the years to come. Such plan intends to reaffirm our commitment to creating a new model of the Company in Argentina which aligns our objectives, seeking profitable and sustainable growth that generates shareholder value, with those of the country, thereby positioning YPF as an industry-leading company aiming at the reversal of the national energy imbalance and the achievement of hydrocarbon self-sufficiency in the long term.

To achieve the goals set forth above, we intend to focus on (i) the development of unconventional resources, which we see as a unique opportunity because a) the expectation related to the existence of large volumes of unconventional resources in Argentina according to estimates of leading reports on global energy resources, b) we currently possess a relevant participation in terms of exploration and exploitation rights on the acreage in which such resources could be located in, and c) we believe we can integrate a portfolio of projects with high production potential; (ii) the re-launch of conventional and unconventional exploration initiatives in existing wells and expansion to new wells, including offshore; (iii) an increase in capital and operating expenditures in mature areas with expected higher return and efficiency potential (through investment in improvements, increased use of new perforation machinery and well intervention); (iv) a return to active production of natural gas to accompany our oil production; and (v) an increase in production of refined products through an enhancement of the refining capacity (including improving and increasing our installed capacity and upgrading and converting our refineries). The previously mentioned initiatives have required and will continue to require organized and planned management of mining, logistic, human and financing resources within the existing regulatory framework, with a long-term perspective.

The investment plan related to our growth needs to be accompanied by an appropriate financial plan, whereby we intend to reinvest earnings, search for strategic partners and acquire debt financing at levels we consider prudent for companies in our industry. Consequently, the financial viability of these investments and hydrocarbon recovery efforts will generally depend, among other factors, on the prevailing economic and regulatory conditions in Argentina, the ability to obtain financing in satisfactory amounts at competitive costs, as well as the market prices of hydrocarbon products.

Capital divestitures

We have not made any significant divestitures in the past three years.

Quantitative and Qualitative Disclosures about Market Risk

For a description of our exposure to market risk, see “Item 11. Quantitative and Qualitative Disclosures about Market Risk.”

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet agreements. Our off-balance sheet agreements are described in “—Liquidity and Capital Resources—Guarantees provided.”

Research and Development, Patents and Licenses, etc.

For a description of our research and development policies, see "Item 4. Information on the Company—Research and Development."

ITEM 6. Directors, Senior Management and Employees

Management of the Company

On April 16, 2012, the Company was notified, through a notarial certification, of Decree No. 530/12 of the National Executive Office, which provided for the temporary intervention of the Company (the "Intervention") for a period of thirty (30) days, with the aim of securing the continuity of its business and the preservation of its assets and capital, securing the provision of fuel and the satisfaction of the country's needs, and guaranteeing that the goals of the Expropriation Law are met. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law."

In accordance with Article 3 of Decree No. 530/2012, the powers conferred by YPF's by-laws to the Board and/or the President of the Company were temporarily granted to Julio M. De Vido, the Intervenor who performed the functions of our Principal Executive Officer and Principal Financial Officer until the General Shareholders Meeting held in June, 4th, 2012, when a new Board of Directors was appointed.

On May 3, 2012, the Argentine Congress enacted the Expropriation Law. Among other matters, the Expropriation Law provided for the expropriation of 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol and its controlled or controlling entities. The shares subject to expropriation, which have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed.

The Expropriation Law states that YPF shall continue as a publicly traded corporation and the management of the shares subject to expropriation shall be carried out according to the following principles: (i) strategic contribution of the Company to the aims established in the Expropriation Law; (ii) the management of the Company in accordance with the best industry and corporate governance practices, preserving the interests of the Company´s shareholders and creating value for them; and (iii) the professional management of the Company.

On May 7, 2012, through Decree No. 676/2012 of the National Executive Office, Mr. Miguel Matías Galuccio was appointed General Manager of the Company during the Intervention. Furthermore, on June 4, 2012, the Ordinary Shareholders' meeting appointed new members of the Board of Directors of the Company, thus concluding the intervention of the Company.

In compliance with the provisions of the Expropriation Law, the CNV convened a general shareholders' meeting held on June 4, 2012. The removal of all regular members and alternate members of our Board of Directors and our Supervisory Committee was approved. In addition, such general shareholders' meeting fixed the number of regular and alternate members of our Board Directors and Supervisory Committee and appointed their new regular and alternate members. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina— The Argentine federal government will control the Company according to domestic energy policies in accordance with the Expropriation Law" and "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law."

The Ordinary and Extraordinary Shareholders Meeting held on April 30, 2013 and its continuation of May 30, 2014, appointed the new members of the Board of Directors of the Company and of the Supervisory Committee.

The information provided below describes the composition and responsibilities of our Board of Directors and committees as of the date of this annual report.

Board of Directors

Composition of our Board of Directors

Our business and affairs are managed by the Board of Directors in accordance with our by-laws and the Argentine Corporations Law No. 19,550 (the "Argentine Corporations Law"). Our by-laws provide for a Board of Directors of 11 to 21 members, and up to an equal number of alternates. Alternates are those elected by the shareholders to replace directors who are absent from meetings or who are unable to exercise their duties, when and for whatever period appointed to do so by the Board of Directors. Alternates have the responsibilities, duties and powers of directors only if and to the extent they are called upon to attend board meetings and as long as they perform the duties of a director.

Directors shall hold office from one to three years, as determined by the shareholders' meetings. Since the shareholders' general ordinary meeting held on April 30, 2013 and its continuation on May 30, 2013, our Board of Directors is composed of 17 directors and 12 alternates.

In accordance with our by-laws, the Argentine government, sole holder of Class A shares, is entitled to elect one director and one alternate.

Under the Argentine Corporations Law, a majority of our directors must be residents of Argentina. All directors must establish a legal domicile in Argentina for service of notices in connection with their duties.

Our by-laws require the Board of Directors to meet at least once every quarter in person or by video conference, and a majority of directors is required in order to constitute a quorum. If a quorum is not met one hour after the start time set for the meeting, the President or his substitute may invite alternates of the same class as that of the absent directors to join the meeting, or call a meeting for another day. Resolutions must be adopted by a majority of the directors present (including by video conference), and the President or his substitute is entitled to cast the deciding vote in the event of a tie.

The current members of our Board of Directors, the year in which they were appointed and the year their term of appointment expires is as follows:

Name	*Position*	*Age*	*Director Since*	*Term Expiration*
Miguel Galuccio (4)	Chairman, Chief Executive Officer (CEO) and Director	45	2013	2014
Jorge Marcelo Soloaga (4)(3)	Director	56	2013	2014
Gustavo Alejandro Nagel (4)	Director	46	2013	2014
Oscar Alfredo Cretini	Director	56	2013	2014
Roberto Ariel Ivovich	Director	40	2013	2014
Omar Chafí Félix (1)	Director	53	2013	2014
Armando Isasmendi (h) (2)	Director	38	2013	2014
Héctor Walter Valle	Director	78	2013	2014
Rodrigo Cuesta	Director and Legal Affairs Corporate Vicepresident	39	2013	2014
José Iván Brizuela	Director	40	2013	2014
Sebastián Uchitel	Director	42	2013	2014
Nicolás Marcelo Arceo(4)	Director and Administration and Finance Vicepresident	40	2013	2014
Fernando Dasso (4)	Director and Human Resources Vicepresident	48	2013	2014
Luis García del Río (4)	Director	47	2013	2014
Carlos María Tombeur	Director	58	2013	2014
Nicolás Eduardo Piacentino	Director	47	2013	2014
Axel Kiciloff (3)	Director	42	2013	2014
Patricia María Charvay (3)	Alternate Director	31	2013	2014
Sergio Affronti (4)	Alternate Director and Shared Services Vicepresident	44	2013	2014
Carlos Héctor Lambré	Alternate Director	64	2013	2014
Francisco Ernesto García Ibañez	Alternate Director	49	2013	2014
José Carlos Blassiotto	Alternate Director	34	2013	2014
Cristian Alexis Girard	Alternate Director	32	2013	2014
Javier Leonel Rodríguez	Alternate Director	42	2013	2014
Jesús Guillermo Grande	Alternate Director and Upstream Executive Vicepresident	45	2013	2014
Carlos Agustín Colo (4)	Alternate Director and Exploration Executive Manager	56	2013	2014
Almudena Larrañaga Ysasi-Ysasmendi	Alternate Director	41	2013	2014

(1) Designated by the Supervisory Committee and assumed as Director at the Board of Directors' meeting held in January, 23th, 2014, replacing Mr. Rodolfo Manuel Lafalla, who had assumed as Director at the Board of Director's held in September, 23th, 2013, replacing Mr. Walter Fernando Vázquez.

(2) Assumed as Director at the Board of Directors' meeting held in December, 9th, 2013, replacing Mr. Raúl Eduardo Ortiz who presented his resignation and it was accepted by the Board of Directors. Representing our Class A shares.
(3) Representing our Class A shares.
(4) As of February, 28 2014, the person owns less than one percent of our Class D shares.

The Chairman of the Board of Directors, who, according to our by-laws, must be a Class D director, was elected by the Board of Directors in the meeting held on May, 31st, 2013. All other officers serve at the discretion of the Board of Directors and may be terminated at any time without notice.

Outside business interests and experience of the members of our Board of Directors

Miguel Galuccio

Mr. Galuccio holds a degree in oil engineering from the Technological Institute of Buenos Aires. Until April 16, 2012, Mr. Galuccio was part of the management team of Schlumberger in London. He has more than 20 years of international experience in the oil and gas industry. During his career at Schlumberger, he held the positions of Real Time Reservoir Manager, Mexico and Central America General Manager, President of Integrated Project Management – IPM and President of Production Management. In 2011, he created the strategic "Schlumberger Production Management" division, based in London, which he led until joining YPF. Throughout his career at Schlumberger, Mr. Galuccio led companies and working teams in the United States, Middle East, Asia, Europe, Latin America, Russia and China. Prior to joining Schlumberger, he worked at YPF where he participated in the Company's internationalization process as Manager within Maxus Energy. During his career at YPF, he held among others the positions of Development Manager – YPF Division South, Asset Manager Advisor at Maxus – YPF International and Business Unit Manager at Maxus – YPF International. On May 7, 2012, through Decree No. 676/2012 of the National Executive Office, Mr. Galuccio was appointed General Manager of the Company during the Intervention period and was appointed Chairman of the Company by the General Shareholders Meeting held in June 4, 2012 and was appointed CEO of the Company by the Board of Directors meeting held on June 4, 2012. Currently he is the Chairman of the Company appointed by the General Shareholders Meeting held in April 30, 2013 and its continuation of May 30, 2013, and CEO appointed by the Board of Directors meeting held on May 31, 2013.

Axel Kicillof

Mr. Kicillof graduated with a degree in economics with a focus on the public sector, from the School of Economic Sciences of the University of Buenos Aires, from which he subsequently received a Ph.D. in economics. He has extensive experience as an undergraduate and graduate professor. He was a head researcher at the Institute of Economic Research of the University of Buenos Aires, a researcher of the Argentine National Scientific and Technical Research Council ("CONICET"), Director of the UBACYT E017 research project "Argentina After the Convertibility Collapse, Continuities and Breakouts: A New Growth Standard." He was the Assistant Director of the IIE's Center of Studies for Development Planning, University of Buenos Aires, and a researcher of the Center of Studies for Argentine's Development. In December 2011, he was officially designated Secretary of Economic Policy and Development Planning at the Argentine National Ministry of Economy and Finance and since November, 2013 he is the Minister of Economy and Public Finance. Mr. Kicillof was elected as the representative of the Class A shares held by the Argentine government.

Jorge Marcelo Soloaga

Mr. Soloaga graduated from the Industrial School in Caleta Olivia as a chemical technician. He is currently an employee of the Company and has been Chairman of the Commission for the Development of Cañadón Seco since 2009. Since 1993, he has acted as General Secretary of the Oil and Hydrocarbon Union (Sindicato Unido Petroleros e Hidrocarburíferos or SUPeH), in Santa Cruz. Among other offices, he served as a member of congress in the low chamber of the Province of Santa Cruz for the period between 1985 and 1989.

Gustavo Alejandro Nagel

Mr. Nagel graduated as an industrial engineer with a major in mechanics from the National University of the Comahue in Neuquén, and was awarded a master's degree in business administration from the International School of Business. He has served as the head of Teams and Maintenance, Southwest Affiliate, Service and Operations team leader in Venezuela, a business area manager (Neuquén – Mendoza – Rosario), a manager at Oil and Gas Argentina and Bolivia, and the general manager for the Andean Region at Gas y Petróleo del Neuquén S.A. He was the Assistant Secretary of Planning and Public Services in the Province of Neuquén. Currently, he is the Director Representative for the Province of Neuquén at Hidroelectrica Piedra del Águila, as well as the Director of Exploration and Production at Gas y Petróleo del Neuquén S.A.

Oscar Alfredo Cretini

Mr. Cretini graduated with a degree in geological sciences from the School of Exact and Natural Sciences of the University of Buenos Aires. He also has a master's degree in business administration, with a major in business and the environment from the School of International Business of the University of Belgrano. He has, among others, been the chief geologist for uranium/thorium exploration in the Saint George Gulf Basin, Province of Chubut, Tronco Amblayo Basins, Salta, Paraná Basin in Paraguay and Jurassic Basin in Colombia; and a senior consultant to the Alternate President of the Honorary Federal Senate, in fuel energy and mining. He was also a professional consultant for the program, "Report of the Environmental Impact of the Exploratory Well and Exploitation of Oilfields of YPF, Golfo San Jorge Basin," and a local affiliate of the GEA Group, Provinces of Chubut and Santa Cruz.

Roberto Ariel Ivovich

Mr. Ivovich graduated as a certified public accountant from the National University of Córdoba. He has served as the investment project auditor of the Federal Investment Council and as an accounting consultant for the Municipality of El Calafate, Santa Cruz, in the area of collections. Currently he is the appointed representative for the Province of Santa Cruz before the Federal Commission of Tax Responsibility. Additionally, he is a member of the Federal Tax Commission and he is Chief of Cabinet of the Government of the Province of Santa Cruz.

Omar Chafi Félix

Mr. Félix has served as Secretary of the Public Work Ministry of the Province of Mendoza. He also has served as City Councilman of the city of San Rafael, Mendoza from 1995 to 1999, as Mayor of the city of San Rafael, Mendoza from 2003 until 2009 and National Legislator representing the Province of Mendoza from 2009 to 2013. Currently he is President of Telcom Argentina S.A., a company engaged in mining exploitation and soil transportation. Mr. Félix is also active in the livestock industry.

Armando Isasmendi (h)

Mr. Isasmendi graduated from the Universidad Católica Argentina with a law degree. He is currently the Chairman of Recursos Energéticos y Mineros de Salta S.A. He has acted as President of the Regulatory Entity of Public Services in the Province of Salta, and as an advisor in the Ministry of Economic Development in the Province of Salta.

Héctor Walter Valle

Mr. Valle graduated with a degree in political economics from the University of Buenos Aires. He majored in economic and social planning at the Latin American Institute of Economic and Social Planning and has a specialization in "Problems of Economic Development and Foreign Trade" from the University of Grenoble. Among other positions, he has been an Assistant Vice-President of the Economic Science Professional Association of the City of Buenos Aires, the President of the Economic Commission of the Economic Science Professional Association of the Federal Capital and a board member of the Economic Science Graduate Association of the Federal Capital. He has been the president of Development Research Foundation since 1991, and from January 2005 to June 2012, he was the President of the Argentine National Fund for the Arts.

Rodrigo Cuesta

Mr. Cuesta earned a law degree from the School of Law and Social Science of the University of Buenos Aires and a master's degree in administrative law from Austral University. Among other positions, he was legal advisor at the National Legal Affairs Office of the Office of the Attorney for the Argentine's Treasury, General Counsel of the Aerolíneas Argentinas Group and Assistant Comptroller General of Argentina. Currently, he is our Legal Affairs Corporate Vice-President.

José Ivan Brizuela

Mr. Brizuela graduated from the University of Buenos Aires with a degree in administration with a focus in finance and a degree in sociology with a focus in sociology and culture. He has been, among others, a financial system senior consultant at Alpha Estudio de Economía; the Director of the Agency for Development and Investments at the Argentine National Ministry of the Economy, the coordinator general of the United Nations Development Program, a representative of the Secretariat of Energy at Nucleoeléctrica Argentina S.A., and a representative of the Industry's Secretariat's Office. In 2004, he founded Sociedad Brisa de Argentina S.A., where he is currently Director.

Sebastian Uchitel

Mr. Uchitel earned the title of Analyst in Computers at the School of Exact and Natural Sciences of the University of Buenos Aires, and a Ph.D. in computers from the School of Engineering, Imperial College in London. Among other positions, he was a full-time regular adjunct professor in the Computer Department, School of Exact and Natural Sciences of the University of Buenos Aires, teaching assistant of the Department of Computers, Imperial College in London, associate investigator, Department of Computers, Imperial College in London, and founding partner and Director of Lemma Informática S.R.L. He was also a part-time associate professor of the Department of Computers, Imperial College in London and independent investigator at CONICET.

Nicolas Marcelo Arceo

Mr. Arceo earned a degree in economics from the University of Buenos Aires. He holds a PhD in Social Science and a master's degree in political economics from the Latin-American Faculty of Social Sciences. Mr. Arceo is our Administration and Finance Vice-President.

Fernando Dasso

Mr. Dasso earned a degree in labor relations from the University of Buenos Aires. In 1993, he joined our Company and has held various positions within our Company since then. In 2006, he was appointed Human Resources Director at the Argentina, Bolivia and Brazil Exploration and Mining Unit. Currently, he is our Human Resources Vice-President.

Luis García del Río

Mr. García del Río earned a law degree from the School of Law and Social Science of the Sevilla University (Spain). Among other positions, he acted as an attorney for the Spanish government and governmental agencies from 1993 to 2001, legal advisor to different areas of Repsol between 2001 and 2008. In May 2008 he became a partner of the law firm García del Río & Larrañaga Abogados where he currently practices law.

Carlos María Tombeur

Mr. Tombeur graduated from the University of Buenos Aires, School of Law and Social Sciences, with a law degree in 1976. Previously, he was Professor of Economic Law in the School of Economic Sciences and of Commercial Law in the School of Law at the University of Buenos Aires. Mr. Tombeur was also Professor of Economic Law in the Master's Degree program in Public Policy at the University Di Tella. From 1999 to 2005, he served as member of the Board of Directors of YPF S.A. Mr. Tombeur was appointed controller at Seguro de Depósitos S.A. (SEDESA) (Insurance Deposit Company) by the Central Bank for the period 1997 to 2001. He also served as legal undersecretary of the Ministry of Economy and Public Works and Services for the period 1992 to 1996 and was a member of the Board of Directors of the Central Bank of the Argentine Republic, 1991-1992. Mr. Tombeur was Partner of the firm Caride Fitte & Tombeur from 1977 until 1991. Mr. Tombeur is currently Partner with the firm Severgnini Robiola Grinberg & Tombeur. He is also a member of the Bar Association of the City of Buenos Aires and the International Bar Association.

Nicolás Eduardo Piacentino

Mr. Piacentino graduated from the Universidad Católica Argentina, with an engineering degree. He currently provides services of high-end consultancy on commercial, logistical and production to different companies on mining, grains and energy matters. He also worked as a trader for several companies, such as Glencore Ltd and Repsol – YPF Trading and Transport S.A.

Sergio P. Affronti

Mr. Affronti earned a certified public accountant degree and a degree in business administration from the Argentine Catholic University, and a degree from the Management and Engineering Program of the University of Texas, Austin. Among other positions, he acted as manager for regional administration and planning for YPF Upstream from 1998 to 2001, manager for Repsol Upstream in strategic upstream planning in Latin America between 2002 and 2004, manager for purchases and hiring for Repsol Upstream between 2004 and 2006, director of Planning and Control for Europe, Asia and Africa for Repsol Upstream between 2006 and 2008, country manager for Repsol Upstream in Ecuador between 2008 and 2010, and director for corporate development for Repsol Upstream in Spain from 2011 to May 2012. Currently he is our Shared Services Vice-President.

Carlos Héctor Lambré

Mr. Lambré earned an oil engineering degree from the San Juan de Bosco Patagonia National University. Among other positions, he served as a manager in the Saint George Gulf Basin Unit for Pan American Energy, general manager for Terminales Marítimas Patagónicas S.A. (TERMAP S.A.), Director of Amoco Argentina Oil Company, General Director for the Hydrocarbon and Mining Secretary in Chubut. Currently he serves as the sub-secretary for the Ministry of Hydrocarbons of the Province of Chubut and as executive secretary in the OFEPHI.

Francisco Ernesto García Ibáñez

Mr. García Ibañez earned a law degree from the Litoral University. Among other positions he served as Chief of Cabinet of the Ministry of Infrastructure, Housing and Transport; Director representing the Province of Mendoza in the Federal Council of Electric Power; Advisory Cabinet of the Ministry of Infrastructure, Housing and Transport; chairman of the Discipline Board of Ministry of Economy and Finance; counsel advisor in the Legal Department of the Ministry of Finance and deputy inspector in the Purchasing and Supply Ministry.

José Carlos Blassiotto

Mr. Blassiotto graduated from the University of Belgrano with a law degree. He is currently the Minister of Economy and Public Construction in the Province of Santa Cruz, as well as the representative of the Province of Santa Cruz in the Argentine Arbitration Commission, the Commission for Fiscal Responsibility, and the Federal Tax Commission. He is also a professor of Civil and Commercial Procedural Law in the Criminal Sciences Department in the University Institute of the Argentine Federal Police. He also acted as Legal and Technical Secretary in the Ministry of Economy and Public Works in Santa Cruz, as Director of Fiscal Prosecutors in the Tribunal in Santa Cruz, as legal advisor in the Low Chamber in the Province of Santa Cruz, and as Regular Member in the Contracts Committee in the Legal Affairs Department of the National Lottery.

Cristian Alexis Girard

Mr. Girard graduated from the University of Buenos Aires with a degree in economics. He is currently getting a PhD in Economic Sciences in the University of Buenos Aires, and is a professor of economics in the Economic Science Department in the University of Buenos Aires and the Popular University of Madres de Plaza de Mayo. He also serves as director in the National Direction of Companies with Government Participation, and is currently a Director representing the Argentine government in several companies, such as SIDERAR SAIC, YPF GAS S.A., Metrogas S.A., Distribuidora de Gas Cuyana S.A. and Gas Natural Fenosa SA.

Javier Leonel Rodríguez

Mr. Rodríguez graduated from the University of Buenos Aires with a degree in Economics. He has also presented his thesis to obtain a PhD from such University, which is being evaluated. He currently serves as Sub-Secretariat of Economic Planning in the Secretary of Economic Policy and Development Planning in the National Ministry of Economy and Public Finance.

Jesus Guillermo Grande

Mr. Grande graduated from the National University of Tucumán with an engineering degree. Since 1993, he held various positions at Schlumberger, serving as Director of Human Resources; President of one of its service lines; and the head of Corporate Strategy Implementation. He has also served in executive and operational positions in Kuwait, Argentina, Brazil, Angola and the United States. His specialty is management and operations optimization. Mr Grande is our Upstream Executive Vice-President.

Carlos Agustín Colo

Mr. Colo earned a geology degree from the San Juan de Bosco Patagonia National University. Among other positions, he previously served as District Chief for the Golfo San Jorge Basin, Director of the Technical Office for Upstream, Director for the Economic Unit composed by Las Heras and Santa Cruz for YPF and Country Manager for Repsol Colombia. He currently serves as our Exploration Executive Manager.

Almudena Larrañaga Ysasi –Ysasmendi

Ms. Ysasi-Ysasmendi has been a lawyer member of the bar since 1999. She graduated from Universidad Complutense de Madrid in 1996, with a law degree. She has served in several companies from Dragados (TECSA) Group, as well as Squire, Sanders & Dempsey, and Gómez Acebo & Pombo.In 1999 she joined the Legal Affairs Department in REPSOL BUTANO, S.A. In 2006 she was appointed Chief of Legal Affairs (Upstream division) for Europe and Northern Africa in REPSOL Group. In 2007 she was appointed Chief of Legal Affairs (Upstream and GNL) for Europe and Northern Africa. Since May 1st, 2008, she has been working as an independent lawyer and is currently partner in García del Río & Larrañaga Abogados.

Patricia María Charvay

Ms. Charvay earned an economics degree and a doctorate degree in Economics from the University of Buenos Aires. Among other positions, she previously served as a consultant for the Council of Coordination of Social Policies. Currently she represents the Argentine government serving as a director in several companies, among others Edenor S.A. and Endesa Costanera S.A., and she is a secretary of Economic Policies and Development Planning for the Argentine National Ministry of Economy and Finance.
Ms. Charvay was elected as alternate Director representative of the Class A shares by the Argentine government.

Board practices

The information provided below describes the composition and responsibilities of our Board of Directors

Board practices of our Board of Directors

In accordance with the Argentine Corporations Law, directors have an obligation to perform their duties with loyalty and with the diligence of a prudent business person. Directors are jointly and severally liable to us, our shareholders and to third parties for the improper performance of their duties, for violating the law or our by-laws or regulations, and for any damage caused by fraud, abuse of authority or gross negligence. Specific duties may be assigned to a director by the by-laws, applicable regulations, or by resolution of the shareholders' meeting. In such cases, a director's liability will be determined by reference to the performance of such duties as long as the director's appointment and the determination of duties approved by a shareholders' meeting is registered with the Superintendency of Corporations.

Only shareholders, through a shareholders' meeting, may authorize directors to engage in activities in competition with us. Transactions or contracts between directors and us in connection with our activities are permitted to the extent they are performed under fair market conditions. Transactions that do not comply with the above requirements may only be carried out with prior approval of the Board of Directors or, in the case of an absence of a quorum in a Board of Directors meeting, the Supervisory Committee. In addition, these transactions must be subsequently approved by the shareholders at a general meeting. If our shareholders do not approve the relevant transaction, the directors and members of the Supervisory Committee who approved such transactions are jointly and severally liable for any damages caused to us.

Any director whose personal interests are adverse to ours with respect to any matter shall notify the Board of Directors and the Supervisory Committee and abstain from voting on such matters. Otherwise, such director may be held liable to us.

A director will not be liable if, notwithstanding his presence at the meeting at which a resolution was adopted or his knowledge of such resolution, a written record exists of his opposition to such resolution and he reports his opposition to the Supervisory Committee before any complaint against him is brought before the Board of Directors, the Supervisory Committee, the shareholders' meeting, the appropriate governmental agency or the courts. Any liability of a director to us terminates upon approval of the director's actions by the shareholders at a general meeting, provided that shareholders representing at least 5% of our capital stock do not object and provided further that such liability does not result from a violation of the law, our by-laws or other regulations.

Senior Management

Our current senior management as of the date of this annual report consists of:

Name	Position
Miguel Galuccio	Chairman, Chief Executive Officer and Director
Daniel González	Chief Financial Officer
Rodrigo Cuesta	Legal Affairs Corporate Vice-President
Jesús Grande	Upstream Executive Vice-President
Carlos Alfonsi	Downstream Executive Vice-President
Fernando Giliberti	Strategy and Business Development Vice-President
Nicolás Arceo	Administration and Finance Vice-President
Doris Capurro	Communication and Institutional Relations Vice-President
Fernando Dasso	Human Resources Vice-President
Sergio Affronti	Shared Services Vice-President

In addition to the members of our Senior Management for whom outside business interests and experience are described above, we include the following:

Daniel Gonzalez

Mr. Gonzalez is the President of the Disclosure Committee. Daniel Gonzalez holds a degree in Business Administration from the Argentine Catholic University. He served for 14 years in the investment bank Merrill Lynch & Co in Buenos Aires and New York, holding the positions of Head of Mergers and Acquisitions for Latin America and President for the Southern Cone (Argentina, Chile, Peru and Uruguay), among others. While at Merrill Lynch, Mr. Gonzalez played a leading role in several of the most important investment banking transactions in the region and was an active member of the firm´s global fairness opinion committee. He remained as a consultant to Bank of America Merrill Lynch after his departure from the bank. Previously, he was Head of Financial Planning and Investor Relations in Transportadora de Gas del Sur SA. He currently is also member of the Board of Directors of Hidroneuquén S.A. and Hidroeléctrica Piedra del Águila S.A. As of the date of this annual report, Mr. Gonzalez is our Chief Financial Officer (CFO).

Carlos Alfonsi

Mr. Alfonsi graduated with a degree in chemistry from Argentina's Technological University of Mendoza. Additionally, he has a degree in IMD Managing Corporate Resources from Lausanne University and has studied at the Massachusetts Institute of Technology. Since 1987, he has held various positions at our Company, serving as an operations manager; the Director of the La Plata refinery; Operation Planning Director; Director of Commerce and Transportation for Latin America; Director of Refinery and Marketing in Peru; Country Manager for Peru; and R&M for Peru, Chile, Ecuador and Brazil. Currently, Mr. Alfonsi is our Downstream Executive Vice-President.

Fernando Giliberti

Mr. Giliberti earned a certified public accountant degree from the Argentine Catholic University, an MBA from the Argentine University of the Enterprise, a Postgraduate Diploma in Management and Economics of Natural Gas from the College of Petroleum Studies, Oxford University, and master's degree in the Science of Management, from the Sloan Program at Stanford University. Among other positions, he previously served at YPF as Head of Accounting and Finance at our headquarters in Mendoza, and as South Division Business Support Manager of the El Guadal-Lomas del Cuyo Pilot Economic Unit, Business Development Manager and Exploration and Production Business Development Director. In San Antonio (Pride International), he was South Division Business Support Manager and Vice President at the Latin America Business Unit and Vice President of Business Development at Pioneer Natural Resources of Argentina. In 2006, he founded Oper-Pro Services S.A. Currently, he is our Strategy and Business Development Vice-President.

Doris Capurro

Mrs. Capurro graduated with a degree in Sociology. During her career Mrs. Capurro specialized in public relations, media, advertising, political management, marketing and market research. Mrs. Capurro is President of two leading consultant companies in Argentina (CAPComunications S.A. and Ibarómetro S.A.). Additionally, Mrs. Capurro founded and ran a leading agency for advertising and communication services (Capurro and Associates) for 20 years until it was acquired in 1999 by the French group Publicis. She received several national and international awards for advertising, creativity, strategy and management. Mrs. Capurro is the organizer of the International Conference of Political Management in Buenos Aires, sponsored by the Graduate School of Political Management at George Washington University and Torcuato Di Tella. She teaches in the Master of Political Communication at the Pontifical University of Salamanca, Spain, and the University FLACSO in Buenos Aires. She is currently our Communication and Institutional Relations Vice-President.

The Audit Committee

The information provided below describes the composition and responsibilities of our Audit Committee.

Composition and responsibilities of our Audit Committee

The Stocks Market Law as defined in "Item 9. The Offer and Listing Argentine Securities Market" and Resolution No. 622/2013 of the CNV, require that Argentine public companies appoint an audit committee (*comité de auditoría*) composed of at least three members of the Board of Directors. The by-laws must set forth the composition and regulations for the operation of the Audit Committee. A majority of the members of the Audit Committee must be independent directors. See "—Independence of the Members of our Board of Directors and Audit Committee" below.

The Board of Directors of the Company, at its Meeting held on May 31st, 2013 resolved to approve the composition of the Audit Committee. Consequently, the current members of the Audit Committee as of the date of this filing are: president Héctor Walter Valle, members José Iván Brizuela and Sebastián Uchitel. Mr. Walter Fernando Vázquez was appointed as an alternate member of our Audit Committee, but he presented his resignation as Director and alternate member of the Audit Committee which was approved by the Board of Directors on September 23, 2013.

Additionally, Mr. Héctor W. Valle was determined by our Board of Directors to be an "Audit Committee Financial Expert" pursuant to the rules and regulations of the SEC.

Executive directors may not sit on the Audit Committee.

Our Audit Committee, among other things:

- periodically inspects the preparation of our financial and economic information;
- reviews and opines with respect to the Board of Directors' proposals regarding the designation of the external auditors and the renewal, termination and conditions of their appointment;
- evaluates internal and external audit work, monitors our relationship with the external auditors, and assures their independence;
- provides appropriate disclosure regarding operations in which there exists a conflict of interest with members of the corporate committees or controlling shareholders;
- opines on the reasonability of the proposals by the Board of Directors for fees and stock option plans of the directors and administrators;
- verifies compliance with applicable national or international regulations in matters related to behavior in the stock markets; and
- ensures that the internal Code of Ethics complies with normative demands and is adequate.

Activities of the Audit Committee

The Audit Committee, which pursuant to its regulations shall meet as many times as needed and at least once every quarter, held 11 meetings between March 2013 and March 2014.

Performing its basic function of supporting the Board of Directors in its oversight duties, the Audit Committee periodically reviews economic and financial information relating to us, supervises the internal financial control systems and oversees the independence of the external auditors.

Economic and financial information

With the help of the Administration and Finance Vice-President and considering the work performed by our external and internal auditors, the Audit Committee analyzes the consolidated annual and quarterly financial statements before they are submitted to the Board of Directors. The Audit Committee reviewed our consolidated financial statements as of and for the year ended December 31, 2013, and comparative information, included in our report on Form 6-K submitted to the SEC on March 11, 2014.

Oversight of the internal control system

To supervise the internal financial control systems and ensure that they are sufficient, appropriate and efficient, the Audit Committee oversees the progress of the annual internal audit, which is aimed at identifying our critical risks.

Throughout each year, the Audit Committee is informed by our internal audit department of the most relevant facts and recommendations arising out of its work, and the status of the recommendations issued in prior years.

Our internal control system for financial reporting was aligned with the requirements established by Section 404 of the Sarbanes-Oxley Act, a process supervised by the Audit Committee. These regulations require that, along with the annual audit, a report must be presented from our management relating to the design, maintenance and periodic evaluation of the internal control system for financial reporting, accompanied by a report from our external auditor. Several of our departments are involved in this activity, including the internal audit department.

Relations with the external auditors

The Audit Committee maintains a close relationship with the external auditors, allowing it to make a detailed analysis of the relevant aspects of the audit of financial statements and to obtain detailed information on the planning and progress of the work.

The Audit Committee also evaluates the services provided by our external auditors, determines whether the condition of independence of the external auditors, as required by applicable law, is met and monitors the performance of external auditors to ensure that it is satisfactory.

As of March 2014, and as a consequence of the evaluation process described in the paragraph above, the Audit Committee had no objections to the designation of Deloitte & Co. S.A. as our external auditors of the financial statements for the year ending December 31, 2014. The shareholders are expected to consider the designation of Deloitte & Co. S.A. as external auditors of the financial statements for the year ended December 31, 2014 in a shareholders' meeting to be held this year.

Independence of the Members of our Board of Directors and Audit Committee

Pursuant to CNV regulations, a director is not considered independent when such director (i) owns at least a 15% equity interest in a company, or a lesser interest if the director has the right to appoint one or more directors of the company, which we refer to as a "Significant Participation," or has a Significant Participation in another company that in turn has a Significant Participation in the company or a significant influence on the company ("significant influence" is defined by Argentine GAAP); (ii) is a member of the Board of Directors of, or depends on, or is otherwise related to shareholders, who have a Significant Participation in the company or another company in which these shareholders have a direct or indirect Significant Participation or significant influence; (iii) is or has been in the previous three years an employee of the company; (iv) has a professional relationship with, or is a member of a company that maintains professional relationships with, or receives remuneration (other than that received in consideration of his performance as a director) from the company or any of its shareholders who has a direct or indirect Significant Participation in or significant influence on the company, or with a third-party company that has a direct or indirect Significant Participation or a significant influence; (v) directly or indirectly sells or provides goods or services to the company or to any of its shareholders who has a direct or indirect Significant Participation in or significant influence on the company for an amount exceeding his remuneration as a member of the Board of Directors or audit committee; or (vi) is the spouse or parent (up to second grade of affinity or up to fourth grade of consanguinity) of persons who, if they were members of the Board of Directors or Audit Committee, would not be independent, according to the above-listed rules.

As of the Annual Shareholders' meeting held on April 30, 2013 and its continuation of May 30, 2013, Directors Héctor Walter Valle, Sebastián Uchitel, José Iván Brizuela, Axel Kicillof, Oscar Alfredo Cretini, Roberto Ariel Ivovich, Armando Isasmendi (h), Luis García del Río, Carlos María Tombeur, Nicolás Eduardo Piacentino and Alternate Directors Patricia María Charvay, Carlos Héctor Lambré, Francisco Ernesto García Ibañez, José Carlos Blassiotto y Almudena Larrañaga Ysasi Ysasmendi qualified as independent members of our Board of Directors under the above-described criteria.

Director Omar Chafí Félix, who was designated by the Supervisory Committee and assumed the position of Director at the Board of Directors meeting held on January 23, 2014, also qualifies as independent member of our Board of Directors under criteria described above.

Disclosure Committee

Composition and responsibilities of our Disclosure Committee

In February 2003, we created a Disclosure Committee to:

- monitor the overall compliance with regulations and principles of conduct of voluntary application, especially in relation to listed companies and their corporate governance;
- direct, establish and maintain procedures for the preparation of accounting and financial information to be approved and filed by us or which is generally released to the markets;
- direct, establish and maintain internal control systems that are adequate and efficient to ensure that our financial statements included in annual and quarterly reports, as well as any accounting and financial information to be approved and filed by us, are accurate, reliable and clear;

- identify significant risks to our businesses and activities that may affect the accounting and financial information to be approved and filed;
- assume the activities that, according to U.S. laws and SEC regulations, are applicable to us and may be assumed by disclosure committees or other internal committees of a similar nature, especially those activities relating to the SEC regulations dated August 29, 2002 ("Certification of Disclosure in Companies' Quarterly and Prospectus" —SEC Release number 33-8124), in relation to the support for the certifications by our Chief Executive Officer and Chief Financial Officer as to the existence and maintenance by us of adequate procedures and controls for the generation of the information to be included in its annual reports on Form 20-F, and other information of a financial nature;
- take on activities similar to those stipulated in SEC regulations for a disclosure committee with respect to the existence and maintenance by us of adequate procedures and controls for the preparation and content of the information to be included in the annual financial statements, and any accounting or financial information to be filed with the CNV and other regulators of the stock markets on which our stock is traded; and
- formulate proposals for an internal code of conduct on the stock markets that follow applicable rules and regulations or any other standards deemed appropriate.

In addition, the Disclosure Committee reviews and supervises our procedures for the preparation and filing of:

- official notices to the SEC, the Argentine stock market authorities and other regulators of the stock markets on which our stock is traded;
- interim financial reports;

press releases containing financial data on results, earnings, large acquisitions, divestitures or any other information relevant to the shareholders;

- general communications to the shareholders; and
- presentations to analysts, investors, rating agencies and lending institutions.

As of the date of this annual report, the Disclosure Committee was composed of the following people:

Name	Position
Miguel Galuccio	Chairman, Chief Executive Officer and Director
Daniel González	Chief Financial Officer and President of the Disclosure Committee
Rodrigo Cuesta	Legal Corporate Affairs Vice-President and Secretary of the Disclosure Committee
Jesús Grande	Upstream Executive Vice-President
Vacant	Quality, Environment, Security and Health Position
Carlos Alfonsi	Downstream Executive Vice-President
Fernando Giliberti	Strategy and Business Development Vice-President
Nicolás Arceo	Administration and Finance Vice-President
Doris Capurro	Communication and Institutional Relations Vice-President
Fernando Dasso	Human Resources Vice-President
Javier Fevre	Internal Auditor
Javier Sanagua	Reserves Auditor

Compliance with New York Stock Exchange Listing Standards on Corporate Governance

On November 4, 2003, the SEC approved rules proposed by the New York Stock Exchange (the "NYSE") intended to strengthen corporate governance standards for listed companies.

In accordance with the NYSE corporate governance rules, as of July 31, 2005, all members of the Audit Committee were required to be independent. Independence is determined in accordance with highly detailed rules promulgated by the NYSE and SEC. Each of the members of our Audit Committee was determined to be independent in accordance with the applicable NYSE and SEC rules.

Significant differences between our corporate governance practices and those required by NYSE listing standards

Non-U.S. NYSE-listed companies may, in general, follow their home country corporate governance practices in lieu of most of the NYSE corporate governance requirements. The NYSE rules, however, require that non-U.S. companies disclose any significant ways in which their specific corporate governance practices differ from U.S. companies under the NYSE listing standards.

The following is a summary of the significant differences between our corporate governance practices and those applicable to U.S. companies under the NYSE listing standards.

Independence of the directors on the Board of Directors

In accordance with the NYSE corporate governance rules, a majority of the board of directors of U.S. companies listed on the NYSE must be composed of independent directors, whose independence is determined in accordance with highly detailed rules promulgated by the NYSE. The relevant Argentine rules for determining director independence are described under "—Independence of the Members of our Board of Directors and Audit Committee" above.

Compensation and nomination committees

In accordance with the NYSE corporate governance rules, all U.S. companies listed on the NYSE must have a compensation committee and a nominations committee and all members of such committees must be independent in accordance with highly detailed rules promulgated by the NYSE. Under Argentine law, these committees are not required as mandatory, but are recommended by the CNV under CNV's General Resolution No. 606/12. However, the Company has a Compensation Committee, established by the Board of Directors under the option provided in Article 17 clause (xii) of the Company's by-laws, which is composed by Directors Rodrigo Cuesta, Fernando Dasso and Miguel Matias Galuccio.

Separate meetings for non-management directors

In accordance with NYSE corporate governance rules, independent directors must meet periodically outside of the presence of the executive directors. Under Argentine law, this practice is not required and as such, the independent directors on our Board of Directors do not meet outside of the presence of the other directors, except for the meetings of the Audit Committee, which members are independent directors.

Code of Ethics

We have adopted a code of ethics applicable to the Board of Directors and all employees. Since its effective date on August 15, 2003, we have not waived compliance with or amended the code of ethics.

Compensation of members of our Board of Directors and Supervisory Committee

Argentine law provides that the aggregate annual compensation paid to the members of the Board of Directors (including those directors acting in an executive capacity) and the Supervisory Committee with respect to a fiscal year may not exceed 5% of net income for such year if YPF is not paying dividends in respect of such net income, which percentage is increased up to 25% of net income based on the amount of dividends, if any, are paid. The compensation of the Chairman and other directors acting in an executive capacity, together with the compensation of all other directors and members of the Supervisory Committee, requires the ratification of an ordinary general shareholders' meeting as provided by Argentine law. When the exercise of special commissions or technical administrative functions by one or more directors and the reduced or lack of profits imposed the need to exceed the limits, such remunerations may only be paid in excess if expressly agreed by the shareholders' meeting, for which the matter should be included as one of the agenda points.

For the year ended December 31, 2013 the total cost of the aggregate compensation accrued to the members of the Board of Directors and YPF's executive officers for services in all capacities was Ps.128,5 million, including Ps.32.4 million in concept of an equity compensation plan, pension, retirement or similar benefits that YPF provides to members of its Board of Directors and executive officers and including Ps.1.7 million in compensation paid to the members of the Supervisory Committee . During 2013, YPF's performance-based compensation programs included a bonus plan for approximately 5,600 non-unionized YPF employees and 7,900 unionized YPF employees. This bonus plan provided for cash to be paid to its participants based on a measurable and specific set of objectives under YPF's Management by Objectives program and the results of the review of individual performance. The participation of each eligible employee in the bonus plan ranged from 6% to 50% of such employee's annual base salary.

In 2013, our Shareholders' Meeting, as proposed by our Board of Directors, approved the creation of a voluntary reserve of Ps.120 million to be set aside to fulfill our long-term incentive plan which contemplates compensation in shares for certain

employees. To that end, the Company purchased its own shares in accordance with Section 64 et seq. of Law No. 26,831. For additional information see Note 1.b.10.iii to our Audited Consolidated Financial Statements.

YPF's directors do not have any service contracts with YPF involving the payment of compensation other than those previously mentioned and the performance of their duties in the Company.

Supervisory Committee

The Supervisory Committee is responsible for overseeing compliance by the management and the Board of Directors with the Argentine Corporations Law, the by-laws and regulations (if any), and shareholders' resolutions. The functions of the Supervisory Committee include, among others, attending all meetings of the Board of Directors, preparing a report of the financial statements for our shareholders, attending shareholders' meetings and providing information upon request to holders of at least 2% of our capital stock.

The by-laws provide for a Supervisory Committee consisting of three to five members and three to five alternate members, elected to one-year terms. The Class A shares are entitled to elect one member and one alternate member of the Committee so long as one share of such class remains outstanding. The holders of Class D shares elect up to four members and up to four alternates. Under the by-laws, meetings of the Supervisory Committee may be called by any member. The meeting requires the presence of all members, and a majority vote of the members in order to make a decision. The members and alternate members of the Supervisory Committee are not members of our Board of Directors. The role of our Supervisory Committee is distinct from that of the Audit Committee. See "—The Audit Committee." For the year 2013, the aggregate compensation paid to the members of the Supervisory Committee was Ps.1.7 million.

The current members of the Supervisory Committee, the year in which they were appointed and the year their current term expires are as follows:

Name	Class of Shares Represented	Age	Member Since	Term Expires
Gustavo Adolfo Mazzoni	A	62	2013	2014(*)
Maria de las Mercedes Archimbal	D	31	2013	2014(*)
Enrique A. Fila	D	54	2013	2014(*)
Raquel Inés Orozco (alternate member)	A	58	2013	2014(*)
Guillermo Cardirola (alternate member)	D	38	2013	2014(*)
Cecilia Carabelli (alternate member)	D	43	2013	2014(*)

(*) Members of our Supervisory Committee are appointed in connection with a fiscal year. Our shareholders, in the general ordinary shareholders' meeting held on April 30, 2013 and its continuation on May 30, 2013 appointed the members of our Supervisory Committee for fiscal year 2013.

Gustavo Adolfo Mazzoni

Mr. Mazzoni earned a certified public accountant degree and a postgraduate degree in finance from the University of Buenos Aires. He also earned a degree in psychology from the Pichon Riviere School of Psychology. Among other positions, he previously worked as a senior auditor for Price Waterhouse & Co., and the Argentine National Office of the Comptroller General, supervising private companies and different national ministries, including Justice, Labor, Health and Social Development, among others. He is currently the statutory auditor (síndico) of several companies such as Aerolíneas Argentinas S.A., Austral S.A., Optar S.A., Empresa Argentina de Soluciones Satelitales S.A. (Ar-Sat), Emprendimientos Energéticos Binacionales S.A., Centro de Ensayos de Alta Tecnología S.A., Gas Natural BAN S.A., among others, and a Director in Radio y Televisión Argentina S.E.

María de las Mercedes Archimbal

Ms. Archimbal earned a law degree from the Argentine Catholic University and a master's degree in international relations from the University of San Andrés. Among other positions, she previously served as legal coordinator for the Argentine National Ministry of Industry. She was a member of the advisory board to the Mercosur Guaranty Fund for medium and small companies. She currently is a member in the Argentine National Office of the Comptroller General and an alternate statutory auditor in different companies such as Radio y Televisión Argentina S.E. and Pampa Energía S.A, among others.

Enrique Alfredo Fila

Mr. Fila earned a certified public accountant degree from the University of La Plata. Among other positions, previously he was a councilor in the City of La Plata, an advisor to the mayor of La Plata, and a consultant to the Argentine National Ministry of Social Development between 2008 and 2009. Currently, he is the statutory auditor (síndico) of Tandanor S.A.I.C. y N., Aeropuertos Argentina 2000 S.A., Distribuidora de Gas Cuyana S.A., and YPF Gas S.A. and an alternate statutory auditor (síndico suplente) of Nación A.F.J.P. S.A., Servicios de Radio y Televisión de la Universidad Nacional de Córdoba S.A., Empresa de Transporte de Energía Eléctrica Por Distribución Troncal de la Provincia de Buenos Aires S.A., Compañía de Transporte de Energía Eléctrica S.A., Compañía Inversora de Trasmisión Eléctrica S.A., and Sociedad del Estado Casa de Moneda.

Raquel Inés Orozco

Ms. Orozco obtained a law degree from the University of Buenos Aires. Currently, she is the principal corporate statutory auditor (síndico) at the following companies: Central Térmica Guemes S.A., Telam S.E., Ubatec S.A., Inder S.E., Foncap S.A., LT10 Radio Universidad del Litoral S.A., and Loteria Nacional S.E.

Guillermo Leandro Cadirola

Mr. Cadirola earned his degree as a certified public accountant from the University of Buenos Aires, and has a master's degree in Economics and Business Administration from the IESE Business School in Barcelona, Spain. Currently, he is a member of the Argentine National Office of the Comptroller General, performing duties as statutory auditor (síndico) at Administración General de Puertos S.E., All Central S.A. and All Mesopotámica S.A. He has extensive experience with the management of different multinational companies in the areas of operations, purchasing and finance.

Cecilia Leonor Carabelli

Ms. Carabelli has a law degree from the School of Law and Social Science of the University of Buenos Aires. Among other positions, she previously worked for the legal affairs direction of the National Social Security Administration, in the Secretary of Social Development, as a Director for the Argentine National Senate, and as a Member of the Administration Committee to the Fiduciary Fund for Mortgage Debtors, representing the Argentine National Ministry of Economy and Finance. Currently, she is a member of the Argentine National Office of the Comptroller General.

Employee Matters

As of December 31, 2013, we had 17,747 employees, including 9,421 employees of the Downstream business segment, 3,563 employees of the Upstream business segment, and 4,763 employees of the Corporate and Other segment. Approximately 45% of our employees are represented by the Federation of Oil Workers Union (SUPeH, for its acronym in Spanish) that negotiates with us labor agreements and salaries which apply to YPF and OPESSA unionized employees. The SUPeH is permanently negotiating with us, and we maintain a good level of communication. In general, requests of labor unions related to the petrochemical industry were consistent with general wage increases given by the General Unions Confederation.

In 2011 we began negotiations with the SUPeH, which resulted in the extension of our agreements with such unions until the end of 2014. The negotiations involved the economic and social conditions for employees that are addressed in the labor agreement. We consider our current relations with our workforce to be generally good.

In addition, labor conditions and salaries of third-party employees, are represented by sixteen other unions. Approximately 60% of third-party employees, mostly in Upstream business, are represented by nine unions with whom we directly negotiate their labor agreements and salaries. These unions are clustered in three groups, Petroleros Privados with five unions, Personal Jerárquico with three unions and SUPeH Emprendimientos. The remaining 40% of third-party employees are represented by unions with whom we do not participate in labor agreements.

In 2012, we negotiated an 18-month salary agreement with unions with whom we directly negotiate, which ended on December 31, 2013, ensuring both cost control and a low-conflict business environment. During first quarter 2014, we have been negotiating 2014 salaries increase agreement, which we hope be finished in the next months.

As part of its privatization, YPF restructured its internal organization and significantly reduced the number of its employees. YPF reduced its work force from over 51,000 employees (including approximately 15,000 personnel under contract) at December 31, 1990 to approximately 7,500 at December 31, 1993. YPF paid to the employees affected by these reductions the termination payments required under Argentine labor laws which amounted to Ps.686 million. A substantial majority of lawsuits which were originated as a consequence of said restructuring process have been brought by former employees who allege that they received insufficient severance payments in connection with their dismissal and various job-related illnesses, injuries, typically seeking unspecified relief.

As of December 31, 2013, YPF was a party in approximately 1,296 labor lawsuits which relate to events or acts that took place after December 31, 1990. The outcome of said lawsuits depends on factual issues that vary from case to case, and it is not always feasible to predict the outcome of particular cases. However, based on the number and character of the lawsuits already commenced, the estimated likelihood of additional claims in view of the number of dismissed employees, applicable statutes of limitations, the legal principles involved in the suits and the financial statement reserves previously established, our management does not expect the outcome of these lawsuits to have a material adverse effect on our financial condition or future results of operations.

Maxus (a YPF subsidiary) has a number of contributory health and welfare plans covering its full-time employees and their dependents. Maxus provides matching contributions of up to 6% of employees' deferrals to the Employee Savings Plan, along with a non-discretionary contribution of 7.5%, which was implemented following the termination of the Maxus pension plan. There is a non-qualified pension plan where a small number of executives receive contributions associated with the Savings Plan, which would have been denied them due to IRS annual limits. Retiree health and life insurance coverage for active employees was terminated in October

2011. Maxus continues to provide health and welfare plans to a select group of retired employees who were promised coverage for life at no cost to them. The coverage provided varies by the year in which the employees retired and the companies they retired from. Due to the advanced ages of these retirees, this is a significantly decreasing population. Maxus continues to provide supplemental noncontributory and non-qualified retirement payments to certain former executives, officers, and surviving spouses, which is a closed group.

As of December 31, 2013 there were also approximately 40,500 third-party employees under contract, mostly with large international service providers. Although we have policies regarding compliance with labor and social security obligations by its contractors, we are not in a position to ensure that contractors' employees will not initiate legal actions to seek indemnification from us based upon a number of Argentine judicial labor court precedents recognizing joint and several liability between the contractor and the entity to which it is supplying services under certain circumstances.

The following table provides a breakdown of our employees by business units as of December 31, 2013.

Employees by Business Units	
Upstream	3.563
Downstream	9.421
Refining and Marketing	8.172
Chemicals	43
Natural gas distribution and Electricity Generation(1)	1.206
Corporate and Other(2)	4.763
Total YPF	17.747

(1) Includes 1,131 employees of Metrogas S.A. and its subsidiaries
(2) Includes 3,175employees of A-Evangelista S.A. and its subsidiaries.

The following table provides a breakdown of our employees by geographic locations.

Employees by geographic location	
Argentina	17.607
Rest of South America	113
United States	27
Total YPF	17.747

ITEM 7. Major Shareholders and Related Party Transactions

The Expropriation Law has significantly changed our shareholding structure. The Class D shares subject to expropriation from Repsol or its controlling or controlled entities, which represent 51% of our share capital and have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. In addition, the Argentine federal government and certain provincial governments already own our Class A and Class B shares. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina—The Argentine federal government has taken control over the Company and will operate it according to domestic energy policies in accordance with the Expropriation Law". Additionally, see "Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—We face risk relating to certain legal proceedings" for a description of the Agreement between Repsol and the Argentine Republic relating to compensation for the expropriation of 51% of the share capital of YPF owned, directly or indirectly, by Repsol.

As of the date of this annual report, the transfer of the shares subject to expropriation between National Executive Office and the provinces that compose the National Organization of Hydrocarbon Producing States is still pending. According to Article 8 of the Expropriation Law, the distribution of the shares among the provinces that accept their transfer must be conducted in an equitable manner, considering their respective levels of hydrocarbon production and proved reserves. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. In addition, in accordance with Article 9 of the Expropriation Law, each of the Argentine provinces to which shares subject to expropriation are allocated must enter into a shareholder's agreement with the federal government which will provide for the unified exercise of its rights as a shareholder. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law."

The following table sets forth information relating to the beneficial ownership of our shares as of Mach 12, 2014:

	Number of shares	*(%)*
Repsol Group (shares subject to expropriation)(1) (3)	200,589,525	51.00%
Repsol Group(2) (3)	46,648,538	11.86%
Public(2)(3)	113,872,526	28.95%
Slim Family(4)	32,150,394	8.17%
Argentine federal and provincial governments(5)	11,388	0.003%
Employee fund(6)	40,422	0.01%

(1) For purposes of ensuring the fulfillment of the objectives of the Expropriation Law, Class D shares representing 51% of our share capital held by Repsol Group have been declared of public interest and subject to expropriation. See "Item 4. Information on the Company-Regulatory Framework and Relationship with the Argentine Government-The Expropriation Law." To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed.

(2) According to data provided by The Bank of New York Mellon, as of March 12, 2014.

(3) According to data provided by The Bank of New York Mellon, as of March 12, 2014, there were 183,956,404 ADSs outstanding and 66 holders of record of ADSs. Such ADSs represented approximately 46.8% of the total number of issued and outstanding Class D shares as of such date.

(4) According to Schedule 13G filed with the SEC on February 14, 2014. "Slim Family" consists of Carlos Slim Helú, Carlos Slim Domit, Marco Antonio Slim Domit, Patrick Slim Domit, María Soumaya Slim Domit, Vanessa Paola Slim Domit and Johanna Monique Slim Domit through Inmobiliaria Carso, S.A. de C.V. and Grupo Financiero Inbursa, S.A.B. de C.V.

(5) Reflects the ownership of 3,764 Class A shares and 7,624 Class B shares by the Argentine federal government and provincial governments, respectively. In addition, the Class D shares subject to expropriation from Repsol Group or its controlling or controlled entities, which represent 51% of our share capital, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. The completion of this assignment is pending. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. In addition, in accordance with Article 9 of the Expropriation Law, each of the Argentine provinces to which shares subject to expropriation are allocated must enter into a shareholder's agreement with the federal government which will provide for the unified exercise of its rights as a shareholder. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law."

(6) Reflects the ownership of 40,422 Class C shares.

Related Party Transactions

All material transactions and balances with related parties as of December 31, 2013 are set forth in Note 6 to the Audited Consolidated Financial Statements. The principal such transactions were our sales of refined and other products to certain joint ventures and affiliates (which amounted to Ps.2,842 million in 2013), our purchase of petroleum and other products that we do not produce ourselves from certain joint ventures and affiliates (which amounted to Ps.1,177 million in 2013), all this in addition to what is mentioned in the following paragraphs.

In addition, the Expropriation Law was passed by the Argentine Congress, which was ruled by Decree No. 660 of the National Executive Office. Among other matters this Law declares of public interest and subject to expropriation 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol and its controlled or controlling entities. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law." Consequently, since the passage on May 3, 2012 of the Expropriation Law, the federal government is a related party of the Company. Consequently, and in addition to transactions mentioned in paragraph before, we are party to numerous agreements with the federal government, as well as with certain agencies or institutions dependent on such governments and stated-owned companies.

The information disclosed in Note 6 to the Audited Consolidated Financial Statements disclose the balances with joint ventures and affiliated companies as of December 31, 2013 and December 31 and January 1, 2012, and transactions with the mentioned parties for the twelve-month periods ended December 31, 2013 and 2012. Additionally, the balances and transactions held with the entities within the Repsol group are included until the date the conditions required to be considered as related parties were met. Information regarding major transactions with government entities are also described in Note 6 to the Audited Consolidated Financial Statements.

In addition, see Note 1.b.10.iii to our Audited Consolidated Financial Statements regarding our long-term share compensation plan offered to certain personnel.

For an organizational chart showing our organizational structure, including our interests in our principal affiliates, see "Item 4. Information on the Company—Overview."

Argentine Law Concerning Related Party Transactions

Section 72 of the Stocks Market Law provides that before a company whose shares are listed in Argentina may enter into an act or contract involving a "significant amount" with a related party or parties, such company must obtain approval from its board of directors, and obtain an opinion, prior to such board approval, from its audit committee or from two independent valuation firms that states that the terms of the transaction are consistent with those that could be obtained on an arm's-length basis.

For the purpose of Section 72 of the Stocks Market Law and CNV Regulations , "significant amount" means an amount that exceeds 1% of the issuer's net worth as reflected in the latest approved financial statements. For purposes of the Stocks Market Law, "related party" means (i) directors, members of the supervisory committee, managers; (ii) the persons or entities that control or hold a significant participation in the company or in its controlling shareholder (to be regulated by CNV); (iii) any other company under common control; (iv) direct relatives of the persons mentioned in (i) and (ii); or (v) companies in which the persons referred to in (i) to (iv) hold directly or indirectly significant participations.

The acts or contracts referred to above, immediately after being approved by the board of directors, shall be disclosed to the CNV, making express indication of the audit committee's or independent valuation firm's opinion, as the case may be. Also, beginning on the business day following the day the transaction was approved by the board of directors, the audit committee's or independent valuation firm's reports shall be made available to the shareholders at the company's principal executive offices.

If the audit committee or the two independent valuation firms do not find that the contract is on arm's-length terms, prior approval must be obtained at the company's shareholders' meeting.

ITEM 8. Financial Information

Financial Statements

See Item 18 for our Audited Consolidated Financial Statements.

Legal Proceedings

Argentina

The Privatization Law provides that the Argentine State shall be responsible, and shall hold us harmless, for any liabilities, obligations or other commitments existing as of December 31, 1990 that were not acknowledged as such in the financial statements of Yacimientos Petrolíferos Fiscales Sociedad del Estado, our predecessor, as of that date arising out of any transactions or events that had occurred as of that date, provided that any such liability, obligation or other commitment is established or verified by a final decision of a competent judicial authority. In certain lawsuits related to events or acts that took place before December 31, 1990, we have been required to advance the payment of amounts established in certain judicial decisions, and have subsequently been reimbursed or are currently in the process of requesting reimbursement from the Argentine government of all material amounts in such cases. We are required to keep the Argentine government apprised of any claim against us arising from the obligations assumed by the Argentine government. We believe we have the right to be reimbursed for all such payments by the Argentine government pursuant to the above-mentioned indemnity, which payments in any event have to date not been material. This indemnity also covers fees and expenses of lawyers and technical consultants subject, in the case of our lawyers and consultants, to the requirement that such fees and expenses not be contingent upon the amounts in dispute.

Accrued, probable contingencies

Accruals totaling Ps. 4,674, Ps.2,634 and Ps.2,244 million as of December 31, 2013, 2012 and 2011, respectively, have been provided in connection with contingencies which are probable and can be reasonably estimated. In the opinion of our management, in consultation with our external counsel, the amount accrued reflects the best estimate, based on the information available as of the date of this annual report, of the probable outcome of the mentioned contingencies. The most significant legal proceedings and claims accrued are described in the following paragraphs.

Alleged defaults under natural gas supply contracts. Since 2004, the Argentine Secretariat of Energy and the Undersecretariat of Fuels, through Rule No. 27/04, Resolutions No. 265/04, 659/04, 752/05, 1329/06 and 599/07, have on various occasions instructed us to supply certain quantities of natural gas to the Argentine domestic market, in each case notwithstanding the lack of a contractual commitment on our part to do so. In addition, the Argentine government has, at various times since 2004, imposed direct volume limitations on natural gas exports in different ways. On January 5, 2012, the Official Gazette published Resolution SE No. 172 which temporarily extends the allocation rules and other criteria established by Resolution No. 599/07. As a result of these measures, from

2004 to the present, we have been forced in many instances to partially or fully suspend natural gas export deliveries that are contemplated by our contracts with export customers. See "Item 4. Information on the Company—Exploration and Production—Delivery commitments—Natural gas supply contracts" for additional information on the restrictions affecting contracted volumes.

We appealed these measures, but, pending favorable final resolution of such appeals, we have been obliged to comply in order to avoid greater losses to us and our export customers that could be occasioned by the revocation of our export permits or other penalties. We informed our natural gas export customers of our position that these governmental measures constitute an event of *force majeure* that releases us from any contractual or extra-contractual liability deriving from the failure to deliver the agreed upon volumes of gas. Some of our customers have rejected our position and a number of them have sought damages and/or penalties for breach of supply commitments under a contractual "deliver or pay" clause.

On June 25, 2008, AES Uruguaiana Emprendimientos S.A. ("AESU") claimed damages in a total amount of U.S.$28.1 million for natural gas "deliver or pay" penalties for cutbacks accumulated from September 16, 2007 through June 25, 2008, and also claimed an additional amount of U.S.$2.7 million for natural gas "deliver or pay" penalties for cutbacks accumulated from January 18, 2006 until December 1, 2006. YPF has rejected both claims. On September 15, 2008, AESU notified YPF the interruption of the fulfillment of its commitments alleging delay and breach of YPF obligations. YPF has rejected the arguments of this notification. On December 4, 2008, YPF notified that having ceased the force majeure conditions, pursuant to the contract in force, it would suspend its delivery commitments, due to the repeated breaches of AESU obligations. AESU has rejected this notification. On December 30, 2008, AESU rejected YPF's right to suspend its natural gas deliveries and on March 20, 2009, notified YPF of the termination of the contract. On March 20, 2009 AESU formally notified YPF of the termination of the contract. On April 6, 2009, YPF initiated an arbitration process at the International Chamber of Commerce ("ICC") against AESU, Companhía do Gas do Estado do Río Grande do Sul ("Sulgás") and Transportadora de Gas del Mercosur S.A. ("TGM"). On the same date YPF was notified by the ICC of an arbitration process initiated by AESU and Sulgás against YPF in which they claim, among other matters considered inadmissible by YPF, consequential loss, AESU's plant dismantling costs and the payment of "deliver or pay" penalties mentioned above, all of which totaled approximately U.S.$1,057 million.

Additionally, YPF was notified of the arbitration process brought by TGM at the ICC, claiming against YPF the payment of approximately U.S.$10 million plus interest up to the date of effective payment, in connection with the payment of invoices related to the Transportation Gas Contract entered into in September 1998 between YPF and TGM, associated with the aforementioned exportation of natural gas contract signed with AESU. On April 8, 2009 YPF requested that this claim be rejected and counterclaimed for the termination of the natural gas transportation contract based on its termination rights upon the termination by AESU and Sulgás of the related natural gas export contract. In turn, YPF had initiated an arbitration process at the ICC against TGM, among others. YPF received the reply to the complaint from TGM, who requested the full rejection of YPF claims and introduced a counterclaim against YPF asking the Arbitration Tribunal to condemn YPF and to compensate TGM for all present and future damages suffered by TGM due to the extinction of the Transportation Gas Contract and the Memorandum of Agreement dated October 2, 1998 by which YPF undertook to pay irrevocable non-capital contributions to TGM in return for the Uruguayana Project pipeline expansion; and to condemn AESU-Sulgás -in the case the Arbitration Tribunal finds that the termination of the Gas Contract occurred due to the failure of AESU or Sulgás- jointly and severally to indemnify TGM for all damages caused by such termination. Additionally, on July 10, 2009 TGM increased the amount of its claim to U.S.$17 million and claimed an additional amount of approximately U.S.$366 million for loss of profits, both considered without merit by YPF, which it rejected in its answer to such additional claim.

On April 6, 2011, the Arbitration Tribunal appointed in the "YPF vs. AESU" arbitration decided to sustain YPF's motion, and determined the consolidation of all the related arbitrations ("AESU vs. YPF," "TGM vs. YPF" and "YPF vs. AESU") in "YPF vs. AESU" arbitration. Consequently, AESU and TGM desisted from and abandoned their respective arbitrations, and all the matters claimed in the three proceedings are to be solved in "YPF vs. AESU" arbitration. On April 19 and 24, 2012, AESU and Sulgás presented new evidence claiming their admission in the arbitration process. YPF and TGM made their observations about the evidence on April 27, 2012. On May 1, 2012, the Arbitration Tribunal denied the admission of such evidence and ruled that the evidence would be accepted if the Tribunal considered it necessary.

On May 24, 2013 YPF was notified of the partial award decreed by a majority in the ICC Arbitration "YPF vs. AESU and TGM" whereby YPF was deemed responsible for the termination in 2009 of natural gas export and transportation contracts signed with AESU and TGM. Such award only decides on the liability of the parties, leaving the determination of the damages that could exist subject to the subsequent proceedings before the same Tribunal. Moreover, the Tribunal rejected the admissibility of "deliver or pay" claims asserted by Sulgás and AESU for the years 2007 and 2008 for a value of U.S.$28 million and for the year 2006 for U.S.$2.4 million.

On May 31, 2013 YPF filed with the Arbitration Tribunal a writ of nullity, in addition to making several presentations in order to safeguard its rights. Against the rejection of the writ of nullity, on August 5, 2013 YPF filed a complaint appeal with the Argentinean Court in Commercial Matters.

On July 29, 2013 the Arbitration Tribunal rejected the nullity request and suspended the arbitration proceedings until September 30, 2013. On October 17, 2013 the Arbitration Tribunal resumed the proceedings and on December 10, 2013 established a proceeding schedule to be held during 2014 pursuant to which AESU, Sulgas and TGM shall submit their arbitration demand on January 10, 2014 and YPF shall submit the reply on April 21, 2014. Hearings are expected to take place on November 6 and 7, 2014.

On October 23, 2013 the National Court of Appeals in Commercial Matters declared its jurisdictional incompetency and reassigned the nullity request to the National Court of Appeals in the Federal Contentious Administrative. On December 16, 2013 the intervening official issued its opinion in favor of the competence of this court.

On December 27, 2013 YPF filed a nullity request before the National Court of Appeals in the Federal Contentious Administrative.

Despite having brought the action above, considering the information available to date, the estimated time remaining until the end of the proceedings, the outcomes of the additional evidence presented in the continuation of the dispute and the provisions of the partial award, YPF has accrued its best estimate with respect to the amount of the claims.

In addition, YPF is subject to certain claims related to transportation fees and charges associated with transportation services under contracts associated with natural gas exports. Transportadora de Gas del Norte S.A. ("TGN"), one of the parties to these contracts, initiated mediation proceedings with us in order to determine the merits of its claim. The mediation proceedings did not result in an agreement and, on March 12, 2010, YPF was notified of the lawsuit filed by such company claiming the fulfillment of contractual obligations and the payment of unpaid invoices while reserving the right to claim for damages. TGN subsequently claimed the alleged related damages in a note addressed to the Company in November 2011. On April 3, 2013, YPF was notified of the lawsuit filed by TGN claiming for damages. The total amount claimed by TGN amounts to approximately U.S.$207 million as of the date of this annual report. YPF has answered the lawsuit brought by TGN. Additionally, the plaintiff notified us that it was terminating the contract, invoking YPF's alleged breach of such contract due to an alleged lack of payment of the related transportation fees. The Federal Court of Appeals in Civil and Commercial Matters has ruled in favor of the jurisdiction of the federal civil and commercial courts (and against ENARGAS' jurisdiction) to resolve this matter. Additionally, on January 12, 2012 and following a mediation process which ended without any agreement, NAFISA filed a complaint against YPF before ENARGAS, under art. 66 of Law 24,076, claiming the payment of Ps.339 million in relation to payments of applicable fees for natural gas transportation services to Uruguaiana relating to the transportation invoices claimed by TGN. On February 8, 2012 we answered the claim raising ENARGAS' lack of jurisdiction (as we did in the proceeding against TGN), the accumulation in the trial "TGN / YPF" and rejecting the claim based on the theory of legal impossibility. On the same date, a similar order of accumulation was also submitted in the trial "TGN / YPF." On April 12, 2012, ENARGAS resolved in favor of NAFISA.

On May 12, 2012 YPF filed an appeal against such resolution to the National Court of Appeals in the Federal Contentious Administrative. On November 11, 2013 the National Court of Appeals in the Federal Contentious Administrative ruled in favor of NAFISA. On November 19, 2013 YPF filed an ordinary appeal against such resolution to the Supreme Court of Justice. On November 27, 2013 YPF filed an extraordinary appeal against such resolution to the Supreme Court of Justice. In the opinion of YPF's management, the matters referred to above, will not have a material adverse effect on the Company's results of operations.

On September 18, 2012, the judge intervening in the trial "TGN / YPF" decided: a) to dismiss the order of accumulation made by YPF on the ground that the court has no jurisdiction to hear the case because it lacks administrative jurisdiction in NAFISA litigation, and considering that there is no possibility that the decision made to any of them have the same effect on the other; b) to accept the new facts alleged by YPF consisting notification made by TGN on December 16, 2010 in respect of the termination of the contract and the call of a public tender by TGN on March 10, 2011 to award the public and firm service transportation of natural gas through its northern pipeline system, including transport capacity remaining under the contract with YPF already terminated; c) extend the demand for which TGN claims invoices relating to services for November and December 2010; and d) open the case to trial.

In connection with the above, on April 8, 2009, YPF filed a complaint against TGN with ENARGAS, seeking the termination of the natural gas transportation contract with TGN for the transport of natural gas in connection with the natural gas export contract entered with AESU and other parties. The complaint is based on the termination of the referenced natural gas export contract and the legal impossibility of assigning the transportation contract to other shippers because of certain changes in law in effect since 2002; as a second order matter, the legal impossibility for TGN to render the transportation service on a firm basis because of certain changes in law in effect since 2004; and as a third order matter, the Teoría de la Imprevisión (hardship provision under Article 1198 of the Argentine Civil Code) available under Argentine law when extraordinary events render a party's obligations excessively burdensome.

La Plata and Quilmes environmental disputes. On June 29, 1999, a group of three neighbors of the La Plata refinery filed claims for the remediation of alleged environmental damages in the peripheral water channels of the refinery, investments related to contamination and compensation for alleged health and property damages as a consequence of environmental pollution caused by YPF prior to and after privatization. We notified the National Executive Office that there is a chance that the tribunal may find us responsible for the damages. In such event, due to the indemnity provided by Privatization Law (Law No. 24,145) and in accordance with that law, we should be allowed to request reimbursement of the expenses for liabilities existing on or prior to January 1, 1991 (before privatization) from the Argentine government.

On December 27, 2002, a group of 264 claimants who resided near the La Plata refinery requested compensation for alleged quality of life deterioration and environmental damages purportedly caused by the operation of the La Plata refinery. The amount claimed is approximately Ps.42 million. We filed a writ answering the complaint. There are three similar additional claims raised by three groups of 120, 343 and 126 neighbors, respectively. The first group has made a claim for compensation of approximately Ps.16 million, the second group has made a claim for compensation of approximately Ps.45 million and the third one has made a claim of approximately Ps.16 million, in addition to a request for environmental cleanup.

On December 17, 1999, a group of 37 claimants who resided near La Plata refinery, demanded the specific performance by us of different works, installation of equipment, technology and execution of work necessary to stop any environmental damage, as well as compensation for health damages alleged to be the consequence of gaseous emissions produced by the refinery, currently under monitoring. On August 11, 2011, the judge ruled against YPF and the National State requiring us to pay approximately Ps.3.5 million plus interest. The Court of Appeals confirmed the lower court judge's ruling and ordered YPF to file an improvement plan to reduce gaseous emissions produced by the refinery. YPF filed an appeal before the Supreme Court but it was rejected on March 2013. Subsequently, the Judge ordered YPF to file an improvement plan, which YPF filed on March 2013. The plan will be analyzed by the Court experts.

On January 25, 2011, we entered into an agreement with the Provincial Entity for Sustainable Development ("OPDS") of the government of the province of Buenos Aires, within the scope of the remediation, liability and environmental risk control program, created by Resolution 88/10 of the OPDS. Pursuant to such agreement, YPF and the relevant authorities agreed to jointly perform an eight-year work program in the canals adjacent to the La Plata refinery, including the conduct of characterization and risk assessment studies of sediments. The agreement provides that when a required remediation action is identified as a result of a risk assessment study, different alternatives and available techniques will be considered, as well as the steps needed for its implementation. Studies to determine how old the contamination is will also be performed pursuant to the agreement, in order to evaluate whether the Argentine government should be liable for such contamination pursuant to its obligation to hold us harmless under the Privatization Law, which established the procedures for our privatization. YPF has provided an accrual of the estimated cost of the characterization and risk assessment studies mentioned above. The cost of the remediation actions, if required, will be recorded in those situations where the loss is probable and can be reasonably estimated.

Quilmes claims. We have been notified of 37 judicial claims filed by neighbors living near the riverside in Quilmes, in the province of Buenos Aires, as a consequence of a leak related to the La Plata – Dock Sud pipeline, which occurred in 1988 as third parties damaged and stole fuel from the pipeline, which was then repaired by Yacimientos Petrolíferos Fiscales. One of the claims has been filed by a group of people that allegedly live in this area and have requested the remediation of environmental damages and the payment of approximately Ps.47 million plus interest as compensation for alleged personal damages for hydrocarbons exposure. We have answered the complaint requesting its rejection and impleading the Argentine government. We have also notified the Argentine government of the existence of this claim and that we plan to request that it hold us harmless and indemnify us against any liability derived from this lawsuit, as provided by the Privatization Law. The Argentine government, through an administrative decision, has denied any responsibility to indemnify us for this matter, and we have sued the Argentine government to obtain a declaratory judgment declaring this administrative decision null and void. Such declaratory judgment is still pending. There are 26 other judicial claims that have been brought against us based on similar allegations, amounting to approximately Ps.19 million. Additionally, we are aware of the existence of other actions brought against us that have not yet been served and which are based on similar allegations. As of the date of this annual report, a remediation plan is being performed in the affected area, under the supervision of the environmental authority of the province of Buenos Aires.

New Jersey claims. On December 13, 2005, the New Jersey Department of Environmental Protection (the "DEP") and the New Jersey Spill Compensation Fund filed a claim with a New Jersey court against Occidental Chemical Corporation, Tierra, Maxus, Repsol YPF, YPF, YPF Holdings and CLH Holdings (see "Item 4. Information on the Company—Environmental Matters—YPF Holdings—Operations in the United States"). YPF International S.A. and Maxus International Energy Company were added to the claim in 2010. The plaintiffs are claiming economic compensation, including damages and associated investigation and cleanup costs, in an undetermined amount and punitive damages as a consequence of environmental damages, as well as the costs and fees associated with this proceeding, based on alleged violations of the Spill Compensation and Control Act ("Spill Act"), the Water Pollution Control Act and common law claims relating to a facility allegedly operated by the defendants and located in Newark, New Jersey that allegedly impacted the Passaic River and Newark Bay. For a detailed information about this legal proceeding, see "—YPF Holdings-Passaic River/Newark Bay, New Jersey-*New Jersey - litigation with DEP*."

Tax claims. We have received several claims from the AFIP and from the provincial and municipal fiscal authorities, which are not individually significant, and which have been accrued based on the best information available as of the date of this annual report.

Non-accrued, possible contingencies

In addition to the probable contingencies described in the preceding paragraphs, we are subject to several labor, civil, commercial and environmental claims in respect of which, we have not provided any accrual since management, based on the evidence available to date and upon the opinion of our external counsel, have considered them to be possible contingencies.

Based on the information available to the Company, including the amount of time remaining before trial, the results of discovery and the judgment of internal and external counsel, the Company is unable to estimate the reasonably possible loss or range of loss resulting for these contingencies.

The most significant of these contingencies are described below:

Patagonian Association of Land-Owners claims. On August 21, 2003, the Patagonian Association of Land-Owners ("ASSUPA") sued the companies operating production concessions and exploration permits in the Neuquina basin, including us, claiming for the remediation of the general environmental damage purportedly caused in the execution of such activities or the establishment of an environmental restoration fund, and the implementation of measures to prevent environmental damages in the future. The total amount claimed against all companies is more than U.S.$547.6 million. The plaintiff requested that the Argentine government (Secretariat of Energy), the Federal Environmental Council, the provinces of Buenos Aires, La Pampa, Neuquén, Río Negro and Mendoza and the National Ombudsman be summoned. It requested, as a preliminary injunction, that the defendants refrain from carrying out activities affecting the environment. Both the Ombudsman's summons as well as the requested preliminary injunction were rejected by the Argentine Supreme Court. Once the complaint was served, we and the other defendants filed a motion to dismiss for failure of the plaintiff to state a claim upon which relief may be granted. The court granted the motion, and the plaintiff had to file a supplementary complaint. We requested that the claim be rejected because the defects of the complaint indicated by the Argentine Supreme Court have not been corrected, but such request was denied. However, we have also requested its rejection for other reasons, and impleaded the Argentine government, due to its obligation to indemnify us against any liability and hold us harmless for events and claims arising prior to January 1, 1991, according to the Privatization Law and Decree 546/1993. On February 23, 2009, the Argentine Supreme Court ordered that certain provinces, the Argentine government and the Federal Environmental Council be summoned. Therefore, pending issues were deferred until the impleaded parties appear before the court and procedural issues are resolved. The provinces of Río Negro, Buenos Aires, Neuquén, Mendoza, and the Argentine government have presented their arguments to the Supreme Court, although such arguments are not available to us. The provinces of Neuquén and La Pampa have claimed lack of jurisdiction, which has been opposed by the plaintiff, and the claim is pending resolution. On December 13, 2011, the Supreme Court suspended the proceeding for 60 days and ordered YPF and the plaintiff to present a schedule of the conferences that would take place during said suspension, authorizing the participation of the rest of the parties as well as third parties in such conferences. Assupa reported the interruption of the negotiations in the claim and the Supreme Court declared finalized the 60 days period of suspension appropriately ordered.

Additionally it should be noted that the Company has learned, however the demand was not notified to YPF, two other legal claims brought by ASSUPA against: i) concessionaires of the areas of Golfo San Jorge Basin, and ii) concessionaires of areas of Austral basin. The Company, in case of being notified, expects to answer according to legal terms and the arguments of defense appropriate to the case.

Dock Sud environmental claim.

We have been sued in the following environmental lawsuits that have been filed by residents living near Dock Sud, in the province of Buenos Aires: (i) "Mendoza, Beatriz against National State et al.," and (ii) "Cicero, María Cristina against Antivari S.A.C.I. et al. for damages." In the Mendoza lawsuit before the Argentine Supreme Court, the Argentine government, the province of Buenos Aires, the City of Buenos Aires, 14 municipalities and 44 companies (including us) were sued. The plaintiffs have requested unspecified compensation for collective environmental damage to the Matanza and Riachuelo river basins and for physical and property damage, which they claim to have suffered. The Argentine Supreme Court declared itself legally competent to settle only the conflict related to the collective environmental damages, including prevention of future pollution, remediation of environmental damages already caused and monetary compensation for irreparable environmental damages, and has requested that the defendants submit specific reports. In particular, it has requested that the Argentine government, the province of Buenos Aires, the City of Buenos Aires and the Federal Environmental Council submit a plan with environmental objectives. We answered the complaint and requested the impleading of the Argentine government, based on its obligation to indemnify us against any liability and hold us harmless for events and claims previous to January 1, 1991, according to the Privatization Law and Decree No. 546/1993. In July 2008, the Argentine Supreme Court decided that the Basin Authority (Law 26,168) ("ACUMAR") will be in charge of performing a remediation plan as well as of taking preventive measures in the area. The National State as well as the Province and City of Buenos Aires will be responsible for the performance of these measures. It also declared the exclusive competence of the First Instance Federal Court in Quilmes to hear any claims or disputes arising out of the remediation plan or the preventive measures and determined that any future action seeking the environmental remediation of the basin will be dismissed (*litis pendentia*). We have been notified of certain resolutions issued by ACUMAR, pursuant to which we are required to submit a Restructuring Industrial Plan regarding certain of our facilities. While we have appealed such resolutions, we have submitted to the relevant authority the mentioned Restructuring Industrial Plan. Additionally, the Argentine Supreme Court declared that it will determine whether and how much liability is to be borne by the parties involved. In the Cicero lawsuit, the plaintiffs, who are residents of Villa Inflamable, Dock Sud, also demand the environmental remediation of Dock Sud and Ps.33 million in compensation for physical and property damages against many companies that have operations there, including us. We answered the complaint by requesting its rejection and asked the citation of the Argentine government, due to its obligation to indemnify us against any liability and hold us harmless for events and claims previous to January 1, 1991, according to the Privatization Law and Decree No. 546/1993.

La Plata refinery environmental claims. We are aware of an action in which we have not yet been served, in which the plaintiff requests the cessation of contamination and the cleanup of the canals adjacent to the La Plata refinery, in Río Santiago, and other sectors near the coast (removal of mud, drainage of wetlands, restoration of biodiversity, among other things), and, if such sanitation is not practicable, compensation of Ps.500 million or an amount to be determined from evidence produced in discovery. We believe that this claim partially overlaps with the requests made by a group of neighbors of the La Plata refinery on June 29, 1999. Accordingly, we consider that if we are served in this proceeding or any other proceeding related to the same subject matters, the cases will need to be consolidated to the extent that the claims overlap. With respect to claims that would not be included in the previous proceedings, for the time being we are unable to estimate the prospects of such claims. Additionally, we believe that most of the damages that do not overlap with the aforementioned claims may be attributable to events that occurred prior to YPF's privatization and could therefore be the responsibility of the Argentine government in accordance with the Privatization Law concerning YPF.

In addition to the above, YPF has entered into an agreement with the OPDS in connection with the claims related to the channels adjacent to the La Plata refinery, which is described in "—Accrued, probable contingencies—La Plata refinery environmental disputes" above.

Claims related to the gas market and others. In addition to the claims described under "—Accrued, probable contingencies—Alleged defaults under natural gas supply contracts," we are involved in the following proceedings also related to the administration of exports imposed by the Argentine government in the natural gas market:

CNDC claims. On November 17, 2003, the CNDC requested explanations, within the framework of an official investigation pursuant to Art. 29 of the Antitrust Protection Law, from a group of almost 30 natural gas production companies, including us, with respect to the following items: (i) the inclusion of clauses purportedly restraining trade in natural gas purchase/sale contracts and (ii) gas imports from Bolivia, in particular (a) expired contracts signed by YPF, when it was state-owned, and YPFB (the Bolivian state-owned oil company), under which YPF allegedly sold Bolivian gas in Argentina at prices below the purchase price; and (b) the unsuccessful attempts in 2001 by Duke and Distribuidora de Gas del Centro to import gas into Argentina from Bolivia. On January 12, 2004, we submitted explanations in accordance with Art. 29 of the Antitrust Protection Law, contending that no antitrust violations had been committed and that there had been no price discrimination between natural gas sales in the Argentine market and the export market. On January 20, 2006, we received a notification of resolution dated December 2, 2005, whereby the CNDC (i) rejected the "non bis in idem" petition filed by us, on the grounds that ENARGAS was not empowered to resolve the issue when ENARGAS Resolution No. 1,289 was enacted; and (ii) ordered that the preliminary opening of the proceedings be undertaken pursuant to the provisions of Section 30 of Law 25,156. On January 15, 2007, the CNDC charged us and eight other producers with violations of Law 25,156. We have contested the complaint on the basis that no violation of the Law took place and that the charges are barred by the applicable statute of limitations, and have presented evidence in support of our position. On June 22, 2007, without acknowledging any conduct in violation of the Antitrust Protection Law, we filed with the CNDC a commitment according to Article 36 of the Antitrust Protection Law requesting that the CNDC approve the commitment, suspend the investigation and dismiss the proceedings. We are still awaiting a formal response. On December 14, 2007, the CNDC elevated the investigation to the Court of Appeals.

In addition, on January 11, 2012, the Argentine Secretary of Transport filed with the CNDC a complaint against five oil companies (including YPF) for alleged abuse of a dominant position regarding bulk sales of diesel fuel to public bus transportation companies. The alleged conduct consists of selling bulk diesel fuel to public bus transportation companies at prices higher than the price charged in service stations. According to the provisions of Article 29 of the Antitrust Law, YPF has submitted the corresponding explanations to the CNDC, questioning certain formal aspects of the complaint, and arguing that YPF has acted at all times in conformity with current regulations and that it did not engage in any discrimination or abuse in determining prices.

On January 26, 2012, the Argentine Secretariat of Domestic Commerce issued Resolution No. 6/2012 whereby (i) each of these five oil companies was ordered to sell diesel fuel to public bus transportation companies at a price no higher than the retail price charged by its service station located, in general terms, nearest to the place of delivery of diesel fuel to each such transportation company, while maintaining both historic volumes and delivery conditions; and (ii) it created a price monitoring scheme of both the retail and the bulk markets to be implemented by the CNDC. YPF has challenged this Resolution and requested a preliminary injunction against its implementation. YPF's preliminary injunction has been granted and the effects of the Resolution No. 6/2012 have been temporarily suspended, until the appeal is ruled upon. Against that preliminary injection, the Argentinian government presented an extraordinary federal appeal, which has not yet been served to YPF.

We are also subject to other claims before the CNDC which are related to alleged price discrimination in the sale of fuels. Our management, based on the evidence available to date and upon the opinion of our external counsel, has considered them to be possible contingencies.

Users and Consumers' Association claim. The Users and Consumers' Association claimed (originally against Repsol YPF before extending its claim to YPF) the reimbursement of allegedly excessive prices charged to bottled LPG consumers between 1993 and 2001. The claim is for a sum of Ps.91.2 million for the period 1993 to 1997 (this sum, in current pesos, would amount to approximately Ps.489 million), together with an undetermined amount for the period 1997 to 2001. We invoked the statute of limitations, since the applicable two-year statute of limitation had already elapsed. A ruling is pending on the applicability of the statute of limitations. Notwithstanding the above, the evidence production period commenced on August 6, 2009.

Quilmes claims. The Company has been notified of a complaint filed by a group of neighbors of Quilmes, in the province of Buenos Aires, claiming approximately Ps.250 million in compensation for personal damages.

Repsol S.A. and others complaints: The Company has been served with the following complaints:

- A complaint filed by Repsol on July 31, 2012 in the Supreme Court of the State of New York, New York County, United States, against The Bank of New York Mellon ("BNY") and the Company. The complaint alleges that Repsol had the right to vote ADSs owned by a certain third party that were pledged in Repsol's favor, but that it was unable to exercise those voting rights due to BNY's alleged failure to accept and carry out Repsol's voting instructions in connection with, among other things, the election of the Company's Board of Directors at the Company's shareholders' meeting on June 4, 2012. The complaint also asserts claims against the Company for allegedly improperly instructing BNY not to accept Repsol's voting instructions. On February 4, 2014, the court granted the Company's and BNY's motions to dismiss the complaint, and dismissed all claims against the Company with prejudice.
- YPF was notified of four complaints filed by Repsol S.A. in Argentina in connection with the enforcement of Law 26,741, requesting the invalidation of the Ordinary Shareholders' Meetings dated on June 4, 2012, July 17, 2012 the Annual General Meeting No. 38 on September 13, 2012 and April 30, 2013 and its continuation of May 30, 2013, all of which have been answered by YPF.
- On February 27, 2014, YPF and Repsol executed an arrangement (the "Arrangement") whereby, mainly, the parties reciprocally agreed to withdraw, subject to certain exclusions, all present and future actions and/or claims based on causes occurring prior to the Arrangement derived from the declaration of public interest and subjection to expropriation of YPF shares owned by Repsol pursuant to Law No. 26,741, the intervention, temporary takeover of public utility-declared shares and management of YPF. Likewise, the parties have agreed to withdraw reciprocal actions and claims with respect to third parties and/or pursued by them, and to grant a series of mutual indemnities subject to certain conditions. The withdrawals contemplated by the Arrangement include those actions filed by Repsol listed above. The Arrangement will enter into force on the day following to the date on which Repsol notifies YPF that the Agreement signed between Repsol and the Argentine Republic has entered into force. If such effectiveness does not occur on or prior to May 7, 2014, or at a later date as the parties may agree in writing, the Arrangement shall not be enforced and shall become void, and the parties shall retain all of the rights preexisting at the date of their signature, and the Arrangement shall not create any liability for either party. See "Risk Factors—Risks Relating to the Argentine Oil and Gas Business and Our Business—We face risk relating to certain legal proceedings" for a description of the Agreement between Repsol and the Argentine Republic relating to compensation for the expropriation of 51% of the share capital of YPF owned, directly or indirectly, by Repsol.
- YPF class action: On April 16, 2013, YPF was served with a putative class action complaint filed by Monroe County Employees' Retirement System against the Company, certain of its officers and directors, Repsol S.A., Morgan Stanley & Co., Incorporated ("Morgan Stanley"), Credit Suisse Securities (USA) LLC ("Credit Suisse") and Goldman Sachs & Co. ("Goldman Sachs," and together with Morgan Stanley and Credit Suisse, the "Underwriters"), which asserted claims under the Securities Act of 1933. On May 15, 2013, that action was consolidated with a similar action initiated by Felix Portnoy that asserted claims under the Securities Exchange Act of 1934. The claims in the consolidated action are based on an alleged failure to inform the market, during the period between December 22, 2009 and April 16, 2012 and in connection with a March 2011 public offering of YPF shares, regarding the potential risk of expropriation of the Company, and on the corresponding alleged effect on the value of the shares. On February 20, 2014, the United States District Court for the Southern District of New York granted YPF's, Repsol's and the Underwriters' motions to dismiss all of the claims with prejudice.

Non-accrued, remote contingencies

Our management, in consultation with our external counsel, believes that the following contingencies, while individually significant, are remote:

Congressional request for investigation to CNDC. On November 7, 2003, certain former members of the Argentine Congress, Arturo Lafalla, Ricardo Falu and others, filed with the CNDC a complaint against us for abuse of a dominant position in the bulk LPG market during 2002 and part of 2003. The alleged conduct consisted of selling bulk LPG in the domestic market at prices higher than the export price, thereby restricting the availability of bulk LPG in the domestic market. On December 15, 2003, the CNDC forwarded the complaint to us, and requested explanations under Art. 29 of the Antitrust Protection Law. On January 21, 2004, we

submitted explanations in accordance with Art. 29 of the Antitrust Protection Law, contending that no antitrust violations had been committed. At this point, the CNDC may accept our explanations or begin a criminal investigation. We contend that we did not restrict LPG supply in the domestic market during the relevant period, that during this period all domestic demand for LPG could have been supplied by our competitors and that therefore our market share could not be deemed a dominant position. On September 2, 2008, the

CNDC issued Note No. 1131/08 requesting information in relation to the prices in the internal and external markets for the years 2000 to 2008. On October 7, 2008, we provided the information. On December 10, 2008, the CNDC requested us to file the LPG export contracts signed during the years 2001-2004 as well as to explain the evolution of the prices in the internal and external markets of propane and butane during the March to December period in the years 2001-2004. On December 16, 2008, we provided the requested information. Having provided the requested information, we have become aware that the CNDC has issued an opinion suggesting that the proceedings be dismissed. However, the matter is still pending before the Argentine Secretariat of Domestic Commerce.

Pursuant to the provisions of Resolution No. 189/99, referred to above, certain third parties have claimed compensation for alleged damages suffered by them as a consequence of our sanctioned conduct. We have denied these claims and presented our defenses.

Other export tax disputes. Between 2006 and 2009, the Customs General Administrations in Neuquén, Comodoro Rivadavia and Puerto Deseado informed us that certain summary proceedings had been brought against us based on alleged formal misstatements on forward oil deliveries (future commitments of crude oil deliveries) in the loading permits submitted before these agencies. In December 2008, the Customs General Administration of Neuquén rejected our arguments and issued a resolution against us. We will appeal before the National Fiscal Court. Although our management, taking into account the opinion of legal counsel, believes the claim has no legal basis, the potential fines imposed could be substantial.

Mendoza royalties dispute. Following certain claims from the province of Mendoza that the international market price be used in the calculation of royalties relating to internal market transactions based on its interpretation of Section 6 of Law No. 25,561, we commenced an administrative proceeding. Our request is currently pending. Additionally, YPF filed a declaratory action with the Argentine Supreme Court, with application for an injunction to declare unconstitutional the interpretation that the province of Mendoza applies to Section 6 of Law No. 25,561. On April 7, 2009, we were notified that the Argentine Supreme Court has agreed to hear the case brought by YPF, and issued a preliminary injunction to restrain the province of Mendoza from applying the international market price in calculating the royalties payable by YPF. During 2013 the Argentine Supreme Court issued a final resolution favorable to us.

YPF Holdings

The following is a brief description of certain environmental and other liabilities related to YPF Holdings, a Delaware corporation. See "Item 4. Information on the Company—Environmental Matters—YPF Holdings—Operations in the United States" for additional information.

In connection with the sale of Maxus' former chemical subsidiary, Chemicals Company, to Occidental in 1986, Maxus agreed to indemnify Chemicals Company and Occidental from and against certain liabilities relating to the business or activities of Chemicals Company prior to the Closing Date, including certain environmental liabilities relating to certain chemical plants and waste disposal sites used by Chemicals Company prior to the Closing Date. See "Item 4. Information on the Company—Environmental Matters—YPF Holdings—Operations in the United States."

As of December 31, 2013, YPF Holdings' accruals for environmental and other contingencies totaled approximately Ps1,284 million. YPF Holdings management believes it has adequately accrued for all environmental and other contingencies that are probable and can be reasonably estimated based on information available as of such time; however, many such contingencies are subject to significant uncertainties, including the completion of ongoing studies, the discovery of new facts, allocation of responsibility among potentially responsible parties, and the possibility of administrative or judicial enforcement actions by authorities, which could result in material additions to such accruals in the future. It is possible that additional claims will be made, and additional information about new or existing claims (such as results of ongoing investigations, the issuance of court decisions, the signing of participation agreements, or the signing of settlement agreements) is likely to develop over time. YPF Holdings' accruals for the environmental and other contingencies described below are based solely on currently available information and as a result, YPF Holdings, Maxus and Tierra may have to incur costs that may be material, in addition to the accruals already taken.

In the following discussion concerning plant sites and third party sites, references to YPF Holdings include, as appropriate and solely for ease of reference, references to Maxus and Tierra. As indicated above, Tierra is also a subsidiary of YPF Holdings and has assumed certain of Maxus' obligations.

Newark, New Jersey. A consent decree, previously agreed upon by the U.S. Environmental Protection Agency (the "EPA"), the New Jersey Department of Environmental Protection (the "DEP") and Occidental, as successor to Chemicals Company, was entered in 1990 by the United States District Court of New Jersey for Chemicals Company's former Newark, New Jersey agricultural chemicals plant. The approved interim remedy has been completed and paid for by Tierra pursuant to the above described indemnification agreement between Maxus and Occidental. Operations and maintenance of the constructed remedy are ongoing, and as of December 31, 2013, YPF Holdings has accrued approximately Ps.96 million in connection with such activities.

Passaic River/Newark Bay, New Jersey. Maxus, acting on behalf of Occidental, negotiated an agreement with the EPA (the "1994 AOC") under which Tierra has conducted testing and studies to characterize contaminated sediment and biota in a six-mile portion of the Passaic River near the Newark, New Jersey plant site described above. While some work remains, the work under the 1994 AOC was substantially subsumed by the remedial investigation and feasibility study ("RI/FS") being performed and funded by Tierra and a number of other entities of the lower 17-mile portion of the Passaic River (including the portion already studied) pursuant to a 2007 administrative settlement agreement (the "2007 AOC"). The parties to the 2007 AOC are discussing the possibility of further work with the EPA. The entities that have agreed to fund the RI/FS have negotiated an interim allocation of RI/FS costs among themselves based on a number of considerations. This group, consisting of approximately 70 companies, calls itself "CPG—Cooperating Parties Group." The 2007 AOC is being coordinated with a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project ("PRRP"). On May 29, 2012, Occidental, Maxus and Tierra withdrew from the CPG under protest and reserving all their rights. A description of the circumstances of such decision can be found below in the paragraph titled "Passaic River—Mile 10.9—Removal Action." However, Occidental remains a respondent to the 2007 AOC and its withdrawal from the CPG does not change its obligations under the mentioned AOC.

The EPA's findings of fact in the 2007 AOC indicate that combined sewer overflow/storm water outfall discharges are an ongoing source of hazardous substances to the Lower Passaic River Study Area (the 17-mile stretch of the Passaic River from the Dundee Dam south to Newark Bay). For this reason, during the first half of 2011, Maxus and Tierra negotiated with the EPA, on behalf of Occidental, a draft Administrative Settlement Agreement and Order on Consent for Combined Sewer Overflow/Storm Water Outfall Investigation ("CSO AOC"), which was signed and became effective in September 2011. Besides providing for a study of combined sewer overflows in the Passaic River, the CSO AOC confirms that there will be no further obligations to be performed under the 1994 AOC. Tierra previously estimated that the total cost to implement the CSO AOC is approximately U.S.$5.0 million and will take approximately two more years to complete.

Tierra, acting on behalf of Occidental, is also performing and funding a separate RI/FS to characterize sediment contamination and evaluate remedial alternatives in Newark Bay and portions of the Hackensack River, the Arthur Kill, and the Kill van Kull pursuant to a 2004 administrative order on consent with EPA (the "2004 AOC"). The EPA has issued General Notice Letters to a series of additional parties concerning the contamination of Newark Bay and the work being performed by Tierra under the 2004 AOC. In addition, in August 2010, Tierra proposed to the other parties that, for the third stage of the RI/FS undertaken in Newark Bay, the costs be allocated on a per capita basis. As of December 31, 2013, the parties had not agreed to Tierra's proposal. However, YPF Holdings lacks sufficient information to determine additional costs, if any, it might have with respect to this matter once the final scope of the phase III is approved, as well as the proposed distribution mentioned above.

In December 2005, the DEP issued a directive to Tierra, Maxus and Occidental directing said parties to pay the State of New Jersey's costs of developing a Source Control Dredge Plan focused on allegedly dioxin-contaminated sediment in the lower six-mile portion of the Passaic River described above. The development of this Plan was estimated by the DEP to cost approximately U.S.$2.3 million. The DEP has advised the recipients that they are not required to respond to the directive until otherwise notified.

In August 2007, the National Oceanic Atmospheric Administration ("NOAA"), as one of the Federal Natural Resources Trustees ("Trustees"), sent a letter to a number of entities that it alleged have liability for natural resource damages, including Tierra and Occidental, requesting that the group enter into an agreement to conduct a cooperative assessment of natural resources damages in the Passaic River and Newark Bay. In January 2008, the NOAA sent a letter to YPF Holdings, CLH Holdings Inc. and other entities. In November 2008, Occidental and Tierra entered into an agreement with the Trustees to fund a portion of the Trustees' past costs and conduct certain assessment activities during 2009. A group of approximately 20 other parties has also entered into a similar agreement with the Trustees. In November 2009, Tierra declined to extend this agreement.

In June 2008, the EPA, Occidental, and Tierra entered into an Administrative Order on Consent ("Removal AOC 2008"), pursuant to which Tierra (on behalf of Occidental) will undertake the removal of sediment from a portion of the Passaic River in the vicinity of Chemicals Company's former Newark, New Jersey facility described above. This action will result in the removal of approximately 200,000 cubic yards of sediment, which will be carried out in two phases. The field work on the first phase, which encompassed the removal of 40,000 cubic yards, started in July 2011 and was substantially completed in the fourth quarter of 2012. The EPA inspection was held in January 2013 and Tierra received written confirmation of completion in March 2013. The second phase, which will encompass the removal of approximately 160,000 cubic yards of sediment, will be completed on a different schedule. Pursuant to the Removal AOC of 2008, the EPA has required the provision of financial assurance for the execution of the removal work which could decreased or increased over time if the anticipated cost of completing the removal work contemplated by the AOC changes. The removal work will remove a number of contaminants, such as dioxin, PCBs, and mercury, which may have come from sources other than or in addition to the former Chemicals Company plant. YPF Holdings may seek cost recovery from the parties responsible for such contamination; however, at this time it is not possible to make any predictions regarding the likelihood of success or the funds potentially recoverable in a cost-recovery action. The removal work required pursuant to the Removal AOC will be conducted concurrently with and in addition to the other investigations and remedial actions described above, including those undertaken in connection with the FFS concerning the lower eight miles of the Passaic River, the RI/FS addressing the lower 17-mile portion of the Passaic River, and the RI/FS relating to contamination in Newark Bay, portions of the Hackensack River, the Arthur Kill and the Kill van Kull.

In June 2007, EPA released a draft Focused Feasibility Study ("FFS") that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These ranged from no action (which would result in comparatively little cost) to extensive dredging and capping (which according to the draft FFS, EPA estimated could cost from U.S.$0.9 billion to U.S.$2.3 billion), and are all described by EPA as involving proven technologies that could be carried out in the near term, without extensive research. Tierra, in conjunction with the other parties of CPG, submitted comments on the draft FFS to EPA, as did a number of other interested parties.

On November 14, 2013, at a Community Advisory Group ("CAG") meeting, the EPA described the alternatives it is considering in the revised FFS. The EPA stated that the FFS will set forth four alternatives: (i) no action, (ii) deep dredging with backfill of 9.7 million cubic yards over 12 years (EPA estimated cost: U.S.$1.4 billion to U.S.$3.5 billion, depending on whether the dredged sediment is disposed of in a confined aquatic disposal facility on the floor of Newark Bay ("CAD"), at an off-site disposal facility or is locally decontaminated and put to beneficial use); (iii) capping with dredging of 4.3 million cubic yards over 6 years (EPA estimated cost: $1.0 billion to $1.8 billion, depending on whether there is a CAD or off-site disposal or local decontamination and beneficial use), (iv) focused dredging and capping of 0.9 million cubic yards over 3 years (EPA estimated cost: U.S.$0.4 billion to U.S.$0.6 billion, depending on whether there is a CAD or off-site disposal or local decontamination and beneficial use). As of the date of this annual report, the revised FFS is expected to be released to the public as early as March, 2014. If the EPA keeps to the announced schedule, it is anticipated that the final Record of Decision would be issued in about 12-18 months after the FFS is made public. Based on the information available to the Company as of the issuance date of this report, considering the potential final proposal, the results of the studies and discoveries to be produced, the many potentially responsible parties involved in the matter, with its consequent potential allocation of removal costs, and also considering the opinion of external counsels, it is not possible to reasonably estimate a loss or range of losses on these outstanding matters. Therefore, no amount has been accrued for this litigation by YPF Holdings Inc.

The 17 miles of the Lower Passaic River from its confluence with Newark Bay to Dundee Dam pursuant to the 2007 AOC will be subject to a Remedial Investigation / Feasibility Study that is anticipated to be completed in 2015, following which EPA will select a remedy and notice it for public comment.

Moreover, and with respect to the alleged contamination, that dioxin, DDT and other "hazardous substances" discharged from Chemicals Company's former Newark plant and contaminated the lower 17-mile portion of the Passaic River, Newark Bay, and other nearby waterways and surrounding areas, in December 2005 the DEP and the New Jersey Spill Compensation Fund sued YPF Holdings, Tierra, Maxus and other affiliates, as well as Occidental (the *"New Jersey—litigation with DEP"*). These plaintiffs seek damages for the past cost of investigation and cleanup of these waterways, property damage and other economic impacts (such as decreases in tax revenues and value of real estate and increases in public medical costs, etc.), and punitive damages. The defendants have made responsive pleadings and/or filings. In March 2008, the court denied motions to dismiss for failure to state a claim by Occidental Chemical Corporation, and by Tierra and Maxus. DEP filed its Second Amended Complaint in April 2008; YPF's motion to dismiss for lack of personal jurisdiction was denied in September 2008. The decision was affirmed by the Court of Appeals following an appeal by YPF. The court denied the plaintiffs' motion to bar third party practice and allowed defendants to file third-party claims. Third-party claims against approximately 300 companies and governmental entities (including certain municipalities and sewage treatment authorities) which could have responsibility in connection with the claim were filed by Tierra and Maxus in February 2009. Anticipating this considerable expansion of the number of parties in the litigation, the court appointed a Special Master to assist the court in the administration of discovery. DEP filed its Third Amended Complaint in August 2010, adding Maxus International Energy Company and YPF International S.A. as additional named defendants. Plaintiffs allege that defendants Repsol, YPF, YPF International S.A., YPF Holdings, Inc., CLH Holdings, Inc., Maxus, Maxus International Energy Company and Tierra are alter egos of one another and engaged in a scheme to defraud the plaintiffs through corporate restructurings designed to cap and strand the environmental liabilities associated with the contamination of the area. To this end, plaintiffs assert claims for the fraudulent transfer of Maxus' assets, civil conspiracy, breach of fiduciary duty, aiding and abetting, and piercing the corporate veil and alter ego liability. In September 2010, governmental entities of the State of New Jersey and a number of third-party defendants filed motions to dismiss and Maxus and Tierra filed their responses. Except in a few cases, these motions were rejected in January 2011. In October 2010, a number of public third-party defendants filed a motion to sever and stay, which would allow the State of New Jersey to proceed against the direct defendants. However, the judge ruled against this motion in November 2010. Third-party defendants have also brought motions to dismiss, which have been rejected by the Special Master in January 2011. Some of the mentioned third-parties appealed the decision, but the judge denied such appeal in March 2011. In May 2011, the judge issued Case Management Order XVII ("CMO XVII"), which contains the Trial Plan for the case. This Trial Plan divides the case into two phases and ten tracks. Phase One will determine liability and Phase Two will determine damages. In July 2012, the Court amended the trial plan for Track II (plaintiffs' and Occidentals' claims against Foreign defendants) and Track IV (liability for plaintiffs' and Occidental's claims stemming from the alleged fraudulent transfers, alter ego, and conspiracy), and scheduled trial for a date on or after June 1, 2013. Following the issuance of CMO XVII, the State of New Jersey and Occidental filed motions for partial summary judgment. The State filed two motions: one against Occidental and Maxus on liability under the Spill Act and the other against Tierra on liability under the Spill Act. In addition, Occidental filed a motion for partial summary judgment that Maxus owes a duty of contractual indemnity to Occidental for liabilities under the Spill Act. In July and August 2011, the judge ruled that, although the discharge of hazardous substances by Chemicals Company has been proved, liability cannot be imposed if the nexus between any discharge and the alleged damage is not established. Additionally, the Court ruled that Tierra has Spill Act liability to the State based merely on its current ownership of the Lister Avenue

site (an area located nearby the Passaic River); and that Maxus has an obligation under the 1986 Stock Purchase Agreement to indemnify Occidental for any Spill Act liability arising from contaminants discharged on the Lister Avenue site, and that Maxus and Tierra share each other's liabilities as alter-egos.

During the fourth quarter of 2011, the parties agreed on a consensus trial plan for Track III under CMO XVII, which narrowed the scope of issues for discovery and trial in May 2012 to factual issues relevant to determining Maxus's alleged direct liability to the State of New Jersey and to issues relating to responsibility for discharges during the era when the Newark plant site was under the ownership of Kolker Chemical Works. The Court accepted six applications for Fast Track Arbitration-discovery proceeded in January 2012, to be followed by depositions and arbitration briefing. In addition, Maxus submitted to the Special Master and the "Additional Dischargers" Committee a plan to sample the area around mile 10.9 of the Passaic River for the HCX chemical marker that Maxus suspects may be associated with dioxin discharged by one or more third-party defendants. The HCX sampling was completed in January 2012 and validated results were received in March.

In February 2012, plaintiffs and Occidental filed motions for partial summary judgment, seeking summary adjudication that Maxus has liability under the Spill Act. In the first quarter of 2012 Maxus, Occidental and plaintiffs submitted their respective briefs. Oral arguments were heard on May 15 and 16, 2012. The Judge held that Maxus and Tierra have direct liability for the contamination generated into the Passaic River. However, volume, toxicity and cost of the contamination were not verified (these issues will be determined in a later phase of the trial). Maxus and Tierra have the right to appeal such decision.

On September 11, 2012 the Court issued the track VIII order. The track VIII order governs the process by which the Court will conduct the discovery and trial of the State's damages against Occidental, Maxus and Tierra (caused by the Diamond Alkali Lister Avenue plant). Under the order, the trial for the first phase of track VIII was scheduled to commence in July 2013. However, this schedule has been changed by the following occurrence.

On September 21, 2012, Judge Lombardi (trial judge) granted the State's application for an Order to Show Cause to Stay all proceedings against third party defendants who entered into a Memorandum of Understanding ("MOU") with the State to discuss settlement of the claims against the third party defendants.

On September 27, 2012, Occidental filed its Amended Cross-Claims and the following day, the State filed its fourth Amended Complaint. The principal changes to the State's pleading concern the State's allegations against YPF and Repsol, all of which Occidental has adopted in its cross-claims. In particular, there are three new allegations against Repsol involving asset stripping from Maxus and also from YPF based on the Argentine government's Mosconi Report. On October 25, 2012, the parties to the litigation agreed to a Consent Order, subject to approval by Judge Lombardi, which, in part, extends the deadline for YPF to respond to the State's and Occidental's new pleadings by December 31, 2012, extends fact deposition discovery until April 26, 2013, extends expert discovery until September 30, 2013, and sets trial on the merits for certain allegations for February 24, 2014. In July 2012, the Court amended the trial plan for Tracks II (plaintiffs' and Occidentals' claims against Foreign defendants) and Track IV (liability for plaintiffs' and Occidental's claims stemming from the alleged fraudulent transfers, alter ego, and conspiracy), and scheduled trial for a date on or after June 1, 2013. On October 26, 2012, the Court again amended the trial plan for Tracks II and IV, adjusting discovery and summary judgment deadlines and setting trial for February 24, 2014. On February 14, 2013, the plaintiffs and all defendants except Occidental appeared before the Court to seek a stay of the litigation because they had agreed to recommend terms for a settlement framework to resolve the claims between them (discussed below).

In January 2013, the Court granted YPF, YPF International S.A., YPF Holdings, Inc., CLH Holdings, Inc. and Repsol permission to file motions to dismiss plaintiffs' Complaint and Occidental's Cross-Claims as barred by the applicable statutes of limitations and repose and because they fail to state a claim upon which relief may be granted. YPF's motion to dismiss was due on February 18, 2013, but, as described above, the Court stayed the litigation on February 14, 2013.

As of December 31, 2013, DEP has not filed with the Court dollar amounts on all its claims, but it has previously (a) contended that a U.S.$50 million cap on damages under one of the New Jersey statutes should not be applicable, (b) alleged that it has incurred over U.S.$118 million in past "cleanup and removal costs," and is seeking an additional award of between U.S.$10 and U.S.$20 million to fund a study to assess natural resource damages, and seeks its future investigation and remediation costs, (c) notified Maxus and Tierra's legal defense team that DEP is preparing financial models of the cost of other economic impacts, and (d) seeks punitive damages.

The parties to the pending Passaic litigation have also engaged in settlement negotiations. In November 2011, the Special Master (a retired State judge, appointed to assist the Superior Court with discovery) called for and held a settlement conference in late November 2011 between the plaintiffs, and Repsol, YPF, YPFI, YPFH, CLH, Tierra and Maxus to discuss the parties' respective positions, but no resolution was reached.

During the fourth quarter of 2012 and the first quarter of 2013, Maxus and Tierra, together with certain other direct defendants in the litigation, engaged in on-going mediation and negotiation seeking the possibility of a settlement with the State.

On March 26, 2013 the State of New Jersey informed the Court of a preliminary settlement agreement between the third parties defendant and the State of New Jersey. In addition, YPF and certain affiliates (among them, YPF Holdings, Maxus and Tierra) approved a Settlement Agreement with Repsol and the State of New Jersey. The Settlement Agreement provides, without acknowledging any fact or right: (i) a payment of U.S.$65 million by Maxus and/or YPF to the State of New Jersey and (ii) a hard cap of up to U.S.$400 million with respect to certain of Occidental's unresolved cross-claims against Repsol, YPF and YPFI; and would resolve certain environmental claims of the plaintiffs against all Settling Defendants within a certain range of the Passaic River, and the deferral of Tracks II and IV until after trial of the State's damages against Occidental in Track VIII. The Settlement Agreement does not resolve Occidental's cross-claims.

On December 12, 2013 the Judge approved the Settlement Agreement together with the settlement agreement executed between the State of New Jersey and the third parties defendants. On January 24, 2014 Occidental filed a notice of appeal from the court's approval of the Settlement Agreement, stating that it was not objecting to the material terms of the Settlement Agreement but to the delay in the commencement of Track IV (Occidental's claims under the doctrines of alter ego and fraudulent conveyance against Repsol and YPF). On February 3, 2014, the court of appeals informed the parties that it questioned whether or not Judge Lombardi's decision on December 12th regarding the timing of Track IV was final or interlocutory. The State of New Jersey argued to the appellate court that Judge Lombardi's decision was a final order, while Occidental argued that the decision was an interlocutory order. The appellate court is expected to decide the question in March or April 2014. On February 10, 2014 Maxus made the U.S.$65 million payment provided in the Settlement Agreement to an escrow account.

With respect to the third-party claims for contribution that Maxus and Tierra brought against approximately 300 companies and governmental entities, including certain municipalities and sewage authorities, which could have responsibility in connection with the above claims, the State of New Jersey has also sought to settle those claims. On March 26, 2013, the plaintiffs advised the Superior Court that a proposed settlement between the plaintiffs and certain third party defendants had been approved by the requisite threshold number of private and public third party defendants pursuant to which the third party defendants would pay the State of New Jersey approximately U.S.$34.5 million. That third party defendant settlement was subsequently submitted for Superior Court approval, which would extinguish Maxus's and Tierra's third-party claims in the litigation. The Superior Court approved that settlement on December 12, 2013.

As of December 31, 2013, YPF Holdings has accrued approximately Ps.805 million comprising the estimated costs for studies, the YPF Holdings Inc.'s best estimate of the cash flows it could incur in connection with remediation activities considering the studies performed by Tierra, the estimated costs related to the Removal AOC of 2008 agreement, and in addition certain other matters related to Passaic River and the Newark Bay, also including certain related legal matters. However, it is possible that other works, including interim remedial measures or different of those considered, may be ordered. In addition, the development of new information, the imposition of penalties, or remedial actions or the result of negotiations related to the referred matters differing from the scenarios that YPF Holdings Inc. has evaluated, could result in additional costs to the amount currently provisioned.

Passaic River Mile 10.9 Removal Action. In February 2012, the EPA issued to the Cooperating Parties Group ("CPG"), of which Tierra then was a member, a draft Administrative Settlement Agreement and order on Consent ("AOC RM 10.9") for Removal Action and Pilot Studies to address high levels of contamination of TCDD, PCBs, mercury and other contaminants of concern in the vicinity of the Passaic River's mile 10.9, comprised of a sediment formation ("mud flat") of approximately 8.9 acres. This proposed AOC RM 10.9 ordered that 16,000-30,000 cubic yards of sediments be removed and that pilot scale studies be conducted to evaluate ex situ decontamination beneficial reuse technologies, innovative capping technologies, and in situ stabilization technologies for consideration and potential selection as components of the remedial action to be evaluated in the 2007 AOC and the FFS and selected in one or more subsequent records of decision. Occidental declined to execute this AOC and Occidental, Maxus and Tierra formalized their resignations from the CPG, effective May 29, 2012, under protest and subject to a reservation of rights. On June 18, 2012, the EPA announced that it had signed an AOC for RM 10.9 with 70 Settling Parties, all members of the CPG, which contained, among other requirements, an obligation to provide to the EPA financial assurance, in the amount of U.S.$20 million, that the work would be completed. On June 25, 2012, EPA issued Occidental a Unilateral Administrative Order (UAO) for Removal Response Activities. Occidental sent to the CPG and EPA its notice of intent to comply with such order on July 23, 2012 followed by its good faith offer on July 27, 2012 to provide the use of Tierra's existing dewatering facility. On August 10, 2012, the CPG rejected Occidental's good faith offer and, on September 7, 2012, the CPG stated that it has alternative plans for handling sediment to be excavated at RM 10.9 and, therefore, has no use for the existing dewatering facility. EPA, by letter of September 26, 2012, advised that it will be necessary for EPA and Occidental to discuss other options for Occidental to participate and cooperate in the RM 10.9 removal action, as required by its Unilateral Administrative Order. On September 18, 2012, the EPA advised the Passaic River CAG that the bench scale studies of the treatment technologies did not sufficiently lower concentrations of the chemicals to justify the cost, so the RM 10.9 sediments will be removed offsite for disposal. Tierra, on behalf of Occidental, continues to discuss with EPA how Occidental can comply with the UAO. Pending the outcome of such discussions, the deadline for Occidental's submission of financial assurance has been extended indefinitely until further notice from the EPA.

Based on the information available to the Company as of the issuance date of this report, considering the results of the studies and discovery process as well as the potential responsibility of the other parties involved in this matter and the potential allocation of removal costs, based on the advice of our external and internal legal counsel, it is not possible to reasonably estimate a loss or range of losses related to these outstanding matters. Therefore, no amount has been accrued in respect of these claims.

Hudson and Essex Counties, New Jersey. Until the 1970s, Chemicals Company operated a chromite ore processing plant at Kearny, New Jersey (the "Kearny Plant"). DEP has identified over 200 sites in Hudson and Essex Counties alleged to contain chromite ore processing residue either from the Kearny Plant or from plants operated by two other chromium manufacturers. Tierra, Occidental and DEP signed an administrative consent order in April 1990 ("ACO") which requires remediation at 40 sites in Hudson and Essex Counties alleged to be impacted by the Kearny Plant operations. Tierra, on behalf of Occidental, is providing financial assurance in the amount of U.S.$20 million for performance of the work required by the ACO (which is ongoing at all ACO Sites at various stages) and associated with the issues described below.

In May 2005, the DEP took two actions in connection with the chrome sites in Hudson and Essex Counties. First, the DEP issued a directive to Maxus, Occidental and two other chromium manufacturers (the "Respondents") directing them to arrange for the cleanup of chromite ore residue at three sites in Jersey City and for the conduct of a study by paying the DEP a total of U.S.$19.5 million. Second, the DEP filed a lawsuit against Occidental and two other entities in state court in Hudson County seeking, among other things, cleanup of various sites where chromite ore processing residue is allegedly located, recovery of past costs incurred by the state at such sites (including in excess of U.S.$2.3 million dollars allegedly spent for investigations and studies) and, with respect to certain costs at 18 sites, treble damages. In February 2008, the parties reached an agreement in principle, pursuant to which Tierra agreed to pay, on behalf of Occidental, U.S.$5 million and agreed to perform remediation works at three sites, with a total cost of approximately U.S.$2.1 million, subject to the terms of a Consent Judgment between and among DEP, Occidental and two other parties, which was published in the New Jersey register in June 2011 and became final and effective as of September 2011. Pursuant to the Consent Judgment, the U.S.$5 million dollar payment was made in October 2011 and a master schedule was delivered to DEP for the remediation, during a ten-year period, of the three orphan sites plus the remaining chromite ore sites (approximately 28 sites) under the Kearny ACO. DEP indicated that it could not approve a ten-year term; therefore, in March 2012, Maxus submitted a revised eight-year schedule which was approved by DEP on March 24, 2013. In November 2005, several environmental groups sent a notice of intent to sue the owner of the property adjacent to the former Kearny Plant and five other parties, including Tierra, under the Resource Conservation and Recovery Act. The parties have entered into an agreement that addresses the concerns of the environmental groups and these groups have agreed not to file suit. After the original agreement expired, the parties entered into a new Standstill Agreement, effective March 7, 2013.

In March 2008, the DEP approved an Interim Response Action work plan for work to be performed at the Kearny Plant site by Tierra and at the adjacent property by Tierra in conjunction with other parties. Work on the Interim Response Action has begun. In addition, this adjacent property was listed by EPA on the National Priority List in 2007. In July 2010, EPA notified Tierra, along with three other parties, which are considered potentially responsible for this adjacent property and requested to conduct a RIFS for the site. The three parties have agreed to coordinate remedial efforts, forming the "Peninsula Restoration Group" or "PRG." In the fourth quarter of 2011, the PRG reached an agreement with another potentially responsible party (Cooper Industries), whereby Cooper Industries would join the PRG .The PRG is in active negotiations with the EPA for an RI/FS AOC for the Standard Chlorine Chemical Company site and expects to execute the AOC in second quarter of 2013. Pursuant to a request of the DEP, in the second half of 2006, the PRG tested the sediments in a portion of the Hackensack River near the former Kearny Plant. A report of those test results was submitted to the DEP. DEP requested additional sampling, and the PRG submitted to DEP work plans for additional sampling in January 2009. In March 2012, the PRG received a Notice of Deficiency ("NOD") letter from DEP relating to the Hackensack River Study Area ("HRSA") Supplemental Remedial Investigation Work Plan ("SRIWP") that the PRG had submitted to the DEP in January 2009. In the NOD, DEP seeks to expand the scope of work that would be required in the Hackensack River under the SRIWP to add both additional sample locations/core segments and parameters. While the PRG acknowledges that it is required to investigate and prevent chrome releases from certain upland sites into the river, the PRG contends that it is has no obligation under the governing ACOs and Consent Judgment to investigate chrome contamination in the river generally. Negotiations between the PRG and the DEP are ongoing.

As of December 31, 2013, YPF Holdings has accrued a total of approximately Ps.112 million in connection with the foregoing chrome-related matters. Soil action levels for chromium in New Jersey have not been finalized, and the DEP continues to review the proposed action levels. The cost of addressing these chrome-related matters could increase significantly depending upon the final soil action levels, the DEP's response to Tierra's studies and reports and other developments.

Painesville, Ohio. From about 1912 through 1976, Chemicals Company operated manufacturing facilities in Painesville, Ohio (the "Painesville Works Site"). The operations there over the years involved several discrete but contiguous plant sites over an area of about 1,300 acres. The investigation and remediation of the Painesville Works Site is governed by agreements and orders in place with the EPA and the Ohio Environmental Protection Agency ("OEPA"). The primary area of concern historically has been Chemicals Company's former chromite ore processing plant (the "Chrome Plant"). The OEPA has approved certain work, including the remediation of 20 specific operable units within the former Painesville Works Site and work associated with development plans (the "Remediation Work"). The Remediation Work has begun. As each operable unit within the Site receives OEPA approval for projects related to investigation, Remediation Work, or operation and maintenance activities, additional orders and agreements will be implemented, and additional amounts may need to be accrued. YPF Holdings has accrued a total of approximately Ps.116 million as of December 31, 2013 for its estimated share of the cost to perform the remedial investigation and feasibility study, the Remediation Work and other operation and maintenance activities at this site.

Third Party Sites. Pursuant to settlement agreements with the Port of Houston Authority (the "Port") and other parties, Tierra and Maxus are participating (on behalf of Occidental) in the remediation of property adjoining Chemicals Company's former Greens Bayou facility where dichloro-diphenyl-trichloroethane ("DDT") and certain other chemicals were manufactured. Additionally, in 2007 the parties entered into a Memorandum of Agreement ("MOA") with federal and state natural resources trustees in connection with claims for natural resources damages. In 2008, the Final Damage Assessment and Restoration Plan/Environmental Assessment was approved specifying the restoration projects to be implemented. During the first half of 2011, Tierra negotiated, on behalf of Occidental, a draft Consent Decree with governmental agencies of the United States and Texas addressing natural resource damages at the Greens Bayou Site. The Consent Decree was signed by the parties in January 2013 through which it is agreed to reimburse certain costs incurred by the aforementioned governmental agencies and conducting two restoration projects for a total amount of U.S.$0.8 million. Although the primary work was largely finished in 2009, some follow-up activities and operation and maintenance remain pending. As of December 31, 2013, YPF Holdings has accrued approximately Ps.23 million for its estimated share of the remediation and the MOA associated with the Greens Bayou facility. The remediation activities were largely finished in 2009, but some minor closure activities, as well as ongoing operations and maintenance, are still in progress.

In June 2005, the EPA designated Maxus as a potentially responsible party (PRP) at the Milwaukee Solvay Coke & Gas Site in Milwaukee, Wisconsin. The basis for this designation is Maxus' alleged status as the successor to Pickands Mather & Co. and Milwaukee Solvay Coke Co., companies that the EPA has asserted are former owners or operators of such site. In 2006, Maxus and four other PRPs entered into a Joint Participation and Defense Agreement, and in January 2007 those PRPs and EPA entered into an AOC to perform a RI/FS regarding the investigation of "upland" soil and groundwater, as well as sediment in the Kinnickinnic River. Maxus' exposure at the Site appears tied to the 1966-1973 time period, although there is some dispute about it. The PRP Agreement includes an interim allocation, under which Maxus has a substantial share. Preliminary work in connection with the RI/FS in respect of this site commenced in the second half of 2006.

On June 6, 2012 the PPR Group submitted a proposed Field Sampling Plan (FSP) that included detailed plans for the remaining upland investigation and a phased approach to the sediment investigation. In July 2012, EPA responded to the FSP requiring expanded sediment sampling as part of the next phase of the investigation and additional evaluation for the possible presence of distinct coal and coke layers on parts of the upland portion of the Site. In December 2012, EPA approved the PRP Group's revised FSP, and the PRP Group commenced upland and sediment investigation activities. The estimated cost of implementing the field work associated with the FSP is approximately U.S.$0.8 million.

YPF Holdings has accrued approximately Ps.3 million as of December 31, 2013 for its estimated share of the costs of the RI/FS. The main area of concern and focus is the extent of river sediment investigation that will be required. Maxus lacks sufficient information to determine additional exposure or costs, if any, it might have in respect of this site.

Maxus is responsible for certain liabilities attributable to Occidental, as successor to Chemicals Company, in respect of the Malone Service Company Superfund Site in Galveston County, Texas. This site is a former waste disposal site where Chemicals Company is alleged to have sent waste products prior to September 1986. The potentially responsible parties, including Maxus on behalf of Occidental, formed a PRP Group to finance and perform an AOC RI/FS. The RI/FS has been completed and the EPA has selected a Final Remedy, the EPA Superfund Division Director signed the Record of Decision on September 30, 2009. The PRP Group signed the Consent Decree in the second quarter of 2012, and it became effective in July 2012. During 2012 and 2013, the PRP Group proceeded with the planning and design phase with remediation expected to take place in 2014. As of December 31, 2013 the Company has reserved approximately Ps.5 million in connection with its obligations for this matter. Chemicals Company has also been designated as a PRP by the EPA under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") with respect to a number of third-party sites where hazardous substances from Chemicals Company's plant operations allegedly were disposed or have come to be located. Numerous PRPs have been named at substantially all of these sites. At several of these, Chemicals Company has no known exposure. At December 31, 2013, YPF Holdings had accrued approximately Ps.23 million in connection with its estimated share of costs related to the Milwaukee Solvay Coke & Gas Site, the Malone Service Company Superfund Site, and the other sites mentioned in this paragraph.

Dallas Litigation. In 2002, Occidental sued Maxus and Tierra in state court in Dallas, Texas seeking a declaration that Maxus and Tierra have the obligation under the agreement pursuant to which Maxus sold Chemicals Company to Occidental to defend and indemnify Occidental from and against certain historical obligations of Chemicals Company, notwithstanding the fact that said agreement contains a 12-year cut-off for defense and indemnity obligations with respect to most litigation. Tierra was dismissed as a party, and the matter was tried in May 2006. The trial court decided that the 12-year cut-off period did not apply and entered judgment against Maxus. This decision was affirmed by the Court of Appeals in February 2008. Maxus' petition to the Texas Supreme Court for review was denied. This decision will require Maxus to accept responsibility for various matters for which it has refused to indemnify Occidental since 1998, which could result in the incurrence of costs in addition to YPF Holdings' current accrued for this matter. This decision will also require Maxus to reimburse Occidental for past costs. In 2009, Maxus received a statement from Occidental of the costs Occidental believed to be due under the judgment, in the amount of U.S.$16.7 million. In March 2009, Maxus paid U.S.$14.9 million in respect of court costs, interests through the end of 2007 and estimates of future costs for which Maxus could become liable under the declaratory judgment. In September 2009, Maxus paid to Occidental U.S.$1.9 million. In March 2012, Maxus paid to OCC U.S.$0.6 million covering OCC's costs for 2010 and 2011, and in September 2012 Maxus paid to OCC an additional U.S.$31

thousand for OCC's costs for the first semester of 2012. Maxus anticipates that OCC's costs in the future under the Dallas case will not exceed those incurred in the first semester of 2012. As of December 31, 2013, only approximately U.S.$6.5 million of disputed claims (relating to Occidental's internal costs) remains pending. Maxus has allowances for this claimed amount. A significant category of claims refused by Maxus on the basis of its interpretation of the 12-year clause, were claims relating to "Agent Orange." All pending Agent Orange litigation was dismissed in December 2009. Although it is possible that additional claimants may come forward in the future, it is estimated that no significant liability will result from this category of claims.

The remaining claims refused consist primarily of claims of personal injury from exposure to vinyl chloride monomer ("VCM"), and other chemicals, although they are not expected to result in significant liability. However, the declaratory judgment includes liability for claims arising in the future, if any, which are currently unknown as of the date of this report, and if such claims arise, they could result in additional liability. As of December 31, 2013, YPF Holdings had accrued approximately Ps.2 million in respect of these matters.

Turtle Bayou Litigation. In March 2005, Maxus agreed to defend Occidental, as successor to Chemicals Company, in respect of an action seeking the contribution of costs for the remediation of the Turtle Bayou waste disposal site in Liberty County, Texas. Judgment was entered in this action, and Maxus filed a motion for reconsideration which was partially successful. The court's decision was appealed by Maxus In June 2010, the Court of Appeals ruled that the District Court had committed errors in the admission of certain documents and remanded the case to the District Court for further proceedings. A new ruling was issued in January 2011, requiring Maxus to pay, on behalf of Occidental, 15.86% of the costs incurred by one of the plaintiffs. On behalf of Occidental, Maxus filed its appeal in the February 2011, and the Court of Appeals affirmed the District Court's ruling in March 2012. Maxus paid to the plaintiff, on behalf of Occidental, U.S.$2 million in June 2012 covering past costs. As of December, 2013, YPF Holdings has accrued approximately Ps.6 million in respect of this matter.

Ruby Mhire Litigation. In May 2008, Ruby Mhire and others ("Mhire") brought suit against Maxus and third parties, alleging that various parties including a predecessor of Maxus had contaminated certain property in Cameron Parish, Louisiana, during oil and gas activities on the property; Maxus' predecessor operated on the property from 1969 to 1989. The Mhire plaintiffs demanded remediation and other compensation from approximately U.S.$159 million to U.S.$210 million, basing themselves on plaintiffs' expert's study. During June 2012, the parties in the case held a court-ordered mediation. Plaintiff sought U.S.$30 million from Maxus and two parties which was rejected by the defendants. On June 11, 2013, Maxus signed a Settlement Agreement with the plaintiffs pursuant to which Maxus shall make installment payments totaling $12 million over three years and also perform remediation at the site, which is estimated to cost between $1 and $3 million. On July 31, 2013, the 38th Judicial District Court for the Parish of Cameron, State of Louisiana, approved the Settlement Agreement following receipt on July 8, 2013 of the No Objection Letter from the Louisiana Department of Natural Resources, Office of Conservation. On August 5, 2013, pursuant to the Settlement Agreement, Maxus made an initial payment of $2 million and on December 31, 2013, Maxus made a second payment of $3 million. YPF Holdings, including its subsidiaries, is a party to various other lawsuits, the outcomes of which are not expected to have a material adverse affect on the company's financial condition. YPF Holdings has established accrued for legal contingencies and environmental issues in those situations where a loss is probable and can be reasonably estimated.

Dividend Policy

See "Item 10. Additional Information—Dividends."

ITEM 9. The Offer and Listing

Shares and ADSs

New York Stock Exchange

The ADSs, each representing one Class D share, are listed on the NYSE under the trading symbol "YPF." The ADSs began trading on the NYSE on June 28, 1993, and were issued by The Bank of New York Mellon as depositary (the "Depositary").

The following table sets forth, for the five most recent full financial years and for the current financial year, the high and low closing prices in U.S. dollars of our ADSs on the NYSE:

	High	*Low*
2009	47.00	16.81
2010	50.60	33.89
2011	54.58	31.25
2012	41.14	9.57
2013	34.17	12.26
2014[(1)]	33.08	21.85

(1) Through March 21, 2014

The following table sets forth, for each quarter of the most recent two financial years and for each quarter of the current financial year, the high and low closing prices in U.S. dollars of our ADSs on the NYSE.

	High	*Low*
2012:		
First Quarter	41.14	26.21
Second Quarter	24.01	10.25
Third Quarter	13.69	11.26
Fourth Quarter	15.81	9.57
2013:		
First Quarter	17.45	12.60
Second Quarter	15.21	12.26
Third Quarter	20.98	14.84
Fourth Quarter	34.17	20.00
2014:		
First Quarter[(1)]	33.08	21.85

(1) Through March 21, 2014

The following table sets forth, for each of the most recent six months and for the current month, the high and low closing prices in U.S. dollars of our ADSs on the NYSE.

	High	*Low*
2013:		
September	20.98	17.23
October	22.68	20.05
November	29.95	20.00
December	34.17	28.06
2014:		
January	33.08	22.19
February	28.29	21.85
March[(1)]	29.88	26.17

(1) Through March 21, 2014

According to data provided by The Bank of New York Mellon, as of March 12, 2014, there were 183,956,404 ADSs outstanding and 66 holders of record of ADSs. Such ADSs represented approximately 46.8% of the total number of issued and outstanding Class D shares as of such date. Excluding ADSs owned by Repsol YPF, outstanding ADSs represented 34.9% of the total number of outstanding Class D shares as of March 12, 2014. Repsol Group was the holder of 46.6 million of our ADSs at that date.

Buenos Aires Stock Market

The Buenos Aires Stock Market is the principal Argentine market for trading the ordinary shares.

The Buenos Aires Stock Market (*Mercado de Valores de Buenos Aires*, or "*MERVAL*") is the largest stock market in Argentina and is affiliated with the BASE. MERVAL is a corporation consisting of 134 shareholders who are the sole individuals or entities authorized to trade, either as principals or agents, in the securities listed on the BASE. Trading on the BASE is conducted either through the traditional auction system from 11 a.m. to 5 p.m. on trading days, or through the Computer-Assisted Integrated Negotiation System (*Sistema Integrado de Negociación Asistida por Computación*, or "*SINAC*"). SINAC is a computer trading system that permits trading in both debt and equity securities and is accessed by brokers directly from workstations located in their offices. Currently, all transactions relating to listed negotiable obligations and listed government securities can be effectuated through SINAC. In order to control price volatility, MERVAL imposes a 15-minute suspension on trading when the price of a security registers a variation in price between 10% and 15% and between 15% and 20%. Any additional 5% variation in the price of a security will result in an additional 10-minute successive suspension period.

Investors in the Argentine securities market are mostly individuals and companies. Institutional investors, which are responsible for a growing percentage of trading activity, consist mainly of insurance companies and mutual funds.

Certain information regarding the Argentine stock market is set forth in the table below

	2013	2012	2011	2010	2009	2008
Market capitalization (in billions of pesos)(1)	3,356	2,300	1,611	1,900	2,185	1,234
As percent of GDP(1)	124%	107%	87%	132%	191%	119%
Volume (in millions of pesos)	367,830	242,324	207,805	177,613	133,208	237,790
Average daily trading volume (in millions of pesos)	1,526.3	1,005.5	848.2	722.0	545.93	962.71

(1) End-of-period figures for trading on the BASE.

Source: Instituto Argentino de Mercado de Capitales.

The following table sets forth, for the five most recent full financial years and for the current financial year, the high and low prices in Argentine pesos of our Class D shares on the Buenos Aires Stock Market:

	High	Low
2009	162.00	64.00
2010	205.00	137.00
2011	222.60	150.50
2012	188.50	66.50
2013	294.00	181.00
2014(1)	330.00	250.00

(1) Through March 21, 2014

The following table sets forth, for each quarter of the most recent two financial years and for each quarter of the current financial year, the high and low prices in Argentine pesos of our Class D shares on the Buenos Aires Stock Market.

	High	Low
2012:		
First Quarter	188.50	125.00
Second Quarter	125.00	66.50
Third Quarter	90.25	73.00
Fourth Quarter	104.00	66.50
2013:		
First Quarter	133.50	101.30
Second Quarter	136.00	106.00
Third Quarter	192.00	115.00
Fourth Quarter	294.00	181.00
2014:		
First Quarter(1)	330.00	250.00

(1) Through March 21, 2014

The following table sets forth, for each of the most recent six months and for the current month, the high and low prices in Argentine pesos of our Class D shares on the Buenos Aires Stock Market.

	High	Low
2013:		
September	192.00	148.00
October	213.00	181.00
November	264.50	185.00
December	294.00	237.00
2014:		
January	330.00	261.00
February	297.00	250.00
March(1)	311.50	276.00

(1) Through March 21, 2014

As of December 31, 2013, there were approximately 17,985 holders of Class D shares in Buenos Aires Stock Market.

Stock Exchange Automated Quotations System International

The ADSs are also quoted on the Stock Exchange Automated Quotations System International.

Argentine Securities Market

The securities market in Argentina is composed of 13 stock exchanges, which are located in the City of Buenos Aires (the "BASE"), Bahía Blanca, Chaco, Corrientes, Córdoba, La Plata, La Rioja, Mendoza, Rosario, Salta, Santa Fe, and Tucumán. Six of these exchanges (the BASE, Rosario, Córdoba, La Rioja, Mendoza, and Santa Fe) have affiliated stock markets and, accordingly, are authorized to quote publicly offered securities. Securities listed on these exchanges include corporate equity and bonds and government securities.

The BASE, which began operating in 1854, is the principal and longest-established exchange in Argentina. Bonds listed on the BASE may simultaneously be listed on the Argentine over-the-counter market (*Mercado Abierto Electrónico*, or "*MAE*"), pursuant to an agreement between BASE and MAE that stipulates that equity securities are to be traded exclusively on the BASE, while debt securities (both public and private) may be traded on both the MAE and the BASE. In addition, through separate agreements with the BASE, all of the securities listed on the BASE may be listed and subsequently traded on the Córdoba, Rosario, Mendoza, La Plata and Santa Fe exchanges, by virtue of which many transactions originating on these exchanges relate to BASE-listed companies and are subsequently settled in Buenos Aires. Although companies may list all of their capital stock on the BASE, controlling shareholders in Argentina typically retain the majority of a company's capital stock, resulting in a relatively small percentage of active trading of the companies' stock by the public on the BASE.

Argentina's equity markets have historically been composed of individual investors, though in recent years there has been an increase in the level of investment by banks and insurance companies in these markets; however, Argentine mutual funds (*fondos comunes de inversión*) continue to have very low participation.

Regulation of the Argentine securities market

The Argentine securities market is regulated and overseen by the CNV, pursuant to Law No. 26,831 ("Stocks Market Law") which governs the regulation of security exchanges, as well as stockbroker transactions, market operations, the public offering of securities, corporate governance matters relating to public companies and the trading of futures and options. Argentine institutional investors and insurance companies are regulated by separate government agencies, whereas financial institutions are regulated primarily by the Central Bank.

In Argentina, debt and equity securities traded on an exchange or the over-the-counter market must, unless otherwise instructed by their shareholders, be deposited with Stock Exchange Incorporated (Caja de Valores S.A.), a corporation owned by the BASE, MERVAL and certain provincial exchanges. Stock Exchange Incorporated is the central securities depositary of Argentina and provides central depositary facilities, as well as acting as a clearinghouse for securities trading and as a transfer and paying agent for securities transactions. Additionally, it handles the settlement of securities transactions carried out by the BASE and operates SINAC.

Despite a change in the legal framework of Argentine securities trading in the early 2000s, which established new disclosure requirements and standards of liability for issuers and underwriters; a new tender offers regulation and others minority investors rights; and new standards in corporate governance among other regulatory changes introduced by Decree 677/01 (the "Transparency Decree"), there is still a relatively low level of regulation of the market for Argentine securities and investors' activities in such markets and enforcement of them has been limited. Because of the limited exposure and regulation in these markets, there may be less publicly available information about Argentine companies than is regularly published by or about companies in the United States and certain other countries. However, the CNV has taken significant steps to strengthen disclosure and regulatory standards for the Argentine securities market, including the issuance of regulations prohibiting insider trading and requiring insiders to report on their ownership of securities, with associated penalties for noncompliance.

Almost all the provisions of the Transparency Decree have been incorporated in the recently new securities law, Law No. 26,831 enacted in 2012, the "Stocks Market Law," which applies to individuals and entities that participate in the public offering of securities, as well as to stock exchanges. Among the key provisions of the Transparency Decree that has been incorporated in the new Stocks Market Law, are the following: the definition of a "security," that governs the treatment of negotiable securities; the corporate governance requirements, including the obligations for publicly listed companies to form audit committees composed of three or more members of the Board of Directors (the majority of whom must be independent under CNV regulations); regulations for market stabilization transactions under certain circumstances, regulations that governs insider trading, market manipulation and securities fraud and regulates going-private transactions and acquisitions of voting shares, including controlling stakes in public companies. In addition to this, the Stocks Market Law included very relevant changes for the modernization and future design of the capital market, like the demutualization of the stock exchanges; new regulatory powers and resources for the CNV; a mandatory tender offer system and other provisions, like the new requirements for brokers/dealers and other market participants. These provisions were regulated by

the CNV with Resolution No. 622/2013. Before offering securities to the public in Argentina, an issuer must meet certain requirements established by the CNV with regard to the issuer's assets, operating history and management. Only securities approved for a public offering by the CNV may be listed on a stock exchange. However, CNV approval does not imply any kind of certification as to the quality of the securities or the solvency of the issuer, even though issuers of listed securities are required to file unaudited quarterly financial statements and audited annual financial statements in accordance with the international accounting standards (IFRS) and various other periodic reports with the CNV and the stock exchange on which their securities are listed, as well as to report to the CNV and the relevant stock exchange any event related to the issuer and its shareholders that may affect materially the value of the securities traded.

Money laundering regulations

Recent modifications to Argentine money laundering regulations have resulted in their application to increasing numbers and types of securities transactions.

The notion of money laundering is generally used to refer to transactions aimed at introducing funds derived from unlawful activities into the institutionalized system and therefore, transforming profits obtained from unlawful activities into assets having a presumed lawful origin.

Law No. 25,246 (as subsequently amended by Law No. 26,087, Law No. 26,119, Law No. 26,268 and Law No 26,683) provides for an administrative criminal system and replaces several sections of the Argentine Criminal Code, incorporating, among other matters, the definition of money laundering as a type of crime committed whenever a person converts, transfers, manages, sells, charges, conceals or otherwise markets any asset derived from a criminal offense, with the possible consequence that the original assets or substitutes thereof appear to come from a lawful source, provided that the total value of the asset exceeds Ps.300,000 regardless of whether such amount results from one act or a series of related acts.

According to Article 303 of the Argentine Criminal Code, money laundering (as defined above) shall be punished with three to ten years of imprisonment and a fine of two to ten times the amount of the transactions made. The penalty prescribed above shall be increased by one third of the maximum and one half of the minimum if: (a) the wrongdoer carries out the act on a regular basis or as a member of an association or gang organized with the purpose of continuously committing acts of a similar nature; (b) if the primary wrongdoer is a public officer who committed the infringement in the exercise of his/her duties (in such a case, the wrongdoer shall also be punished by special disqualification for three to ten years, and the same penalty shall apply to a wrongdoer who commits the offense in the service of a profession or trade requiring special qualification). The individual who receives money or other assets derived from a criminal offense with the purpose of applying them to a money laundering transaction shall be punished with imprisonment from six months to three years. If the value of the assets is not over Ps.300,000, the wrongdoer will be punished with imprisonment from six months to three years. The provisions in this section shall apply even when the criminal offense is committed outside the geographical jurisdiction of the Argentine Criminal Code, so long as the crime is also penalized in the jurisdiction where it was committed.

Article 277 of the Argentine Criminal Code sets forth that an imprisonment of between six months and three years shall be applied (with varying minimum terms attaching depending on the particular circumstances) to any person who helps a perpetrator to avoid investigation, obscures or destroys evidence of a crime, acquires, receives, hides or alters money or other proceeds from a crime, does not report the commission of the crime or does not identify the perpetrator or participant in a crime with knowledge that such person would have been obliged to assist in the criminal prosecution of such crime and/or aids or abets the perpetrator or participant to make safe the proceeds of the crime. The minimum and maximum terms of punishment shall be doubled when: (a) the offense implies a particularly serious crime (for which minimum penalty is higher than 3 years of imprisonment); (b) the abettor acts for profit; (c) the abettor habitually commits concealment acts; or (d) the abettor is a public official.

Law No. 25,246 contemplates that the legal entity whose management collected or provided assets or money, whatever their value, knowing that such assets were to be used by a terrorist organization, may be subject to a fine between five to 20 times the value of such assets. Furthermore, whenever the management of the legal entity infringes the duty to treat the information submitted to the Financial Information Unit (Unidad de Información Financiera) ("UIF") as confidential, the legal entity shall be subject to a fine between Ps.50,000 to Ps.500,000. Additionally such regulation created the UIF as an autonomous and financially self-sufficient entity within the jurisdiction of the Argentine Ministry of Justice and Human Rights, in charge of analyzing, treating and transmitting information in order to preclude and prevent money laundering. Pursuant to this legislation, the UIF is empowered to receive and request reports, documents, background and any other information deemed useful to fulfill its duties from any public entity, whether federal, provincial or municipal, and from individuals or public or private entities, all of which entities must furnish such information in accordance with Law No. 25,246. Whenever the information furnished or analyses performed by the UIF show the existence of sufficient evidence to suspect that a money laundering or terrorist financing crime has been committed, the UIF shall transmit such evidence to the Government Attorney's Office so that it may start the relevant criminal action, and the UIF may appear as an accusing party to such proceedings. Moreover, Law No. 26,087 mandates that banking secrecy or professional privilege, or legal or contractual commitments, cannot be considered exceptions to the compliance with the obligation to submit information to the UIF in the context of an investigation of suspicious activity.

The main goal of Law No. 25,246 is to prevent money laundering. In line with internationally accepted practices, the duty to control such illegal transactions is not concentrated solely in Argentine federal governmental entities but also distributed among several private sector entities such as banks, brokers, brokerage firms and insurance companies. Such duties mainly consist of data collection functions, such as: (i) gathering from clients, applicants or contributors any documentation sufficient to prove their identity, legal capacity, domicile and further data as necessary on a case by case basis; (ii) reporting any suspicious fact or transaction irrespective of its amount; and (iii) abstaining from disclosing to the client or third parties any procedures being followed pursuant to law. According to Law No. 25,246 a suspicious transaction shall mean any transaction that, in accordance with standard business practices and in the experience of the entities and individuals subject to reporting obligations, is regarded as unusual, unjustified from an economic or legal standpoint, or unnecessarily complex, whether it is a one-time transaction or a series of transactions.

Resolution No. 121/2011 issued by the UIF ("Resolution 121"), amended by Resolution No. 1/12, 68/13 and 03/14, is applicable to financial entities subject to Law No. 21,526, to entities subject to the Law No. 18,924, as amended, and to natural and legal entities authorized by the Argentine Central Bank to intervene in the purchase and sale of foreign currency through cash or checks issued in foreign currency or through the use of credit or payment cards, or in the transfer of funds within or outside the national territory. Resolution No. 229/2011 of the UIF ("Resolution 229") amended by Resolution No 1/12 and 03/14, is applicable to brokers and brokerage firms, companies managing common investment funds, agents of the over-the-counter market, intermediaries in the purchase or leasing of securities affiliated with stock exchange entities with or without associated markets, and intermediary agents registered on forwards or option markets. Resolution 121 and Resolution 229 regulate, among other matters, the obligation to collect documentation from clients and the terms, obligations and restrictions for compliance with the reporting duty regarding suspicious money laundering and terrorism financing operations.

Resolution 121 and Resolution 229 set forth general guidelines in connection with the client's identification (including the distinction between occasional and regular clients), the information to be requested, the documentation to be archived and the procedures to detect and report suspicious transactions. Moreover, the main duties established by such resolutions are the following: a) creating a manual establishing the mechanisms and procedures to be used to prevent money laundering and terrorism financing; b) designation of a compliance officer; c) the implementation of periodic audits; d) personnel training; e) elaboration of analysis records and risk management of detected unusual operations and of those which have been reported because they were considered suspicious; f) implementation of technological tools which allow the establishment of efficient control systems and prevention of money laundering and terrorism financing; and g) implementation of measures which allow Subjects Obliged under Resolution 121 and Subjects Obliged under Resolution 229, respectively, to electronically consolidate the operations carried out with clients, and electronic tools which allow the analysis and control of different variables in order to identify certain behaviors and observe possible suspicious transactions. Entities covered by Resolution 121 must report any money laundering suspicious activity to the UIF within 30 calendar days of its occurrence (or attempt) and any terrorism financing suspicious activity before a 48 hours period has elapsed.

According to this Resolution 229, unusual transactions are those attempted or consummated transactions, on a one-time or on a regular basis, without economic or legal justification, inconsistent with the economic and financial profile of the client, and which deviate from standard market practices, based on their frequency, regularity, amount, complexity, nature or other particular features. According to Resolution 229, an unusual transaction is one that, considering the suitability of the reporter in light of the activity it carries out, and the analysis made, may be suspicious of money laundering and financing terrorism. On other hand, suspicious transactions are those attempted or consummated transactions that, having been previously identified as unusual transactions, are inconsistent with the lawful activities declared by the client or, even if related to lawful activities, give rise to suspicion that they are linked or used to finance terrorism.

Likewise, Resolution 229 provides for a list of factors which shall be specially taken into account in order to determine whether a transaction should be reported to UIF, including but not limited to: (i) clients who refuse to provide data or documents required by Resolution 229, or data provided by clients which is proved to be irregular; (ii) clients attempting to avoid compliance with the requirements set forth by Resolution 229 or other anti-money laundering regulations; (iii) indications about the illicit origin, management or destination of funds and other assets used in the transactions, in respect of which the reporting person or company does not receive a viable explanation; (iv) transactions involving countries or jurisdictions which are deemed tax heavens or identified as non cooperative by the Financial Action Task Force ("FATF"); (v) the purchase or sale of securities at prices conspicuously higher or lower that those quoted at the moment the transaction is consummated; (vi) the purchase of securities at extremely high prices; (vii) transactions where the client declares assets not consistent with the size of their business, thereby implying the possibility that such client is not acting in its own name but as an agent of an anonymous third party; (viii) investment transactions with securities for high nominal values, which are not consistent with the volume of securities historically negotiated according to the client's transactional profile; and (ix) the receipt of an electronic transfer of funds without all the required information.

In addition, the CNV Rules establish that brokers and brokerage firms, and companies managing common investment funds, agents of the over-the-counter market, intermediaries in the purchase or lease of securities affiliated with stock exchange entities with or without associated markets and intermediary agents registered on forwards or option markets, and individuals or legal entities acting as trustees, for any type of trust fund, and individuals or legal entities, owners of or related to, directly or indirectly, with trust accounts, trustees and grantors in the context of a trust agreement, shall comply with Law No. 25,246, the UIF's rulings and the CNV's regulations. Additionally, companies managing common investment funds, any person acting as placement agent or

performing activities relating to the trading of common investment funds, any person acting as placement agent in any primary issuance of marketable securities, and any issuer with respect to capital contributions, irrevocable capital contributions for future issuances of stock or significant loans, must also comply with such regulations.

Such resolutions also contain certain requirements for the reception and delivery of checks and payments made between the individuals and entities listed above, as well as the prohibition of transactions relating to the public offering of securities, when they are consummated or ordered by individuals or companies domiciled or residing in domains, jurisdictions, territories or associated states not included in the list of Decree 589/2013 (Regulatory Law of Income Tax No. 20,628 and its amendments), among other provisions, which mainly includes jurisdictions considered "cooperating for the purpose of tax transparency." Brokers and dealers must duly know their clients and apply policies and maintain adequate structures and systems in line with a policy against money laundering and terrorist financing. Also, interested investors undertake the obligation to submit any information and documents that may be required in order to comply with criminal regulations and other laws and regulation in connection with money laundering, including capital markets' regulations preventing money laundering issued by the UIF and similar regulations issued by the CNV.

ITEM 10. Additional Information

Capital Stock

Our capital stock consists of Ps.3,933,127,930, divided into 3,764 Class A shares, 7,624 Class B shares, 40,422 Class C shares and 393,260,983 Class D shares, each fully subscribed and paid, with a par value of ten pesos each and the right to one vote per share. Our total capital stock has not changed since December 31, 2004.

In November 1992, the Privatization Law became effective. Pursuant to the Privatization Law, in July 1993, we completed a worldwide offering of 160 million Class D shares, representing approximately 45% of our outstanding capital stock, which had been owned by the Argentine government. Concurrently with the completion of such offering, the Argentine government transferred approximately 40 million Class B shares to the Argentine provinces, which represented approximately 11% of our outstanding capital stock, and made an offer to holders of pension bonds and certain other claims to exchange such bonds and other claims for approximately 46.1 million Class B shares, representing approximately 13% of our outstanding capital stock. As a result of these transactions, the Argentine government's ownership percentage of our capital stock was reduced from 100% to approximately 30%, including shares that had been set aside to be offered to our employees upon establishment of the terms and conditions by the Argentine government in accordance with Argentine law. The shares set aside to be offered to employees represented 10% of our outstanding capital stock.

In July 1997, the Class C shares set aside for the benefit of our employees in conjunction with the privatization, excluding approximately 1.5 million Class C shares set aside as a reserve against potential claims, were sold through a global public offering, increasing the percentage of our outstanding shares of capital stock held by the public to 75%. Proceeds from the transactions were used to cancel debt related to the employee plan, with the remainder distributed to participants in the plan. Additionally, Resolution 1,023/06 of the Ministry of Economy, dated December 21, 2006, effected the transfer to the employees covered by the employee share ownership plan, or PPP, of 1,117,717 Class C shares, corresponding to the Class C shares set aside as a reserve against potential claims, and reserving 357,987 Class C shares until a decision was reached in a pending lawsuit. Subsequently, with a final decision having been reached in the lawsuit, and consistent with the mechanism of conversion of Class C shares into Class D shares established by Decree 628/1997 and its accompanying rules, as of December 31, 2009, 1,447,983 Class C shares had been converted into Class D shares. In 2010, a former employee of the company who was allegedly excluded from the Argentine government's YPF PPP, filed a claim against YPF seeking recognition of his status as a shareholder of YPF. In addition, the Federation of Former Employees of YPF joined the proceeding as a supporting third-party claimant, purportedly acting on behalf of other former employees who were also allegedly excluded from the PPP. Pursuant to the plaintiff's request, the federal judge of first instance of Bell Ville, in the province of Cordoba, granted a preliminary injunction (the "Preliminary Injunction"), ordering that any sale of shares of YPF or any other transaction involving the sale, assignment or transfer of shares of YPF carried out by Repsol YPF or YPF be suspended, unless the plaintiff and other beneficiaries of the PPP, organized under the Federation of Former Employees of YPF, are involved or participate in such transactions. We filed an appeal against such decision, requesting that the Preliminary Injunction be revoked. In addition, we requested the recusal of the federal judge of first instance of Bell Ville and the issuance of a preliminary injunction offsetting the effects of the Preliminary Injunction. On March 1, 2011, we were notified that the intervening judge had allowed our appeal, suspending the effects of the Preliminary Injunction. In addition, a preliminary injunction was granted to explicitly allow the free disposition of our shares, provided that Repsol YPF, directly or indirectly continues to own at least 10% of our shares. On December 5, 2011, the Court of Appeals confirmed this preliminary injunction and modified the Preliminary Injunction of the federal judge of first instance of Bell Ville. Both the federal judge of first instance of Bell Ville, on July 21, 2011, and the Court of Appeals, on December 15, 2011, decided in favor of the jurisdiction the federal court in Buenos Aires to resolve this matter. Under the jurisprudence of the Federal Supreme Court of Argentina (upholding numerous decisions of the relevant Courts of Appeals), YPF should not be held liable for claims of this nature related to the PPP. Through Law No. 25.471, the Argentine government assumed sole responsibility for any compensation to be received by YPF's former employees who were excluded from the PPP.

The Class A shares held by the Argentine government became eligible for sale in April 1995 upon the effectiveness of legislation which permitted the Argentine government to sell such shares. In January 1999, Repsol YPF acquired 52,914,700 Class A shares in block (14.99% of our shares) which were converted to Class D shares. Additionally, on April 30, 1999, Repsol YPF announced a tender offer to purchase all outstanding Class A, B, C and D shares at a price of U.S.$44.78 per share (the "Offer"). Pursuant to the Offer, in June, 1999, Repsol YPF acquired an additional 82.47% of our outstanding capital stock. On November 4, 1999, Repsol YPF acquired an additional 0.35%. On June 7, 2000, Repsol YPF announced a tender offer to exchange newly issued Repsol YPF's shares for 2.16% of our Class B, C and D shares held by minority shareholders. Pursuant to the tender offer, and after the merger with Astra Compañía Argentina de Petróleo, S.A. ("Astra") and Repsol Argentina, S.A., Repsol YPF owned 330,551,981 Class D shares and therefore controlled us through a 99.04% ownership interest until 2008. Following the different transactions that started in 2008, Repsol YPF ended up with a total ownership of 57.43% in April 2012.

The Expropriation Law has significantly changed our shareholding structure. The Class D shares subject to expropriation from Repsol YPF or its controlling or controlled entities, which represent 51% of our share capital and have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. In addition, the Argentine federal government and certain provincial governments already own our Class A and Class B shares. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina—The Argentine federal government has taken control over the Company and will operate it according to domestic energy policies in accordance with the Expropriation Law."

As of the date of this annual report, the transfer of the shares subject to expropriation between National Executive Office and the provinces that compose the National Organization of Hydrocarbon Producing States was still pending. According to Article 8 of the Expropriation Law, the distribution of the shares among the provinces that accept their transfer must be conducted in an equitable manner, considering their respective levels of hydrocarbon production and proved reserves. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. In addition, in accordance with Article 9 of the Expropriation Law, each of the Argentine provinces to which shares subject to expropriation are allocated must enter into a shareholder's agreement with the federal government which will provide for the unified exercise of its rights as a shareholder. See "Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law" and "Item 7. Major Shareholders and Related Party Transactions."

Memorandum and Articles of Association

YPF's by-laws were approved by National Executive Decree No. 1,106, dated May 31, 1993, and notarized by public deed No. 175, dated June 15, 1993 at the National Notary Public Office, sheet 801 of the National Registry, and registered at the Inspection Board of Legal Entities of the Argentine Republic on the same date, June 15, 1993 under number 5,109 of the book of Corporations number 113, volume "A."

At a Shareholder's Meeting on April 14, 2010, YPF's shareholders approved an amendment to YPF's by-laws. Copies of the by-laws, which have been filed as described in "Item 19. Exhibits" in this annual report, are also available at the offices of YPF.

For a detailed description of YPF's object and purpose, see "Item 4. Information on the Company." YPF's object is set forth in Section 4 of its by-laws.

Pursuant to Argentine Corporations Law No. 19,550 (the "Corporations Law"), the Board of Directors or the Supervisory Committee shall call either annual general or extraordinary shareholders' meetings in the cases provided by law and whenever they consider appropriate. Shareholders representing not less than 5% of YPF's capital stock may also request that a shareholders' meeting be called.

A shareholders' meeting shall be called at least twenty days prior to the meeting date by notice published in the legal publications journal for a period of five days. The notice shall include the nature, date, time and place of the meeting, the agenda to be discussed and the specific requirements shareholders must meet to attend the meeting.

In order to attend the meeting, shareholders must obtain a deposit certificate from a broker or from the depository trust company. This certificate will allow each shareholder to be registered in the attendance book which closes three business days before the date on which the meeting will be held. YPF will issue to each shareholder a deposit certificate required for admission into the meeting. Shares certified and registered in the attendance book shall not be disposed of before the meeting is held unless the corresponding deposit is cancelled.

Directors, members of the Supervisory Committee and senior managers are both entitled and required to attend all shareholders' meetings. These persons may only exercise voting power to the extent they have been previously registered as shareholders, in accordance with the provisions described in the above paragraph. Nevertheless, these persons are not allowed to vote on any proposal regarding to the approval of their management duties or their removal for cause.

Shareholders' Meetings

Pursuant to the Argentine Corporations Law, the Board of Directors or the Supervisory Committee shall call either annual ordinary or extraordinary shareholders' meetings in the cases provided by law and whenever they consider appropriate. Shareholders representing not less than 5% of our capital stock may also request that a shareholders' meeting be called, in which case the meeting must take place within 40 days of such shareholders' request. If the Board of Directors or the Supervisory Committee fails to call a meeting following such a request, a meeting may be ordered by the CNV or by the courts.

Shareholders' meetings may be ordinary meetings or extraordinary meetings. We are required to convene and hold an ordinary meeting of shareholders within four months of the closing of each fiscal year to consider the matters specified in the first two paragraphs of Section 234 of the Argentine Corporations Law, such as the approval of our financial statements, allocation of net income for such fiscal year, approval of the reports of the Board of Directors and the Audit Committee and election, performance and remuneration of directors and members of the Supervisory Committee. In addition,, pursuant to the Stocks Market Law, at ordinary shareholders' meetings, shareholders must consider (i) the disposition of, or creation of any lien over, assets as long as such decision has not been performed in the ordinary course of business and (ii) the execution of administration or management agreements and whether to approve any agreement by virtue of which the assets or services provided to us are paid partial or totally with a percentage of our income, results or earnings, if the payment is material when measured against the volume of the ordinary course of business and our shareholders' equity. Other matters which may be considered at an ordinary shareholders' meeting convened and held at any time include the responsibility of directors and members of the Supervisory Committee, capital increases and the issuance of certain notes. Extraordinary shareholders' meetings may be called at any time to consider matters beyond the authority of an ordinary meeting including, without limitation, the amendment of our by-laws, issuance of debentures, early dissolution, merger, spin-off, reduction of capital stock and redemption of shares, transformation from one type of entity to another and limitation or suspension of shareholders' preemptive rights.

Notices of meetings

Notice of shareholders' meetings must be published for five days in the Official Gazette, in an Argentina newspaper of wide circulation and in the bulletin of the Buenos Aires Stock Exchange, at least 20 but not more than 45 days prior to the date on which the meeting is to be held. Such notice must include information regarding the type of meeting to be held, the date, time and place of such meeting and the agenda. If a quorum is not available at such meeting, a notice for a meeting on second call, which must be held within 30 days of the date on which the first meeting was called, must be published for three days at least eight days before the date of the meeting on second call. The above-described notices of shareholders' meetings may be effected simultaneously for the meeting on second call to be held on the same day as the first meeting, only in the case of ordinary meetings. Shareholders' meetings may be validly held without notice if all the shares of our outstanding share capital are present and resolutions are adopted by unanimous vote of shares entitled to vote.

Quorum and voting requirements

Except as described below, the quorum for ordinary meetings of shareholders on first call is a majority of the shares entitled to vote, and action may be taken by the affirmative vote of an absolute majority of the shares present that are entitled to vote on such action. If a quorum is not available at the first meeting, a meeting on second call may be held at which action may be taken by the holders of an absolute majority of the shares present, regardless of the number of such shares. The quorum for an extraordinary shareholders' meeting on first call is 60% of the shares entitled to vote, and if such quorum is not available, a meeting or second call may be held, at which action may be taken by the holders of an absolute majority of the shares present, regardless of the number of such shares.

Our by-laws establish that in order to approve (i) the transfer of our domicile outside Argentina, (ii) a fundamental change of the corporate purpose set forth in our by-laws, (iii) delisting of our shares in the BASE or NYSE, and (iv) a spin-off by us, when as a result of such spin-off more than 25% of our assets are transferred to the resulting corporations, a majority of the shares representing 75% or more of our voting shares is required, both in first and second call. Our by-laws also establish that in order to approve (i) certain amendments to our by-laws concerning tender offers of shares (as described below), (ii) the granting of certain guarantees in favor of our shareholders, (iii) full stop of refining, commercialization and distribution activities and (iv) rules regarding appointment, election and number of members of our Board of Directors, a majority of the shares representing 66% or more of our voting shares is required, both in first and second call, as is the affirmative vote of the Class A shares, granted in a special meeting of the holders of such shares.

In order to attend the meeting, shareholders must deposit their shares, or a certificate representing book-entry shares issued by a bank, clearing house or depository trust company, with us. This certificate will allow each shareholder to be registered in the attendance book which closes three business days before the date on which the meeting will be held. We will issue to each shareholder a deposit certificate required for admission into the meeting. Shares certified and registered in the attendance book may not be disposed of before the meeting is held unless the corresponding deposit is cancelled.

Under the Argentine Corporations Law, foreign companies that own shares in an Argentine corporation are required to register with the Superintendent of Corporations (*Inspección General de Justicia*, or "IGJ") in order to exercise certain shareholder rights, including voting rights. Such registration requires the filing of certain corporate and accounting documents. Accordingly, if a shareholder owns Class D shares directly (rather than in the form of ADSs) and it is a non-Argentine company, and such shareholder fails to register with the IGJ, the ability to exercise its rights as a holder of Class D shares may be limited.

Directors, members of the Supervisory Committee and senior managers are both entitled and required to attend all shareholders' meetings. These persons may only exercise voting power to the extent they have been previously registered as shareholders, in accordance with the provisions described in the above paragraph. Nevertheless, these persons are not allowed to vote on any proposal regarding the approval of their management duties or their removal for cause.

Shareholders who have a conflict of interest with us and who do not abstain from voting may be liable for damages to us, but only if the transaction would not have been approved without such shareholders' votes. Furthermore, shareholders who willfully or negligently vote in favor of a resolution that is subsequently declared void by a court as contrary to the law or our by-laws may be held jointly and severally liable for damages to us or to other third parties, including shareholders.

Directors

Election of Directors

Our business and affairs are managed by the Board of Directors in accordance with our by-laws and the Argentine Corporations Law. Our by-laws provide for a Board of Directors of 11 to 21 members, and up to an equal number of alternates. Alternates are those elected by the shareholders to replace directors who are absent from meetings or who are unable to exercise their duties, when and for whatever period appointed to do so by the Board of Directors. Alternates have the responsibilities, duties and powers of directors only if and to the extent they are called upon to attend board meetings or for such longer period as they may act as replacements.

Directors shall hold office from one to three years, as determined by the shareholders' meetings. Since the shareholders' general ordinary and extraordinary meeting held on April 30, 2013 and its continuation on May 30, 2013, our Board of Directors is composed of 17 directors and 12 alternates.

In accordance with our by-laws, the Argentine government, sole holder of Class A shares, is entitled to elect one director and one alternate.

Under the Argentine Corporations Law, a majority of our directors must be residents of Argentina. All directors must establish a legal domicile in Argentina for service of notices in connection with their duties.

Our by-laws require the Board of Directors to meet at least once every quarter in person or by video conference, and a majority of directors is required in order to constitute a quorum. If a quorum is not met one hour after the start time set for the meeting, the President or his substitute may invite alternates of the same class as that of the absent directors to join the meeting, or call a meeting for another day. Resolutions must be adopted by a majority of the directors present, and the President or his substitute is entitled to cast the deciding vote in the event of a tie.

Duties and liabilities of Directors

In accordance with the Argentine Corporations Law, directors have an obligation to perform their duties with loyalty and with the diligence of a prudent business person. Directors are jointly and severally liable to us, our shareholders and to third parties for the improper performance of their duties, for violating the law or our by-laws or regulations, and for any damage caused by fraud, abuse of authority or gross negligence. Specific duties may be assigned to a director by the by-laws, company regulations, or by resolution of the shareholders' meeting. In such cases, a director's liability will be determined by reference to the performance of such duties.

Only shareholders, through a shareholders' meeting may authorize directors to engage in activities in competition with us. Transactions or contracts between directors and us in connection with our activities are permitted to the extent they are performed under fair market conditions. Transactions that do not comply with the Argentine Corporations Law require prior approval of the Board of Directors or the Supervisory Committee. In addition, these transactions must be subsequently approved by the shareholders at a general meeting. If our shareholders do not approve the relevant transaction, the directors and members of the Supervisory Committee who approved such transactions are jointly and severally liable for any damages caused to us.

Any director whose personal interests are adverse to ours shall notify the Board of Directors and the Supervisory Committee and abstain from voting on such matters. Otherwise, such director may be held liable to us.

A director will not be liable if, notwithstanding his presence at the meeting at which a resolution was adopted or his knowledge of such resolution, a written record exists of his opposition to such resolution and he reports his opposition to the Supervisory Committee before any complaint against him is brought before the Board of Directors, the Supervisory Committee, the shareholders' meeting, the appropriate governmental agency or the courts. Any liability of a director to us terminates upon approval of the director's actions by the shareholders at a general meeting, provided that shareholders representing at least 5% of our capital stock do not object and provided further that such liability does not result from a violation of the law, our by-laws or other regulations.

Foreign Investment Legislation

Under the Argentine Foreign Investment Law, as amended, and its implementing regulations (together, referred to as the "Foreign Investment Legislation"), the purchase of shares of an Argentine corporation by an individual or legal entity domiciled abroad or by an Argentine company of "foreign capital" (as defined in the Foreign Investment Legislation) constitutes foreign investment. Currently, foreign investment in industries other than broadcasting, purchase land located in frontier and other security areas by foreigners and limits on the ownership of rural land by foreign individuals or legal entities according to Law 26,737, is not restricted, and no prior approval is required to make foreign investments. No prior approval is required in order to purchase Class D shares or ADSs or to exercise financial or corporate rights thereunder.

Dividends

Under our by-laws, all Class A, Class B, Class C and Class D shares rank equally with respect to the payment of dividends. All shares outstanding as of a particular record date share equally in the dividend being paid, except that shares issued during the period to which a dividend relates may be entitled only to a partial dividend with respect to such period if the shareholders' meeting that approved the issuance so resolved. No provision of our by-laws or of the Argentine Corporations Law gives rise to future special dividends only to certain shareholders.

The amount and payment of dividends are determined by majority vote of our shareholders voting as a single class, generally, but not necessarily, on the recommendation of the Board of Directors. In addition, under the Argentine Corporations Law, our Board of Directors has the right to declare dividends subject to further approval of shareholders at the next shareholders' meeting.

In the shareholders' agreement entered into by Repsol YPF and Petersen Energía in connection with the Petersen Transaction, they had agreed to effect the adoption of a dividend policy under which we would distribute 90% of our net income as dividends, starting with our net income for 2007. In 2011 we paid Ps.5,565 million (Ps.14.15 per share) with respect to 2010 earnings. However, after the passage of the Expropriation Law, at our Shareholder's meeting held on July 17, 2012 a dividend of Ps.303 million (Ps.0.77 per share or ADS) was authorized for payment during 2012. Recently the Company approved its 2013-2017 Strategic Plan which provides for an increased level of investments that will require a significant reinvestment of earnings and therefore considers a potential dividend distribution consistent with such strategy. Furthermore, at the shareholders' general ordinary and extraordinary meeting held on April 30, 2013 and its continuation on May 30, 2013 a dividend of Ps.326 million (Ps.0. 83 per share or ADS) was authorized for payment during 2013.

The following table sets forth for the periods and dates indicated, the quarterly dividend payments made by us, expressed in pesos.

	Pesos Per Share/ADS				
Year Ended December 31,	*1Q*	*2Q*	*3Q*	*4Q*	*Total*
2004	—	9.00	—	4.50	13.50
2005	—	8.00	—	4.40	12.40
2006	—	6.00	—	—	6.00
2007	6.00	—	—	—	6.00
2008	10.76	6.50	—	6.35	23.61
2009	—	6.30	—	6.15	12.45
2010	—	5.50	—	5.80	11.30
2011	—	7.00	—	7.15	14.15
2012	—	—	—	0.77	0.77
2013	—	—	0.83	—	0.83

Amount Available for Distribution

Under Argentine law, dividends may be lawfully paid only out of our retained earnings reflected in the annual audited financial statements prepared in accordance with accounting rules prevailing in Argentina and CNV regulations and approved by a shareholders' meeting. The Board of Directors of a listed Argentine company may declare interim dividends, in which case each member of the Board and of the Supervisory Committee is jointly and severally liable for the repayment of such dividend if retained earnings at the close of the fiscal year in which the interim dividend was paid would not have been sufficient to permit the payment of such dividend.

According to the Argentine Corporations Law and our by-laws, we are required to maintain a legal reserve of 20% of our then-outstanding capital stock. The legal reserve is not available for distribution to shareholders.

Under our by-laws, our net income is applied as follows:

- first, an amount equivalent to at least 5% of net income, plus (less) prior year adjustments, is segregated to build the legal reserve until such reserve is equal to 20% of our subscribed capital;
- second, an amount is segregated to pay the accrued fees of the members of the Board of Directors and of the Supervisory Committee (see "Item 6. Directors, Senior Management and Employees—Compensation of Directors and Officers");
- third, an amount is segregated to pay dividends on preferred stock, if any; and
- fourth, the remainder of net income may be distributed as dividends to common shareholders or allocated for voluntary or contingent reserves as determined by the shareholders' meeting.

Our Board of Directors submits our financial statements for the preceding fiscal year, together with reports thereon by the Supervisory Committee and the auditors, at the annual ordinary shareholders' meeting for approval. Within four months of the end of each fiscal year, an ordinary shareholders' meeting must be held to approve our yearly financial statements and determine the allocation of our net income for such year.

Under applicable CNV regulations, cash dividends must be paid to shareholders within 30 days of the shareholders' meeting approving such dividends or, in the case in which the shareholders' meeting delegates the authority to distribute dividends to the Board of Directors, within 30 days of the Board of Directors' meeting approving such dividends. In the case of stock dividends, shares are required to be delivered within three months of our receipt of notice of the authorization of the CNV for the public offering of the shares arising from such dividends. In accordance with the Argentine Commercial Code, the statute of limitations to the right of any shareholder to receive dividends declared by the shareholders' meeting is three years from the date on which it has been made available to the shareholder.

Owners of ADSs are entitled to receive any dividends payable with respect to the underlying Class D shares. Cash dividends are paid to the Depositary in pesos, directly or through The Bank of New York S.A., although we may choose to pay cash dividends outside Argentina in a currency other than pesos, including U.S. dollars. The deposit agreement provides that the Depositary shall convert cash dividends received by the Depositary in pesos to dollars, to the extent that, in the judgment of the Depositary, such conversion may be made on a reasonable basis, and, after deduction or upon payment of the fees and expenses of the Depositary, shall make payment to the holders of ADSs in U.S. dollars.

Preemptive and Accretion Rights

Except as described below, in the event of a capital increase, a holder of existing shares of a given class has a preferential right to subscribe a number of shares of the same class sufficient to maintain the holder's existing proportionate holdings of shares of that class. Preemptive rights also apply to issuances of convertible securities, but do not apply upon conversion of such securities. Pursuant to the Argentine Corporations Law, in exceptional cases and on a case-by-case basis when required for our best interest, the shareholders at an extraordinary meeting with a special majority may decide to limit or suspend shareholders' preemptive rights, provided that such limitation or suspension of the shareholders' preemptive rights is included in the agenda of the meeting and the shares to be issued are paid in kind or are issued to cancel preexisting obligations.

Under our by-laws, we may only issue securities convertible into Class D shares, and the issuance of any such convertible securities must be approved by a special meeting of the holders of Class D shares.

Holders of ADSs may be restricted in their ability to exercise preemptive rights if a registration statement under the Stocks Market Law relating thereto has not been filed or is not effective. Preemptive rights are exercisable during the 30 days following the last publication of notice informing shareholders of their right to exercise such preemptive rights in the Official Gazette and in an Argentine newspaper of wide circulation. Pursuant to the Argentine Corporations Law, if authorized by an extraordinary

shareholders' meeting, companies authorized to make public offering of their securities, such as us, may shorten the period during which preemptive rights may be exercised from 30 to ten days following the publication of notice of the offering to the shareholders to exercise preemptive rights in the Official Gazette and a newspaper of wide circulation in Argentina. Pursuant to our by-laws, the terms and conditions on which preemptive rights may be exercised with respect to Class C shares may be more favorable than those applicable to Class A, Class B and Class D shares.

Shareholders who have exercised their preemptive rights have the right to exercise accretion rights, in proportion to their respective ownership, with respect to any unpreempted shares, in accordance with the following procedure:

- Any unpreempted Class A shares will be converted into Class D shares and offered to holders of Class D shares that exercised preemptive rights and indicated their intention to exercise additional preemptive rights with respect to any such Class A shares.
- Any unpreempted Class B shares will be assigned to those provinces that exercised preemptive rights and indicated their intention to exercise accretion rights with respect to such shares; any excess will be converted into Class D shares and offered to holders of Class D shares that exercised preemptive rights and indicated their intention to exercise accretion rights with respect to any such Class D shares.
- Any unpreempted Class C shares will be assigned to any PPP participants who exercised preemptive rights and indicated their intention to exercise accretion rights with respect to such shares; any excess will be converted into Class D shares and offered to holders of Class D shares that exercised preemptive rights and indicated their intention to exercise accretion rights with respect to any such Class C shares.
- Any unpreempted rights will be assigned to holders of Class D shares that exercised their preemptive rights and indicated their intention to exercise accretion rights; any remaining Class D shares will be assigned *pro rata* to any holder of shares of another class that indicated his or her intention to exercise accretion rights.

The term for exercise of additional preemptive rights is the same as that fixed for exercising preemptive rights.

Voting of the Underlying Class D Shares

Under the by-laws, each Class A, Class B, Class C and Class D share entitles the holder thereof to one vote at any meeting of the shareholders of YPF, except that a specified number of Directors is elected by majority vote of each class (except as provided below). See "—Directors—Election of Directors" above for information regarding the number of directors that holders of each class of shares are entitled to elect and certain other provisions governing nomination and election of directors. The Depositary has agreed that, as soon as practicable after receipt of a notice of any meeting of shareholders of YPF, it will mail a notice to the holders of ADRs, evidencing ADSs, registered on the books of the Depositary which will contain the following:

- a summary in English of the information contained in the notice of such meeting;
- a statement that the holders of ADRs at the close of business on a specified record date will be entitled, subject to any applicable provisions of Argentine law, the by-laws of YPF and the Class D shares, to instruct the Depositary to exercise the voting rights, if any, pertaining to the Class D shares evidenced by their respective ADSs; and
- a statement as to the manner in which such instructions may be given to the Depositary.

The Depositary shall endeavor, to the extent practicable, to vote or cause to be voted the amount of Class D shares represented by the ADSs in accordance with the written instructions of the holders thereof. The Depositary will vote Class D shares, as to which no instructions are received, in accordance with the recommendations of the Board of Directors of YPF. The Depositary will not vote Class D shares, as to which no instructions have been received, in accordance with the recommendations of the Board of Directors, however, unless YPF has provided to the Depositary an opinion of Argentine counsel stating that the action recommended by the Board of Directors is not illegal under Argentine law or contrary to the by-laws or Board regulations of YPF. In addition, the Depositary will, if requested by the Board of Directors and unless prohibited by any applicable provision of Argentine law, deposit all Class D shares represented by ADSs for purposes of establishing a quorum at meetings of shareholders, whether or not voting instructions with respect to such shares have been received.

Voting

Under our by-laws, each Class A, Class B, Class C and Class D share entitles the holder thereof to one vote at any meeting of our shareholders, except that the Class A shares (i) vote separately with respect to the election of our Board of Directors and are entitled to appoint one director and one alternate director and, (ii) have certain veto rights, as described below.

Class A Veto Rights

Under the by-laws, so long as any Class A shares remain outstanding, the affirmative vote of such shares is required in order to: (i) decide upon the merger of the company; (ii) approve any acquisition of shares by a third party representing more than 50% of the company's capital; (iii) transfer to third parties all the exploitation rights granted to YPF pursuant to the Hydrocarbons Law, applicable regulations thereunder or the Privatization Law, if such transfer would result in the total suspension of the company's exploration and production activities; (iv) voluntarily dissolve the company and, (v) transfer our legal or fiscal domicile outside Argentina. The actions described in clauses (iii) and (iv) above also require prior approval of the Argentine Congress through enactment of a law.

Reporting Requirements

Pursuant to our by-laws, any person who, directly or indirectly, through or together with its affiliates and persons acting in concert with it, acquires Class D shares or securities convertible into Class D shares, so that such person controls more than 3% of the Class D shares, is required to notify us of such acquisition within five days of such acquisition, in addition to complying with any requirements imposed by any other authority in Argentina or elsewhere where our Class D shares are traded. Such notice must include the name or names of the person and persons, if any, acting in concert with it, the date of the acquisition, the number of shares acquired, the price at which the acquisition was made, and a statement as to whether it is the purpose of the person or persons to acquire a greater shareholding in, or control of, us. Each subsequent acquisition by such person or persons requires a similar notice.

Certain Provisions Relating to Acquisitions of Shares

Pursuant to our by-laws:

- each acquisition of shares or convertible securities, as a result of which the acquirer, directly or indirectly through or together with its affiliates and persons acting in concert with it (collectively, an "Offeror"), would own or control shares that, combined with such Offeror's prior holdings, if any, of shares of such class, would represent:
  - 15% or more of the outstanding capital stock, or
  - 20% or more of the outstanding Class D shares; and
- each subsequent acquisition by an Offeror (other than subsequent acquisitions by an Offeror owning or controlling more than 50% of our capital prior to such acquisition) (collectively, "Control Acquisitions"), must be carried out in accordance with the procedure described under "Restrictions on Control Acquisitions" below.

In addition, any merger, consolidation or other combination with substantially the same effect involving an Offeror that has previously carried out a Control Acquisition, or by any other person or persons, if such transaction would have for such person or persons substantially the same effect as a Control Acquisition ("Related Party Share Acquisition"), must be carried out in accordance with the provisions described under "—Restrictions on Related Party Share Acquisitions." The voting, dividend and other distribution rights of any shares acquired in a Control Acquisition or a Related Party Share Acquisition carried out other than in accordance with such provisions will be suspended, and such shares will not be counted for purposes of determining the existence of a quorum at shareholders' meetings.

The Expropriation Law has not triggered these obligations.

Restrictions on Control Acquisitions

Prior to consummating any Control Acquisition, an Offeror must obtain the approval of the Class A shares, if any are outstanding, and make a public tender offer for all of our outstanding shares and convertible securities. The Offeror will be required to provide us with notice of, and certain specified information with respect to, any such tender offer at least fifteen business days prior to the commencement of the offer, as well as the terms and conditions of any agreement with any shareholder proposed for the Control Acquisition (a "Prior Agreement"). We will send each shareholder and holder of convertible securities a copy of such notice at the Offeror's expense. The Offeror is also required to publish a notice containing substantially the same information in a newspaper of general circulation in Argentina, New York and each other city in which our securities are traded on an exchange or other securities market, at least once per week, beginning on the date notice is provided to us, until the offer expires.

Our Board of Directors shall call a special meeting of the Class A shares to be held ten business days following the receipt of such notice for the purpose of considering the tender offer. If the special meeting is not held, or if the shareholders do not approve the tender offer at such meeting, neither the tender offer nor the proposed Control Acquisition may be completed.

The tender offer must be carried out in accordance with a procedure specified in our by-laws and in accordance with any additional or stricter requirements of jurisdictions, exchanges or markets in which the offer is made or in which our securities are traded. Under the by-laws, the tender offer must provide for the same price for all shares tendered, which price may not be less than the highest of the following (the "Minimum Price"):

(i) the highest price paid by, or on behalf of, the Offeror for Class D shares or convertible securities during the two years prior to the notice provided to us, subject to certain antidilution adjustments with respect to Class D shares;

(ii) the highest closing price for the Class D shares on the BASE during the thirty-day period immediately preceding the notice provided to us, subject to certain antidilution adjustments;

(iii) the price resulting from clause (ii) above multiplied by a fraction, the numerator of which shall be the highest price paid by or on behalf of the Offeror for Class D shares during the two years immediately preceding the date of the notice provided to us and the denominator of which shall be the closing price for the Class D shares on the BASE on the date immediately preceding the first day in such two-year period on which the Offeror acquired any interest in or right to any Class D shares, in each case subject to certain antidilution adjustments; and

(iv) the net earnings per Class D share during the four most recent full fiscal quarters immediately preceding the date of the notice provided to us, multiplied by the higher of (A) the price/earnings ratio during such period for Class D shares (if any) and (B) the highest price/earnings ratio for us in the two-year period immediately preceding the date of the notice provided to us, in each case determined in accordance with standard practices in the financial community.

Any such offer must remain open for a minimum of 20 days and a maximum of 30 days following the provision of notice to the shareholders or publication of the offer, plus an additional period of a minimum of five days and a maximum of ten days required by CNV regulations, and shareholders must have the right to withdraw tendered shares at any time up until the close of the offer. Following the close of such tender offer, the Offeror will be obligated to acquire all tendered shares or convertible securities, unless the number of shares tendered is less than the minimum, if any, upon which such tender offer was conditioned, in which case the Offeror may withdraw the tender offer. Following the close of the tender offer, the Offeror may consummate any Prior Agreement within thirty days following the close of the tender offer; provided, however, that if such tender offer was conditioned on the acquisition of a minimum number of shares, the Prior Agreement may be consummated only if such minimum was reached. If no Prior Agreement existed, the Offeror may acquire the number of shares indicated in the notice provided to us on the terms indicated in such notice, to the extent such number of shares were not acquired in the tender offer, provided that any condition relating to a minimum number of shares tendered has been met.

The Expropriation Law has not triggered these obligations.

Restrictions on Related Party Share Acquisitions

The price per share to be received by each shareholder in any Related Party Share Acquisition must be the same as, and must not be less, than the highest of the following:

(i) the highest price paid by or on behalf of the party seeking to carry out the Related Party Share Acquisition (an "Interested Shareholder") for (A) shares of the class to be transferred in the Related Party Share Acquisition (the "Class") within the two-year period immediately preceding the first public announcement of the Related Party Share Acquisition or (B) shares of the Class acquired in any Control Acquisition, in each case as adjusted for any stock split, reverse stock split, stock dividend or other reclassification affecting the Class;

(ii) the highest closing sale price of shares of the Class on the BASE during the thirty days immediately preceding the announcement of the Related Party Share Acquisition or the date of any Control Acquisition by the Interested Shareholder, adjusted as described above;

(iii) the price resulting from clause (ii) multiplied by a fraction, the numerator of which shall be the highest price paid by or on behalf of the Interested Shareholder for any share of the Class during the two years immediately preceding the announcement of the Related Party Transaction and the denominator of which shall be the closing sale price for shares of the Class on the date immediately preceding the first day in the two-year period referred to above on which the Interested Shareholder acquired any interest or right in shares of the Class, in each case as adjusted as described above; and

(iv) the net earnings per share of the shares of the Class during the four most recent full fiscal quarters preceding the announcement of the Related Party Transaction multiplied by the higher of the (A) the price/earnings ratio during such period for the shares of the Class and (B) the highest price/earnings ratio for us in the two-year period preceding the announcement of the Related Party Transaction, in each case determined in accordance with standard practices in the financial community.

In addition, any transaction that would result in the acquisition by any Offeror of ownership or control of more than 50% of our capital stock, or that constitutes a merger or consolidation of us, must be approved in advance by the Class A shares while any such shares remain outstanding.

Material Contracts

None.

Exchange Regulations

See "Item 3. Key Information —Exchange Regulations" for information on the monetary and currency exchange control restrictions in effect in Argentina.

Taxation

Argentine Tax Considerations

The following discussion is a summary of the material Argentine tax considerations relating to the purchase, ownership and disposition of our Class D shares or ADSs.

Dividends tax

Dividends paid on our Class D shares or ADSs, whether in cash, property or other equity securities, are not subject to income tax withholding, except for dividends paid in excess of our taxable accumulated income for the previous fiscal period, which are subject to withholding at a rate of 35% in respect of such excess. This is a final tax, and it is not applicable if dividends are paid in shares (*acciones liberadas*) rather than in cash.

Personal assets tax

Argentine individuals and undivided estates, foreign individuals and undivided estates, and foreign entities are subject to personal assets tax of 0.5% of the value of any shares or ADSs issued by Argentine entities, held at December 31 of each year. The tax is levied on the Argentine issuers of such shares or ADSs, such as the Company, which must pay this tax in substitution of the relevant shareholders, and is based on the equity value (*valor patrimonial proporcional*), or the book value of the shares derived from the latest financial statements at December 31 of each year. Pursuant to the Personal Assets Tax Law, we are entitled and expect to seek reimbursement of such paid tax from the applicable shareholders, including by foreclosing on the shares, or by withholding dividends.

Tax on debits and credits in bank accounts

Tax on debits and credits in bank accounts is levied, with certain exceptions, for debits and credits on checking accounts maintained at financial institutions located in Argentina and other transactions that are used as a substitute for the use of checking accounts. The general tax rate is 0.6% for each debit and credit, although in certain cases a decreased rate may apply. The account holder may use up to 34% of the tax paid in respect of credits as a credit against other federal taxes.

Value added tax

The sale, exchange or other disposition of our Class D shares or ADSs and the distribution of dividends are exempt from the value added tax.

Transfer taxes

The sale, exchange or other disposition of our Class D shares or ADSs is not subject to transfer taxes.

Stamp taxes

Stamp taxes may apply in certain Argentine provinces if transfer of our Class D shares or ADSs is performed or executed in such jurisdictions by means of written agreements. Transfer of our Class D shares or ADSs is exempt from stamp tax in the City of Buenos Aires.

Estate and gift tax

The Province of Buenos Aires has imposed a tax on the reception of assets through inheritance or gift, effective January 1, 2011. The tax rates vary from 4% to 21.95%, depending on the value of the transferred assets and the relationship between the transferor and the transferee. The transfer of Class D shares or ADSs among residents of the Province of Buenos Aires shall be subject to this tax if other applicable conditions are met.

Other taxes

Subject to the discussion above regarding estate and gift taxes in the Province of Buenos Aires, there are no Argentine inheritance or succession taxes applicable to the ownership, transfer or disposition of our Class D shares or ADSs. In addition, neither the minimum presumed income tax nor any local gross turnover tax is applicable to the ownership, transfer or disposition of our Class D shares or ADSs.

In the case of litigation regarding the Class D shares or ADSs before a court of the City of Buenos Aires, a 3% court fee would be charged, calculated on the basis of the claim.

Tax treaties

Argentina has tax treaties for the avoidance of double taxation currently in force with Australia, Belgium, Bolivia, Brazil, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Russia, Spain, Sweden, Switzerland, the United Kingdom and Uruguay. The tax treaty between Argentina and Spain had remained in force until December 31, 2012. The new one has been signed but not ratified by their governments. There is currently no tax treaty or convention in effect between Argentina and the United States. It is not clear when, if ever, a treaty will be ratified or entered into effect. As a result, the Argentine tax consequences described in this section will apply, without modification, to a holder of our Class D shares or ADSs that is a U.S. resident. Foreign shareholders located in certain jurisdictions with a tax treaty in force with Argentina may be (i) exempted from the payment of the personal assets tax and (ii) entitled to apply for reduced withholding tax rates on payments to be made by Argentine parties.

Recent modifications to the Income Tax Law

On September 23, 2013, Law Nº 26,893 introducing modifications to the Income Tax was published in the Official Gazette. The abovementioned modifications are mainly related to the taxability of the income originating for the purchase and sale of shares and the collection of dividends. The scope of the law was clarified by means of the Regulatory Decree 2334. Below is a description of the main modifications introduced by Law Nº 26,893:

- **Income originating from the purchase and sale of shares**
  - As from its entry into force, any income originated from the disposal of shares, quotas, equity interests, certificates, bonds and other securities, shall be taxable regardless of the subject that holds them.
  - However, the income originating from the transfer of those securities listed in the stock exchange or securities market (and obtained by undivided state and individuals residing in the country) is exempted.
  - The income obtained by overseas beneficiaries originating from the disposal of shares, quotas, equity interests, certificates, bonds and other securities, is also subject to the tax.
  - When ownership corresponds to a subject abroad and the acquirer is also an individual or legal entity abroad, the tax will be borne by the purchaser of the shares, quotas, equity interests or other security.
  - The tax aliquot is 15%. Furthermore, it was established that when income was obtained by a subject abroad, the calculation of the tax, at the option of the taxpayer, shall be performed by using any of the methods detailed below:
    - Applying the 15% aliquot on 90% of the sums paid.
    - Applying the 15% aliquot, on the sum resulting from the deduction of the gross profit paid or credited, the expenses incurred in the country necessary for its obtaining, maintenance and conservation, as well as the deductions admitted by the Income Tax Law.

- **Distribution of Dividends**

The collection of dividends and profits, in cash or in kind, except for shares or quotas, distributed by companies and other entities incorporated in the country mentioned by article a), paragraphs 1,2,3,6 and 7 e paragraph b), of article 69 of the Income Tax Law, are included in the 10% aliquot, except for the dividends received by companies and other local entities, which are still not computed for tax purposes (regardless of its application, in this case, the so-called "Equalization Tax").

Dividends distributed to overseas beneficiaries shall be subject to a one-time 10% withholding. Therefore, every distribution of dividends performed by the Company to its shareholders shall be covered by the extension of the scope of the tax, except for those beneficiaries that are local "subjects- companies."

United States Federal Income Tax Considerations

The following are the material U.S. federal income tax consequences of owning and disposing of our Class D shares or ADSs. This discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to hold such securities.

This discussion applies only if you are a U.S. Holder (as defined below) and you hold our Class D shares or ADSs as capital assets for U.S. federal income tax purposes, and it does not describe all of the tax consequences that may be relevant to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and traders in securities or financial instruments, who use a mark-to-market method of tax accounting;
- persons holding Class D shares or ADSs as part of a hedge, "straddle," wash sale, conversion transaction, integrated transaction or similar transaction or persons entering into a constructive sale with respect to the Class D shares or ADSs;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- persons liable for the alternative minimum tax;
- persons who acquired our Class D shares or ADSs pursuant to the exercise of an employee stock option or otherwise as compensation;
- persons holding Class D shares or ADSs in connection with a trade or business conducted outside of the United States;
- tax-exempt entities, including "individual retirement accounts" or "Roth IRAs"; or
- persons holding Class D shares or ADSs that own or are deemed to own ten percent or more of our voting stock.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Class D shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partnerships holding Class D shares or ADSs and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of the Class D shares or ADSs.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. It is also based in part on representations by the Depositary and assumes that each obligation under the deposit agreement and any related agreement will be performed in accordance with its terms.

You are a "U.S. Holder" if you are a beneficial owner of Class D shares or ADSs and are, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, if you own ADSs, you will be treated as the owner of the underlying shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if you exchange ADSs for the underlying shares represented by those ADSs.

The U.S. Treasury has expressed concerns that parties to whom American depositary shares are released before the underlying shares are delivered to the depositary, or intermediaries in the chain of ownership between U.S. Holders and the issuer of the shares underlying the American depositary shares, may be taking actions that are inconsistent with the claiming of foreign tax credits by U.S. holders of American depositary shares. Such actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the analysis of the creditability of Argentine taxes, and the availability of the reduced tax rate for dividends received by certain non-corporate holders, each described below, could be affected by actions taken by such parties or intermediaries.

Please consult your own tax adviser concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of Class D shares or ADSs in your particular circumstances.

This discussion assumes that YPF is not, and will not become, a passive foreign investment company, as described below.

Taxation of distributions

Distributions paid on Class D shares or ADSs, other than certain *pro rata* distributions of ordinary shares, will be treated as dividends to the extent paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of earnings and profits under U.S. federal income tax principles, it is expected that distributions will generally be reported to U.S. Holders as dividends. Subject to applicable limitations (including a minimum holding period requirement), the discussion above regarding concerns expressed by the U.S. Treasury and the discussion below regarding Passive foreign investment company rules, certain dividends paid by qualified foreign corporations to certain non-corporate U.S. Holders in taxable years before January 1, 2013 were taxable at a maximum rate of 15%. Beginning after December 31, 2012, the

maximum capital gains rate to such non-corporate U.S. Holders increased from 15% to 20% for securities being held longer than one year and some non-corporate U.S. Holders may also be subject to a 3.8% net investment surtax. A foreign corporation is treated as a qualified foreign corporation with respect to dividends paid on stock that is readily tradable on an established securities market in the United States, such as the NYSE, where our ADSs are listed. You should consult your own tax adviser to determine whether the favorable rate may apply to dividends you receive in respect of our Class D shares or ADSs and whether you are subject to any special rules that limit your ability to be taxed at this favorable rate. The amount of a dividend will include any amounts withheld by us in respect of Argentine income taxes. The dividends will be treated as foreign-source dividend income and will not be eligible for the dividends-received deduction generally allowed to U.S. corporations under the Code.

Any dividends paid in Argentine pesos will be included in your income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of your, or in the case of ADSs, the Depositary's, receipt of the dividend, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, you generally would not recognize foreign currency gain or loss in respect of the dividend income. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt. Foreign currency gain or loss that you recognize will generally be treated as U.S.-source ordinary income.

Subject to applicable limitations (including a minimum holding period requirement) that may vary depending upon your circumstances and, in the case of ADSs, subject to the discussion above regarding concerns expressed by the U.S. Treasury, Argentine income taxes, if any, withheld from dividends on Class D shares or ADSs will be creditable against your U.S. federal income tax liability. Amounts paid on account of the Argentine personal assets tax will not be eligible for credit against your U.S. federal income tax liability. You should consult your tax adviser to determine the tax consequences applicable to you as a result of the payment of the Argentine personal assets tax or the withholding of the amount of such tax from distributions, including whether such amounts are includible in income or are deductible for U.S. federal income tax purposes. The rules governing the foreign tax credit are complex. You are urged to consult your tax adviser regarding the availability of the foreign tax credit under your particular circumstances.

Sale or other disposition of Class D shares or ADSs

For U.S. federal income tax purposes, gain or loss you realize on the sale or other disposition of Class D shares or ADSs will, subject to the discussion below regarding Passive foreign investment company rules, be capital gain or loss and will be long-term capital gain or loss if you held the Class D shares or ADSs for more than one year. The amount of your gain or loss will be equal to the difference between the amount realized on the disposition and your tax basis in the relevant Class D shares or ADSs, each as determined in U.S. dollars. Such gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive foreign investment company rules

YPF believes that it was not a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes for the taxable year of 2013 and does not expect to be a PFIC in the foreseeable future. However, since PFIC status depends upon the composition of a company's income and assets and the market value of its assets (including, among other things, less than 25 percent owned equity investments) from time to time, there can be no assurance that YPF will not be considered a PFIC for any taxable year. If YPF were treated as a PFIC for any taxable year during which you held a Class D share or ADS, certain adverse consequences could apply to you.

If YPF were treated as a PFIC for any taxable year during which you held a Class D share or ADS, any gain you recognized on a sale or other disposition of the Class D share or ADS would be allocated ratably over your holding period for the Class D share or ADS. The amounts allocated to the taxable year of the disposition and to any year before YPF became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting tax liability. Further, the portion of any distribution in respect of Class D shares or ADSs that is in excess of 125% of the average of the annual distributions that you received on Class D shares or ADSs during the preceding three years or your holding period, whichever is shorter, would be subject to taxation in the same manner as gains. Certain elections might be available that would result in alternative treatments (such as mark-to-market treatment). U.S. Holders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

In addition, if YPF were to be treated as a PFIC in a taxable year in which it paid a dividend or prior taxable years, the capital gain rate discussed above with respect to dividends paid by qualified foreign corporations to certain non-corporate holders would not apply.

If we were a PFIC for any taxable year during which a U.S. Holder held Class D shares or ADSs, such U.S. Holder may be required to file a report containing such information as the U.S. Treasury may require.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and may be subject to backup withholding unless (i) you are an exempt recipient or (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding.

The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals may be required, generally on IRS Form 8938, to report information relating to their ownership of securities of a non-U.S. person, subject to certain exceptions (including an exception for stock held in certain accounts maintained by a U.S. financial institution, such as our ADSs). A U.S. Holder who fails to timely furnish the required information may be subject to a penalty. U.S. Holders are urged to consult their tax advisers regarding the effect, if any, of these rules on their ownership and disposition of Class D shares or ADSs.

Available Information

YPF is subject to the information requirements of the U.S. Securities Exchange Act (the "Exchange Act"), except that as a foreign issuer, YPF is not subject to the proxy rules or the short-swing profit disclosure rules of the Exchange Act. In accordance with these statutory requirements, YPF files or furnishes reports and other information with the SEC. Reports and other information filed or furnished by YPF with the SEC may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N. E., Washington, D.C. 20549. Copies of such material may be obtained by mail from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Section by calling the SEC at +1-800-732-0330. The SEC maintains a World Wide Web site on the Internet at http://www.sec.gov that contains reports and information statements and other information regarding us. Such reports and other information may also be inspected at the offices of the New York Stock Exchange, 11 Wall Street, New York, New York 10005, on which YPF's American Depositary Shares are listed.

ITEM 11. Quantitative and Qualitative Disclosures about Market Risk

The following quantitative and qualitative information is provided about financial instruments to which we are a party as of December 31, 2013, and from which we may derive gains or incur losses from changes in market, interest rates, foreign exchange rates or commodity prices. We do not enter into derivative or other financial instruments for trading purposes.

This discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results could vary materially as a result of a number of factors including those set forth in "Item 3. Key Information —Risk Factors."

Foreign currency exposure

The value of financial assets and liabilities denominated in a currency different from the Company's functional currency is subject to variations resulting from fluctuations in exchange rates. Since YPF's functional currency is the U.S. dollar, the currency that generates the greatest exposure is the Argentine peso, the Argentine legal currency. See Note 1.d to the Audited Consolidated Financial Statements).

In addition, our costs and receipts denominated in currencies other than the Argentine peso, including the U.S. dollar, often do not match. We generally follow a policy of not hedging our debt obligations in U.S. dollars. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina—We may be exposed to fluctuations in foreign exchange rates."

The Argentine peso has recently been subject to devaluation (approximately 23% during January 2014). (See "Item 5 – Operating and Financial Review and Prospects—Macroeconomic Conditions" for additional information). The main effects of a devaluation of the Argentine Peso on our net income are those related to the accounting of deferred income tax related mainly to fixed assets, which we expect would have a negative effect;current income tax which we expect would have a positive effect; increased depreciation and amortization resulting from the remeasurement in pesos of our fixed and intangible assets; and exchange rate differences as a result of our exposure to the peso, which we expect would have a positive effect due to the fact that our functional currency is the U.S. dollar.See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina—We may be exposed to fluctuations in foreign exchange rates."

As mentioned in Note 1.b to Audited Consolidated Financial Statements, the Company has determined that the U.S. dollar is its functional currency. Therefore, the effect of changes in the dollar exchange rate on dollar currency positions have no impact on the exchange difference recorded in the consolidated statements of comprehensive income included in the Audited Consolidated Financial Statements, but affect the amount of our assets and liabilities remeasured in pesos as a consequence of devaluation and considering our reporting currency (pesos). For additional information about our assets and liabilities denominated in currencies other than pesos (principally U.S. dollars) see Annex iii to our Audited Consolidated Financial Statements.

Interest rate exposure

The table below provides information about our assets and liabilities as of December 31, 2013 that may be sensitive to changes in interest rates. See "Item 3. Key Information—Risk Factors—Risks Relating to Argentina— Variations in interest rates and exchange rate on our current and/or future financing arrangements may result in significant increases in our borrowing costs."

	Expected Maturity Date							
	Less than 1 year	*1 – 2 years*	*2 – 3 years*	*3 – 4 years*	*4 – 5 years*	*More than 5 years*	*Total*	*Fair Value*
			(in millions of pesos)					
Assets								
Fixed rate								
Other Receivables	4,419	0	—	—	—	—	4,419	4,420
Interest rate	0.70%-22.5%	0.00%						
Variable rate								
Other Receivables	2,118	17	17	17	16		2,185	2,185
Interest rate	CER[(1)]+8%/0.07 %-22.26%	CER[(1)]+8%	CER[(1)]+8%	CER[(1)]+8%	CER[(1)]+8%			

	Expected Maturity Date							
	Less than 1 year	*1 – 2 years*	*2 – 3 years*	*3 – 4 years*	*4 – 5 years*	*More than 5 years*	*Total*	*Fair Value*
				(in millions of pesos)				
Liabilities								
Fixed rate								
YPF's Negotiable Obligations	3,123	754	3,672	664	4,267	704	13,184	13,401
Interest rate	2.5%-19%	0.10%-8.88%	3,5%-6,25%	1.29%-3.5%	3,5%-8,88%	3.5%-10%		
Related Parties	—	—	—	—	—	—	—	—
Interest rate								
Other debt	2,975	168	230	58	48		3,479	3,502
Interest rate	2-31%	2-15.25%	2-15.25%	2-15.25%	2-15.25%			
Variable rate								
YPF's Negotiable Obligations	865	1,329	1,284	2,699	1,586	3,515	11,278	11,279
Interest rate	BADLAR (2) +3%-+4% / LIBOR +7.5%	BADLAR (2) +3,24 + 4% / LIBOR +7.5%	BADLAR (2)+4.25% / LIBOR +7.5%	BADLAR +4.25%-+4.75% / LIBOR +7.5%	BADLAR +4.75% / LIBOR + 7.5%	BADLAR +2.25%		
Related parties	—	—	—	—	—	—	—	—
Interest rate								
Other debt	1,472	1,147	819	198	—	—	3,635	3,635
Interest rate	Libor + 4-6%/ BADLAR +4%	Libor + 4-6%/ BADLAR +4%	Libor + 4-6%/ BADLAR +4%	Libor + 4- 4.5%				

(1) *Coeficiente de Estabilización de Referencia* (CER) is a reference stabilization index established by the Public Emergency Law and published by the Argentine Central Bank.
(2) Refers to the average interest rate that banks pay for deposits of more than Ps.1 million.

Crude oil and other hydrocarbon product price exposure

Our results of operations are also exposed to volatility mainly in the prices of certain oil products, especially in connection with imports. Although we have occasionally contracted financial derivatives in the past with the aim of decreasing exposure to these commodities price risks, as of the date of this annual report YPF was not a party to any commodity hedging instruments. For information on our hydrocarbons delivery commitments as of December 31, 2013, see "Item 4. Information on the Company—Exploration and Production—Delivery commitments."

ITEM 12. Description of Securities Other than Equity Securities

American Depositary Shares

Our ADSs are listed on the NYSE under the symbol "YPF." The Bank of New York Mellon is the depositary issuing ADSs pursuant to our deposit agreement (the "Depositary"). Each ADS represents the right to receive one share.

The Depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The Depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

The table below sets forth the fees payable, either directly or indirectly, by a holder of ADSs as of the date of this annual report.

Persons depositing or withdrawing shares must pay:	For:
U.S.$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADRs (including, without limitation, issuance pursuant to a stock dividend or stock split declared by YPF, an exchange of stock or a distribution of rights) and surrender of ADRs
	Cancellation of ADSs for the purpose of withdrawal
A fee equivalent to the fee that would be payable if securities distributed to a holder had been shares and the shares had been deposited for issuance of ADSs	Sale, on behalf of the holder, of rights to subscribe for additional shares or any right of any nature distributed by YPF
Transfer fees, as may from time to time be in effect	Transfer and registration of shares on YPF share register to or from the name of the depositary or its agent when a holder deposits or withdraws shares
Expenses of the depositary	Cable, telex and facsimile transmission expenses, as provided in the deposit agreement
	Expenses incurred by the depositary in the conversion of foreign currency(1)
Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	As necessary

(1) Pursuant to our deposit agreement, whenever the depositary shall receive foreign currency, as a cash dividend or other distribution which, in the judgment of the depositary, can be converted on a reasonable basis into U.S. dollars and transferred to the United States, it will convert such foreign currency into U.S. dollars and transfer the resulting U.S. dollars (after deduction of its customary charges and expenses in effecting such conversion) to the United States.

In 2013, the Depositary made no direct or indirect payments to YPF.

PART II

ITEM 13. Defaults, Dividend Arrearages and Delinquencies

None.

ITEM 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

ITEM 15. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

As of December 31,2013, YPF, under the supervision and with the participation of YPF's management, including our current Principal Executive Officer and Principal Financial Officer (see "Item 6. Directors, Senior Management and Employees—Management of the Company"), performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(f) under the Exchange Act). There are, as described below, inherent limitations to the effectiveness of any control system, including disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives.

Based on such evaluation, YPF's Principal Executive Officer and Principal Financial Officer concluded that YPF's disclosure controls and procedures were effective at the reasonable assurance level in ensuring that information relating to YPF, required to be disclosed in reports it files under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management of YPF is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). YPF's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of YPF;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of YPF's management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, any system of internal control over financial reporting, no matter how well designed, may not prevent or detect misstatements, due to the possibility that a control can be circumvented or overridden or that misstatements due to error or fraud may occur that are not detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of YPF's management, including our current Principal Executive Officer and Principal Financial Officer (see "Item 6. Directors, Senior Management and Employees-Management of the Company"), we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria established in Internal Control-Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, our management concluded that, as of December 31, 2013, our internal control over financial reporting was effective based on those criteria.

Our internal control over financial reporting as of December 31, 2013 has been audited by Deloitte & Co. S.A., an independent registered public accounting firm, as stated in their report included in the F-pages.

Changes in Internal Control Over Financial Reporting

There has been no change in YPF's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the period covered by this annual report on Form 20-F that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

ITEM 16.

ITEM 16A. Audit Committee Financial Expert

Our Board of Directors have designated Héctor W. Valle as YPF's Audit Committee Financial Expert. Mr. Valle was designated by the Board of Directors at the meeting held on May 31, 2013. YPF believes that Mr. Valle possesses the attributes of an Audit Committee Financial Expert set forth in the instructions to Item 16A of Form 20-F. Mr. Valle is an independent director.

ITEM 16B. Code of Ethics

YPF has adopted a Code of Ethics applicable to all employees of YPF and the Board of Directors. Since its effective date on August 15, 2003, we have not waived compliance with, nor made any amendment to, the Code of Ethics. A copy of our Code of Ethics is filed as an Exhibit to this annual report. YPF undertakes to provide to any person without charge, upon request, a copy of such Code of Ethics. A copy of the Code of Ethics can be requested in writing by telephone or facsimile from us at the following address:

YPF S.A.
Office of Shareholders Relations
Macacha Güemes 515
C1106BKK Buenos Aires, Argentina
Tel. (011-54-11) 5441-5531
Fax (011-54-11) 5441-2113

ITEM 16C. Principal Accountant Fees and Services

The following table provides information on the aggregate fees billed by our principal accountants, Deloitte & Co. S.A. and affiliates by type of service rendered for the periods indicated.

	2013		2012		2011	
Services Rendered	*Fees*	*Expenses*	*Fees*	*Expenses*	*Fees*	*Fees*
			(in thousands of pesos)			
Audit Fees	18,943	295	13,988	188	12,883	110
Audit-Related Fees[(1)]	455	—	686	66	594	—
Tax Fees	85	—	—	—	—	—
All Other Fees	288	—	389	—	130	—
	19,771	295	15,063	254	13,607	110

(1) Includes the fees for the issuance of agreed upon procedures reports.

The annual shareholders' meeting of YPF appoints the external auditor of YPF, along with the Audit Committee's non-binding opinion, which is submitted for consideration to the annual shareholders' meeting.

The Audit Committee of YPF has a pre-approval policy regarding the contracting of YPF's external auditor, or any affiliate of the external auditor, for professional services. The professional services covered by such policy include audit and non-audit services provided to YPF or any of its subsidiaries reflected in agreements dated on or after June 9, 2011. Prior to such date, the contracting of YPF's external auditor, or any affiliate of the external auditor, for all audit and non-audit services, was approved by the Audit and Control Committee of Repsol YPF, in accordance with the same pre-approval policy.

The pre-approval policy is as follows:

1. The Audit Committee must pre-approve all audit and non-audit services to be provided to YPF or any of its subsidiaries by the external auditor (or any of its affiliates) of YPF.
2. The Chairman of the Audit Committee has been delegated the authority to approve the hiring of YPF's external auditor (or any of its affiliates) without first obtaining the approval of the Audit Committee for any of the services which require pre-approval as described in (1) above.

Services approved by the Chairman of the Audit Committee as set forth above must be ratified at the next plenary meeting of the Audit Committee.

All of the services described in the table above were approved by the Audit and Control Committee of Repsol YPF (with respect to services contracted prior to June 9, 2011) or by the Audit Committee of YPF (with respect to services contracted on or after June 9, 2011).

ITEM 16D. Exemptions from the Listing Standards for Audit Committees

None

ITEM 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Period	Total Number of Shares Purchased	Average Prices Paid per Share (Ps per share)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Ps. Value of Shares that May Yet Be Purchased Under the Plans or Programs (a)
January 2013	—	—	—	—
February 2013	—	—	—	—
March 2013	—	—	—	—
April 2013	—	—	—	—
May 2013	—	—	—	—
June 2013 (from 06/06/2013 to 13/06/2013)	—	—	—	120.000.000
June 2013 (from 13/06/2013 to 28/06/2013)	445,528	81.66	445,528	83,617,213
July 2013 (from 1/07/2013 to 09/07/2013)	287,306	83.00	287,306	59,772,008
August 2013 (from 14/08/2013 to 30/08/2013)	120,568	104.67	120,568	47,151,572
September 2013 (from 02/09/2013 to 16/09/2013)	194,111	104.88	194,111	26,792,811
October 2013	—	—	—	26,792,811
November 2013 (from 11/11/2013 to 19/11/2013)	184,849	144.86	184,849	—
December 2013	—	—	—	—

(a) The Board of Directors, at its meeting held on June 6, 2013, approved a Stock Compensation Plan for employees, which allows YPF to repurchase its shares on the BASE and NYSE for an aggregate amount of up to Ps. 120 million.

See additionally Note 1.b.10.iii to the Audited Consolidated Financial Statements.

ITEM 16F. Change in Registrant's Certifying Accountant

During the years ended December 31, 2013, 2012 and 2011 and through the date of this annual report, the principal independent accountant engaged to audit our financial statements, Deloitte & Co S.A., has not resigned, indicated that it has declined to stand for re-election after the completion of its current audit or been dismissed.

ITEM 16G. Corporate Governance

See "Item 6. Directors, Senior Management and Employees-Compliance with New York Stock Exchange Listing Standards on Corporate Governance."

PART III

ITEM 17. Financial Statements

The registrant has responded to Item 18 in lieu of responding to this Item.

ITEM 18. Financial Statements

The following financial statements are filed as part of this annual report:

ITEM 19. Exhibits

1.1	By-laws (Estatutos) of YPF S.A. as amended (Spanish Version) *
1.2	By-laws (Estatutos) of YPF S.A. as amended (English Version) **
11.1	Code of Ethics***
12.1	Section 302 Certification by Chief Executive Officer
12.2	Section 302 Certification by Chief Financial Officer
13.1	Section 906 Certification
23.1	Consent of DeGolyer and MacNaughton
23.2	Consent of IHS Global Canada Inc.
99.1	Reserves Audit Report of DeGolyer and MacNaughton.
99.2	Reserves Audit Report of IHS Global Canada Inc.

* Filed as Exhibit 1.1 to YPF's 2009 annual report on Form 20-F filed on June 29, 2010.
** Filed as Exhibit 1.2 to YPF's 2009 annual report on Form 20-F filed on June 29, 2010.
*** Incorporated by reference to YPF's 2004 annual report on Form 20-F filed on June 30, 2005.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

YPF SOCIEDAD ANÓNIMA

By: /s/ Daniel Gonzalez
Name: Daniel Gonzalez
Title: Chief Financial Officer

Dated: March 27, 2014

Consolidated Financial Statements

as of December 31, 2013 and

Comparative Information

Independent Auditors' Report

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of YPF SOCIEDAD ANONIMA:

We have audited the accompanying consolidated balance sheets of YPF SOCIEDAD ANONIMA (an Argentine Corporation) and its controlled companies (the "Company") as of December 31, 2013, 2012 and 2011, and the related consolidated statements of comprehensive income, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 2013. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of YPF SOCIEDAD ANONIMA and its controlled companies as of December 31, 2013, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB").

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the Company's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 27, 2014, expressed an unqualified opinion on the Company's internal control over financial reporting.

Buenos Aires City, Argentina
March 27, 2014

Deloitte & Co. S.A.

Guillermo D. Cohen
Partner

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of YPF SOCIEDAD ANONIMA:

We have audited the internal control over financial reporting of YPF SOCIEDAD ANONIMA (an Argentine Corporation) and its controlled companies (the "Company") as of December 31, 2013, based on the criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying *Management's Report on Internal Control over Financial Reporting (Item 15)*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the consolidated financial statements of YPF SOCIEDAD ANONIMA and its controlled companies as of and for the year ended December 31, 2013 and our report dated March 27, 2014 expressed an unqualified opinion on those consolidated financial statements.

Buenos Aires City, Argentina
March 27, 2014

Deloitte & Co. S.A.

Guillermo D. Cohen
Partner

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013 AND COMPARATIVE INFORMATION

Index

YPF SOCIEDAD ANONIMA

Macacha Güemes 515 – Ciudad Autónoma de Buenos Aires, Argentina

FISCAL YEAR NUMBER 37

BEGINNING ON JANUARY 1, 2013

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013 AND COMPARATIVE INFORMATION

Principal business of the Company: exploration, development and production of oil, natural gas and other minerals and refining, transportation, marketing and distribution of oil and petroleum products and petroleum derivatives, including petrochemicals, chemicals and non-fossil fuels, biofuels and their components; production of electric power from hydrocarbons; rendering telecommunications services, as well as the production, industrialization, processing, marketing, preparation services, transportation and storage of grains and its derivatives.

Date of registration with the Public Commerce Register: June 2, 1977.

Duration of the Company: through June 15, 2093.

Last amendment to the bylaws: April 14, 2010.

Optional Statutory Regime related to Compulsory Tender Offer provided by Decree No. 677/2001 art. 24: not incorporated (modified by Law No. 26,831).

Capital structure as of December 31, 2013

(expressed in Argentine pesos)

– Subscribed, paid-in and authorized for stock exchange listing	3,933,127,930[(1)]

(1) Represented by 393,312,793 shares of common stock, Argentine pesos 10 per value and 1 vote per share.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2013 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos – Note 1.b.1)

	Note	2013	2012	2011
Noncurrent Assets				
Intangible assets	2.f	2,446	1,492	1,300
Fixed assets	2.g	93,496	56,971	43,522
Investments in companies	2.e	2,124	1,914	2,013
Deferred income tax assets, net	10	34	48	30
Other receivables and advances	2.c	2,927	1,161	882
Trade receivables	2.b	54	15	22
Total non-current assets		101,081	61,601	47,769
Current Assets				
Inventories	2.d	9,881	6,922	6,006
Other receivables and advances	2.c	6,506	2,635	2,788
Trade receivables	2.b	7,414	4,044	3,315
Cash and equivalents	2.a	10,713	4,747	1,112
Total current assets		34,514	18,348	13,221
Total assets		135,595	79,949	60,990
Shareholders' equity				
Shareholders' contributions		10,600	10,674	10,674
Reserves, other comprehensive income and retained earnings		37,416	20,586	12,746
Shareholders' equity attributable to the shareholders of the parent company		48,016	31,260	23,420
Non-controlling interest		224	—	—
Total shareholders' equity (per corresponding statements)		48,240	31,260	23,420
Noncurrent Liabilities				
Provisions	2.j	19,172	10,663	9,206
Deferred income tax liabilities, net	10	11,459	4,685	2,724
Other taxes payable		362	101	136
Salaries and social security		8	48	38
Loans	2.i	23,076	12,100	4,435
Accounts payable	2.h	470	162	60
Total noncurrent liabilities		54,547	27,759	16,599
Current Liabilities				
Provisions	2.j	1,396	820	965
Income tax liability		122	541	—
Other taxes payable		1,045	920	511
Salaries and social security		1,119	789	537
Loans	2.i	8,814	5,004	7,763
Accounts payable	2.h	20,312	12,856	11,195
Total current liabilities		32,808	20,930	20,971
Total liabilities		87,355	48,689	37,570
Total liabilities and shareholders' equity		135,595	79,949	60,990

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos, except for per share amounts in Argentine pesos – Note 1.b.1)

	Note	2013	2012	2011
Revenues	2.k	90,113	67,174	56,211
Cost of sales	2.k	(68,571)	(50,267)	(41,143)
Gross profit		21,542	16,907	15,068
Selling expenses	2.k	(7,571)	(5,662)	(5,438)
Administrative expenses	2.k	(2,686)	(2,232)	(1,822)
Exploration expenses	2.k	(829)	(582)	(574)
Other income (expense), net	2.k	704	(528)	(46)
Operating income		11,160	7,903	7,188
Income on investments in companies		353	114	685
Financial income (expense), net:				
Gains (losses) on assets				
Interests		924	198	180
Exchange differences		(2,175)	(337)	(173)
(Losses) gains on liabilities				
Interests		(3,833)	(1,557)	(1,045)
Exchange differences		7,919	2,244	751
Net income before income tax		14,348	8,565	7,586
Current Income tax	10	(2,844)	(2,720)	(2,495)
Deferred income tax	10	(6,425)	(1,943)	(646)
Net income for the year		5,079	3,902	4,445
Net income for the year attributable to:				
– Shareholders of the parent company		5,125	3,902	4,445
– Non-controlling interest		(46)	—	—
Earnings per share attributable to shareholders of the parent company basic and diluted	9	13.05	9.92	11.30
Other comprehensive income				
Actuarial gains (losses) – Pension Plans[2]		6	18	(12)
Translation differences from investments in companies[3]		(416)	(198)	(110)
Translation differences from YPF S.A. [4]		12,441	4,421	1,974
Total other comprehensive income for the year[1]		12,031	4,241	1,852
Total comprehensive income for the year		17,110	8,143	6,297

(1) Entirely assigned to the parent company's shareholders.
(2) Immediately reclassified to retained earnings.
(3) Will be reversed to net income at the moment of the sale of the investment or full or partial reimbursement of the capital.
(4) Will not be reversed to net income.

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos, except for the amounts per share expressed in pesos – Note 1.b.1)

	Shareholders' contributions				Reserves					Equity
	Suscribed capital	Adjustment to contributions	Issuance premium	Total	Legal	Future dividends	Investments	Other comprehensive income	Retained earnings	Parent company sharehold
Balances at the beginning of year	3,933	7,281	640	11,854	2,243	596	—	—	7,995	22,(
As decided by the General Ordinary Shareholder's Meeting of April 26, 2011:										
– Absorption of the effect of the modification of previous year's information (Note 4).	—	(1,180)	—	(1,180)	—	—	—	—	1,180	-
– Reversal of Legal Reserve (Note 4).	—	—	—	—	(236)	—	—	—	236	-
– Reversal of Reserve for future dividends	—	—	—	—	—	(596)	—	—	596	-
– Appropriation to Reserve for future dividends	—	—	—	—	—	6,622	—	—	(6,622)	-
As decided by the Board of Directors' Meeting of April 26, 2011:										
– Cash dividends (7 per share)	—	—	—	—	—	(2,753)	—	—	—	(2,7
As decided by the Board of Directors' Meeting of November 2, 2011:										
– Cash dividends (7.15 per share)	—	—	—	—	—	(2,812)	—	—	—	(2,8
Other comprehensive income for the year	—	—	—	—	—	—	—	1,852	—	1,8
Actuarial losses reclassification – Pension Plans	—	—	—	—	—	—	—	12	(12)	-
Net income	—	—	—	—	—	—	—	—	4,445	4,4
Balances as of December 31, 2011	3,933	6,101	640	10,674	2,007	1,057	—	1,864	7,818	23,4
As decided by General Ordinary Shareholders' Meeting of July 17, 2012:										
– Reversal of Reserve for future dividends	—	—	—	—	—	(1,057)	—	—	1,057	-
– Appropriation to Reserve for investments	—	—	—	—	—	—	5,751	—	(5,751)	-
– Appropriation to Reserve for future dividends	—	—	—	—	—	303	—	—	(303)	-
As decided by the Board of Directors' Meeting of November 6, 2012:										
– Cash dividends (0.77 per share)	—	—	—	—	—	(303)	—	—	—	(3
Other comprehensive income for the year	—	—	—	—	—	—	—	4,241	—	4,2
Actuarial gains reclassification – Pension Plans	—	—	—	—	—	—	—	(18)	18	-
Net income	—	—	—	—	—	—	—	—	3,902	3,9
Balances as of December 31, 2012	3,933	6,101	640	10,674	2,007	—	5,751	6,087	6,741	31,2

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos, except for the amounts per share expressed in pesos – Note 1.b.1)

	Shareholders' contributions									Reserves						
	Suscribed capital	Adjustment to contributions	Treasury shares	Adjustment to treasury shares	Share - based benefit plans	Acquisition cost of treasury shares	Share trading Premium	Issuance Premium	Total	Legal	Future dividends	Investments	Purchase of treasury shares	Initial IFRS adjustment	Other comprehensive income	Reta earn
Balances as of December 31, 2012	3,933	6,101	—	—	—	—	—	640	10,674	2,007	—	5,751	—	—	6,087	6
Purchase of treasury shares	(12)	(19)	12	19	—	(120)	—	—	(120)	—	—	—	—	—	—	
Accrual of share-based benefit plans	—	—	—	—	81[2]	—	—	—	81	—	—	—	—	—	—	
Settlement of share-based benefit plans[3]	3	5	(3)	(5)	(41)	10	(4)	—	(35)	—	—	—	—	—	—	
Acquisition of GASA (Note 13)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
YPF Tecnologia S.A. non-controlling capital contributions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
As decided by the General Ordinary shareholders' meeting of April 30, 2013																
– Appropriation to reserve for investments	—	—	—	—	—	—	—	—	—	—	—	2,643	—	—	—	(2
– Appropriation to reserve for future dividends	—	—	—	—	—	—	—	—	—	—	330	—	—	—	—	(
– Appropriation to reserve for share-based employee benefit plans	—	—	—	—	—	—	—	—	—	—	—	—	120	—	—	(
– Appropriation to special reserve for IFRS initial adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	3,648	—	(3
As decided by the Board of Directors' meeting of August 9, 2013																
– Cash dividends (0.83 per share)	—	—	—	—	—	—	—	—	—	—	(326)	—	—	—	—	
Other comprehensive income for the year	—	—	—	—	—	—	—	—	—	—	—	—	—	—	12,031	

Actuarial gains reclassification – Pension Plan	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(6)		
Net income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5	
Balances as of December 31, 2013	3,924	6,087	9	14	40	(110)	(4)	640	10,600	2,007	4	8,394	120	3,648	18,112[(1)]	5	

(1) Includes 18,836 corresponding to the effect of the translation of the financial statements of YPF S.A. and (724) corresponding to the the financial statements of investments in companies with functional currency different to dollar, as detailed in Note 1.b.1. During th 2013, (115) have been reclassified in relation with the effect of the translation of the financial statements of Pluspetrol Energy S.A. a such Company (see Note 13).

(2) Includes 38 corresponding to long-term benefit plans as of December 31, 2012, which were converted to share-based benefit plans (s corresponding to the accrual of share-based benefit plans for the year ended December 31, 2013.

(3) Net of employees income tax withholding related to the share-based benefit plans.

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2013 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos – Note 1.b.1)

	2013	2012	2011
Cash flows from operating activities			
Net income	5,079	3,902	4,445
Adjustments to reconcile net income to cash flows provided by operating activities:			
Income on investments in companies	(353)	(114)	(685)
Depreciation of fixed assets	11,236	8,129	6,438
Amortization of intangible assets	197	152	61
Consumption of materials and retirement of fixed assets and intangible assets, net of provisions	2,336	1,170	1,022
Net increase (decrease) of fixed assets provisions	16	(1)	21
Income tax	9,269	4,663	3,141
Net increase in provisions	3,256	2,208	1,261
Changes in assets and liabilities:			
Trade receivables	(2,627)	(517)	14
Other receivables and advances	(3,288)	22	745
Inventories	(2,959)	(916)	(2,258)
Accounts payable	3,243	1,857	2,330
Other taxes payables	272	374	(111)
Salaries and social security	253	262	147
Decrease in provisions from payment	(713)	(1,406)	(1,126)
Interest, exchange differences and other [(1)]	(1,243)	(825)	895
Dividends from investments in companies	280	388	579
Income tax payments	(3,290)	(2,047)	(4,233)
Net cash flows provided by operating activities	20,964	17,301	12,686
Cash flows used in investing activities[(2)]			
Payments for investments:			
Acquisition of fixed assets and intangible assets	(27,639)	(16,403)	(12,156)
Acquisition of investment in companies	(36)	—	—
Capital contributions to investments in companies	(20)	—	(2)
Proceeds from sale of fixed and intangible assets (Note 11.c)	5,351	—	—
Net cash flows used in investing activities	(22,344)	(16,403)	(12,158)
Cash flows used in financing activities			
Payments of loans	(6,804)	(28,253)	(16,997)
Payments of interest	(2,720)	(920)	(457)
Proceeds from loans	16,829	32,130	21,175
Dividends paid	(326)	(303)	(5,565)
Net cash flows provided by (used in) financing activities	6,979	2,654	(1,844)
Translation differences generated by cash and equivalents	224	83	102
Net increase (decrease) in cash and equivalents	5,823	3,635	(1,214)
Cash and equivalents at the beginning of year	4,747	1,112	2,326
Cash and equivalents provided by business combinations (Note 13)	143	—	—
Cash and equivalents at the end of year	10,713	4,747	1,112
Net increase (decrease) in cash and equivalents	5,823	3,635	(1,214)
COMPONENTS OF CASH AND EQUIVALENTS AT THE END OF YEAR			
– Cash	4,533	950	777
– Other financial assets	6,180	3,797	335
TOTAL CASH AND EQUIVALENTS AT THE END OF YEAR	10,713	4,747	1,112

(1) Does not include translation differences generated by cash and equivalents, which is exposed separately in the statement.
(2) The main investing activities that have not affected cash and equivalents correspond to unpaid acquisitions of fixed assets and concession extension bonus at the end of the year for 2,833, increase in hydrocarbons wells abandonment obligations costs for 4,357, capital contributions in kind to investments in companies for 133 and the incorporation of assets and liabilities related to business combinations mentioned in Note 13.

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos, except where otherwise indicated – Note 1.b.1)

1. CONSOLIDATED FINANCIAL STATEMENTS

1.a) Presentation Basis

- Application of International Financial Reporting Standards

  The consolidated financial statements of YPF S.A. (hereinafter "YPF") and its controlled companies (hereinafter and all together, the "Group" or the "Company") for the year ended December 31, 2013 are presented in accordance with International Financial Reporting Standard ("IFRS"). The adoption of these standards as issued by the International Accounting Standards Board ("IASB") was determined by the Technical Resolution No. 26 (ordered text) issued by Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") and the Regulations of the Argentine Securities Commission ("CNV").

  The amounts and other information corresponding to the years ended on December 31, 2012 and 2011 are an integral part of the consolidated financial statements mentioned above and are intended to be read only in relation to these statements.

- Criteria adopted by YPF in the transition to IFRS

  At the date of the transition to IFRS (January 1, 2011, hereinafter the "transition date"), the Company has followed the following criteria in the context of the alternatives and exemptions provided by IFRS 1 "First-Time Adoption of International Financial Reporting Standards":

  I. Fixed assets and intangible assets have been measured at the transition date at the functional currency defined by the Company according to the following basis:

     a) Assets as of the transition date which were acquired or incorporated before March 1, 2003, date on which General Resolution No. 441 of the CNV established the discontinuation of the remeasurement of financial statements in constant pesos: the value of these assets measured according to the accounting standards outstanding in Argentina before the adoption of IFRS ("Previous Argentine GAAP") have been adopted as deemed cost as of March 1, 2003 and remeasured into U.S. dollars using the exchange rate in effect on that date;

     b) Assets as of the transition date which were acquired or incorporated subsequently to March 1, 2003: have been valued at acquisition cost and remeasured into U.S. dollars using the exchange rate in effect as of the date of incorporation or acquisition of each asset.

  II. The cumulative translation differences generated by investments in foreign companies as of the transition date were reclassified to retained earnings. Under previous Argentine GAAP, these differences were recorded under shareholders' equity as deferred earnings.

      The effect arising from the initial application of IFRS, considering the mentioned criteria has been recorded in the "Initial IFRS adjustment reserve account within Shareholders' equity". See additionally Note 1.b.17).

- Use of estimations

  The preparation of the consolidated financial statements in accordance with IFRS, which is YPF´s Board of Directors' responsibility, require certain accounting estimates to be made and the Board of Directors and Management to make judgments when applying accounting standards. Areas of greater complexity or that require further judgment, or those where assumptions and estimates are significant, are detailed in Note 1.c "Accounting Estimates and Judgments".

- Consolidation policies

  a) General criteria

For purpose of presenting the consolidated financial statements, the full consolidation method was used with respect to those subsidiaries in which the Company holds, either directly or indirectly, control, understood as the ability to establish/manage the financial and operating policies of a company to obtain benefits from its activities. This capacity is, in general but not exclusively, obtained by the ownership, directly or indirectly of more than 50% of the voting shares of a company.

Interest in joint operations and other agreements which gives the Company a percentage contractually established over the rights of the assets and obligations that emerge from the contract ("joint operations"), have been consolidated line by line on the basis of the mentioned participation over the assets, liabilities, income and expenses related to each contract. Assets, liabilities, income and expenses of joint operations are presented in the consolidated balance sheet and in the consolidated statement of comprehensive income, in accordance with their respective nature.

Paragraph a) of Exhibit I details the controlled companies which were consolidated using the full consolidation method and Exhibit II details the main joint operations which were proportionally consolidated.

In the consolidation process, balances, transactions and profits between consolidated companies have been eliminated.

The Company's consolidated financial statements are based on the most recent available financial statements of the companies in which YPF holds control, taking into consideration, where necessary, significant subsequent events and transactions, information available to the Company's management and transactions between YPF and such controlled companies, which could have produced changes to their shareholders' equity. The date of the financial statements of such controlled companies used in the consolidation process may differ from the date of YPF's financial statements due to administrative reasons. The accounting principles and procedures used by controlled companies have been homogenized, where appropriate, with those used by YPF in order to present the consolidated financial statements based on uniform accounting and presentation policies. The financial statements of controlled companies whose functional currency is different from the presentation currency are translated using the procedure set out in Note 1.b.1.

YPF, directly and indirectly, holds approximately 100% of capital of the consolidated companies. With the exception of the indirect holdings in MetroGAS S.A. ("MetroGAS") and YPF Tecnología S.A. ("YPF Tecnología"). In accordance with the previously mentioned, there are no material non-controlling interests to be disclosed, as required by IFRS 12 "Disclosure of Interests in Other Entities".

b) Business combinations

As detailed in Note 13, during second quarter 2013, the Company obtained control over Gas Argentino S.A. ("GASA"), parent company of MetroGAS and as from August 2013, over YPF Energía Eléctrica S.A ("YPF Energía Eléctrica") a company resulting from the spin-off of Pluspetrol Energy S.A.

The Company has consolidated the results of operations of GASA, and consequently of its subsidiaries, and of YPF Energía Eléctrica as from the moment in which it obtained control over such companies. The accounting effects of the above mentioned transactions, which include the purchase price allocation to the assets and liabilities acquired, are disclosed in Note 13.

1.b) Significant Accounting Policies

1.b.1) Functional and Reporting Currency and tax effect on Other Comprehensive Income

Functional Currency

YPF based on parameters set out in IAS 21 "The effects of change in foreign exchange rates", has defined the U.S. dollar as its functional currency.

Consequently, non-monetary cost-based measured assets and liabilities, as well as income or expenses, are remeasured into functional currency by applying the exchange rate prevailing at the date of the transaction.

Transactions in currencies other than the functional currency of YPF are deemed to be "foreign currency transactions" and are remeasured into functional currency by applying the exchange rate prevailing at the date of the transaction (or, for practical reasons and when exchange rates do not

fluctuate significantly, the average exchange rate for each month). At the end of each year or at the time of cancellation the balances of monetary assets and liabilities in currencies other than the functional currency are measured at the exchange prevailing at such date and the exchange differences arising from such measurement are recognized as "Financial income (expense), net" in the consolidated statement of comprehensive income for the year in which they arise.

Assets, liabilities and income and expenses related to controlled companies and investments in companies are measured using their respective functional currency. The effects of translating into U.S. dollars the financial information of companies with a functional currency different from the U.S. dollar are recognized in "Other comprehensive income" for the year.

Reporting Currency

According to General Resolution No. 562 of the CNV, the Company must file its financial statements in pesos. Accordingly, the financial statements prepared by YPF in its functional currency have to be translated into reporting currency, following the criteria described below:

- Assets and liabilities of each balance sheet presented are translated at the closing exchange rate outstanding at the date of each balance sheet presented;
- Items of the statement of comprehensive income are translated at the exchange rate prevailing at the date of each transaction (or, for practical reasons and when exchange rates do not fluctuate significantly, the average exchange rate of each month); and
- The exchange differences resulting from this process are reported in "Other comprehensive income".

Tax effect on other comprehensive income:

Results accounted for in "Other comprehensive income" related to exchange differences arising from investments in companies with functional currencies other than U.S. dollars and also as a result of the translation of the financial statements of YPF to its reporting currency (pesos), have no effect on the current or deferred income tax because as of the time that such transactions were generated, they had no impact on net income nor taxable income.

1.b.2) Financial assets

The Company classifies its financial assets when they are initially recognized and reviews their classification at the end of each year, according to IFRS 9, "Financial Instruments".

A financial asset is initially recognized at its fair value. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset are capitalized upon initial recognition of the asset, except for those assets designated as financial assets at fair value through profit or loss.

Following their initial recognition, the financial assets are measured at its amortized cost if both of the following conditions are met: (i) the asset is held with the objective of collecting the related contractual cash flows (i.e., it is held for non-speculative purposes); and (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on its outstanding amount. If either of the two criteria is not met, the financial instrument is classified at fair value through profit or loss.

A financial asset or a group of financial assets measured at its amortized cost is impaired if there is objective evidence that the Company will not be able to recover all amounts according to its (or their) original terms. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate computed at its initial recognition, and the resulting amount of the loss is recognized in the consolidated statement of comprehensive income. Additionally, if in a subsequent period the amount of the impairment loss decreases, the previously recognized impairment loss is reversed to the extent of the decrease. The reversal may not result in a carrying amount that exceeds the amortized cost that would have been determined if no impairment loss had been recognized at the date the impairment was reversed.

The Company writes off a financial asset when the contractual rights on the cash flows of such financial asset expire, or the financial asset is transferred.

In cases where current accounting standards require the valuation of receivables at discounted values, the discounted value does not differ significantly from their face value.

1.b.3) Inventories

Inventories are valued at the lower of their cost and their net realizable value. Cost includes acquisition costs (less trade discount, rebates and other similar items), transformation and other costs which have been incurred when bringing the inventory to its present location and condition.

In the case of refined products, costs are allocated in proportion to the selling price of the related products (isomargen method) due to the difficulty for distributing the production costs to every product.

The Company assesses the net realizable value of the inventories at the end of each year and recognizes in profit or loss in the consolidated statement of comprehensive income the appropriate valuation adjustment if the inventories are overstated. When the circumstances that previously caused impairment no longer exist or when there is clear evidence of an increase in the inventories' net realizable value because of changes in economic circumstances, the amount of a write-down is reversed.

Raw materials, packaging and others are valued at their acquisition cost.

1.b.4) Intangible assets

The Company initially recognizes intangible assets at their acquisition or development cost. This cost is amortized on a straight-line basis over the useful lives of these assets (see Note 2.f). At the end of each year, such assets are measured at cost, considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), less any accumulated amortization and any accumulated impairment losses.

The main intangible assets of the Company are as follows:

I. *Service concessions arrangements:* includes transportation and storage concessions (Note 2.f). These assets are valued at their acquisition cost considering the criteria adopted by the Company in the transition to IFRS (Note 1.a), net of accumulated amortization. They are depreciated using the straight-line method during the course of the concession period.

II. *Exploration rights:* the Company recognizes exploration rights as intangible assets, which are valued at their cost considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), net of the related impairment, if applicable. Investments related to unproved properties are not depreciated. These investments are reviewed for impairment at least once a year or whenever there are indicators that the assets may have become impaired. Any impairment loss or reversal is recognized in profit or loss in the consolidated statement of comprehensive income. Exploration costs (geological and geophysical expenditures, expenditures associated with the maintenance of unproved reserves and other expenditures relating to exploration activities), excluding exploratory wells drilling expenditures, are charged to expense in the consolidated statement of comprehensive income as incurred.

III. *Other intangible assets:* mainly includes costs relating to computer software development expenditures, as well as assets that represent the rights to use technology and knowledge ("know how") for the manufacture and commercial exploitation of equipment related to oil extraction. These items are valued at their acquisition cost considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), net of the related depreciation and impairment, if applicable. These assets are amortized on a straight-line basis over their useful lives, which range between 3 and 14 years. Management reviews annually the mentioned estimated useful life.

The Company has no intangible assets with indefinite useful lives as of December 31, 2013, 2012 and 2011.

1.b.5) Investments in companies

Investments in affiliated companies and Joint Ventures are valued using the equity method. Affiliated companies are considered those in which the Company has significant influence, understood as the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Significant influence is presumed when the Company has an interest of 20% or more in a company.

The equity method consists in the incorporation in the balance sheet line "Investments in companies", of the value of net assets and goodwill, if any, of the participation in the affiliated company or Joint Venture. The net income or expense for each year corresponding to the interest in these companies is reflected in the statement of comprehensive income in the "Income on investments in companies" line.

Investments in companies have been valued based upon the latest available financial statements of these companies as of the end of each year, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between YPF and the related company which have produced changes on the latter's shareholders' equity. The dates of the financial statements of such related companies used in the consolidation process may differ from the date of the Company's financial statements due to administrative reasons. The accounting principles and procedures used by affiliated companies have been homogenized, where appropriate, with those used by YPF in order to present the consolidated financial statements based on uniform accounting and presentation policies. The financial statements of affiliated companies whose functional currency is different from the presentation currency are translated using the procedure set out in Note 1.b.1.

Investments in companies in which the Company has no joint control or significant influence, have been valued at cost.

Investments in companies with negative shareholders' equity are disclosed in the "Accounts payable" account, provided that the Company has the intention to provide the corresponding financial support.

In paragraph b) of Exhibit I are detailed the investments in companies.

As from the effective date of Law No. 25,063, dividends, either in cash or in kind, that the Company receives from investments in other companies and which are in excess of the accumulated income that these companies carry upon distribution shall be subject to a 35% income tax withholding as a sole and final payment. The Company has not recorded any charge for this tax since it has estimated that dividends from earnings recorded by the equity method will not be subject to such tax.

1.b.6) Fixed assets

i. General criteria:

Fixed assets are valued at their acquisition cost, plus all the costs directly related to the location of such assets for their intended use, considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a).

Borrowing costs of assets that require a substantial period of time to be ready for their intended use are capitalized as part of the cost of these assets.

Major inspections, necessary to restore the service capacity of the related asset ("overhauls"), are capitalized and depreciated on a straight-line basis over the period until the next overhaul is scheduled.

The costs of renewals, betterments and enhancements that extend the useful life of properties and/or improve their service capacity are capitalized. As fixed assets are retired, the related cost and accumulated depreciation are eliminated from the balance sheet.

Repair and maintenance expenses are recognized in the statement of comprehensive income as incurred.

These assets are reviewed for impairment at least once a year or whenever there are indicators that the assets may have become impaired.

The carrying value of the fixed assets based on each cash generating unit, as defined in Note 1.b.8, does not exceed their estimated recoverable value.

ii. Depreciation:

Fixed assets, other than those related to oil and gas exploration and production activities, are depreciated using the straight-line method, over the years of estimated useful life of the assets, as follows:

	Years of Estimated Useful Life
Buildings and other constructions	50
Refinery equipment and petrochemical plants	20-25
Infrastructure of natural gas distribution	20-50
Transportation equipment	5-25
Furniture, fixtures and installations	10
Selling equipment	10
Electric power generation facilities	15-20
Other property	10

Land is classified separately from the buildings or facilities that may be located on it and is deemed to have an indefinite useful life. Therefore, it is not depreciated.

The Company reviews annually the estimated useful life of each class of assets.

iii. Oil and gas exploration and production activities:

The Company recognizes oil and gas exploration and production transactions using the "successful-efforts" method. The costs incurred in the acquisition of new interests in areas with proved and unproved reserves are capitalized as incurred under Mineral properties, wells and related equipment. Costs related to exploration permits are classified as intangible assets (see Notes 1.b.4 and 2.f).

Exploration costs, excluding the costs associated to exploratory wells, are charged to expense as incurred. Costs of drilling exploratory wells, including stratigraphic test wells, are capitalized pending determination as to whether the wells have found proved reserves that justify commercial development. If such reserves are not found, the mentioned costs are charged to expense. Occasionally, an exploratory well may be determined to have found oil and gas reserves, but classification of those reserves as proved cannot be made. In those cases, the cost of drilling the exploratory well shall continue to be capitalized if the well has found a sufficient quantity of reserves to justify its completion as a producing well, and the company is making sufficient progress assessing the reserves as well as the economic and operating viability of the project. If any of the mentioned conditions are not met, cost of drilling exploratory wells is charged to expense. In addition, the exploratory activity involves, in many cases, the drilling of multiple wells through several years in order to completely evaluate a project. As a consequence some exploratory wells may be kept in evaluation for long periods, pending the completion of additional wells and exploratory activities needed to evaluate and quantify the reserves related to each project. The detail of the exploratory well costs in evaluation stage is described in Note 2.g).

Intangible drilling costs applicable to productive wells and to developmental dry holes, as well as tangible equipment costs related to the development of oil and gas reserves, have been capitalized.

The capitalized costs described above are depreciated as follows:

a) The capitalized costs related to productive activities have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to the estimated proved and developed oil and gas reserves.

b) The capitalized costs related to the acquisition of property and the extension of concessions with proved reserves have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to the estimated proved oil and gas reserves.

Revisions in oil and gas proved reserves are considered prospectively in the calculation of depreciation. Revisions in estimates of reserves are performed at least once a year. Additionally, estimates of reserves are audited by independent petroleum engineers on a three-year rotation plan.

iv. Costs related to hydrocarbon wells abandonment obligations:

Costs related to hydrocarbon wells abandonment obligations are capitalized at their discounted value along with the related assets, and are depreciated using the unit-of-production method. As compensation, a liability is recognized for this concept at the estimated value of the discounted payable amounts. Revisions of the payable amounts are performed upon consideration of the current costs incurred in abandonment obligations on a field-by-field basis or other external available information if abandonment obligations were not performed. Due to the number of wells in operation and/or not abandoned and likewise the complexity with respect to different geographic areas where the wells are located, current costs incurred in plugging activities are used for estimating the plugging activities costs of the wells pending abandonment. Current costs incurred are the best source of information in order to make the best estimate of asset retirement obligations. Future changes in the costs above mentioned, as well as changes in regulations related to abandonment obligations, which are not possible to be predicted at the date of issuance of these financial statements, could affect the value of the abandonment obligations and, consequently, the related asset, affecting the results of future operations.

v. Environmental tangible assets:

The Company capitalizes the costs incurred in limiting, neutralizing or preventing environmental pollution only in those cases in which at least one of the following conditions is met: (a) the expenditure improves the safety or efficiency of an operating plant (or other productive assets); (b) the expenditure prevents or limits environmental pollution at operating facilities; or (c) the expenditure is incurred to prepare assets for sale and do not raise the assets carrying value above their estimated recoverable value.

The environmental related assets and the corresponding accumulated depreciation are disclosed in the consolidated financial statements together with the other elements that are part of the corresponding assets which are classified according to their accounting nature.

1.b.7) <u>Provisions</u>

The Company makes a distinction between:

a) Provisions: represent legal or assumed obligations, arising from past events, the settlement of which is expected to give rise to an outflow of resources and which amount and timing are uncertain. Provisions are recognized when the liability or obligation giving rise to an indemnity or payment arises, to the extent that its amount can be reliably estimated and that the obligation to settle is probable or certain. Provisions include both obligations whose occurrence does not depend on future events (such as provisions for environmental liabilities and provision for hydrocarbon wells abandonment obligations), as well as those obligations that are probable and can be reasonably estimated whose realization depends on the occurrence of a future events that are out of the control of the Company (such as provisions for contingencies). The amount recorded as provision corresponds to the best estimate of expenditures required to settle the obligation, taking into consideration the relevant risks and uncertainties; and

b) Contingent liabilities: represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company, or present obligations arising from past events, the amount of which cannot be estimated reliably or whose settlement is not likely to give rise to an outflow of resources embodying future economic benefits. Contingent liabilities are not recognized in the consolidated financial statements, but rather are disclosed to the extend they are significant, as required by IAS No 37, “Provisions, contingent liabilities and contingent assets” (see Note 11).

When a contract qualifies as onerous, the related unavoidable liabilities are recognized in the consolidated financial statements as provisions, net of the expected benefits.

Except for provisions for hydrocarbon wells abandonment obligations, where the timing of settlement is estimated on the basis of the work plan of the Company, and considering the estimated production of each field (and therefore its abandonment) and provisions for pension plans, in relation to other noncurrent provisions, it is not possible to reasonably estimate a specific schedule of settlement of the provisions considering the characteristics of the concepts included.

1.b.8) Impairment of fixed assets and intangible assets

For the purpose of evaluating the impairment of fixed assets and intangible assets, the Company compares their carrying value with their recoverable value at the end of each year, or more frequently, if there are indicators that the carrying amount of an asset may not be recoverable. In order to assess impairment, assets are grouped into cash-generating units ("CGUs"), whereas the asset does not generate cash flows that are independent of those generated by other assets or CGUs, considering regulatory, economic, operational and commercial conditions. Considering the above mentioned, and specifically in terms of assets corresponding to the Upstream, they have been grouped into four CGUs (one of them grouping the assets of fields with oil reserves, and three units that group assets of fields with reserves of natural gas considering the country´s basins -Neuquina, Noroeste and Austral basins-), which are the best reflect of how the Company currently manage them in order to generate independent cash flows. The remaining assets are grouped at the Downstream CGU which mainly includes the assets assigned to the refining of crude oil (or that complement such activity) and marketing of such products, in MetroGAS CGU which includes assets related to the distribution of natural gas and in YPF Energía Eléctrica CGU, which includes assets related to generation and commercialization of electric energy.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a rate that reflects the weighted average capital cost employed for each CGU.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount, and an impairment loss is recognized as an expense under "Impairment losses recognized and losses on disposal of fixed assets/intangible assets" in the consolidated statement of comprehensive income.

Any impairment loss is allocated to the assets comprising the CGU on a pro-rata basis based on their carrying amount. Consequently, the basis for future depreciation or amortization will take into account the reduction in the value of the asset as a result of any accumulated impairment losses.

Upon the occurrence of new events or changes in existing circumstances, which prove that an impairment loss previously recognized could have disappeared or decreased, a new estimate of the recoverable value of the corresponding asset is calculated to determine whether a reversal of the impairment loss recognized in previous periods needs to be made.

In the event of a reversal, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined in case no impairment loss had been recognized for the asset (or the CGU) in the past.

There were no impairment charges or reversals for the years ended on December 31, 2013, 2012 and 2011.

1.b.9) Methodology used in the estimation of recoverable amounts

- Company's General Criteria: The recoverable amount of fixed assets and intangible assets is generally estimated on the basis of their value in use, calculated on the basis of future expected cash flows derived from the use of the assets, discounted at a rate that reflects the weighted average capital cost.

  In the assessment of the value in use, cash flow forecasts based on the best estimate of income and expense available for each CGU using sector inputs, past results and future expectations of business evolution and market development are utilized. The most sensitive aspects included in the cash flows used in all the CGUs are the purchase and sale prices of hydrocarbons (including gas distribution applicable fees), outstanding regulations, estimation of cost increase, employee costs and investments.

  The cash flows from the exploration and production assets are generally projected for a period that covers the economically productive useful lives of the oil and gas fields and is limited by the contractual expiration of the concessions permits, agreements or exploitation contracts. The estimated cash flows are based on production levels, commodity prices and estimates of the future investments that will be necessary in relation to undeveloped oil and gas reserves, production costs, field decline rates, market supply and demand, contractual conditions and other factors. The unproved reserves are weighted with risk factors, on the basis of the type of each one of the exploration and production assets.

  Cash flows of the Downstream and YPF Energía Eléctrica CGUs are estimated on the basis of the projected sales trends, unit contribution margins, fixed costs and investment or divestment flows, in line with the expectations regarding the specific strategic plans of each business. However, cash inflows and outflows relating to planned restructurings or productivity enhancements are not considered.

  The reference prices considered are based on a combination of market prices available in those markets where the Company operates, also taking into consideration specific circumstances that could affect different products the Company commercializes and management's estimations and judgments.

  Estimated net future cash flows are discounted to its present value using a rate that reflects the average capital cost for each CGU.

  For the valuation of the assets of the MetroGAS CGU, cash flows are developed based on estimates of the future behavior of certain variables that are sensitive in determining the recoverable value, among which stands out: (i) the nature, timing and extension of tariff increases and cost adjustments recognition, (ii) gas demand projections, (iii) evolution of costs to be incurred, and (iv) macroeconomic variables such as growth rate, inflation rate, foreign currency exchange rate, among others.

  MetroGAS prepared its projections on the understanding that it will get tariff increases according to the current economic and financial situation of MetroGAS. Within these premises, and in terms of tariff increase estimations, the scenarios range from a tariff adjustment in order to meet adjustments obtained by other companies in that business up to a recovery of tariff levels prevailing in 2001 and in relation to regional tariffs in South America, especially in Brazil and Chile. A probability approach has been used to weight the different scenarios assigning an outcome probability to each cash flow scenario projected, based on current objective information. However, MetroGAS is unable to ensure that the realization of the assumptions used to develop these projections will be in line with its estimates, so they might differ significantly from the estimates and assumptions used as of the date of preparation of these consolidated financial statements.

1.b.10) Pension plans and other similar obligations

i. Retirement plan:

Effective March 1, 1995, YPF and certain subsidiaries have established a defined contribution retirement plan that provides benefits for each employee who elects to join the plan. Each plan member will pay an amount between 2% and 9% of his monthly compensation and YPF will pay an amount equal to that contributed by each member.

The plan members will receive from YPF and certain subsidiaries the contributed funds before retirement only in the case of voluntary termination under certain circumstances or dismissal without cause and, additionally, in case of death or incapacity. Such companies have the right to discontinue this plan at any time, without incurring termination costs.

The total charges recognized under the Retirement Plan amounted to approximately 42, 41 and 46 for the years ended December 31, 2013, 2012 and 2011, respectively.

ii. Performance Bonus Programs:

These programs cover certain YPF and its controlled companies' personnel. These bonuses are based on compliance with business unit objectives and performance. They are calculated considering the annual compensation of each employee, certain key factors related to the fulfillment of these objectives and the performance of each employee and are paid in cash.

The amount charged to expense related to the Performance Bonus Programs was 466, 372 and 306 for the years ended December 31, 2013, 2012 and 2011, respectively.

iii. Share-based benefit plan:

During the year, YPF has decided to implement share-based benefits plans. These plans cover certain executive and management positions and key personnel with critical technical knowledge. The above mentioned plans are aimed at aligning the performance of executives and key technical staff with the objectives of the strategic plan of the Company.

These plans are to give participation, through shares of the Company, to each selected employee with the condition of remaining in it for the previously defined period (up to three years from the grant date, hereinafter "service period"), being this the only condition necessary to access the agreed final retribution. The implementation of these plans has included the conversion of certain long term compensation plans existing to date. Consequently, during the month of June 2013, the Company has converted these existing plans to new share-based schemes, reversing a liability of 38 corresponding to existing plans as of December 31, 2012.

For accounting purposes, YPF recognizes the effects of the plans in accordance with the guidelines of IFRS 2, "Share-based Payment". In this order, the total cost of the plans granted is measured at the grant date, using the fair value or market price of the Company's share in the United States market. The above mentioned cost is accrued in the Company's net income for the year, over the vesting period, with the corresponding increase in Shareholders' equity in the "Share-based Benefit Plans" account.

Additionally, YPF expects to acquire treasury shares in market transactions to fulfill these obligations. As of December 31, 2013, 1,232,362 shares have been repurchased in both local and United States market. The acquisition cost of these shares has been recorded in "Acquisition cost of treasury shares" account with in shareholders' equity (see section 1.b.17) of this Note).

The amounts recognized in net income in relation with the share-based plans previously mentioned, which are disclosed according to their nature, amounted to 43 for the year ended on December 31, 2013.

Information related to outstanding plans in each year is as follows:

	Quantity of shares-plan
Balance at beginning of year	—
– Granted	1,769,015
– Settled	(479,174)
– Expired	—
Balance at the end of year(1)	1,289,841

	Total
Expense recognized during the year	43
Fair value of shares on grant date (in dollars)	14.75

(1) The average remaining life of the plan is between 10 and 34 months.

iv. Pension Plans and other Post-retirement and Post-employment benefits

YPF Holdings Inc., which has operations in the United States of America, has certain defined benefit plans and post-retirement and post-employment benefits.

The funding policy related to the defined benefit plan, is to contribute amounts to the plan sufficient to meet the minimum funding requirements under governmental regulations, plus such additional amounts as management may determine to be appropriate.

In addition, YPF Holdings Inc. provides certain health care and life insurance benefits for eligible retired employees, and also certain insurance, and other post-employment benefits for eligible individuals in the event employment is terminated by YPF Holdings Inc. before their normal retirement. Employees become eligible for these benefits if they meet minimum age and years-of-service requirements. YPF Holdings Inc. accounts for benefits provided when payment of the benefit is probable and the amount of the benefit can be reasonably estimated. No assets were specifically reserved for the post-retirement and post-employment benefits, and consequently, payments related to them are funded as claims are received.

The plans mentioned above are valued at their net present value, are accrued based on the years of active service of the participating employees and are disclosed as noncurrent liabilities in the ‘‘Salaries and social security’’ account. The actuarial gains and losses arising from the remeasurement of the defined benefit liability of pension plans are recognized in Other Comprehensive Income as a component of shareholders’ equity, and are transfer directly to the retained earnings. YPF Holdings Inc. updates its actuarial assumptions at the end of each fiscal year.

Additional disclosures related to the pension plans and other post-retirement and post-employment benefits, are included in Note 7.

Additionally, the Company’s management believes that the deferred tax asset generated by the cumulative actuarial losses related to the pension plans of YPF Holdings Inc., will not be recoverable based on estimated taxable income generated in the jurisdiction in which they are produced.

1.b.11) Revenue recognition criteria

Revenue is recognized on sales of crude oil, refined products and natural gas, in each case, when title and risks are transferred to the customer following the conditions described below:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company does not retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Grants for capital goods

Argentine tax authorities provide a tax incentive for investment in capital goods, computers and telecommunications for domestic manufacturers through a fiscal bonus, provided that manufacturers have industrial establishments located in Argentina, a requirement that is satisfied by the controlled company A-Evangelista S.A. The Company recognizes such incentive when the formal requirements established by Decrees No. 379/01, 1551/01, its amendments and regulations are satisfied, to the extend there is reasonable certainty that the grants will be received.

The bonus received may be computed as a tax credit for the payment of national taxes (i.e., Income Tax, Tax on Minimum Presumed Income, Value Added Tax and Domestic Taxes) and may also be transferred to third parties.

1.b.12) Recognition of revenues and costs associated with construction contracts

Revenues and costs related to construction activities performed by A-Evangelista S.A., controlled company, are accounted for in the consolidated statement of comprehensive income for the year using the percentage of completion method, considering the final contribution margin estimated for each project at the date of issuance of the financial statements, which arises from technical studies on sales and total estimated costs for each of them, as well as their physical progress.

The adjustments in contract values, changes in estimated costs and anticipated losses on contracts in progress are reflected in earnings in the year when they become evident.

The table below details information related to the construction contracts as of December 31, 2013, 2012 and 2011:

		Contracts in progress		
	Revenues of the year	Costs incurred plus accumulated recognized profits	Advances received	Retentions
2013	312	2,359	368	—
2012	684	889	122	—
2011	993	1,112	106	13

1.b.13) Leases

Operating leases

A lease is classified as an operating lease when the lessor does not transfer substantially to the lessee the entire risks and rewards incidental to ownership of the asset.

Costs related to operating leases are recognized on a straight-line basis in "Rental of real estate and equipment" and "Operation services and other service contracts" of the Consolidated Statement of Comprehensive income for the year in which they arise.

Financial Leases

The Company has no financial leases as they are defined by IFRS.

1.b.14) Earnings per share

Basic earnings per share are calculated by dividing the net income for the year attributable to YPF's shareholders by the weighted average of shares of YPF outstanding during the year net of repurchased shares as mentioned in Note 1.b.10).

Additionally, diluted earnings per share are calculated by dividing the net income for the year attributable to YPF's shareholders by the weighted average of ordinary shares of YPF outstanding during the period adjusted by the weighted average of ordinary shares of YPF that would be issued on the conversion of all the dilutive potential ordinary shares into YPF ordinary shares. As of the date of the issuance of these financial statements there are no instruments outstanding that imply the existence of potential ordinary shares, thus the basic earnings per share matches the diluted earnings per share.

1.b.15) Financial liabilities

Financial liabilities (loans and account payables) are initially recognized at their fair value less the transaction costs incurred. Since the Company does not have financial liabilities whose characteristics require the recognition at their fair value, according to IFRS, after their initial recognition, financial liabilities are measured at amortized cost.

Any difference between the financing received (net of transaction costs) and the repayment value is recognized in the consolidated statement of comprehensive income over the life of the related debt instrument, using the effective interest rate method.

"Accounts payable" and "Other liabilities" are recognized at their face value since their discounted value does not differ significantly from their face value.

The Company derecognizes financial liabilities when the related obligations are settled or expire.

In order to account for the exchange of debt obligations arising from the voluntary reorganization petition of MetroGAS and GASA for new negotiable obligations executed on January 11, 2013 and March 15, 2013, respectively, as described in Note 2.i, the Company has followed the guidelines provided by IFRS 9, "Financial Instruments".

IFRS 9 states that an exchange of debt instruments between a borrower and a lender shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability when the instruments have substantially different terms. The difference between the carrying amount of the financial liability extinguished and the consideration paid, which includes any non-cash assets transferred or liabilities assumed, is recognized in net income. The Company considers that the terms of the outstanding debt obligations, arising from the voluntary reorganization petition, subject to the exchange are substantially different from the new negotiable obligations. Additionally, the Company has evaluated and positively concluded over the estimated funds that such companies will have to comply with the terms of the debt and that allows the recognition of the debt relief. Consequently, MetroGAS and GASA have recorded the debt instruments' exchange following the guidelines mentioned above. Also, according to IFRS 9 the new negotiable obligations were recognized initially at fair value, net of transaction costs incurred and subsequently measured at amortized cost (see additionally Note 2.i). In the initial recognition, the fair value of such debt has been estimated using the discounted cash flow method, in the absence of quoted prices in active markets representative for the amount issued.

1.b.16) Taxes, withholdings and royalties

Income tax and tax on minimum presumed income

The Company recognizes the income tax applying the liability method, which considers the effect of the temporary differences between the financial and tax basis of assets and liabilities and the tax loss carry forwards and other tax credits, which may be used to offset future taxable income, at the current statutory rate of 35%.

Additionally, the Company calculates tax on minimum presumed income applying the current 1% tax rate to taxable assets as of the end of each year. This tax complements income tax. The Company's tax liability will coincide with the higher between the determination of tax on minimum presumed income and the Company's tax liability related to income tax, calculated applying the current 35% income tax rate to taxable income for the year. However, if the tax on minimum presumed income exceeds income tax during one tax year, such excess may be computed as prepayment of any income tax excess over the tax on minimum presumed income that may be generated in the next ten years.

For the years ended December 31, 2013, 2012 and 2011, the amounts determined as current income tax were higher than tax on minimum presumed income and they were included in the "Income tax" account of the statement of comprehensive income.

Personal assets tax – Substitute responsible

Individuals and foreign entities, as well as their undistributed estates, regardless of whether they are domiciled or located in Argentina or abroad, are subject to personal assets tax of 0.5% of the value of any shares or ADSs issued by Argentine entities, held at December 31 of each year. The tax is levied on the Argentine issuers of such shares or ADSs, such as YPF, which must pay this tax in substitution of the relevant shareholders, and is based on the equity value (following the equity method), or the book value of the shares derived from the latest financial statements at December 31 of each year. Pursuant to the Personal Assets Tax Law, YPF is entitled to seek reimbursement of such paid tax from the applicable shareholders, using the method YPF considers appropriate.

Royalties and withholding systems for hydrocarbon exports

A 12% royalty is payable on the estimated value at the wellhead of crude oil production and the commercialized natural gas volumes. The estimated value is calculated based upon the approximate sale price of the crude oil and gas produced, less the costs of transportation and storage. To calculate royalties, the Company has considered price agreements according to crude oil buying and selling operations obtained in the market for certain qualities of such product, and has applied these prices, net of the discounts mentioned above, according to regulations of Law No. 17,319 and its amendments. In addition, and pursuant to the extension of the original terms of exploitation concessions, the Company has agreed to pay an extraordinary Production Royalty and in some cases a royalty of 10% is payable over the production of unconventional hydrocarbons (see Note 11).

Royalty expense and the extraordinary production royalties are accounted for as a production cost.

Law No. 25,561 on Public Emergency and Exchange System Reform ("Public emergency law"), issued in January 2002, established duties for hydrocarbon exports for a five-year period. In January 2007, Law No. 26,217 extended this export withholding system for an additional five-year period and also established specifically that this regime is also applicable to exports from "Tierra del Fuego province", which were previously exempted. In addition, Law No. 26,732 published in the Official Gazette in December 2011 extended for an additional 5 years the mentioned regime. On November 16, 2007, the Ministry of Economy and Production ("MEP") published Resolution No. 394/2007, modifying the withholding regime on exports of crude oil and other refined products. In addition, the Resolution No. 1/2013 from the Ministry of Economy and Public Finance, published on January 3, 2013, modified the reference and floor prices. The outstanding regime provides that when the international price exceeds the reference price of US$ 80 per barrel, the producer will collect a floor price of US$ 70 per barrel, depending on the quality of the crude oil sold, with the remainder being withheld by the Argentine Government. When the international price is under the reference price but over US$ 45 per barrel, a 45% withholding rate should be applied. If such price is under US$ 45 per barrel, the Government will have to determine the export rate within a term of 90 business days.

The withholding rate determined as indicated above also currently applies to diesel, gasoline and other crude derivative products. In addition, the procedure for the calculation mentioned above applies to other crude derivatives and lubricants, based upon different withholding rates, reference prices and prices allowed to producers. Furthermore, in March 2008, Resolution No. 127/2008 of the MEP increased the natural gas export withholding rate to 100% of the highest price from any natural gas import contract. This resolution has also established a variable withholding system applicable to liquefied petroleum gas, similar to the one established by the Resolution No. 394/2007.

1.b.17) Shareholders' equity accounts

Shareholders' equity accounts have been valued in accordance with accounting principles in effect as of the transition date. The accounting transactions that affect shareholders' equity accounts were accounted for in accordance with the decisions taken by the Shareholders' meetings, and legal standards or regulations, even though such accounts would have had a different outstanding balance whether IFRS had been applied instead.

Subscribed capital stock and adjustments to contributions

Consists of the shareholders' contributions represented by shares and includes the outstanding shares at face value net of treasury shares mentioned in the following paragraph "Treasury shares and adjustment to treasury shares". The subscribed capital account has remained at its historical value and the adjustment required previous Argentine GAAP to state this account in constant Argentine pesos is disclosed in the "Adjustments to contributions" account.

The adjustment to contributions cannot be distributed in cash or in kind, but is allowed its capitalization by issuing shares. Also, this item may be used to compensate accumulated losses, considering the absorption order stated in the paragraph "Retained earnings".

Treasury shares and adjustments to treasury shares

Corresponds to the reclassification of the nominal value and the corresponding adjustment in constant peso (Adjustment to Contributions) of shares issued and repurchased by YPF in market transactions, as is required by the CNVs regulations in force.

Share-based benefit plans

Corresponds to the balance related to the share-based benefit plans as mentioned in Note 1.b.10.iii).

Acquisition cost of repurchased shares

Corresponds to the cost incurred in the acquisition of the shares that YPF holds as treasury shares (see 1.b.10.iii).

Issuance premiums

Corresponds to the difference between the amount of subscription of the capital increase and the corresponding face value of the shares issued.

Share trading premium

Corresponds to the difference between accrued amount in relation to the shared-based benefit plan and acquisition cost of the shares settled during the year in relation with the mentioned plan.

Considering the debit balance of the premium, distribution of retained earnings is restricted by the balance of this premium.

Legal reserve

In accordance with the provisions of Law No. 19,550, YPF has to appropriate to the legal reserve no less than 5% of the algebraic sum of net income, prior year adjustments, transfers from other comprehensive income to retained earnings and accumulated losses from previous years, until such reserve reaches 20% of the subscribed capital plus adjustment to contributions. As of December 31, 2013, the legal reserve has been fully integrated amounting 2,007.

Reserve for future dividends

Corresponds to the allocation made by the YPF's Shareholders' meeting, whereby a specific amount is transferred to the reserve for future dividends.

Reserve for investments and reserve for purchase of treasury shares

Corresponds to the allocation made by the YPF's Shareholders' meeting, whereby a specific amount is being assigned to be used in future investments and in the purchase of YPF's shares to meet the obligations arising from share-based benefit plan described in 1.b.10.iii) and Note 4.

Initial IFRS adjustment reserve

Corresponds to the initial adjustment in the transition to IFRS application, which was approved by the Shareholders' meeting of April 30, 2013, in accordance with the General Resolution No. 609 of the CNV.

Such reserve cannot be used in distributions in cash or in kind to the shareholders or owners of YPF and may only be reversed for capitalization or absorption of an eventual negative balance on the "Retained earnings" account according the aforementioned Resolution.

Other comprehensive income

Includes income and expenses recognized directly in equity accounts and the transfer of such items from equity accounts to the income statement of the year or to retained earnings, as defined by IFRS.

Retained earnings

Includes accumulated gains or losses without a specific appropriation that being positive can be distributed upon the decision of the Shareholders' meeting, while not subject to legal restrictions. Additionally, it includes the net income of previous years that was not distributed, the amounts transferred from other comprehensive income and adjustments to income of previous years produced by the application of new accounting standards.

Additionally, pursuant to the regulations on the CNV, when the net balance of other comprehensive income account is positive, it shall not be distributed, capitalized nor used to compensate accumulated losses, and when the net balance of these results at the end of a year is negative, a restriction on the distribution of retained earnings for the same amount will be imposed.

Under Law No. 25,063, dividends distributed, either in cash or in kind, in excess of accumulated taxable income as of the end of the year immediately preceding the dividend payment or distribution date, shall be subject to a 35% income tax withholding as a sole and final payment, except for those distributed to shareholders resident in countries benefited from treaties for the avoidance of double taxation, which will be subject to a minor tax rate.

Additionally, on September 20, 2013, Law No. 26,893 was enacted, establishing changes to the Income Tax Law, and determining, among other things, an obligation respecting such tax as a single and final payment of 10% on dividends paid in cash or in kind (except in shares) to foreign beneficiaries and individuals residing in Argentina, in addition to the 35% retention mentioned above. The dispositions of this Law came in force on September 23, 2013, date of its publication in the Official Gazette.

Non-controlling interest

Corresponds to the interest in the net assets acquired and net income of MetroGAS (30%) and YPF Tecnología (49%), representing the rights on shares that are not owned by YPF.

1.b.18) Business combinations

Business combinations are accounted for by applying the acquisition method when YPF takes effective control over the acquired company.

YPF recognizes in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest and, goodwill, if any, in accordance with IFRS 3.

The acquisition cost is measured as the sum of the consideration transferred, measured at fair value at their acquisition date and the amount of any non-controlling interest in the acquired entity. YPF will measure the non-controlling interest in the acquired entity at fair value or at the non-controlling interest's proportionate share of the acquired entity's identifiable net assets.

If the business combination is achieved in stages, YPF shall remeasure its previously held equity interest in the acquired entity at its acquisition date fair value and recognize a gain or loss in the statement of comprehensive income.

The goodwill cost is measured as the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed net by YPF. If this consideration is lower than the fair value of the assets identifiable and liabilities assumed, the difference is recognized in the statement of comprehensive income.

1.b.19) New standards issued

The standards, interpretations and related amendments published by the IASB and endorsed by the FACPCE and the CNV that are being applied by the Company, are the following:

IFRS 13 "Fair Value Measurement"

In May 2011, the IASB issued IFRS 13 "Fair value measurement" which is effective for fiscal years beginning on or after January 1, 2013, with early application permitted.

The IFRS 13 sets out a single framework for measuring fair value when required by other IFRSs. The IFRS applies to financial or non-financial items measured at fair value.

The fair value is measured as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

IAS 19 “Employee Benefits”

In June 2011, the IASB issued an amendment to IAS 19 “Employee benefits”, which is effective for fiscal years beginning on or after January 1, 2013, with early application permitted.

The amendment to the IAS 19 eliminates the option to defer the recognition of actuarial gains and losses in the measurement of defined benefit plans, which implies the recognition of all these differences in other comprehensive income.

IAS 1 “Presentation of Financial Statements”

In June 2011, the IASB issued an amendment to IAS 1 “Presentation of Financial Statements”, which is effective for fiscal years beginning on or after July 1, 2012, with early application permitted.

The amendments to IAS 1 improve the presentation of items included in the Statement of comprehensive income, classifying by nature and grouping items that may be reclassified to profit and loss section of the income statement in the subsequent periods, when conditions are met, and the items that will not be reclassified.

Adoption of the amendment to IAS 1 did not have an impact on the operating income or the financial position of the Company, implying only new revelations on the statement of comprehensive income.

The adoption of the standards and interpretations or amendments mentioned in the previous paragraphs did not have a significant impact on the financial statements.

In addition to IFRS 9 “Financial Instruments”, IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, and IFRS 12 “Disclosure of Interests in Other Entities”, as well as the amendments to IAS 27, “Separate financial statements” and IAS 28, “Investments in Associated and Joint ventures” which have been early applied as of the date of transition, the Company has not applied early any other standard or interpretation permitted by the IASB.

The standards and interpretations or amendments of them, published by the IASB and adopted or in process to be adopted by the Federation of Professional Councils in Economic Sciences and the CNV, that are not in force because their effective date is subsequent to December 31, 2013 and that are not applied in advance to the effective date by the Company are the following:

IFRIC 21 “Levies”

In May 2013, IASB issued the IFRIC Interpretation 21, “Levies”, which is effective for fiscal years beginning on or after January 1, 2014, with early application permitted.

IFRIC 21 addresses the accounting for a liability to pay a levy imposed by governments on entities in accordance with legislation.

IAS 36 “Impairment of assets”

In May 2013, the IASB issued an amendment to IAS 36, “Impairment of assets”, which is effective for fiscal years beginning on or after January 1, 2014, with early application permitted.

The amendment to IAS 36 changes disclosures requirements regarding the determination of impairment of assets.

IAS 39 “Financial instruments: Recognition and measurement”

In June 2013, IASB issued a limited modification to IAS 39 with the purpose of allowing the continuation of hedge accounting in circumstances when a hedging instrument is required to be novated.

IAS 19 "Employee Benefits"

In November 2013, IASB issued an amendment to IAS 19, to simplify the accounting on employees' contribution or third party to the defined benefit plans, allowing recognition of the aforementioned contribution as a reduction in the service cost in the period in which the related service was rendered rather than recognizing it at the service period.

Annual improvements cycle to IFRS

On December 2013, IASB issued two documents with amendments to IFRS which are mostly effective for fiscal years beginning on or after July 1, 2014, with early application permitted.

The Company is analyzing the impact of the adoption of these amendments; however, it estimates that the adoption of such amendments will not have an impact on the operating income or the financial position of the Company, and, in some cases, will imply only new disclosures.

1.c) Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires Management to make assumptions and estimates that affect the amounts of the assets and liabilities recognized, the presentation of contingent assets and liabilities at the end of each year and the income and expenses recognized during the year. Future results may differ depending on the estimates made by Management.

The items in the financial statements and areas which require the highest degree of judgment and estimates in the preparation of the financial statements are: (1) crude oil and natural gas reserves; (2) provisions for litigation and other contingencies; (3) impairment test of assets (see Note 1.b.9), (4) provisions for environmental liabilities and hydrocarbon wells abandonment obligations (see Note 1.b.6, paragraph iv), and (5) the calculation of income tax and deferred income tax.

Crude oil and natural gas reserves

Estimating crude oil and gas reserves is an integral part of the Company's decision-making process. The volume of crude oil and gas reserves is used to calculate the depreciation using unit of production ratio and to assess the impairment of the capitalized costs related to the exploration and production assets (see Notes 1.b.8 and 1.b.9).

The company prepares its estimates of crude oil and gas reserves in accordance with the rules and regulations established for the crude oil and natural gas industry by the U.S. Securities and Exchange Commission ("SEC").

Provisions for litigation and other contingencies

The final costs arising from litigation and other contingencies, and the perspective given to each issue by the Management may vary from their estimates due to different interpretations of laws, contracts, opinions and final assessments of the amount of the claims. Changes in the facts or circumstances related to these types of contingencies can have, as a consequence, a significant effect on the amount of the provisions for litigation and other contingencies recorded or the perspective given by the Management.

Provisions for environmental costs

Given the nature of its operations, YPF is subject to various provincial and national laws and regulations relating to the protection of the environment. These laws and regulations may, among other things, impose liability on companies for the cost of pollution clean-up and environmental damages resulting from operations. YPF management believes that the Company's operations are in substantial compliance with Argentine laws and regulations currently in force relating to the protection of the environment as such laws have historically been interpreted and enforced.

The Company periodically conducts new studies to increase its knowledge of the environmental situation in certain geographic areas where it operates in order to establish the status, cause and remedy of a given environmental issue and, depending on its years of existence, analyze the Argentine Government's possible responsibility for any environmental issue existing prior to December 31, 1990. The Company cannot estimate what additional costs, if any, will be required until such studies are completed and evaluated; however, provisional remedial or other measures may be required.

In addition to the hydrocarbon wells abandonment legal obligation for 13,509 as of December 31, 2013, the Company has accrued 1,690 corresponding to environmental remediation which evaluations and/or remediation works are probable and can be reasonably estimated, based on the Company's existing remediation program. Legislative changes, on individual costs and/or technologies may cause a re-evaluation of the estimates. The Company cannot predict what environmental legislation or regulation will be enacted in the future or how future laws or regulations will be administered. In the long-term, these potential changes and ongoing studies could materially affect the Company's future results of operations.

Additionally, certain environmental contingencies in the United States of America were assumed by Tierra Solutions Inc. and Maxus Energy Corporation, indirect controlled companies through YPF Holdings Inc. The detail of these contingencies is disclosed in Note 3.

Income tax and deferred income tax assets and liabilities

The proper assessment of income tax expenses depends on several factors, including interpretations related to tax treatment for transactions and/or events that are not expressly provided for by current tax law, as well as estimates of the timing and realization of deferred income taxes. The actual collection and payment of income tax expenses may differ from these estimates due to, among others, changes in applicable tax regulations and/or their interpretations, as well as unanticipated future transactions impacting the Company's tax balances.

1.d) Financial Risk Management

The Company's activities involve various types of financial risks: market, liquidity and credit. The Company maintains an organizational structure and systems that allow the identification, measurement and control of the risks to which it is exposed.

In addition, the table below details the classes of financial instruments of the Company classified in accordance to IFRS 9:

	2013	2012	2011
Financial Assets			
At amortized cost			
Cash and equivalents (1)	8,691	3,870	886
Other receivables and advances (1)	4,018	1,392	1,529
Trade receivables (1)	7,468	4,059	3,337
At fair value through profit or loss			
Cash and equivalents (2)	2,022	877	226
Financial Liabilities			
At amortized cost			
Accounts payable (1)	20,655	13,014	11,256
Loans (3)	31,890	17,104	12,198
Provisions(1)	485	416	500

(1) Fair value does not differ significantly from their book value.
(2) Corresponds to investments in mutual funds with price quotation. The fair value was determined based on unadjusted quoted prices (Level 1) in the markets where those financial instruments trade. The net gains (losses) for the years ended December 31, 2013, 2012 and 2011 for these instruments are disclosed as "Interest on assets" in the Statements of Comprehensive Income.
(3) Their fair value, considering unadjusted quoted prices (Level 1) for Negotiable Obligations and interest rates offered to the Company (Level 3) for the other financial loans, at the end of year, as appropriate, amounted to 33,784, 17,238 and 12,264 as of December 31, 2013, 2012 and 2011, respectively.

Market Risk

The market risk to which the Company is exposed is the possibility that the valuation of the Company's financial assets or financial liabilities as well as certain expected cash flows may be adversely affected by changes in interest rates, exchange rates or certain other price variables.

The following is a description of these risks as well as a detail of the extent to which the Company is exposed and a sensitivity analysis of possible changes in each of the relevant market variables.

Exchange Rate Risk

The value of financial assets and liabilities denominated in a currency different from the Company´s functional currency is subject to variations resulting from fluctuations in exchange rates. Since YPF's functional currency is the U.S. dollar, the currency that generates the greatest exposure is the Argentine peso, the Argentine legal currency. The Company does not use derivatives as a hedge against exchange rate fluctuations. Otherwise, according to the Company's functional currency, and considering the conversion process to presentation currency, the fluctuations in the exchange rate related to the value of financial assets and liabilities in pesos does not have any effect in Shareholders' equity.

The following table provides a breakdown of the effect a variation of 10% in the prevailing exchange rates on the Company's net income, taking into consideration the exposure of financial assets and liabilities denominated in pesos as of December 31, 2013:

	Appreciation (+) / depreciation (-) of exchange rate of peso against dollar	December 31, 2013
Impact on net income before income tax	+10%	759
corresponding to financial assets and liabilities	-10%	(759)

During January 2014, the exchange rate of the U.S. dollar relative to the Argentine Peso in the free exchange market increased approximately 23% from $ 6.52 as of December 31, 2013 to a value approximating $ 8 from January 24, onward, remaining in that order until the date of issuance of these financial statements. The Company estimates the effect of that devaluation applied to the net position of financial assets and liabilities at December 31, 2013, and further considering the effect on the position of other non-financial assets and liabilities at the same date and the corresponding effect on the estimation of the provision for income tax and deferred income tax, would not have a significant effect on the results of the Company in 2014.

Interest Rate Risk

The Company is exposed to the risk associated with fluctuations in the interest rates which depend on the currency and maturity date of its loans or of the currency it has invested in financial assets.

The Company's short-term financial liabilities as of December 31, 2013 include negotiable obligations, pre-financing of exports and imports´ financing arrangements, local bank credit lines and financial loans with local and international financial institutions. Long-term financial liabilities include negotiable obligations and financial loans with local and international financial institutions. Approximately 60% (19,266) of the total of the financial loans of the Company is denominated in U.S. dollars and the rest in Argentine pesos, as of December 31, 2013. These loans are basically used for working capital and investments. Financial assets mainly include, in addition to trade receivable which have low exposure to interest rate risk, bank deposits, fixed-interest deposits and investments in mutual funds such as "money market" or short-term fixed interest rate instruments.

Historically, the strategy for hedging interest rates is based on the fragmentation of financial counterparts, the diversification of the types of loans taken and, essentially, the maturities of such loans, taking into consideration the different levels of interest along the yield curve in pesos or U.S. dollars, and the amount of the loans based on future expectations and the timing of the future investment outlays to be financed.

The Company does not usually use derivative financial instruments to hedge the risks associated with interest rates. Changes in interest rates may affect the interest income or expenses derived from financial assets and liabilities tied to a variable interest rate. Additionally, the fair value of financial assets and liabilities that accrue interests based on fixed interest rates may also be affected.

The table below provides information about the financial assets and liabilities as of December 31, 2013 that accrues interest considering the applicable rate:

	December 31, 2013	
	Financial Assets [1]	Financial Liabilities [2]
Fixed interest rate	4,078	17,158
Variable interest rate	2,102	14,732
Total	6,180	31,890

(1) Includes only short-term investments. Does not include trade receivables which mostly do not accrue interest.
(2) Includes only financial loans. Does not include accounts payable which mostly do not accrue interest.

The portion of liabilities which accrues variable interest rate is mainly exposed to the fluctuations in LIBOR and BADLAR. Approximately 10,939 accrue variable interest of BADLAR plus a spread between 2.25% and 4.75%, and 3,642 accrues variable interest of LIBOR plus a spread between 4.00% and 7.50%. Additionally 151 that accrue annual interest rate of 19% plus the proportion of the increase in crude oil and natural gas production of the Company with an annual cap of 24%.

The table below shows the estimated impact on the consolidated comprehensive income that an increase or decrease of 100 basis points in the interest rate would have.

	Increase (+) / decrease (-) in the interest rates (basis points)	For the year ended December 31, 2013
Impact on the net income after income tax	+100	(84)
	-100	84

Other Price Risks

The Company is not significantly exposed to commodity price risks, as a result, among other reasons, of the existing regulatory, economic and government policies, which determines that local prices charged for gasoline, diesel and other fuels are not affected in the short-term by fluctuations in the price of such products in international and regional markets.

Additionally, the Company is reached by certain regulations that affect the determination of export prices received by the Company, such as those mentioned in Note 1.b.16 and 11.c, which consequently limits the effects of short-term price volatility in the international market.

As of December 31, 2013, 2012 and 2011, the Company has not used derivative financial instruments to hedge risks related to fluctuations in commodity prices.

Liquidity Risk

Liquidity risk is associated with the possibility of a mismatch between the need of funds (related, for example, to operating and financing expenses, investments, debt payments and dividends) and the sources of funds (such as net income, disinvestments and credit-line agreements by financial institutions).

As mentioned in previous paragraphs, YPF pretends to align the maturity profile of its financial debt to be related to its ability to generate enough cash flows for its payment, as well as to finance the projected expenditures for each year. As of December 31, 2013 the availability of liquidity reached 13,211, considering cash for 4,533, other liquid financial assets for 6,180 and bank financing and available credit lines for 2,500. Subsequent to December 31, 2013, the Company has obtained a credit line from the National Treasury of 8,500. Additionally, YPF has the ability to issue debt under the negotiable obligations global program originally approved by the Shareholders meeting in 2008 expanded in September 2012 and in April 2013 (see Note 2.i).

After the process which concluded with the change of shareholders mentioned in Note 4, the Company is still focused in structuring more efficiently the structure of maturity of its debt, in order to facilitate the daily operations and to allow the proper financing of planned investments.

The table below sets forth the maturity dates of the Company's financial liabilities as of December 31, 2013:

	December 31, 2013						
	Maturity date						
	0 - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
Financial Liabilities							
Accounts payable(1)	20,185	412	40	—	—	18	20,655
Loans	8,814	3,379	5,986	3,599	5,892	4,220	31,890
Provisions	409	52	24	—	—	—	485

(1) The amounts disclosed are the contractual, undiscounted cash flows associated to the financial liabilities given that they do not differ significantly from their face values.

Most of the Company's financial debt contains usual covenants for contracts of this nature. With respect to a significant portion of the financial loans, as of December 31, 2013, the Company has agreed, among other things and subject to certain exceptions, not to establish liens or charges on assets. Additionally, approximately 19% of the outstanding financial debt as of December 31, 2013 is subject to financial covenants related to the leverage ratio and debt service coverage ratio of the Company.

A portion of the Company's financial debt provides that certain changes in the Company's control and/or nationalization may constitute an event of default. Moreover, the Company's financial debt also contains cross-default provisions and/or cross acceleration provisions that could cause all of the financial debt to be accelerated if the debt having changes in control and/or nationalization events provisions is defaulted. As of the issuance date of these financial statements, the Company has obtained formal waivers from all the financial creditors in relation to its outstanding debt subject to the mentioned terms at the moment in which the change in control occurred mentioned in Note 4. Additionally and related to the outstanding debt of YPF subsidiaries, GASA and MetroGAS, see Note 2.i) of these consolidated financial statements.

Credit Risk

Credit risk is defined as the possibility of a third party not complying with its contractual obligations, thus negatively affecting results of operations of the Company.

Credit risk in the Company is measured and controlled on an individual customer basis. The Company has its own systems to conduct a permanent evaluation of credit performance of all of its debtors and customers, and the determination of risk limits with respect to customers, in line with best practices using for such end internal customer records and external data sources.

Financial instruments that potentially expose the Company to a concentration of credit risk consist primarily of cash and equivalents, trade receivables and other receivables and advances. The Company invests excess cash primarily in high liquid investments with financial institutions with a strong credit rating both in Argentina and abroad. In the normal course of business, the Company provides credit based on ongoing credit evaluations to its customers and certain related parties. Additionally, the Company accounts for credit losses in the other comprehensive income statement, based on specific information regarding its clients. As of the date of these consolidated financial statements, the Company's customer portfolio is diversified.

The allowances for doubtful accounts are measured by the following criteria:

- The aging of the receivable;
- The analysis of the customer's capacity to return the credit granted, also taking into consideration special situations such as the existence of a voluntary reorganization petition, bankruptcy and arrears, guarantees, among others.

The maximum exposure to credit risk of the Company as of December 31, 2013 based on the type of its financial instruments and without excluding the amounts covered by guarantees and other arrangements mentioned below, as of December 31, 2013, is set forth below:

	Maximum exposure as of December 31, 2013
Cash and equivalents	10,713
Other financial assets	11,486

Following is the breakdown of the financial assets past due as of December 31, 2013.

	Current trade receivable	Other current receivables and advances
Less than three months past due	357	208
Between three and six months past due	272	52
More than six months past due	702	99
	1,331	359

At such date, the provision for doubtful trade receivables amounted to 658 and the provisions for other doubtful receivables amounted to 19. These allowances are the Company's best estimate of the losses incurred in relation with accounts receivables.

Guarantee Policy

As collateral of the credit limits granted to customers, YPF has several types of guarantees received from them. In the service stations and distributors market, where generally long-term relationships with customers are established, mortgages prevail. For foreign customers prevail the joint and several bonds from their parent companies. In the industrial and transport market, bank guarantees prevail. With a lower presence, YPF also has obtained other guarantees as credit insurances, surety bonds, guarantee customer – supplier, car pledges, etc.

The Company has effective guarantees granted by third parties for a total amount of 2,131 and 1,965 as of December 31, 2013 and 2012, respectively.

During the year ended December 31, 2013, YPF executed guarantees received for an amount of 4. As of December 31, 2012 and 2011, YPF executed guarantees received for an amount of 2 and 6, respectively.

2. ANALYSIS OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details regarding the significant accounts included in the consolidated financial statements are as follows:

Consolidated Balance Sheet as of December 31, 2013 and Comparative Information

2.a) Cash and equivalents:

	2013	2012	2011
Cash	4,533	950	777
Short-term investments	4,158	2,920	109
Financial assets at fair value through profit or loss	2,022	877	226
	10,713	4,747	1,112

2.b) Trade receivables:

	2013		2012		2011	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Accounts receivable and related parties[1]	60	8,066	20	4,538	22	3,769
Provision for doubtful trade receivables	(6)	(652)	(5)	(494)	—	(454)
	54	7,414	15	4,044	22	3,315

(1) See Note 6 for additional information.

Changes in the provision for doubtful trade receivables

	2013		2012		2011
	Noncurrent provision for doubtful trade receivables	Current provision for doubtful trade receivables	Noncurrent provision for doubtful trade receivables	Current provision for doubtful trade receivables	Current provision for doubtful trade receivables
Amount at beginning of year	5	494	—	454	465
Increases charged to expenses	—	191	—	56	63
Decreases charged to income	—	(73)	—	(25)	(73)
Amounts incurred	—	—	—	(2)	(6)
Translation differences	1	40	—	16	5
Reclassifications and others	—	—	5	(5)	—
Amount at end of year	6	652	5	494	454

2.c) Other receivables and advances:

	2013		2012		2011	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Trade	—	377	—	223	—	227
Tax credit, export rebates and production incentives	22	1,233	10	750	9	1,022
Trust contributions—Obra Sur	67	34	83	17	98	21
Loans to clients and balances with Related parties[1]	517	81	385	77	347	217
Collateral deposits	397	253	7	193	40	176
Prepaid expenses	11	490	8	239	22	274
Advances and loans to employees	3	166	—	106	—	104
Advances to suppliers and custom agents[2]	—	1,062	—	542	—	563
Receivables with partners in Joint Operations	1,852[3]	595[3]	600	129	278	56
Insurance receivables (Note 11.b)	—	1,956	—	—	—	—
Miscellaneous	62	357	69	455	97	221
	2,931	6,604	1,162	2,731	891	2,881
Provision for other doubtful accounts	—	(98)	—	(96)	—	(93)
Provision for valuation of other receivables to their estimated realizable value	(4)	—	(1)	—	(9)	—
	2,927	6,506	1,161	2,635	882	2,788

(1) See Note 6 for additional information.
(2) Includes among others, advances to customs agents for the payment of taxes and import rights related to the imports of fuels and other products.
(3) Includes the receivables related to the investment agreement with Chevron Corporation (see Note 11.c).

Changes in the provisions of other receivables and advances

	2013		2012		2011	
	Provision for valuation of other noncurrent receivables to their estimated realizable value	Provision for other current doubtful accounts	Provision for valuation of other noncurrent receivables to their estimated realizable value	Provision for other current doubtful accounts	Provision for valuation of other noncurrent receivables to their estimated realizable value	Provision for other current doubtful accounts
Amount at beginning of year	1	96	9	93	16	93
Increases charged to expenses	3	2	—	3	—	—
Decreases charged to income	—	—	(4)	—	—	—
Amounts incurred	—	—	(4)	—	(7)	—
Amount at end of year	4	98	1	96	9	93

2.d) Inventories:

	2013	2012	2011
Refined products	5,713	4,316	3,608
Crude oil and natural gas	3,451	1,813	1,733
Products in process	115	106	68
Construction works in progress	107	230	256
Raw materials and packaging materials	495	457	341
	9,881(1)	6,922(1)	6,006(1)

(1) As of December 31, 2013, 2012 and 2011, the net value of the inventories does not differ, significantly, from their cost.

2.e) Investments in companies:

	2013	2012	2011
Investments in companies (Exhibit I)	2,136	1,926	2,070
Provision for reduction in value of investments in companies	(12)	(12)	(57)
	2,124	1,914	2,013

2.f) Evolution of intangible assets:

	2013			
	Cost			
Main account	Amounts at beginning of year	Increases	Translation effect	Net decreases, reclassifications and transfers	Amounts at the end of year
Service concessions	2,769	201	931	16	3,917
Exploration rights	408	264	161	(32)	801
Other intangibles	1,266	159	455	(1)	1,879
Total 2013	4,443	624	1,547	(17)	6,597
Total 2012	3,724	145	571	3	4,443
Total 2011	3,128	414	225	(43)	3,724

	2013							2012	2011
	Amortization								
Main account	Accumulated at beginning of year	Net decreases, reclassifications and transfers	Depreciation rate	Increases	Translation effect	Accumulated at the end of year	Net book value 12-31	Net book value 12-31	Net book value 12-31
Service concessions	1,839	—	4-5%	94	618	2,551	1,366	930	804
Exploration rights	6	(20)	—	17	5	8	793	402	345

Other intangibles	1,106	(4)	7-33%	86	404	1,592	287	160	151
Total 2013	2,951	(24)		197	1,027	4,151	2,446		
Total 2012	2,424	(4)		152	379	2,951		1,492	
Total 2011	2,201	—		61	162	2,424			1,300

The Company does not have intangible assets with indefinite useful lives as of December 31, 2013, 2012 and 2011.

Service concessions: the Argentine Hydrocarbons Law permits the executive branch of the Argentine government to award 35-year concessions for the transportation of oil, gas and petroleum products following submission of competitive bids. The term of a transportation concession may be extended for an additional ten-year term. Pursuant to Law No. 26,197, provincial governments have the same powers. Holders of production concessions are entitled to receive a transportation concession for the oil, gas and petroleum products that they produce. The holder of a transportation concession has the right to:

- transport oil, gas and petroleum products; and
- construct and operate oil, gas and products pipelines, storage facilities, pump stations, compressor plants, roads, railways and other facilities and equipment necessary for the efficient operation of a pipeline system.

The holder of a transportation concession is obligated to transport hydrocarbons for third parties on a non-discriminatory basis for a fee. This obligation, however, applies to producers of oil or gas only to the extent that the concession holder has surplus capacity available and is expressly subordinated to the transportation requirements of the holder of the concession. Transportation tariffs are subject to approval by the Argentine Secretariat of Energy for oil pipelines and petroleum products and by the National Gas Regulatory Authority (Ente Nacional Regulador del Gas or "ENARGAS") for gas pipelines. Upon expiration of a transportation concession, the pipelines and related facilities automatically revert to the Argentine State without payment to the holder.

The Privatization Law granted YPF a 35-year transportation concession with respect to the pipelines operated by Yacimientos Petrolíferos Fiscales S.A. at the time. The main pipelines related to such transport concessions are:

- La Plata / Dock Sud
- Puerto Rosales / La Plata
- Monte Cristo / San Lorenzo
- Puesto Hernández / Luján de Cuyo
- Luján de Cuyo / Villa Mercedes

Management considers that the assets referred to above meet the criteria set forth by IFRIC 12, and should be therefore recognized as intangible assets.

2.g) Composition and evolution of fixed assets:

	2013	2012	2011
Net book value of fixed assets	93,662	57,103	43,645
Provision for obsolescence of materials and equipment	(166)	(132)	(123)
	93,496	56,971	43,522

	2013				
	Cost				
Main account	Amounts at beginning of year	Increases	Translation effect	Net decreases, reclassifications and transfers	Amounts at the end of year
Land and buildings	4,954	105	1,554	352	6,965
Mineral property, wells and related equipment	121,313	5,380	41,979	11,205	179,877
Refinery equipment and petrochemical plants	18,272	5	6,384	4,606	29,267
Transportation equipment	1,022	39	333	72	1,466
Materials and equipment in warehouse	3,375	4,288	1,183	(3,270)	5,576
Drilling and work in progress	13,658	23,812	4,992	(22,622)	19,840
Exploratory drilling in progress[4]	955	911	296	(1,235)	927
Furniture, fixtures and installations	1,641	17	530	79	2,267
Selling equipment	2,851	3	982	248	4,084
Infrastructure for natural gas distribution	—	2,730	—	(8)	2,722
Electric power generation facilities	—	1,542	—	—	1,542
Other property	2,802	388	888	(8)	4,070
Total 2013	170,843	39,220[5][7][8]	59,121	(10,581)[6]	258,603
Total 2012	135,618	16,209[5]	20,282	(1,266)[1]	170,843
Total 2011	113,531	13,817[5]	9,287	(1,017)[1]	135,618

	2013							2012	2011
	Depreciation								
Main account	Accumulated at beginning of year	Net decreases, reclassifications and transfers	Depreciation rate	Increases	Translation effect	Accumulated at the end of year	Net book value	Net book value	Net book value
Land and buildings	2,048	(4)	2%	144	616	2,804	4,161	2,906	2,546
Mineral property, wells and related equipment	93,306	(1,459)	(2)	9,752	32,073	133,672	46,205(3)	28,007(3)	23,778(3)
Refinery equipment and petrochemical plants	12,427	(44)	4-5%	1,005	4,223	17,611	11,656	5,845	3,752
Transportation equipment	701	(10)	4-20%	101	230	1,022	444	321	195
Materials and equipment in warehouse	—	—	—	—	—	—	5,576	3,375	2,076
Drilling and work in progress	—	—	—	—	—	—	19,840	13,658	9,152
Exploratory drilling in progress(4)	—	—	—	—	—	—	927	955	419
Furniture, fixtures and installations	1,392	—	10%	144	454	1,990	277	249	199
Selling equipment	2,143	—	10%	162	729	3,034	1,050	708	461
Infrastructure for natural gas distribution	—	—	2-5%	1,107	—	1,107	1,615	—	—
Electric power generation facilities	—	—	5-7%	1,060	—	1,060	482	—	—
Other property	1,723	(13)	10%	355	576	2,641	1,429	1,079	1,067
Total 2013	113,740	(1,530)(6)		13,830(7)(8)	38,901	164,941	93,662		
Total 2012	91,973	(84)(1)		8,129	13,722	113,740		57,103	
Total 2011	78,755	(12)(1)		6,438	6,792	91,973			43,645

(1) Includes 4 and 26 of net book value charged to fixed assets provisions for the years ended December 31, 2012 and 2011, respectively.
(2) Depreciation has been calculated according to the unit of production method (Note 1.b.6).
(3) Includes 3,748, 2,800 and 1,601 of mineral property as of December 31, 2013, 2012 and 2011, respectively.
(4) As of December 31, 2013, there are 55 exploratory wells in progress. During year ended on such date, 50 wells were drilled, 22 wells were charged to exploratory expenses and 24 were transfer to proved properties which are included in the account Mineral property, wells and related equipment.
(5) Includes 4,357, (276) and 695 corresponding to hydrocarbon wells abandonment costs for the years ended December 31, 2013, 2012 and 2011.
(6) Includes 91 from the write-down of the assets of Coke A unit as a consequence of the incident in La Plata refinery on April 2013, as a result of the storm that took place in that city (see also Note 11.b) and 6,708 from the decrease of assets related to the investment project agreement (see also Note 11.c).
(7) Includes 3,137 and 1,352 of increases and accumulated amortization, respectively, corresponding to GASA on the acquisition date (see Note 13).
(8) Includes 1,878 and 1,242 of increases and accumulated amortization, respectively, corresponding to YPF Energía Eléctrica on the spin-off date (see Note 13).

As described in Note 1.b.6, YPF capitalizes the financial cost as a part of the cost of the assets. For the years ended on December 31, 2013, 2012 and 2011 the annual average rate of capitalization were 12.03%, 8.55% and 5.91% and the capitalized amount were 605, 340 and 125, respectively, for the years above mentioned.

Set forth below is the evolution of the provision for obsolescence of materials and equipment for the years ended on December 31, 2013, 2012 and 2011:

	2013	2012	2011
Amount at beginning of year	132	123	115
Increases charged to expenses	16	22	21
Decreases charged to income	—	(23)	—
Amounts incurred	—	(4)	(26)
Translation differences	18	14	13
Amount at end of year	166	132	123

Set forth below is the evolution of the exploratory wells in evaluation stage for the years ended on December 31, 2013, 2012 and 2011:

	2013	2012	2011
Amount at beginning of year	815	160	136
Additions pending the determination of proved reserves	424	683	155
Decreases charged to exploration expenses	(255)	(35)	—
Reclassifications to mineral property, wells and related equipment with proved reserves	(481)	(63)	(143)
Translation difference	207	70	12
Amount at end of year	710	815	160

The following table shows exploratory wells capitalized for a period longer than a year and the number of projects related to such costs as of December 31, 2013:

	Amount	Number of projects	Number of wells
Between 1 and 5 years	143	3	4
More than 5 years	—	—	—
Total	143	3	4

2.h) Accounts payable:

	2013		2012		2011	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Trade and related parties[1]	153	17,360	35	10,705	33	9,494
Investments in companies with negative shareholders' equity	—	127	—	4	—	—
Extension of Concessions—Provinces of Chubut, Mendoza, Santa Cruz and Neuquén	275	1,036	104	936	—	451
Accounts payable from joint operations and other agreements	—	1,193	—	798	—	714
Miscellaneous	42	596	23	413	27	536
	470	20,312	162	12,856	60	11,195

(1) See additionally Note 6.

2.i) Loans:

	Interest rate [1]	Principal maturity	2013		2012		2011	
			Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Negotiable Obligations[2]	0.10-24.00%	2013-2028	20,474	4,296	9,216	725	678	313
Other financial debts	2.00-32.00%	2013-2018	2,602[3][4]	4,518[3][4]	2,884	4,279	3,757	7,450
			23,076	8,814	12,100	5,004	4,435	7,763

(1) Annual interest rate as of December 31, 2013.
(2) Disclosed net of 137, 450 and 75, corresponding to YPF's outstanding Negotiable Obligations repurchased through open market transactions as of December 31, 2013, 2012 and 2011, respectively.
(3) Includes approximately 5,715 corresponding to loans agreed in U.S. dollars, which accrue interest at rates between 2.00% and 8.25%.
(4) Includes 926 corresponding to loans granted by Banco Nación Argentina, denominated in argentine pesos of which 424 accrue fixed interest rate of 15% until December 2015 and then accrue variable interest of BADLAR plus a spread of 4 points and 502 accrue variable interest of BADLAR plus a spread of 4 points with a cap of the overall portfolio of Banco Nación lending interest rate. See also Note 6.

Details regarding the Negotiable Obligations of the Company are as follows:

(in millions)								Book value					
Issuance								2013		2012		2011	
Month	Year	Principal value		Class	Interest rate[4]		Principal maturity	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
– YPF:													
–	1998	US$ 100	(1) (7) (3)	—	Fixed	10.00%	2028	534	10	40	1	377	7
March	2010	US$ 70	(2) (7)	Class III	—	—	—	—	—	—	347	301	5
June	2011	$ 300	(2) (7)	Class V	—	—	—	—	—	—	—	—	301
September	2012	$ 100	(2) (7)	Class VI	—	—	—	—	—	—	101	—	—
September	2012	$ 200	(2) (7)	Class VII	Variable BADLAR plus 3%	21.73%	2014	—	202	200	2	—	—
September	2012	$ 1,200	(2) (5) (7)	Class VIII	Variable BADLAR plus 4%	22.73%	2015	800	413	1,200	11	—	—
October	2012	US$ 130	(2) (6) (7)	Class IX	Fixed	5.00%	2014	—	853	636	7	—	—
October and December	2012	US$ 552	(2) (5) (6) (7)	Class X	Fixed	6.25%	2016	3,587	45	2,702	34	—	—
November and December	2012	$ 2,110	(2) (5) (7)	Class XI	Variable BADLAR plus 4.25%	22.48%	2017	2,110	64	2,110	56	—	—
December	2012	$ 150	(2) (7)	Class XII	—	—	—	—	—	—	151	—	—
December and March	2012/3	$ 2,828	(2) (5) (7)	Class XIII	Variable BADLAR plus 4.75%	23.60%	2018	2,828	22	2,328	15	—	—
March	2013	$ 300	(2) (7)	Class XIV	Fixed	19.00%	2014	—	304	—	—	—	—
March	2013	US$ 230	(2) (6) (7)	Class XV	Fixed	2.50%	2014	—	1,497	—	—	—	—
May	2013	$ 300	(2) (7)	Class XVI	Fixed	19.00%	2014	—	303	—	—	—	—
April	2013	$ 2,250	(2) (5)	Class XVII	Variable BADLAR plus 2.25%	21.46%	2020	2,250	83	—	—	—	—
April	2013	US$ 61	(2) (6) (7)	Class XVIII	Fixed	0.1%	2015	397	—	—	—	—	—
April	2013	US$ 89	(2) (6)	Class XIX	Fixed	1.29%	2017	579	1	—	—	—	—
June	2013	$ 1,265	(2) (5)	Class XX	Variable BADLAR plus 2.25%	21.03%	2020	1,265	10	—	—	—	—
July	2013	$ 100	(2)	Class XXI	Fixed	19.00%	2014	—	101	—	—	—	—
July	2013	US$ 92	(2) (6)	Class XXII	Fixed	3.50%	2020	510	89	—	—	—	—
October	2013	US$ 150	(2)	Class XXIV	Variable LIBOR plus 7.50%	7.74%	2018	860	125	—	—	—	—
October	2013	$ 300	(2)	Class XXV	Variable BADLAR plus 3.24%	22.45%	2015	300	13	—	—	—	—
December	2013	US$ 500	(2)	Class XXVI	Fixed	8.875%	2018	3,251	10	—	—	—	—
December	2013	$ 150	(2)	Class XXVII	Variable [8]	24%	2014	—	151	—	—	—	—
– MetroGAS:													
January	2013	US$ 163		Serie A-L	Fixed	8.875%	2018	840	—	—	—	—	—
January	2013	US$ 16		Serie A-U	Fixed	8.875%	2018	91	—	—	—	—	—
– GASA:													
March	2013	US$ 51		Serie A-L	Fixed	8.875%	2015	262	—	—	—	—	—
March	2013	US$ 1		Serie A-U	Fixed	8.875%	2015	10	—	—	—	—	—
								20,474	4,296	9,216	725	678	313

(1) Corresponds to the 1997 M.T.N. Program for U$S 1,000 million.
(2) Corresponds to the 2008 M.T.N. Program for U$S 5,000 million.
(3) The Company has granted to certain holders of this negotiable obligation an option to sell ("put") such securities at face value, for an amount of up to 444 approximately, which can be executed between 2020 and 2028.
(4) Interest rate as of December 31, 2013.
(5) The ANSES and/or the Argentine Hydrocarbons Fund have participated in the primary subscription of these negotiable obligations, which may at the discretion of the respective holders, be subsequently traded in the securities market where these negotiable obligations are authorized to be traded.

(6) The payment currency of these Negotiable Obligations is the Argentine Peso at the Exchange rate applicable under the terms of the series issued.
(7) As of the date of issuance of these financial statements, the Company has fully complied with the use of proceeds disclosed in the pricing supplements.
(8) Accrue an annual variable interest rate equivalent to the sum of a floor interest rate of 19% plus a spread related to YPF's total hydrocarbons production (natural gas, oil-condensate and gasoline) according to the information of the National Secretariat of Energy with a maximum interest rate of 24%.

For additional information about covenants assumed by the Company and maturity of loans see Note 1.d) Financial risk management.

- YPF's Negotiable Obligations

The Shareholder's meeting held on January 8, 2008, approved a Notes Program for an amount up to US$ 1,000 million. Subsequently the amount of the program was extended by the corresponding approval of the Shareholders' meeting, totalizing a maximum nominal amount outstanding of US$ 5,000 million or its equivalent in other currencies. The funds from this program may be used for any of the alternatives provided in Law No. 23,576 of negotiable obligations and its supplementary rules.

- Negotiable Obligations of MetroGAS S.A. and Gas Argentino S.A. – Debt Restructuring:
- MetroGAS:

In compliance with the preventive agreement between MetroGAS and its creditors, in relation with MetroGAS voluntary reorganization petition, on January 11, 2013 new negotiable obligations were issued by MetroGAS (the "new negotiable obligations of MetroGAS") which were granted in exchange to the financial and non-financial creditors verified and declared acceptable.

On February 1 and February 13, 2013 MetroGAS presented to the Court the documentation that demonstrates the fulfillment of the debt exchange and the issuance of the new negotiable obligations of MetroGAS in order to obtain the removal of the general prohibition and obtain the legal declaration of the accomplishment of the preventive agreement under the terms and conditions of art. 59 of the Bankruptcy law.

The issuance of the new negotiable obligations of MetroGAS was approved by the CNV on December 26, 2012, within the framework of the Global Negotiable Obligation Issuance Program of MetroGAS for a nominal value of up to US$ 600 million.

MetroGAS issued the new negotiable obligations to be exchanged for existing negotiable obligations:

- Series A-L for an amount of US$ 163,003,452.
- Series B-L for an amount of US$ 122,000,000.

and in exchange of non-financial debt of MetroGAS negotiable obligations:

- Series A-U for an amount of US$ 16,518,450.
- Series B-U for an amount of US$ 13,031,550.

From the date of issuance, all MetroGAS obligations under the terms of the Previous Negotiable Obligations and the previous non-financial debt were terminated and all rights, interests and benefits stipulated therein were annulled and canceled. Consequently, the previous Negotiable Obligation and the previous non-financial debt were extinguished and no longer constitute MetroGAS enforceable obligations. In this order, the debt exchange was accounted for as a debt extinguishment following the guidelines of IFRS 9. The result, before tax effect, of the restructuring of the outstanding debt obligations of MetroGAS was recognized by that company during the three months ended on March 31, 2013. Since this result was recognized by MetroGAS prior to the YPF's acquisition, the effect arising thereof has been considered in the initial accounting of the acquisition of MetroGAS (see Note 13).

The principal value of the Class A New Negotiable Obligations of MetroGAS shall be fully redeemed at its maturity on December 31, 2018 in a single payment. The Class A New Negotiable Obligations of MetroGAS will accrue an annual nominal interest rate of 8.875%. The Class B New Negotiable obligations of MetroGAS maturing on 2018 will only accrue interest if there is a triggering event (which includes the anticipated maturity in case of an event of default under the terms of the new issued negotiable obligations) occurs before the Deadline, and in the case no triggering event occurs, the Class B New Negotiable obligations of MetroGAS will be automatically canceled and will no longer constitute an enforceable obligation for MetroGAS. Interest on the Series AL and AU will be paid every six months on June 30 and December 31 of each year, although MetroGAS has exercised the option to capitalize 100% of the interest accrued between the date of issuance and June 30, 2013 and 50% of the interest accrued between July 1, 2013 and December 31, 2013 and has the option to capitalize 50% of the interest to be accrued between January 1, 2014 and June 30, 2014.

Additionally, in accordance with the terms and conditions of issuance of the New Negotiable obligations of MetroGAS, it and its subsidiaries, must comply with certain restrictions relating to indebtedness, restricted payments (including dividends), liens, among others.

- GASA:

In compliance with the preventive agreement between GASA and its creditors, in relation with the voluntary reorganization petition of GASA, on March 15, 2013 GASA proceeded to exchange the existing negotiable obligations held by its financial creditors and the credits of nonfinancial creditors verified and declared acceptable by the New Negotiable obligations.

GASA issued new negotiable obligations (the "new negotiable obligations of GASA") to be delivered in exchange for previous existing negotiable obligations:

- Series A-L for an amount of US$ 50,760,000.
- Series B-L for an amount of US$ 67,510,800.

and in exchange for the financial debt of the Company's Previous Negotiable Obligations:

- Series A-U for an amount of US$ 1,306,528.
- Series B-U for an amount of US$ 1,737,690.

The issuance of the new negotiable obligations of GASA AL and BL series were approved by the CNV on February 5, 2013.

From the date of issuance, all GASA obligations under the terms of the previous negotiable obligations and the previous financial debt were terminated and all rights, interests and benefits stipulated therein were annulled and canceled. Consequently, the Previous Negotiable obligations and the previous financial debt were extinguished and no longer constitute an enforceable obligation for GASA. The debt exchange was accounted for as an extinguishment of debt following the guidelines of IFRS 9. The result before tax effect of the debt restructuring of GASA was recognized in the statement of income during the three months ended on March 31, 2013. Since this result was recognized by GASA prior to YPF's acquisition, the effect arising thereof has been considered in the initial accounting of the acquisition of GASA (see Note 13).

The principal value of the Class A new negotiable obligations of GASA will be fully redeemed at its maturity on December 31, 2015 in a single payment. If GASA pays the total accrued non-capitalized interest to that date and the capital corresponding that would have been capitalized in accordance with the terms of issuance up to that date, then the maturity of the new negotiable obligations of GASA will be on December 31, 2016. The Class A new negotiable obligations of GASA will accrue an annual nominal interest of 8.875%. The Class B new negotiable obligations of GASA, maturing on 2015, will only accrue interest if there is a triggering event (which includes the anticipated maturity in case of an event of default under the terms of the negotiable obligations issued) occurs before the Deadline, and if the triggering event has not occur, the Class B new negotiable obligations of GASA will be automatically canceled and will no longer constitute enforceable obligations for GASA. Interest will be paid every six months on June 15 and December 15 of each year, GASA will have the option to capitalize 100% of the interest accrued between the date of issuance and December 15, 2015. GASA has exercised this option for the accrued interest from the date of issuance to December 15, 2013.

Additionally, in accordance with the terms and conditions of issuance of the new negotiable obligations, GASA and its subsidiaries, must comply with certain restrictions relating to indebtedness, restricted payments (including dividends), liens, among others.

2.j) Provisions:

	Provision for pensions		Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2012	136	16	2,892	122	677	489	6,958	193
Increases charged to expense	3	—	1,877	29	208	551	719	—
Decreases charged to income	—	—	(90)	(41)	—	—	—	—
Decrease from payments	—	(16)	—	(160)	—	(432)	—	(105)
Translation differences	46	5	579	9	138	59	1,355	29
Reclassifications and others	(17)	17	(238)	200	(259)	259	4,188[1]	172[1]
Amount as of December 31, 2013	168	22	5,020	159	764[2]	926[3]	13,220	289

	Provision for pensions		Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2011	143	14	2,167	118	567	581	6,329	252
Increases charged to expense	5	—	1,058	15	707	—	477	5
Decreases charged to income	—	—	(31)	(4)	(24)	—	—	—
Decrease from payments	—	(11)	—	(519)	—	(735)	—	(141)
Translation differences	(1)	2	210	—	53	17	489	16
Reclassifications and others	(11)	11	(512)	512	(626)	626	(337)(1)	61(1)
Amount as of December 31, 2012	136	16	2,892	122	677(2)	489(3)	6,958	193

	Provision for pensions		Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of January 1, 2011	130	17	2,186	95	544	502	5,228	243
Increases charged to expense	18	—	459	26	247	122	165	224
Decreases charged to income	—	—	—	—	—	—	—	—
Decrease from payments	—	(23)	—	(590)	—	(311)	—	(224)
Translation differences	13	2	109	—	27	17	241	9
Reclassifications and others	(18)	18	(587)	587	(251)	251	695(1)	—
Amount as of December 31, 2011	143	14	2,167	118	567(2)	581(3)	6,329	252

(1) Includes 4,357, (276) and 695 corresponding to the annual revision of hydrocarbons well abandonment costs, which has counterpart in fixed assets for the years ended on December 31, 2013, 2012 and 2011, respectively.
(2) Includes provisions for environmental liabilities of YPF Holdings Inc. for 550, 431 and 346, as of December 31, 2013, 2012 and 2011, respectively.
(3) Includes provisions for environmental liabilities of YPF Holdings Inc. for 268, 145 and 278, as of December 31, 2013, 2012 and 2011, respectively.

2.k) Revenues, cost of sales and expenses:

For the years ended December 31, 2013, 2012 and 2011

Revenues

	2013	2012	2011
Sales(1)	92,978	68,817	57,054
Revenues from construction contracts	312	684	993
Turnover tax	(3,177)	(2,327)	(1,836)
	90,113	67,174	56,211

(1) Includes revenues related to the natural gas additional injection stimulus program created by Resolution 1/2013 of the Planning and Strategic Coordination Commission of the National Plan of Hydrocarbons Investment (see Note 11.c).

Cost of sales

	2013	2012	2011
Inventories at beginning of year	6,922	6,006	3,748
Purchases for the year	26,323	17,974	17,679
Production costs	42,980	32,374	25,354
Translation effect	2,227	835	368
Inventories at end of year	(9,881)	(6,922)	(6,006)
Cost of sales	68,571	50,267	41,143

Expenses

	2013					2012	2011
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total	Total
Salaries and social security taxes	4,211	963[2]	634	98	5,906	4,488	3,493
Fees and compensation for services	393	800[2]	154	14	1,361	1,075	837
Other personnel expenses	1,108	177	62	23	1,370	997	852
Taxes, charges and contributions	1,123	62	2,704	4	3,893[1]	2,680[1]	2,902[1]
Royalties and easements	5,845	2	13	11	5,871	4,469	3,546
Insurance	520	19	53	—	592	255	182
Rental of real estate and equipment	1,747	12	194	3	1,956	1,481	1,054
Survey expenses	—	—	—	77	77	32	52
Depreciation of fixed assets	10,766	179	291	—	11,236	8,129	6,438
Amortization of intangible assets	95	73	13	16	197	152	61
Industrial inputs, consumable materials and supplies	1,992	19	127	5	2,143	1,561	1,120
Operation services and other service contracts	2,540	106	397	—	3,043	2,937	3,282
Preservation, repair and maintenance	7,673	104	169	13	7,959	5,922	4,154
Contractual commitments	167	2	5	—	174	212	88
Unproductive exploratory drillings	—	—	—	514	514	316	350
Transportation, products and charges	2,582	3	2,220	—	4,805	3,878	2,769
Provision (recovery) for doubtful trade receivables and other doubtful accounts	—	—	123	—	123	31	(12)
Publicity and advertising expenses	—	156	109	—	265	182	273
Fuel, gas, energy and miscellaneous	2,218	9	303	51	2,581	2,053	1,747
Total 2013	42,980	2,686	7,571	829	54,066		
Total 2012	32,374	2,232	5,662	582		40,850	
Total 2011	25,354	1,822	5,438	574			33,188

(1) Include approximately 1,757, 1,307 and 1,826 corresponding to hydrocarbon export withholdings for years ended December 31, 2013, 2012 and 2011, respectively.

(2) Includes 74 corresponding Board of Directors' members and Statutory Auditor's fee for all concept. On May 30, 2013 the General Ordinary and Extraordinary Shareholder's meeting of YPF decided to approve as honorary in advance for such fee the sum of approximately 74 for the year 2013.

The expense recognized in the statement of comprehensive income related to research and development activities during the years ended December 31, 2013, 2012 and 2011 amounted to 83, 58 and 53, respectively.

Other income (expense), net

	2013	2012	2011
Environmental remediation and others from YPF Holdings Inc.	(201)	(572)	(280)
Lawsuits and contingencies	(1,069)	(143)	(72)
Insurance (Note 11.b)	1,956	—	135
Miscellaneous	18	187	171
	704	(528)	(46)

3. PROVISIONS FOR PENDING LAWSUITS, CLAIMS AND ENVIRONMENTAL LIABILITIES

The Company is party to a number of labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely against it, result in the imposition of material costs, fines, judgments or other losses. While the Company believes that such risks have been provisioned appropriately based on the opinions and advice of our external legal advisors and in accordance with applicable accounting standards, certain loss contingencies, are subject to change as new information develops and results of the presented evidence is obtain, among others. It is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to the Company, could significantly exceed the recorded provisions.

As of December 31, 2013, the Company has accrued pending lawsuits, claims and contingencies which are probable and can be reasonably estimated, amounting to 5,179. The most significant pending lawsuits and contingencies accrued are described in the following paragraphs.

Additionally, the Company is subject to various provincial and national laws and regulations relating to the protection of the environment. These laws and regulations may, among other things, impose liability on companies for the cost of pollution clean-up and environmental damages resulting from operations. Management believes that the Company's operations are in substantial compliance with Argentine laws and regulations currently in force relating to the protection of the environment as such laws have historically been interpreted and enforced.

However, the Company is periodically conducting new studies to increase its knowledge concerning the environmental situation in certain geographic areas where the Company operates in order to establish their status, causes and necessary remediation and, based on the aging of the environmental issue, to analyze the possible responsibility of Argentine Government, in accordance with the contingencies assumed by the Argentine Government for liabilities existing as of December 31, 1990. Until these studies are completed and evaluated, the Company cannot estimate what additional costs, if any, will be required. However, it is possible that other works, including provisional remedial measures, may be required.

The most significant pending lawsuits and contingencies provisioned are described in the following paragraphs.

Pending lawsuits: In the normal course of its business, the Company has been sued in numerous labor, civil and commercial actions and lawsuits. Management, in consultation with the external legal advisors, has recorded a provision considering its best estimation, based on the information available as of the date of the issuance of these consolidated financial statements, including counsel fees and judicial expenses.

Liabilities and contingencies assumed by the Argentine Government: The YPF Privatization Law provided for the assumption by the Argentine Government of certain liabilities of the predecessor as of December 31, 1990. In certain lawsuits related to events or acts that took place before December 31, 1990, YPF has been required to advance the payment established in certain judicial decisions. YPF has the right to be reimbursed for these payments by the Argentine Government pursuant to the above-mentioned indemnity.

Natural gas market: Pursuant to Resolution No. 265/2004 of the Secretariat of Energy, the Argentine Government created a program of useful curtailment of natural gas exports and their associated transportation service. Such program was initially implemented by means of Regulation No. 27/2004 of the Under-Secretariat of Fuels, which was subsequently substituted by the Program of Rationalization of Gas Exports and Use of Transportation Capacity (the "Program") approved by Resolution No. 659/2004 of the Secretariat of Energy. Additionally, Resolution No. 752/2005 of the Secretariat of Energy provided that industrial users and thermal generators (which according to this resolution will have to request volumes of gas directly from the producers) could also acquire the natural gas from the cutbacks on natural gas exports through the Permanent Additional Injections mechanism created by this Resolution. By means of the Program and/or the Permanent Additional Injection, the Argentine Government requires natural gas exporting producers to deliver additional volumes to the domestic market in order to satisfy natural gas demand of certain consumers of the Argentine market ("Additional Injection Requirements"). Such additional volumes are not contractually committed by YPF, who is thus forced to affect natural gas exports, which execution has been conditioned. The mechanisms established by the Resolutions No. 659/2004 and 752/2005 have been adapted by the Secretariat of Energy Resolution No. 599/2007, modifying the conditions for the imposition of the requirements, depending on whether the producers have signed or not the proposed agreement, ratified by such resolution, between the Secretariat of Energy and the Producers. Also, through Resolution No. 1410/2010 of the National Gas Regulatory Authority ("ENARGAS") approved the procedure which sets new rules for natural gas dispatch applicable to all participants in the natural gas industry, imposing new and more severe regulations to the producers' availability of natural gas ("Procedimiento para Solicitudes, Confirmaciones y Control de Gas"). Additionally, the Argentine Government, through instructions made using different procedures, has ordered limitations over natural gas exports (in conjunction with the Program and the Permanent Additional Injection, named the "Export Administration"). On January 5, 2012, the Official Gazette published Resolution of the Secretariat

of Energy No. 172 which temporarily extends the rules and criteria established by Resolution No. 599/07, until new legislation replaces the Resolution previously mentioned. This Resolution was appealed on February 17, 2012 by filing a motion for reconsideration with the Secretariat of Energy.

As a result of the resolution mentioned before, in several occasions since 2004, YPF has been forced to suspend, either totally or partially, its natural gas deliveries to some of its export clients, with whom YPF has undertaken firm commitments to deliver natural gas.

YPF has challenged the Program, the Permanent Additional Injection and the Additional Injection Requirements, established by Resolution of the Secretariat of Energy No. 599/2007, 172/2011 and Resolution ENARGAS No. 1,410/2010, as arbitrary and illegitimate, and has invoked vis-à-vis the relevant clients that the Export Administration constitute a fortuitous case or force majeure event (act of authority) that releases YPF from any liability and/or penalty for the failure to deliver the contractual volumes. These clients have rejected the force majeure argument invoked by YPF, and some of them have demanded the payment of indemnifications and/or penalties for the failure to comply with firm supply commitments, and/or reserved their rights to future claims in such respect (the "Claims").

Among them, on June 25, 2008, AES Uruguaiana Emprendimientos S.A. ("AESU") claimed damages in a total amount of US$ 28.1 million for natural gas "deliver or pay" penalties for cutbacks accumulated from September 16, 2007 through June 25, 2008, and also claimed an additional amount of US$ 2.7 million for natural gas "deliver or pay" penalties for cutbacks accumulated from January 18, 2006 until December 1, 2006. YPF has rejected both claims. On September 15, 2008, AESU notified YPF the interruption of the fulfillment of its commitments alleging delay and breach of YPF obligations. YPF has rejected the arguments of this notification. On December 4, 2008, YPF notified that having ceased the force majeure conditions, pursuant to the contract in force, it would suspend its delivery commitments, due to the repeated breaches of AESU obligations. AESU has rejected this notification. On December 30, 2008, AESU rejected YPF's right to suspend its natural gas deliveries and on March 20, 2009, notified YPF the termination of the contract. On March 20, 2009 AESU formally notified the termination of the contract. On April 6, 2009, YPF promoted an arbitration process at the International Chamber of Commerce ("ICC") against AESU, Companhía do Gas do Estado do Río Grande do Sul ("Sulgás") and Transportadora de Gas del Mercosur S.A. ("TGM"). On the same date YPF was notified by the ICC of an arbitration process initiated by AESU and Sulgás against YPF in which they claim, among other matters considered inadmissible by YPF, consequential loss, AESU's plant dismantling costs and the payment of "deliver or pay" penalties mentioned above, all of which totaled approximately US$ 1,057 million.

Additionally, YPF was notified of the arbitration process brought by TGM at the ICC, claiming YPF the payment of approximately US$ 10 million plus interest up to the date of effective payment, in connection with the payment of invoices related to the Transportation Gas Contract entered into in September 1998 between YPF and TGM, associated with the aforementioned exportation of natural gas contract signed with AESU. On April 8, 2009 YPF requested that this claim be rejected and counterclaimed for the termination of the natural gas transportation contract based on its termination rights upon the termination by AESU and Sulgás of the related natural gas export contract. In turn, YPF had initiated an arbitration process at the ICC against TGM, among others. YPF received the reply to the complaint from TGM, who requested the full rejection of YPF claims and deduced counterclaim against YPF asking the Arbitration Tribunal to condemn YPF to compensate TGM for all present and future damages suffered by TGM due to the extinction of the Transportation Gas Contract and the Memorandum of Agreement dated on October 2, 1998 by which YPF undertook to pay irrevocable non-capital contributions to TGM in return for the Uruguayana Project pipeline expansion; and to condemn AESU-Sulgás -in the case the Arbitration Tribunal finds that the termination of the Gas Contract occurred due to the failure of AESU or Sulgás- jointly and severally to indemnify all damages caused by such termination to TGM. Additionally, on July 10, 2009 TGM increased the amount of its claim to US$ 17 million and claimed an additional amount of approximately US$ 366 million for loss of profits, both considered inappropriate by YPF, and thus, rejected in its answer to such additional claim.

On April 6, 2011, the Arbitration Tribunal appointed in "YPF vs. AESU" arbitration decided to sustain YPF's motion, and determined the consolidation of all the related arbitrations ("AESU vs. YPF", "TGM vs. YPF" and "YPF vs. AESU") in "YPF vs. AESU" arbitration. Consequently, AESU and TGM desisted from and abandoned their respective arbitrations, and all the matters claimed

in the three proceedings are to be solved in "YPF vs. AESU" arbitration. On April 19 and 24, 2012, AESU and Sulgás presented new evidence claiming their admission in the arbitration process. YPF and TGM made their observations about the evidence on April 27, 2012. On May 1, 2012, the Arbitration Tribunal denied the admission of such evidence and ruled that the evidence would be accepted if the Tribunal considered it necessary.

On May 24, 2013 YPF was notified of the partial award decreed by a majority in the ICC Arbitration "YPF vs. AESU and TGM" whereby YPF was deemed responsible for the termination in 2009 of natural gas export and transportation contracts signed with AESU and TGM. Such award only decides on the liability of the parties, leaving the determination of the damages that could exist subject to the subsequent proceedings before the same Tribunal. Moreover, the Tribunal rejected the admissibility of "deliver or pay" claims asserted by Sulgás and AESU for the years 2007 and 2008 for a value of US$ 28 million and for the year 2006 for US$ 2.4 million.

On May 31, 2013 YPF filed with the Arbitration Tribunal a writ of Nullity, in addition to making several presentations in order to safeguard its rights. Against the rejection of the writ of nullity, on August 5, 2013 YPF filed a complaint appeal with the Argentinian Court in Commercial matters. On October 24, 2013, the Argentinian Court in Commercial matters declared its incompetency and submitted the file to the Federal Contentious Administrative Court. On December 16, the acting prosecutor issued an opinion supporting the jurisdiction of the court.

Besides on October 17, 2013 the Arbitration Tribunal decided to resume the arbitration and set a procedural schedule for the damages stage, which shall be developed along 2014.

Despite having brought the action above, considering the information available to date, the estimated time remaining until the end of the proceedings, the outcomes of the additional evidence presented in the continuation of the dispute and the provisions of the partial award, YPF has accrued its best estimate with respect to the amount of the claims.

Furthermore, there are certain claims in relation with payments of natural gas transportation contracts associated with exports of such hydrocarbon. Consequently, one of the parties, Transportadora de Gas del Norte S.A. ("TGN"), commenced mediation proceedings in order to determine the merits of such claims. The mediation proceedings did not result in an agreement and YPF was notified of the lawsuit filed against it, in which TGN is claiming the payment of unpaid invoices, according to their arguments, while reserving the right to claim for damages, which were claimed in a note addressed to YPF during November 2011. Additionally, the plaintiff notified YPF that it was terminating the contract invoking YPF's fault, basing its decision on the alleged lack of payment of transportation fees, reserving the right to claim for damages. After that, TGN filed the lawsuit claiming for damages mentioned above. The total amount claimed by TGN amounts to approximately US$ 207 million as of the date of these consolidated financial statements. YPF has answered the mentioned claims, rejecting them based in the legal impossibility for TGN to render the transportation service and in the termination of the transportation contract determined by YPF and notified with a complaint initiated before ENARGAS. On the trial for the collection of bills, on September 2011, YPF was notified of the resolution of the Court of Appeals rejecting YPF's claims and declaring that ENARGAS is not the appropriate forum to decide on the matter and giving jurisdiction to the Civil and Commercial Federal courts to decide on the claim for the payment of unpaid invoices mentioned above.

Regarding the previously mentioned issue, on April 8, 2009, YPF had filed a complaint against TGN with ENARGAS, seeking the termination of the natural gas transportation contract with TGN in connection with the natural gas export contract entered with AESU and other parties. The termination of the contract with that company is based on: (a) the impossibility for YPF to receive the service and for TGN to render the transportation service, due to (i) the termination of the natural gas contract with Sulgás/AESU and (ii) the legal impossibility of assigning the transportation contract to other shippers because of the regulations in effect, (b) the legal impossibility for TGN to render the transportation service on a firm basis because of certain changes in law in effect since 2004, and (c) the "Teoría de la Imprevisión" available under Argentine law, when extraordinary events render a party's obligations excessively burdensome.

In addition, Nación Fideicomisos S.A. (NAFISA) had initiated a claim against YPF in relation to payments of applicable fees for natural gas transportation services to Uruguaiana corresponding to the transportation invoices claimed by TGN. A mediation hearing finished without arriving to an agreement, concluding the pre-trial stage. Additionally, on January 12, 2012 and following a mediation process which ended without any agreement, NAFISA filed a complaint against YPF,

under article 66 of Law No. 24,076, before ENARGAS, claiming the payment of certain transportation charges in an approximate amount of 339. On February 8, 2012, YPF answered the claim raising ENARGAS' lack of jurisdiction (as the Company did in the proceeding against TGN), the accumulation in the "TGN vs. YPF" trial and rejecting the claim based on the theory of legal impossibility. On the same date, was also submitted in the trial "TGN vs. YPF" similar order of accumulation. On April 12, 2012, ENARGAS resolved in favor of NAFISA. On May 12, 2012 YPF filed an appeal against such resolution to the National Court of Appeals in the Federal Contentious Administrative. On November 11, 2013, such court dismissed the direct appeal filed by YPF. In turn, on November 19, 2013 YPF submitted an ordinary appeal before the National Supreme Court of Justice and on November 27, an extraordinary appeal was lodged, also before the Supreme Court. In the opinion of YPF's Management, the matters referred to above, will not have a material adverse effect on the Company's results of operations.

As of December 31, 2013, the Company has provisioned costs for penalties associated with the failure to deliver the contractual volumes of natural gas in the export and domestic markets which are probable and can be reasonably estimated.

La Plata and Quilmes environmental claims:

La Plata: In relation with the operation of the refinery that YPF has in La Plata, there are certain claims for compensation of individual damages purportedly caused by the operation of the La Plata refinery and the environmental remediation of the channels adjacent to the mentioned refinery. During 2006, YPF submitted a presentation before the Environmental Secretariat of the Province of Buenos Aires which put forward for consideration the performance of a study for the characterization of environmental associated risks. As previously mentioned, YPF has the right of indemnity for events and claims prior to January 1, 1991, according to Law No. 24,145 and Decree No. 546/1993. Besides, there are certain claims that could result in the requirement to make additional investments connected with the operations of La Plata refinery.

On January 25, 2011, YPF entered into an agreement with the environmental agency of the Government of the Province of Buenos Aires (Organismo Provincial para el Desarrollo Sostenible ("OPDS")), within the scope of the Remediation, Liability and Environmental Risk Control Program, created by Resolution No. 88/10 of the OPDS. Pursuant to the agreement, the parties agreed to jointly perform an eight-year work program in the channels adjacent to the La Plata refinery, including characterization and risk assessment studies of the sediments. The agreement provides that, in the case that a required remediation action is identified as a result of the risk assessment studies, the different alternatives and available techniques will be considered, as well as the steps needed for the implementation. Dating studies will also be performed pursuant to the agreement, in order to determine responsibilities of the Argentine Government in accordance with its obligation to hold YPF harmless in accordance with the article 9 of the Privatization Law No. 24,145. YPF has provisioned the estimated cost of the characterization and risk assessment studies mentioned above. The cost of the remediation actions, if required, will be recorded in those situations where the loss is probable and can be reasonably estimated.

Quilmes: Citizens which allege to be residents of Quilmes, Province of Buenos Aires, have filed a lawsuit in which they have requested remediation of environmental damages and also the payment of 47 plus interests as a compensation for supposedly personal damages. They base their claim mainly on a fuel leak in the pipeline running from La Plata to Dock Sud, currently operated by YPF, which occurred in 1988 as a result of an illicit detected at that time, being at that moment YPF a state-owned company. Fuel would have emerged and became perceptible on November 2002, which resulted in remediation works that are being performed by the Company in the affected area, supervised by the environmental authority of the Province of Buenos Aires. The Argentine Government has denied any responsibility to indemnify YPF for this matter, and the Company has sued the Argentine Government to obtain a declaration of invalidity of such decision. The suit is still pending. On November 25, 2009, the proceedings were transferred to the Federal Court on Civil and Commercial Matters No. 3, Secretariat No. 6 in Buenos Aires City and on March 4, 2010, YPF answered the complaint and requested the citation of the Argentine Government. In addition to the aforementioned, the Company has other 26 judicial claims against it with total claims amounting to approximately 19. Additionally, YPF is aware of the existence of other out of court claims which are based on similar allegations.

Other claims and environmental liabilities:

In relation to environmental obligations, and in addition to the hydrocarbon wells abandonment legal obligations for 13,509 as of December 31, 2013, the Company has provisioned 1,690 corresponding to environmental remediation, which evaluations and/or remediation works are probable and can also be reasonably estimated, based on the Company's existing remediation program. Legislative changes, on individual costs and/or technologies may cause a re-evaluation of the estimates. The Company cannot predict what environmental legislation or regulation will be enacted in the future or how future laws or regulations will be administered. In the long-term, this potential changes and ongoing studies could materially affect future results of operations.

In addition to what has been mentioned in the preceding paragraphs, laws and regulations relating to health and environmental quality in the United States of America affect nearly all the operations of YPF Holdings Inc. (hereinafter mentioned as "YPF Holdings Inc." or "YPF Holdings"). These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish in certain circumstances remedial obligations.

YPF Holdings Inc. believes that its policies and procedures in the area of pollution control, product safety and occupational health are adequate to prevent reasonable risk of environmental and other damage, and of resulting financial liability, in connection with its business. Some risk of environmental and other damage is, however, inherent in particular operations of YPF Holdings Inc. and, as discussed below, Maxus Energy Corporation ("Maxus") and Tierra Solutions Inc. ("Tierra"), both controlled by YPF Holdings Inc., could have certain potential liabilities associated with operations of Maxus' former chemical subsidiary.

YPF Holdings Inc. cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent law regulations, as well as more vigorous enforcement policies of the regulatory agencies, could in the future require material expenditures by YPF Holdings Inc. for the installation and operation of systems and equipment for remedial measures, possible dredging requirements, among other things. Also, certain laws allow for recovery of natural resource damages from responsible parties and ordering the implementation of interim remedies to abate an imminent and substantial endangerment to the environment. Potential expenditures for any such actions cannot be reasonably estimated.

In the following discussion, references to YPF Holdings Inc. include, as appropriate and solely for the purpose of this information, references to Maxus and Tierra.

In connection with the sale of Maxus' former chemical subsidiary, Diamond Shamrock Chemicals Company ("Chemicals") to Occidental Petroleum Corporation ("Occidental") in 1986, Maxus agreed to indemnify Chemicals and Occidental from and against certain liabilities relating to the business or activities of Chemicals prior to the selling date, September 4, 1986 (the "selling date"), including environmental liabilities relating to chemical plants and waste disposal sites used by Chemicals prior to the selling date.

The most significant contingencies recorded by the controlled company YPF Holdings Inc. are described in the following paragraphs. YPF Holdings Inc.'s management believes it has adequately provisioned for all environmental contingencies, which are probable and can be reasonably estimated; however, changes in circumstances, including new information or new requirements of governmental entities, could result in changes, including additions, to such provisions in the future.

Newark, New Jersey. A consent decree, previously agreed upon by the U.S. Environmental Protection Agency ("EPA"), the New Jersey Department of Environmental Protection and Energy ("DEP") and Occidental, as successor to Chemicals, was entered in 1990 by the United States District Court of New Jersey and requires implementation of a remedial action plan at Chemical's former Newark, New Jersey agricultural chemicals plant. The interim remedial plan has been completed and paid for by Tierra. This project is in the operation and maintenance phase. YPF Holdings Inc. has provisioned approximately 96 in connection with such activities.

Passaic River, New Jersey. Maxus, complying with its contractual obligation to act on behalf of Occidental, negotiated an agreement with the EPA (the "1994 AOC") under which Tierra has conducted testing and studies near the Newark plant site, adjacent to the Passaic River. While some work remains, the work under the 1994 AOC was substantially subsumed by the remedial

investigation and feasibility study ("RIFS") being performed and funded by Tierra and a number of other entities of the lower portion of the Passaic River pursuant to a 2007 administrative settlement agreement (the "2007 AOC"). The parties to the 2007 AOC are discussing the possibility of further work with the EPA. The entities that have agreed to fund the RIFS have negotiated an interim allocation of RIFS costs among themselves based on a number of considerations. This group is called the Cooperative Parties Group (the "CPG"). The 2007 AOC is being coordinated with a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project ("PRRP"). As of December 31, 2013, approximately 70 entities, including Tierra, have agreed to participate in the RIFS in connection with the PRRP. On May 29, 2012, Occidental, Maxus and Tierra withdrew from the CPG under protest and reserving all their rights. A description of the circumstances of such decision can be found below in the paragraph titled "Passaic River—Mile 10.9—Removal Action". However, Occidental continues to be a member of the 2007 AOC and its withdrawal from the CPG does not change its obligations under the 2007 AOC.

The EPA's findings of fact in the 2007 AOC (which amended the 1994 AOC) indicate that combined sewer overflow/storm water outfall discharges are an ongoing source of hazardous substances to the Lower Passaic River Study Area. For this reason, during the first semester of 2011, Maxus and Tierra signed with the EPA, on behalf of Occidental, an Administrative Settlement Agreement and Order on Consent for Combined Sewer Overflow/Storm Water Outfall Investigation ("CSO AOC"), which became effective in September 2011. Besides providing for a study of combined sewer overflows in the Passaic River, the CSO AOC confirms that there will be no further obligations to be performed under the 1994 AOC. Tierra estimates that the total cost to implement the CSO AOC is approximately US$ 5 million and will take approximately 2 years to complete.

In 2003, the DEP issued Directive No. 1 to Occidental and Maxus and certain of their respective related entities as well as other third parties. Directive No. 1 seeks to address natural resource damages allegedly resulting from almost 200 years of historic industrial and commercial development along a portion of the Passaic River and a part of its watershed. Directive No. 1 asserts that the named entities are jointly and severally liable for the alleged natural resource damages without regard to fault. The DEP has asserted jurisdiction in this matter even though all or part of the lower Passaic River is subject to the PRRP. Directive No. 1 calls for the following actions: interim compensatory restoration, injury identification, injury quantification and value determination. Maxus and Tierra responded to Directive No. 1 setting forth good faith defenses. Settlement discussions between the DEP and the named entities have been held; however, no agreement has been reached or is assured.

In 2004, the EPA and Occidental entered into an administrative order on consent (the "2004 AOC") pursuant to which Tierra (on behalf of Occidental) has agreed to conduct testing and studies to characterize contaminated sediment and biota and evaluate remedial alternatives in the Newark Bay and a portion of the Hackensack, the Arthur Kill and Kill van Kull rivers. The initial field work on this study, which includes testing in the Newark Bay, has been substantially completed. Discussions with the EPA regarding additional work that might be required are underway. EPA has issued General Notice Letters to a series of additional parties concerning the contamination of Newark Bay and the work being performed by Tierra under the 2004 AOC. Tierra proposed to the other parties that, for the third stage of the RIFS undertaken in Newark Bay, the costs be allocated on a per capita basis. The parties have not agreed to Tierra's proposal. However, YPF Holdings lacks sufficient information to determine additional costs, if any, it might have with respect to this matter once the final scope of the third stage is approved, as well as the proposed distribution mentioned above.

In December 2005, the DEP issued a directive to Tierra, Maxus and Occidental directing said parties to pay the State of New Jersey's cost of developing a Source Control Dredge Plan focused on allegedly dioxin-contaminated sediment in the lower six-mile portion of the Passaic River. The development of this plan was estimated by the DEP to cost approximately US$ 2 million. The DEP has advised the recipients that (a) it is engaged in discussions with the EPA regarding the subject matter of the directive, and (b) they are not required to respond to the directive until otherwise notified.

In August 2007, the National Oceanic Atmospheric Administration ("NOAA") sent a letter to a number of entities it alleged have a liability for natural resources damages, including Tierra and Occidental, requesting that the group enters into an agreement to conduct a cooperative

assessment of natural resources damages in the Passaic River and Newark Bay. In November 2008, Tierra and Occidental entered into an agreement with the NOAA to fund a portion of the costs it has incurred and to conduct certain assessment activities during 2009. Approximately 20 other PRRP members have also entered into similar agreements. In November 2009, Tierra declined to extend this agreement.

In June 2008, the EPA, Occidental, and Tierra entered into an AOC ("Removal AOC from 2008"), pursuant to which Tierra (on behalf of Occidental) will undertake a removal action of sediment from the Passaic River in the vicinity of the former Diamond Alkali facility. This action results in the removal of approximately 200,000 cubic yards (153,000 cubic meters) of sediment, which will be carried out in two different phases. The first phase, which commenced in July 2011, encompasses the removal of 40,000 cubic yards (30,600 cubic meters) of sediments and was substantially completed in the fourth quarter of 2012. The EPA conducted a site inspection in January 2013, and Tierra received written confirmation of completion in March 2013. The second phase involves the removal of approximately 160,000 cubic yards (122,400 cubic meters) of sediment. This second phase will start after according with EPA certain development's aspects related to it. Pursuant to the Removal AOC from 2008, the EPA has required the provision of financial assurance for the execution of the removal work which could increase or decrease over time if the anticipated cost of completing the removal work contemplated by the Removal AOC from 2008 changes. During the sediment removal action, contaminants which may have come from sources other than the former Diamond Alkali plant will necessarily be removed.

In addition, in June 2007, EPA released a draft Focused Feasibility Study (the "FFS") that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These alternatives range from no action, which would result in comparatively little cost, to extensive dredging and capping, which according to the draft FFS, EPA estimated could cost from US$ 900 million to US$ 2,300 million and are all described by EPA as involving proven technologies that could be carried out in the near term, without extensive research. Tierra, in conjunction with the other parties working under the CPG, submitted comments on the legal and technical defects of the draft FFS to EPA. On September 18, 2012, at a Community Advisory Group ("CAG") meeting, the EPA described the alternatives considered in the Focused Feasibility Study (FFS). The EPA stated that the FFS will set forth four alternatives: (i) no action (cost: US$8.6 million); (ii) deep dredging of 9.6 million cubic yards over 11 years (cost: US$ 1.3 billion to US$ 3.4 billion, depending in part on whether the dredged sediment is disposed of in a contained aquatic disposal facility on the floor of Newark Bay ("CAD") or at an off-site disposal facility); (iii) capping and dredging of 4.3 million cubic yards over 6 years (cost: US$ 1 billion to US$ 1.9 billion, depending in part on whether there is a CAD or off-site disposal; (iv) focused capping and dredging of 0.9 million cubic yards over 3 years (the alternative proposed by the CPG). The EPA indicated that it had discarded alternative (iv) and that is currently in favor of alternative (iii). As of the date of these financial statements, the FFS is expected to be released to the public in the first quarter of 2014. If EPA keeps to the announced schedule, it is anticipated that the final Record of Decision would be issued between twelve to eighteen months after the FFS had been made public. Based on the information available to the Company as of the issuance date of these financial statements, considering the potential final proposal, the results of the studies and discoveries to be produced, the several potential responsible parties involved in the matter, with its consequent potential allocation of removal costs, and also considering the opinion of external counsels, it is not possible to reasonably estimate a loss or range of losses on these outstanding matters. Therefore, no amount has been accrued for this matter by YPF Holdings Inc.

According to the AOC 2007, the 17 miles of the Lower Passaic River from its confluence with Newark Bay to Dundee Dam pursuant to the 2007 AOC will be subject to a Remedial Investigation / Feasibility Study that is anticipated to be completed in 2015, following which EPA will select a remedy and notice it for public comment.

On the other hand, and in relation to the alleged contamination related to dioxin and other "hazardous substances" discharged from Chemicals' former Newark plant and the contamination of the lower stretch of the Passaic River, Newark Bay, other nearby waterways and surrounding areas in December 2005 the DEP sued YPF Holdings, Tierra, Maxus and several companies, besides Occidental. The DEP seeks remediation of natural resources damaged and punitive damages and other matters. The defendants have made responsive pleadings and filings. In March 2008, the Court denied motions to dismiss by Occidental, Tierra and Maxus. The DEP filed its Second Amended Complaint in April 2008. YPF filed a motion to dismiss for lack of personal

jurisdiction. The motion mentioned previously was denied in August 2008, and the denial was confirmed by the Court of Appeal. Notwithstanding, the Court denied to plaintiffs' motion to bar third party practice and allowed defendants to file third-party complaints. Third-party claims against approximately 300 companies and governmental entities (including certain municipalities) which could have responsibility in connection with the claim were filed in February 2009. DEP filed its Third Amended Complaint in August 2010, adding Maxus International Energy Company and YPF International S.A. as additional named defendants. Anticipating this considerable expansion of the number of parties in the litigation, the Court appointed a Special Master to assist the court in the administration of discovery. In September 2010, Governmental entities of the State of New Jersey and a number of third-party defendants filed their dismissal motions and Maxus and Tierra filed their responses. In October 2010, a number of public third-party defendants filed a motion to sever and stay and the DEP joined their motion, which would allow the DEP to proceed against the direct defendants. However, the judge has ruled against this motion in November 2010. Third-party defendants have also brought motions to dismiss, which have been rejected by the assistant judge in January 2011. Some of the mentioned third-parties appealed the decision, but the judge denied such appeal in March 2011. In May 2011, the judge issued Case Management Order No. XVII (CMO XVII), which contains the Trial Plan for the case. This Trial Plan divides the case into two phases, each with its own mini-trials. Phase One will determine liability and Phase Two will determine damages. Following the issuance of CMO XVII, the State of New Jersey and Occidental filed motions for partial summary judgment. The State filed two motions: the first one against Occidental and Maxus on liability under the Spill Act, and against Tierra on liability under the Spill Act. In addition, Occidental filed a motion for partial summary judgment that Maxus owes a duty of contractual indemnity to Occidental for liabilities under the Spill Act. In July and August 2011, the judge ruled that, although the discharge of hazardous substances by Chemicals has been proved, liability allegation cannot be made if the nexus between any discharge and the alleged damage is not established. Additionally, the Court ruled that Tierra has Spill Act liability to the State based merely on its current ownership of the Lister Avenue site; and that Maxus has an obligation under the 1986 Stock Purchase Agreement to indemnify Occidental for any Spill Act liability arising from contaminants discharged on the Lister Avenue site. The Special Master called for and held a settlement conference in November 2011 between the State of New Jersey, on the one hand, and Repsol, YPF and Maxus, on the other hand to discuss the parties' respective positions, but no agreement was reached.

In February 2012, plaintiffs and Occidental filed motions for partial summary judgment, seeking summary adjudication that Maxus has liability under the Spill Act of New Jersey. In the first quarter of 2012 Maxus, Occidental and plaintiffs submitted their respective briefs. Oral arguments were heard on May 15 and 16, 2012. The Judge held that Maxus and Tierra have direct liability for the contamination generated into the Passaic River. However, volume, toxicity and cost of the contamination were not verified (these issues will be determined in a later phase of the trial). Maxus and Tierra have the right to appeal such decision.

On September 11, 2012 the Court issued the track VIII order. The track VIII order governs the process by which the Court will conduct the discovery and trial of the State's damages against Occidental, Maxus and Tierra (caused by the Diamond Alkali Lister Avenue plant). Under the order, the trial for the first phase of track VIII was scheduled to commence in July 2013. However, this schedule has been changed by the following occurrence.

On September 21, 2012, Judge Lombardi (trial judge) granted the State's application for an Order to Show Cause to Stay all proceedings against third party defendants who entered into a Memorandum of Understanding ("MOU") with the State to discuss settlement of the claims against the third party defendants. Recently, the State and the third party defendants have reported that they are continuing to make progress towards a settlement, which were not disclosed to third parties.

On September 27, 2012, Occidental filed its Amended Cross-Claims and the following day, the State filed its fourth Amended Complaint. The principal changes to the State's pleading concern the State's allegations against YPF and Repsol, all of which Occidental has adopted in its cross-claims. In particular, there are three new allegations against Repsol involving asset stripping from Maxus and also from YPF based on the Argentine Government's Mosconi Report. On October 25, 2012, the parties to the litigation agreed to a Consent Order, subject to approval by Judge Lombardi, which, in part, extended the deadline for YPF to respond to the State's and Occidental's new pleadings by December 31, 2012, extends fact deposition discovery until April 26, 2013, extends expert discovery until September 30, 2013, and sets trial on the merits for certain allegations for February 24, 2014, date on which it lost effectiveness as it was replaced by subsequent court orders.

As of December 31, 2013, DEP has not filed with the Court dollar amounts on all its claims, but it has (a) contended that a US$ 50 million cap on damages under one of the New Jersey statutes should not be applicable, (b) alleged that it has incurred approximately US$ 118 million in past "cleanup and removal costs", (c) is seeking an additional award between US$ 10 and US$ 20 million to fund a study to assess natural resource damages, (d) notified Maxus and Tierra's legal defense team that DEP is preparing financial models of costs and of other economic impacts and, (e) is seeking reimbursement for external legal fees paid.

During the fourth quarter of 2012 and the first quarter of 2013, YPF, YPF Holdings, Maxus and Tierra together with certain other direct defendants in the litigation, have engaged in on-going mediation and negotiation seeking the possibility of a settlement with the State of New Jersey. During this time, the Court has stayed the litigation. On March 26, 2013, the State advised the Court that a proposed settlement between the State and certain third party defendants had been approved by the requisite threshold number of private and public third party defendants. YPF, YPF Holdings, Maxus and Tierra approved in Boards of Directors the authorization to sign the settlement agreement (the "Agreement") above mentioned. The proposal of the Agreement, which does not imply endorsement of facts or rights and that it is presented only with conciliatory purposes, is subject to an approval process, publication, comment period and court approval. According to the terms of the Agreement, the state of New Jersey would agree to solve certain claims related with environmental liabilities within a geographic area of the Passaic River, New Jersey, United States of America, initiated against YPF and certain subsidiaries, recognizing to YPF and other participants in the litigation, a limited liability of US$ 400 million, if they are found responsible. In return, YPF would make cash payment of US$ 65 million at the time of approval of the Agreement.

During September 2013, Judge Lombardi published its Case Management order XVIII ("CMO 18"), which provides a schedule for approval of the settlement agreement. Pursuant to the CMO 18, the court heard oral arguments on December 12, 2013, after which, Judge Lombardi ruled the rejecting of Occidental's claims and approved the settlement agreement. On January 24, 2014, Occidental appealed the approval of the settlement agreement. Notwithstanding, on February 10, 2014, in compliance with the settlement agreement, Maxus made a deposit of U$S 65 million in an escrow account. Occidental appealed Judge Lombardi's decision as the settlement agreement was approved. The decision has not been resolved yet.

As of December 31, 2013, YPF Holdings has accrued 805 comprising the estimated costs for studies, YPF Holdings Inc.'s best estimate of the cash flows it could incur in connection with remediation activities considering the studies performed by Tierra, the estimated costs related to the Removal AOC of 2008 agreement, and in addition certain other matters related to Passaic River and the Newark Bay, also including certain related legal matters. However, it is possible that other works, including interim remedial measures or different from those considered, may be ordered. In addition, the development of new information, the imposition of penalties or remedial actions or the result of negotiations related to the referred matters differing from the scenarios that YPF Holdings Inc. has evaluated, could result in additional costs to the amount currently accrued.

Passaic River Mile 10.9 Removal Action. In February 2012, the EPA issued to the Cooperating Parties Group ("CPG"), of which Tierra then was a member, a draft Administrative Settlement Agreement and order on Consent ("AOC RM 10.9") for Removal Action and Pilot Studies to address high levels of contamination of 2, 3, 7, 8 TCDD, PCBs, mercury and other contaminants of concern in the vicinity of the Passaic River's mile 10.9, comprised of a sediment formation ("mud flat") of approximately 8.9 acres. This proposed AOC RM 10.9 ordered that approximately 16,000 cubic yards of sediments be removed and that pilot scale studies be conducted to evaluate ex situ decontamination beneficial reuse technologies, innovative capping technologies, and in situ stabilization technologies for consideration and potential selection as components of the remedial action to be evaluated in the 2007 AOC and the FFS and selected in one or more subsequent records of decision. Occidental declined to execute this AOC formalized its resignation from the CPG, effective May 29, 2012, under protest and subject to a reservation of rights. On June 18, 2012, the EPA announced that it had signed an AOC for RM 10.9 with 70 Settling Parties, all members of the CPG, which contained, among other requirements, an obligation to provide to the EPA financial assurance, in the amount of US$ 20 million, for the

completion of such works. Occidental sent to the CPG and EPA its notice of intent to comply with such order on July 23, 2012 followed by its good faith offer on July 27, 2012 to provide the use of Tierra's dewatering facility. On August 10, 2012, the CPG rejected Occidental's good faith offer and, on September 7, 2012, the CPG stated that it has alternative plans for handling sediment to be excavated at RM 10.9 and, therefore, has no use for the existing dewatering facility. EPA, by letter of September 26, 2012, advised that it will be necessary for EPA and Occidental to discuss other options for Occidental to participate and cooperate in the RM 10.9 removal action, as required by its Unilateral Administrative Order. On September 18, 2012, the EPA advised the Passaic River CAG that the bench scale studies of the treatment technologies did not sufficiently lower concentrations of the chemicals to justify the cost, so the RM 10.9 sediments will be removed offsite for disposal. The deadline for Occidental's submission of financial assurance has been extended to March 14, 2014. Based on the information available to the Company as of the issuance date of this report, considering the results of the studies and discovery process as well as the potential responsibility of the other parties involved in this matter and the potential allocation of removal costs, based on the advice of our external and internal legal counsel, it is not possible to reasonably estimate a loss or range of losses related to these outstanding matters. Therefore, no amount has been accrued in respect of these claims.

Hudson County, New Jersey. Until 1972, Chemicals operated a chromite ore processing plant at Kearny, New Jersey ("Kearny Plant"). According to the DEP, wastes from these ore processing operations were used as fill material at a number of sites in and near Hudson County. DEP has identified over 200 sites in Hudson and Essex Counties alleged to contain chromite ore processing residue either from the Kearny Plant or from plants operated by two other chromium manufacturers.

The DEP, Tierra and Occidental, as successor to Chemicals, signed an administrative consent order with the DEP in 1990 for investigation and remediation work at 40 chromite ore sites in Hudson and Essex Counties alleged to be impacted by the Kearny Plant operations.

Tierra, on behalf of Occidental, is presently performing the work and funding Occidental's share of the cost of investigation and remediation of these sites. In addition, financial assurance has been provided in the amount of US$ 20 million for performance of the work. The ultimate cost of remediation is uncertain. Tierra submitted its remedial investigation reports to the DEP in 2001, and the DEP continues to review the report.

Additionally, in May 2005, the DEP took two actions in connection with the chrome sites in Hudson and Essex Counties. First, the DEP issued a directive to Maxus, Occidental and two other chromium manufacturers directing them to arrange for the cleanup of chromite ore residue at three sites in New Jersey City and the conduct of a study by paying the DEP a total of US$ 20 million. While YPF Holdings Inc. believes that Maxus is improperly named and there is little or no evidence that Chemicals' chromite ore residue was sent to any of these sites, the DEP claims these companies are jointly and severally liable without regard to fault. Second, the State of New Jersey filed a lawsuit against Occidental and two other entities seeking, among other things, cleanup of various sites where chromite ore processing residue is allegedly located, recovery of past costs incurred by the state at such sites (including in excess of US$ 2 million allegedly spent for investigations and studies) and, with respect to certain costs at 18 sites, treble damages. The DEP claims that the defendants are jointly and severally liable, without regard to fault, for much of the damages alleged. In February 2008, the parties reached an agreement in principle, for which Tierra, on behalf of Occidental, agreed to pay US$ 5 million and perform remediation works in three sites, with a total cost of approximately US$ 2 million, subject to the terms of a Consent Judgment between and among DEP, Occidental and two other parties, which was published in the New Jersey Register in June 2011, and became final and effective as of September 2011. Pursuant to the Consent Judgment, the US$ 5 million payment was made in October 2011 and a master schedule was delivered to DEP for the remediation during a ten-year period, of the three orphan sites plus the remaining chromite ore sites (approximately 28 sites) under the Kearny ACO. DEP indicated that it could not approve a ten-year term; consequently, Maxus submitted a revised eight-year schedule which was approved by DEP on March 24, 2013.

In November 2005, several environmental groups sent a notice of intent to sue the owners of the properties adjacent to the former Kearny Plant (the "adjacent property"), including among others Tierra, under the Resource Conservation and Recovery Act. The stated purpose of the lawsuit, if filed, would be to require the noticed parties to carry out measures to abate alleged endangerments to health and the environment emanating from the Adjacent Property. The parties have entered into an agreement that addresses the concerns of the environmental groups, and these groups have agreed, not to file suit. After the original agreement expired, the parties entered into a new Standstill Agreement, effective since March 7, 2013.

In March 2008, the DEP approved an interim response action plan for work to be performed at the Kearny Plant by Tierra and the adjacent property by Tierra in conjunction with other parties. As of the date of issuance of these consolidated financial statements, work on the interim response action has begun. This adjacent property was listed by EPA on the National Priority List in 2007. In July 2010, EPA notified Tierra, along with three other parties, which are considered potentially responsible for this adjacent property and requested to conduct a RIFS for the site. The parties have agreed to coordinate remedial efforts, forming the "Peninsula Restoration Group" or "PRG." In the fourth quarter 2011, the PRG reached an agreement in principle with a new party, whereby would join the PRG. The PRG is in active negotiations with the EPA for an RIFS AOC for the Standard Chlorine Chemical Company, which was jointly signed with another three potentially responsible parties during May 2013. On-site work began during the fourth quarter of 2013, once EPA approved the work plan.

Pursuant to a request of the DEP, in the second half of 2006, the PRG tested the sediments in a portion of the Hackensack River near the former Kearny Plant. A report of those test results was submitted to the DEP. DEP requested additional sampling, and the PRG submitted to DEP work plans for additional sampling in January 2009. In March 2012, the PRG received a Notice of Deficiency ("NOD") letter from DEP. In the NOD, DEP seeks to expand the scope of work that would be required in the Hackensack River under the SRIWP to add both additional sample locations/core segments and parameters. While the PRG acknowledges that it is required to investigate and prevent chrome releases from certain upland sites into the river, the PRG contends that it is has no obligation under the governing ACOs and Consent Judgment to investigate chrome contamination in the river generally. Negotiations between the PRG and the DEP are ongoing.

As of December 31, 2013, there are approximately 112 accrued in connection with the foregoing chrome-related matters. The study of the levels of chromium has not been finalized, and the DEP is still reviewing the proposed actions. The cost of addressing these chrome-related matters could increase depending upon the final soil actions, the DEP's response to Tierra's reports and other developments.

Painesville, Ohio. In connection with the Chemical's operation until 1976 of one chromite ore processing plant ("Chrome Plant"), the Ohio Environmental Protection Agency ("OEPA") ordered to conduct a RIFS at the former Painesville's Plant area. OEPA has divided the Painesville Work Site into 20 operable units, including operable units related to groundwater. Tierra has agreed to participate in the RIFS as required by the OEPA. Tierra submitted the remedial investigation report to the OEPA, which was finalized in 2003. Tierra will submit required feasibility reports separately. In addition, the OEPA has approved certain work, including the remediation of specific operable units within the former Painesville Works area and work associated with the development plans discussed below (the "Remediation Work"). The Remediation Work has begun. As the OEPA approves additional projects related to investigation, remediation, or operation and maintenance activities for each operable unit within the Site, additional amounts will need to be provisioned.

Over fifteen years ago, the former Painesville Works Site was proposed for listing on the national Priority List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); however, the EPA has stated that the site will not be listed so long as it is satisfactorily addressed pursuant to the Director's Order and OEPA's programs. As of the date of issuance of these consolidated financial statements, the site has not been listed. As of December 31, 2013, YPF Holdings Inc. has accrued a total of 116 for its estimated share of the cost to perform the RIFS, the remediation work and other operation and maintenance activities at this site. The scope and nature of any further investigation or remediation that may be required cannot be determined at this time; however, as the RIFS progresses, YPF Holdings Inc. will continuously assess the condition of the Painesville's plants works site and make any required changes, including additions, to its provision as may be necessary.

Other Sites. Pursuant to settlement agreements with the Port of Houston Authority and other parties, Tierra and Maxus are participating (on behalf of Chemicals) in the remediation of property required Chemicals' former Greens Bayou facility where DDT and certain other chemicals were

manufactured. Additionally, in 2007 the parties have reached an agreement with the Federal and State Natural Resources Trustees concerning natural resources damages. In 2008, the Final Damage Assessment and Restoration Plan/Environmental Assessment were approved, specifying the restoration projects to be implemented. During the first semester of 2011, Tierra negotiated, on behalf of Occidental, a draft Consent Decree with governmental agencies of the United States and Texas addressing natural resource damages at the Greens Bayou Site. The Consent Decree was signed by the parties in January 2013 through which it is agreed to reimburse certain costs incurred by the afore mentioned governmental agencies and conducting two restoration projects for a total amount of US$ 0.8 million. Although the primary work was largely finished in 2009, some follow-up activities and operation and maintenance remain pending. As of December 31, 2013, YPF Holdings Inc. has accrued 23 for its estimated share of remediation activities associated with Greens Bayou facility.

In June 2005, the EPA designated Maxus as PRP (Potential Responsible Party) at the Milwaukee Solvay Coke & Gas site in Milwaukee, Wisconsin. The basis for this designation is Maxus alleged status as the successor to Pickands Mather & Co. and Milwaukee Solvay Coke Co., companies that the EPA has asserted are former owners or operators of such site.

In 2007, Maxus signed with four other parties potentially involved, an AOC to conduct RIFS about contamination in the soil, groundwater, as well as in the Kinnickinnic River sediments. Exposure of Maxus at the site appears linked to the period 1966-1973, although there is some controversy about it.

Preliminary Works in connection with the RIFS of this site commenced in the second half of 2006.

On June 6, 2012 the PPR Group submitted a proposed Field Sampling Plan (FSP) that included detailed plans for the remaining upland investigation and a phased approach to the sediment investigation. In July 2012, EPA responded to the FSP requiring expanded sediment sampling as part of the next phase of the investigation and additional evaluation for the possible presence of distinct coal and coke layers on parts of the upland portion of the Site. In December 2012, EPA approved the PRP Group's revised FSP, and the PRP Group commenced upland and sediment investigation activities. The estimated cost of implementing the field work associated with the FSP is approximately US$ 0.8 million.

YPF Holdings Inc. has accrued 3 as of December 31, 2013 for its estimated share of the costs of the RIFS. The main outstanding issue lies in determining the extent of the studies of sediments in the river that may be required. YPF Holdings Inc. lacks sufficient information to determine additional costs, if any; it might have in respect of this site.

Maxus has agreed to defend Occidental, as successor to Chemicals, in respect of the Malone Services Company Superfund site in Galveston County, Texas. This site is a former waste disposal site where Chemicals is alleged to have sent waste products prior to September 1986. The potentially responsible parties, including Maxus on behalf of Occidental, formed a PRP Group to finance and perform an AOC RIFS. The RIFS has been completed and the EPA has selected a Final Remedy, the EPA Superfund Division Director signed the Record of Decision on September 20, 2009. The PRP Group signed a Consent Decree in the second quarter of 2012 which became effective in July, 2012. During the fourth quarter of 2013 the PRP Group completed the design and planning phase, and the remedial actions will take place in 2014. As of December 31, 2013 YPF Holdings has accrued 5 in connection with its obligations for this matter.

Chemicals has also been designated as a PRP with respect to a number of third party sites where hazardous substances from Chemicals' plant operations allegedly were disposed or have come to be located. At several of these, Chemicals has no known relationship. Although PRPs are typically jointly and severally liable for the cost of investigations, cleanups and other response costs, each has the right of contribution from other PRPs and, as a practical matter, cost sharing by PRPs is usually effected by agreement among them. As of December 31, 2013, YPF Holdings Inc. has accrued approximately 23 in connection with its estimated share of costs related to certain sites and the ultimate cost of other sites cannot be estimated at the present time.

Black Lung Benefits Act Liabilities. The Black Lung Benefits Act provides monetary and medical benefits to miners disabled with a lung disease, and also provides benefits to the dependents of deceased miners if black lung disease caused or contributed to the miner's death. As a result of the operations of its coal-mining subsidiaries, YPF Holdings Inc. is required to provide insurance of this benefit to former employees and their dependents. As of December 31, 2013, YPF Holdings Inc. has accrued 23 in connection with its estimate of these obligations.

Legal Proceedings. In 2001, the Texas State Controller assessed Maxus approximately US$ 1 million in Texas state sales taxes for the period of September 1, 1995 through December 31, 1998, plus penalty and interest.

In August 2004, the administrative law judge issued a decision affirming approximately US$ 1 million of such assessment, plus penalty and interest. YPF Holdings Inc. believes the decision is erroneous, but has paid the revised tax assessment, penalty and interest (a total of approximately US$ 2 million) under protest. Maxus filed a suit in Texas state court in December 2004 challenging the administrative decision. The matter will be reviewed by a trial de novo in the court action, additionally, settlement negotiations are ongoing.

In 2002, Occidental sued Maxus and Tierra in state court in Dallas, Texas seeking a declaration that Maxus and Tierra have the obligation under the agreement pursuant to which Maxus sold Chemicals to Occidental to defend and indemnify Occidental from and against certain historical obligations of Chemicals, notwithstanding the fact that said agreement contains a twelve-year cut-off for defense and indemnity obligations with respect to most litigation. Tierra was dismissed as a party, and the matter was tried in May 2006. The trial court decided that the twelve-year cut-off period did not apply and entered judgment against Maxus. This decision was affirmed by the Court of Appeals in February 2008. Maxus has petitioned the Supreme Court of Texas for review. This lawsuit was denied. This decision will require Maxus to accept responsibility of various matters which it has refused indemnification since 1998 which could result in the incurrence of costs in addition to YPF Holdings Inc.'s current provisions for this matter. Maxus has paid approximately US$ 17 million to Occidental. In March 2012, Maxus paid to OCC US$ 0.6 million covering OCC's costs for 2010 and 2011, and in September 2012 Maxus paid to OCC an additional US$ 31 thousand for OCC's costs for the first semester of 2012. Maxus anticipates that OCC's costs in the future under the Dallas case will not exceed those incurred in the first semester of 2012. Most of the claims that had been rejected by Maxus based on the twelve-year cut-off period, were related to "Agent Orange". All pending Agent Orange litigation was dismissed in December 2009, and although it is possible that further claims may be filed by unknown parties in the future, no further significant liability is anticipated. Additionally, the remaining claims received and refused consist primarily of claims of potential personal injury from exposure to vinyl chloride monomer ("VCM"), and other chemicals, although they are not expected to result in significant liability. However, the declaratory judgment includes liability for claims arising in the future, if any, related to this matters, which are currently unknown as of the date of issuance of these consolidated financial statements, and if such claims arise, they could result in additional liabilities for Maxus. As of December 31, 2013, YPF Holdings Inc. has accrued approximately 2 in respect to these matters.

In March 2005, Maxus agreed to defend Occidental, as successor to Chemicals, in respect of an action seeking the contribution of costs incurred in connection with the remediation of the Turtle Bayou waste disposal site in Liberty County, Texas. The plaintiffs alleged that certain wastes attributable to Chemicals found their way to the Turtle Bayou site. Trial for this matter was bifurcated, and in the liability phase Occidental and other parties were found severally, and not jointly, liable for waste products disposed of at this site. Trial in the allocation phase of this matter was completed in the second quarter of 2007, and following post judgment motions, the court entered a decision setting Occidental's liability at 15.96% of the past and future costs to be incurred by one of the plaintiffs. Maxus appealed this matter. In June 2010, the Court of Appeals ruled that the District Court had committed errors in the admission of certain documents, and remanded the case to the District Court for further proceedings. Maxus took the position that the exclusion of the evidence should reduce Occidental's allocation by as much as 50%. The District Court issued its Amended Findings of Fact and Conclusions of Law in January 2011, requiring Maxus to pay, on behalf of Occidental, 15.86% of the past and future costs to be incurred by one of the plaintiffs. On behalf of Occidental, Maxus presented an appeal in the first semester of 2011. The U.S. Court of Appeals for the Fifth Circuit affirmed the District Court's ruling in March 2012. Maxus paid to the plaintiff, on behalf of Occidental, US$ 2 million in June 2012 covering past costs. The obligation to pay some future costs is still pending. As of December 31, 2013, YPF Holdings Inc. has accrued 6 in respect of this matter.

In May 2008, Ruby Mhire and others ("Mhire") brought suit against Maxus and other third parties, alleging that various parties including a predecessor of Maxus had contaminated certain property in Cameron Parish, Louisiana, during oil and gas activities on the property. Maxus' predecessor operated on the property from 1969 to 1989. The Mhire plaintiffs have demanded remediation and other compensation from approximately US$ 159 million to US$ 210 million basing themselves on plaintiff's experts study. During June 2012, the parties in the case held a court-ordered mediation. Plaintiff sought US$ 30 million from Maxus and two parties which was rejected by the defendants. YPF Holdings presently believes that relatively little remediation activity is merited and intends to vigorously defend the case. Maxus has made appropriate responsive pleadings in the matter, also has requested a change of venue for the treatment of the matter. On June 2013, Maxus signed an agreement with its plaintiffs, in which Maxus has to make installment payments over three years, and by which also forced itself to remediate the site. As of December 31, 2013, YPF Holdings Inc. has accrued approximately 65 in respect to these matters.

YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits and environmental situations, the outcomes of which are not expected to have a material adverse effect on YPF's financial condition or its future results of operations. YPF Holdings Inc. provisioned legal contingences and environmental situations that are probable and can be reasonably estimated.

Tax claims:

The Company has received several claims from the Administración Federal de Ingresos Públicos ("AFIP") and from provincial and municipal fiscal authorities, which are not individually significant, and which have been provisioned based on the best information available as of the date of the issuance of these financial statements.

4. CAPITAL STOCK

The Company's subscribed capital as of December 31, 2013, is 3,933 and is represented by 393,312,793 shares of common stock and divided into four classes of shares (A, B, C and D), with a par value of Argentine pesos 10 and one vote per share. These shares are fully subscribed, paid-in and authorized for stock exchange listing.

As of December 31, 2013, there are 3,764 Class A outstanding shares. As long as any Class A share remains outstanding, the affirmative vote of Argentine Government is required for: 1) mergers, 2) acquisitions of more than 50% of YPF shares in an agreed or hostile bid, 3) transfers of all the YPF's production and exploration rights, 4) the voluntary dissolution of YPF or 5) change of corporate and/or tax address outside the Argentine Republic. Items 3) and 4) will also require prior approval by the Argentine Congress.

Until the enforcement of Law No. 26,741 detailed in the next paragraphs, Repsol S.A. ("Repsol") had a participation in the Company, directly and indirectly, of approximately 57.43% shareholding while Petersen Energía S.A. ("PESA") and its affiliates exercised significant influence through a 25.46% shareholding of YPF's capital stock.

Law No. 26,741 enacted on May 4, 2012, changed the YPF's shareholding structure. The mentioned Law declared as national public interest and subject to expropriation the Class D Shares of YPF owned by Repsol, its controlled or controlling entities, representing the 51% of the YPF's equity. According to Law 26,741, achieving self-sufficiency in the supply of hydrocarbons as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, is thereby declared of national public interest and a priority for Argentina, with the goal of guaranteeing socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the provinces and regions. The shares subject to expropriation will be distributed as follows: 51% for the Argentine federal government and 49% for certain Argentine Provinces.

In relation with the adoption of IFRS, General Resolution No. 576/2010 set that the issuers that, in accordance with previous Argentine GAAP, had used the option of disclosing in note to the financial statements the deferred income tax liability arisen from the difference between the book value of fix assets remeasured into constant argentine pesos and their corresponding historical cost used for fiscal purposes, must recognize such liability with a debit to unappropriated retained earnings. The resolution also established that this recognition could be recorded in any intermediate period or year until the date of transition to IFRS, inclusive. In addition, the resolution above mentioned established that, as an exception, the Shareholders' meeting that would consider the financial statements of the year in which the deferred tax liability is recognized, could record such debit in unappropriated retained earnings into capital accounts not represented by shares (subscribed capital) or into retained earnings accounts, not providing a predetermined order for such accounting.

YPF recognized in the year ended December 31, 2010 the deferred tax liability arisen from the difference between the book value of fix assets in constant argentine peso and its corresponding historical value used for fiscal purposes, including the retroactive effects from such change in accounting criteria.

The General Ordinary Shareholders' meeting of April 26, 2011, decided the absorption against "Adjustment to contributions", of the effect of the mentioned deferred income tax liability registration, as described above, for an amount of 1,180. Also, as consequence of this absorption, the General Shareholders´ meeting decided the reversal of Legal Reserve for an amount of 236, to adjust its balance to legal requirements.

On April 30, 2013, a General Ordinary Shareholders' meeting was held, which has approved the financial statements of YPF for the year ended December 31, 2012 and additionally decided the following in relation with the distribution of earnings of fiscal year ended as of December 31, 2012: (i) appropriate to a special reserve 3,648 corresponding to the initial application of IFRS pursuant to General Resolution No. 609 of the CNV; (ii) appropriate the amount of 120 to a reserve for future acquisition of YPF shares under the "performance and bonus program" mentioned in the Director's report of the financial statements for the year ended December 31, 2012 giving to the Board of Directors the opportunity to acquire shares when it considers it convenient and to comply with the commitments assumed and to be assumed in relation with the mentioned program; (iii) to appropriate the amount of 2,643 to constitute a reserve for investment in accordance with the article 70, third paragraph of the Law No. 19,550 of Argentine Corporations as amended; and (iv) the appropriation to a reserve for future dividends in an amount of 330, empowering the Board of Directors to determine the opportunity of payment which should not exceed the ending of the present fiscal year. On August 9, 2013, the Board of Directors decided to pay a dividend of $ 0.83 per share which was available for shareholders on August 28, 2013.

As of December 31, 2013, YPF has purchased 1,232,362 shares issued for an amount of 120 and has settled 479,174 shares to the beneficiaries of the share-based benefit plan, as mentioned in the above paragraph, retaining 167,986 shares in respect of income tax related to the settlement of such shares. The cost of such purchases is accounted in equity in the "Acquisition cost of treasury shares" account, while the nominal value and the adjustment due to the monetary restatement effect pursuant Previous Argentine GAAP have been reclassified from "Subscribed Capital" and "Adjustments to contributions" accounts to "Treasury shares" and "Adjustment to treasury shares", respectively. The difference between the acquisition cost of repurchased shares and the accrued value of the settled shares under the share-based benefit plans have been recorded in the "Share trading premium" account. See Note 1.b.10.iii) and 1.b.17).

5. INVESTMENTS IN COMPANIES AND JOINT VENTURES AND OTHER AGREEMENTS

The following table shows in aggregate, considering that none of the companies are individually material, the amount of investments in affiliated companies and joint ventures as of December 31, 2013, 2012 and 2011:

	2013	2012	2011
Amount of investments in affiliated companies valued using the equity method	213	603	637
Amount of investments valued at cost	14	12	13
Sub-Total participations in affiliated companies and others	227	615	650
Amount of investments in joint ventures valued using the equity method	1,909	1,311	1,420
Sub-Total participations in joint ventures	1,909	1,311	1,420
Provision for reduction in value of holdings in companies	(12)	(12)	(57)
	2,124	1,914	2,013

As mentioned in Note 1.b.5 and in Exhibit I, the investments in companies with negative shareholders' equity are disclosed in "Account payable" account to the extent the Company has the intention, as of the end of the year, to provide the corresponding financial support.

The main changes that affected the amount of the investments previously mentioned, during the years ended on December 31, 2013, 2012 and 2011, are the following:

	2013	2012	2011
Amount at the beginning of year	1,914	2,013	1,839
Acquisitions and contributions	153	—	2
Income from investments valued using the equity method	353	114	685
Dividends declared	(280)	(388)	(602)
Translation difference	470	167	89
Other	(486)[1]	8	—
Amount at the end of year	2,124	1,914	2,013

(1) Primarily includes movements generated in relation with the spin-off of Pluspetrol Energy S.A.

Exhibit I.b) provides information of investments in companies.

The following table shows the main magnitudes of income/(expenses) from the investments in companies, calculated according to the equity method, for the years ended on December 31, 2013, 2012 and 2011 (see Exhibit I). YPF has made adjustments, where applicable, to the amounts reported by such companies in order to conform the accounting principles used by such companies to those used by YPF:

	Affiliated companies			Joint ventures		
	2013	2012	2011	2013	2012	2011
Net income	63	14	90	290	100	595
Other comprehensive income	120	5	4	350	162	85
Comprehensive income for the year	183	19	94	640	262	680

Additionally, as mentioned in Note 1.a), the Company participates as of December 31, 2013, in Joint Operations which give to the Company a percentage contractually established over the rights of the assets and obligations that emerge from the contracts. Interest in such Joint Operations have been consolidated line by line on the basis of the mentioned interest over the assets, liabilities, income and expenses related to each contract. Interest in Joint Operations have been calculated based upon the latest available financial statements as of the end of each year, taking into consideration significant subsequent events and transactions as well as information available to the Company's Management. Exhibit II includes a detail of the most significant Joint Operations in which the Company participates, indicating the nature of its operations.

The exploration and production joint operations and other agreements in which YPF participates allocate the hydrocarbon production to each partner based on the ownership interest, consequently such hydrocarbons are commercialized directly by the partners recognizing each of them the corresponding economic effects.

The assets and liabilities as of December 31, 2013, 2012 and 2011, and expenses for the three years then ended of the Joint Operations and other agreements are as follows:

	2013	2012	2011
Noncurrent assets	9,472	7,136	5,611
Current assets	661	551	688
Total assets	10,133	7,687	6,299
Noncurrent liabilities	2,342	1,661	1,249
Current liabilities	1,247	1,048	1,026
Total liabilities	3,589	2,709	2,275

	2013	2012	2011
Production cost	4,647	3,858	3,239
Exploration expenses	43	281	268

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Company enters into operations and transactions with related parties according to general market conditions, which are part of the normal operation of the Company with respect to their purpose and conditions.

As mentioned in Note 4, on May 3, 2012, Law No. 26,741, was passed by the Argentine Congress, which declared of public utility and subject to expropriation the 51% of the equity of YPF represented by an equal percentage of Class D shares owned, directly or indirectly, by Repsol and its controlled or controlling entities, and at the same moment, establishing the temporally occupation of such shares in the terms of articles 57 and 59 of Law No. 21,499. The information detailed in the tables below shows the balances with joint ventures and affiliated companies as of December 31, 2013, 2012 and 2011 and transactions with the mentioned parties for the years ended December 31, 2013, 2012 and 2011. Additionally, the balances and transactions held with the entities within the Repsol group and PESA's affiliates are included until the date the conditions required to be considered as related parties were met.

	2013				2012				2011				
	Trade receivables	Other receivables		Accounts payable	Trade receivables	Other receivables		Accounts payable	Trade receivables	Other receivables		Accounts payable	Loans
	Current	Current	Non Current	Current	Current	Current	Non Current	Current	Current	Current	Non Current	Current	Non Current
Joint ventures:													
Profertil S.A.	23	2	—	34	29	6	—	37	27	2	—	122	—
Compañía Mega S.A. ("Mega")	489	7	—	28	422	5	—	19	459	—	—	18	—
Refinería del Norte S.A. ("Refinor")	79	15	—	4	61	23	—	6	75	23	—	18	—
	591	24	—	66	512	34	—	62	561	25	—	158	—
Affiliated companies:													
Central Dock Sud S.A.	109	5	484	2	89	4	350	8	59	—	291	10	—
Pluspetrol Energy S.A.[(1)]	—	—	—	—	76	—	—	2	—	—	—	3	—
Metrogas S.A.[(1)]	—	—	—	—	104	—	—	—	45	—	—	—	—
Oleoductos del Valle S.A.	—	—	—	8	—	—	—	6	—	—	—	4	—
Terminales Marítimas Patagónicas S.A.	—	—	—	19	—	—	—	11	—	—	—	10	—
Oleoducto Trasandino (Argentina) S.A.	—	—	—	1	—	—	—	2	—	—	—	1	—
Gasoducto del Pacífico (Argentina) S.A.	—	—	—	13	—	—	—	6	—	—	—	2	—
Oiltanking Ebytem S.A.	—	—	—	20	—	—	—	15	—	—	—	18	—
Bizoy S.A.	—	12	—	—	—	—	—	—	—	—	—	—	—
	109	17	484	63	269	4	350	50	104	—	291	48	—

	2013				2012				2011				
	Trade receivables	Other receivables		Accounts payable	Trade receivables	Other receivables		Accounts payable	Trade receivables	Other receivables		Accounts payable	Loans
	Current	Current	Non Current	Current	Current	Current	Non Current	Current	Current	Current	Non Current	Current	Non Current
Main shareholders and other related parties under their control:													
Repsol	—	—	—	—	—	—	—	—	—	43	—	123	—
Repsol YPF Gas S.A.	—	—	—	—	—	—	—	—	32	13	—	37	—
Repsol Sinopec Brasil S.A.	—	—	—	—	—	—	—	—	—	6	—	—	—
Repsol Venezuela S.A.	—	—	—	—	—	—	—	—	—	6	—	—	—
Repsol Ecuador S.A.	—	—	—	—	—	—	—	—	—	7	—	2	—

Repsol Comercial S.A.C.	—	—	—	—	—	—	—	—	—	8	—	—	—
Repsol Exploración S.A.	—	—	—	—	—	—	—	—	—	14	—	2	—
Repsol Bolivia S.A.	—	—	—	—	—	—	—	—	—	19	—	—	—
Repsol Tesorería y Gestión Financiera S.A.	—	—	—	—	—	—	—	—	—	—	—	—	538
Repsol Butano S.A.	—	—	—	—	—	—	—	—	—	20	—	—	—
Others	—	—	—	—	1	—	—	—	26	24	—	60	—
	—	—	—	—	1	—	—	—	58	160	—	224	538
	700	41	484	129	782	38	350	112	723	185	291	430	538

	2013			2012			2011			
	Revenues	Purchases and Services	Interest and fees gained	Revenues	Purchases and Services	Interest and fees gained (lossed), net	Revenues	Purchases and Services (recoveries of expenses), net	Loans received (paid), net	Interest and fees gained (lossed), net
Joint ventures:										
Profertil S.A.	132	277	—	119	273	—	81	460	—	—
Mega	1,786	325	—	1,696	166	—	1,720	95	—	—
Refinor	561	76	—	495	125	—	447	160	—	—
	2,479	678	—	2,310	564	—	2,248	715	—	—
Affiliated companies:										
Central Dock Sud S.A.	179	70	17	168	33	3	163	38	—	12
Pluspetrol Energy S.A.(1)	142	54	—	102	27	—	1	28	—	—
Metrogas S.A.(1)	17	—	—	126	—	—	80	—	—	—
Oleoductos del Valle S.A.	—	61	—	—	51	—	—	39	—	—
Terminales Marítimas Patagónicas S.A.	1	139	—	—	78	—	—	50	—	—
Oleoducto Trasandino (Argentina) S.A.	—	12	—	—	8	—	—	4	—	—
Gasoducto del Pacífico (Argentina) S.A.	—	60	—	—	36	—	—	10	—	—
Oiltanking Ebytem S.A.	—	102	—	—	101	—	—	72	—	—
Bizoy S.A.	24	—	—	—	—	—	—	—	—	—
	363	498	17	396	334	3	244	241	—	12
Main shareholders and other related parties under their control:										
Repsol	—	—	—	8	2	—	7	(4)	—	(19)
Repsol YPF Transporte y Trading S.A.	—	—	—	—	—	—	—	5	—	—
Repsol YPF Gas S.A.	—	—	—	78	1	—	320	12	—	—
Repsol Netherlands Finance B.V.	—	—	—	—	—	—	—	—	(403)	(3)
Repsol Venezuela S.A.	—	—	—	—	—	—	—	(7)	—	—
Repsol Ecuador S.A.	—	—	—	—	—	—	—	(3)	—	—
Repsol Exploración S.A.	—	—	—	1	—	—	—	(7)	—	—
Repsol Bolivia S.A.	—	—	—	—	—	—	—	(24)	—	—
Repsol Tesorería y Gestión Financiera S.A.	—	—	—	—	366	(5)	—	—	538	(8)
Repsol Butano S.A.	—	—	—	—	—	(1)	—	—	—	—
Nuevo Banco de Entre Ríos S.A.	—	—	—	—	—	(3)	—	—	(29)	(1)
Nuevo Banco de Santa Fe S.A.	—	—	—	—	—	—	—	—	(78)	(7)
Others	—	1	—	7	19	(1)	268	179	(23)	(1)
	—	1	—	94	388	(10)	595	151	5	(39)
	2,842	1,177	17	2,800	1,286	(7)	3,087	1,107	5	(27)

(1) Includes balances and operations until take over or spin-off date (see Note 13).

Additionally, in the normal course of business, and taking into consideration that YPF is the main oil and gas company in Argentina, its client/suppliers' portfolio encompasses both private sector entities as well as national, provincial and municipal public sector entities. As required by IAS 24 "Related party disclosures", among the major transactions above mentioned the most important are the provision of fuel oil to CAMMESA, which is destined to thermal power plants, and the purchases of energy to the mentioned company by YPF, and electric energy sales to CAMMESA and fuel oil purchase by YPF Energía Eléctrica (the operations of sale and purchase for the year ended on December 31, 2013 amounted to 2,930 and 792, respectively, and for the year ended December 31, 2012, amounted to 1,993 and 454, respectively, while the net balance as of December 31, 2013 and 2012 was a receivable of 455 and 96, respectively); the regasification service provided to ENARSA in the regasification projects of GNL in Escobar and Bahía Blanca and the purchase of natural gas to ENARSA, imported by the mentioned company from Bolivia (the operations for the year ended December 31, 2013, amounted to 1,015 and 1,107, respectively, and for the year ended December 31, 2012 amounted to 1,371 and 895, respectively, while the net balance as of December 31, 2013 and 2012 was a receivable of 430 and 356, respectively); the provision of jet fuel to Aerolíneas Argentinas S.A. and Austral Líneas Aéreas Cielos del Sur S.A. (the operations for the year ended December 31, 2013 and 2012, amounted to 1,495 and 777, while the balance as of December 31, 2013 and 2012 was a receivable of 104 and 61, respectively). The benefits of the incentive scheme for the Additional Injection of natural gas, among others, (see "Gas agreement" in Note 11.c) with the Department of Federal Planning Investment and Services (the operations for the year ended December 31, 2013 and 2012, amounted to 4,289 and 82, respectively, while the net balance as of that date was a receivable of 1,787 and 82, respectively) and the compensation for providing gas oil to public transport of passengers at a differential price with the Argentine Secretariat of Domestic Commerce (the operations for the year ended December 31, 2013, amounted to 2,208, while the

net balance as of that date was a receivable of 116). Such transactions are generally based on medium-term agreements and are provided according to general market or regulatory conditions, as applicable. Additionally, the Company has entered into certain financing and insurance transactions with entities related to the national public sector, as defined in IAS 24. Such transactions consist of certain financial transactions that are described in Note 2.i) of these consolidated financial statements, and transactions with Nación Seguros S.A. related to certain insurance policies contracts, and in connection therewith, to the reimbursement from the insurance coverage for the incident occurred in Refinería La Plata in April, 2013 (for further detail see Note 11.b).

Furthermore, in relation to the investment agreement signed between YPF and Chevron subsidiaries; YPF has a non-controlling interest in Compañía de Hidrocarburo No Convencional S.R.L ("CHNC") with which YPF carries out transactions in connection with the above mentioned investment agreement (for further detail see Note 11.c).

The table below discloses the compensation for the Company's key management personnel, including members of the Board of Directors and principal managers (managers with executive functions appointed by the Board of Directors), for the years ended December 31, 2013, 2012 and 2011:

	2013[1]	2012[1]	2011[1]
Employee benefits (short-term)	96	86	136
Share-based benefits	29	—	—
Post-retirement benefits	3	2	3
Termination benefits	—	8	—
Other long-term benefits	—	3	4
	128	99	143

(1) Includes the compensation for YPF's key management personnel which developed their functions during the mentioned years.

7. BENEFIT PLANS AND OTHER OBLIGATIONS

Following is disclosed the information about pension plans and other obligations of YPF Holdings Inc. The last actuarial evaluation for the plans mentioned above was made as of December 31, 2013.

Defined-benefit obligations

	2013	2012	2011
Net present value of obligations	190	152	157
Fair value of assets	—	—	—
Deferred actuarial losses	—	—	—
Recognized net liabilities	190	152	157

Changes in the fair value of the defined-benefit obligations

	2013	2012	2011
Liabilities at the beginning of the year	152	157	147
Translation differences	57	21	15
Service costs	—	—	—
Interest costs	3	5	6
Actuarial (gains) losses	(6)	(18)	12
Benefits paid, settlements and amendments	(16)	(13)	(23)
Liabilities at the end of the year	190	152	157

Changes in the fair value of the plan assets

	2013	2012	2011
Fair value of assets at the beginning of the year	—	—	—
Employer and employees contributions	16	13	23
Benefits paid and settlements	(16)	(13)	(23)
Fair value of assets at the end of the year	—	—	—

Amounts recognized in the Statement of Comprehensive Income

	(Loss) Income		
	2013	2012	2011
Service costs	—	—	—
Interest costs	(3)	(5)	(6)
Gains (Losses) on settlements and amendments	—	—	—
Total recognized as expense of the year	(3)	(5)	(6)

Amounts recognized in Other Comprehensive Income

	(Loss) Income		
	2013	2012	2011
Actuarial gains (losses) net	6	18	(12)
Total recognized in Other Comprehensive Income	6	18	(12)

Actuarial assumptions

	2013	2012	2011
Discount rate	3.25 – 3.9%	2.5 – 3.0%	3.4 – 3.7%
Expected return on assets	N/A	N/A	N/A
Expected increase on salaries	N/A	N/A	N/A

Expected employer's contributions and estimated future benefit payments for the outstanding plans are:

Expected employer's contributions during 2014	18
Estimated future benefit payments are as follows:	
2014	18
2015	17
2016	16
2017	15
2018 – 2075	57

The weighted average duration used in the estimation of future payments was between 6.5 and 7.5.

The Company has performed a sensitivity analysis related to variations of 1% in the discount rate and in the trend of medical costs for the mentioned plans, without having, such changes, a significant effect in the liability recognized or net income for the year ended December 31, 2013.

For additional information about other existing benefit plans, see Note 1.b.10).

8. OPERATING LEASES

As of December 31, 2013, the principal contracts related to operating leases include:

- Leasing of production equipment used in fields and equipment for natural gas compression, whose contracts have an average duration of 3 years with an option to renew for an additional year and for which contingent payments are calculated based on a rate per unit of use (pesos per hour/day of use).
- Leasing of vessels and barges for the transportation of hydrocarbons, whose contracts have an average duration of 5 years and for which contingent payments are calculated based on a rate per unit of use (pesos per hour/day of use).
- Leasing of land for the installation and operation of service stations, whose contracts have an average duration of approximately 10 years and for which contingent payments are calculated based on a rate per unit of estimated sales of fuel.

Expenses recognized for the years ended December 31, 2013, 2012 and 2011, related to operating leases amounted to approximately 3,520, 2,540 and 1,733, respectively, corresponding 1,493, 939 and 714 to minimum payments, and 2,027, 1,601 and 1,019 to contingent payments, which have been recorded in the "Rental of real estate and equipment" and "Operation Services and other Service Contracts" accounts.

As of December 31, 2013, the estimated future payments related to these contracts are:

	Within 1 year	From 1 to 5 years	Over 6 years
Estimated future payments	4,161	2,881	158

9. EARNINGS PER SHARE

As of the date of issuance of these financial statements, YPF has not issued equity instruments that give rise to potential ordinary shares considering the Company's intention of setting the share based benefit plans through treasury shares purchase. As a result, the calculation of diluted earnings per share coincides with the basic earnings per share.

The following table shows the net income and the number of shares that have been used for the calculation of the basic earnings per share:

	2013	2012	2011
Net income	5,125	3,902	4,445
Average number of shares outstanding	392,789,433	393,312,793	393,312,793
Basic and diluted earnings per share (pesos per share)	13.05	9.92	11.30

Basic and diluted earnings per share are calculated as shown in Note 1.b.14.

10. INCOME TAX

The calculation of the income tax expense accrued for the years ended December 31, 2013, 2012 and 2011 is as follows:

	2013	2012	2011
Current income tax	(2,844)	(2,720)	(2,495)
Deferred income tax	(6,425)	(1,943)	(646)
	(9,269)	(4,663)	(3,141)

The reconciliation of pre-tax income included in the consolidated statement of comprehensive income, at the statutory tax rate, to the income tax as disclosed in the consolidated statements of comprehensive income for the years ended December 31, 2013, 2012 and 2011, respectively, is as follows:

	2013	2012	2011
Net income before income tax	14,348	8,565	7,586
Statutory tax rate	35%	35%	35%
Statutory tax rate applied to net income before income tax	(5,022)	(2,998)	(2,655)
Effect of the valuation of fixed assets and intangible assets measured in functional currency	(7,186)	(2,327)	(881)
Translation differences	4,008	1,213	389
Effect of the valuation of inventories measured in functional currency	(807)	(303)	(128)
Income from investments in companies	124	40	240
Non-taxable income—Law No. 19,640 (Tierra del Fuego)	7	25	58
Tax loss carry forwards	(103)	(172)	(201)
Miscellaneous	(290)	(141)	37
Income tax expense	(9,269)	(4,663)	(3,141)

The Company did not recognize deferred income tax assets amounting to 978, 2,523 and 2,030 as of December 31, 2013, 2012 and 2011, respectively, from which 559, 441 and 448 corresponds to taxable temporary differences not recoverable and 419, 2,082 and 1,581 corresponds to tax loss carry forwards from a foreign subsidiary, since they do not meet the recognition criteria set forth under IFRS. From the tax loss carry forwards above mentioned, as of December 31, 2013, 395 will expire between the years 2018 and 2031 and 24 have an indefinite carry forward.

The composition of the Company's deferred income tax assets and liabilities as of December 31, 2013, 2012 and 2011, is as follows:

	2013	2012	2011
Deferred tax assets			
Nondeductible provisions and other liabilities	1,723	1,055	885
Tax loss and other tax credits	45	45	45
Miscellaneous	115	54	26
Total deferred tax assets	1,883	1,154	956
Deferred tax liabilities			
Fixed assets	(11,659)	(5,125)	(3,465)
Miscellaneous	(1,649)	(666)	(185)
Total deferred tax liabilities	(13,308)	(5,791)	(3,650)
Net deferred tax liability	(11,425)(1)	(4,637)	(2,694)

(1) Includes (363) arising from the business combination as detailed in Note 13.

As of December 2013, 2012 and 2011, 34, 48 and 30, respectively, had been classified as deferred income tax assets and 11,459, 4,685 and 2,724, respectively, as deferred income tax liabilities arising from the deferred income tax net balance of each individual company that take part in these consolidated financial statements.

As of December 31, 2013, 2012 and 2011, the causes that generated charges in "Other comprehensive income" did not generate temporary differences subject to income tax.

11. CONTINGENT LIABILITIES, CONTINGENT ASSETS, CONTRACTUAL COMMITMENTS, MAIN REGULATIONS AND OTHERS

a) Contingent liabilities

The Company has the following contingencies and claims, individually significant, that the Company's management, in consultation with its external counsels, believes have possible outcome. Based on the information available to the Company, including the amount of time remaining before trial among others, the results of discovery and the judgment of internal and external counsel, the Company is unable to estimate the reasonably possible loss or range of loss on certain matters referred to below:

- *Asociación Superficiarios de la Patagonia ("ASSUPA"):* In August 2003, ASSUPA sued 18 companies operating exploitation concessions and exploration permits in the Neuquén Basin, YPF being one of them, claiming the remediation of the general environmental damage purportedly caused in the execution of such activities, and subsidiary constitution of an environmental restoration fund and the implementation of measures to prevent environmental damages in the future. The plaintiff requested that the Argentine Government, the Federal Environmental Council ("Consejo Federal de Medio Ambiente"), the provinces of Buenos Aires, La Pampa, Neuquén, Río Negro and Mendoza and the Ombudsman of the Nation be summoned. It requested, as a preliminary injunction, that the defendants refrain from carrying out activities affecting the environment. Both the Ombudsman's summon as well as the requested preliminary injunction were rejected by the CSJN. YPF has answered the demand requesting its rejection, opposing failure of the plaintiff and requiring the summon of the Argentine Government, due to its obligation to indemnify YPF for events and claims previous to January 1, 1991, according to Law No. 24,145 and Decree No. 546/1993. The CSJN gave the plaintiffs a term to correct the defects of the complaint. On August 26, 2008, the CSJN decided that such defects had already been corrected and on February 23, 2009, ordered that certain provinces, the Argentine Government and the Federal Environmental Council be summoned. Therefore, pending issues were deferred until all third parties impleaded appear before the court. As of the date of issuance of these consolidated financial statements, the provinces of Río Negro, Buenos Aires, Neuquén, Mendoza, and the Argentine government have made their presentations, which are not available to the Company yet. The provinces of Neuquén and La Pampa have claimed lack of jurisdiction, which has been answered by the plaintiff, and the claim is pending resolution. On December 13, 2011, the Supreme Court suspended the

proceeding for 60 days and ordered YPF and the plaintiff to present a schedule of the meetings that would take place during such suspension, authorizing the participation of the remaining parties and third parties. ASSUPA reported the interruption of the negotiations in the claim and the CSJN declared finalize the 60 days period of suspension property ordered.

Additionally it should be noted that the Company has become aware, however it had not been notified, of two other legal claims brought by ASSUPA against: i) concessionaires of the areas of Golfo San Jorge Basin, and ii) concessionaires of areas of Austral basin. The Company, in case of being notified, expects to answer according to legal terms and the arguments of defence that may correspond to the case.

- *Dock Sud environmental claims:* A group of neighbours of Dock Sud, Province of Buenos Aires, have sued 44 companies, among which YPF is included, the Argentine Government, the Province of Buenos Aires, the City of Buenos Aires and 14 municipalities, before the CSJN, seeking the remediation and the indemnification of the environmental collective damage produced in the basin of the Matanza and Riachuelo rivers. Additionally, another group of neighbours of the Dock Sud area, have filed two other environmental lawsuits, one of them desisted in relation to YPF, claiming several companies located in that area, among which YPF is included, the Province of Buenos Aires and several municipalities, for the remediation and the indemnification of the environmental collective damage of the Dock Sud area and for the individual damage they claim to have suffered. At the moment, it is not possible to reasonably estimate the outcome of these claims, as long as, if applicable, the corresponding legal fees and expenses that might result. YPF has the right of indemnity by the Argentine Government for events and claims previous to January 1, 1991, according to Law No. 24,145 and Decree No. 546/1993.

By means of sentence dated July 8, 2008, the CSJN:

(i) Determined that the Basin Authority (Law No. 26,168) ("ACUMAR") should be in charge of the execution of the program of environmental remediation of the basin, being the Argentine Government, the Province of Buenos Aires and the City of Buenos Aires responsible of its development; delegated in the Federal Court of First Instance of Quilmes the knowledge of all the matters concerning the execution of the remediation and reparation; declared that all the litigations related to the execution of the remediation plan will accumulate and will proceed before this court and established that this process produces that other collective actions that have for object the environmental remediation of the basin be dismissed ("littispendentia"). YPF has been notified of certain resolutions issued by ACUMAR, by virtue of which YPF has been requested to present an Industrial Reconversion Program, in connection with certain installations of YPF. The Program has been presented although the Resolutions had been appealed by the Company;

(ii) Decided that the proceedings related to the determination of the responsibilities derived from past behaviours for the reparation of the environmental damage will continue before the CSJN.

- *Environmental claims in La Plata:* YPF is aware of an action that has not been served yet, in which the plaintiff requests the clean-up of the channel adjacent to the La Plata refinery, the Río Santiago, and other sectors near the coast line, and, if such remediation is not possible, an indemnification of 500 or an amount to be determined from the evidence produced in discovery. The claim partially overlaps with the requests made by a group of neighbours of La Plata refinery on June 29, 1999, described in Note 3 of "La Plata and Quilmes environmental claims". Accordingly, YPF considers that if it is served in this proceeding or any other proceeding related to the same subject matters, the cases should be consolidated to the extent that the claims overlap.

  With respect to claims not consolidated, for the time being, it is not possible to reasonably estimate the monetary outcome, as long as, if applicable, estimate the corresponding legal fees and expenses that might result. Additionally, YPF believes that most damages alleged by the plaintiff, if proved, might be attributable to events that occurred prior to YPF's privatization and would therefore be the responsibility of the Argentine Government in accordance with the Privatization Law concerning YPF.

In addition to the information mentioned above, YPF has entered into an agreement with the OPDS in connection with the claims of the channels adjacent to the La Plata refinery, which is described in Note 3—"La Plata and Quilmes environmental claims".

- *Other environmental claims in Quilmes*: YPF has been notified of a complaint filed by neighbours of Quilmes city, province of Buenos Aires, claiming approximately 250 for compensation for personal damages. Considering the phase of the trial, the evidence available to the date, and the preliminary judgment of internal and external legal advisors, YPF is unable to reasonably estimate the possible loss or range of loss related to this complaint.

- *National Antitrust Protection Board:* On November 17, 2003, Antitrust Board requested explanations, within the framework of an official investigation pursuant to Article 29 of Law No. 25,156 of Antitrust Protection, from a group of almost thirty natural gas production companies, YPF among them, with respect to the following items: (i) the inclusion of clauses purportedly restraining trade in natural gas purchase/sale contracts; and (ii) observations on gas imports from Bolivia, in particular (a) old expired contract signed by YPF, when it was state-owned, and YPFB (the Bolivian state-owned oil company), under which YPF allegedly sold Bolivian gas in Argentina at prices below the purchase price; and (b) the unsuccessful attempts in 2001 by Duke and Distribuidora de Gas del Centro to import gas into Argentina from Bolivia. On January 12, 2004, YPF submitted explanations in accordance with article 29 of the Antitrust Law, contending that no antitrust violations had been committed and that there had been no price discrimination between natural gas sales in the Argentine market and the export market. On January 20, 2006, YPF received a notification of resolution dated December 2, 2005, whereby the Antitrust Board (i) rejected the "non bis in idem" petition filed by YPF, on the grounds that ENARGAS was not empowered to resolve the issue when ENARGAS Resolution No. 1,289 was enacted; and (ii) ordered that the opening of the proceedings be undertaken pursuant to the provisions of Section 30 of the Antitrust Law. On January 15, 2007, the Antitrust Board charged YPF and eight other producers with violations of the Antitrust Law. YPF has contested the complaint on the basis that no violation of the law took place and that the charges are barred by the applicable statute of limitations and has presented evidence in support of its position. On June 22, 2007, YPF presented to the Antitrust Board, without acknowledging any conduct in violation of the Antitrust Law, a commitment consistent with article 36 of the Antitrust Law, requiring to the Antitrust Board to approve the commitment, to suspend the investigation and to file the proceedings. On December 14, 2007, the Antitrust Board decided to transfer the motion to the Court of Appeals as a consequence of the appeal presented by YPF against the rejection of the application of the statute of limitations.

  In addition, on January 11, 2012, the Argentine Secretariat of Transportation filed with the CNDC a complaint against five oil companies (including YPF), for alleged abuse of a dominant position regarding bulk sales of diesel fuel to public bus transportation companies. The alleged conduct consists of selling bulk diesel fuel to public bus transportation companies at prices higher than the price charged in service stations. According to the provisions of Article 29 of the Antitrust Law, YPF has submitted appropriate explanations to the CNDC, questioning certain formal aspects of the complaint, and arguing that YPF has adjusted its behaviour at all times with current regulations and that it did not set any discrimination or abuse in determining prices.

  In addition, YPF is subject to other claims before the Antitrust Board which are related to alleged price discrimination in sale of fuels. Upon the opinion of Management and its legal advisors, such claims have been considered as possible contingencies.

- *Users and Consumers' Association claim:* The "Users and Consumers Association" (Unión de Usuarios y Consumidores) claimed originally against Repsol YPF (then extending its claim to YPF) the reimbursement of the overprice allegedly charged to bottled LPG consumers between 1993 and 2001. The claim is for an unspecified sum, amounting to 91 in the period 1993 to 1997 (this sum, brought up-to-date would be approximately 489), together with an undetermined amount for the period 1997 to 2001. The Company claimed the application of the statute of limitations (as well as other defences) since, at the date of the extension of the claim, the two-year limit had already elapsed. Notwithstanding, on August 6, 2009, the evidence production period commenced and the evidence is now being produced.

- *Repsol S.A. and others complaints:*

  The Company was notified of a complaint filed by Repsol on July 31, 2012 in the Supreme Court of the State of New York, New York County, USA, against The Bank of New York Mellon ("BNY") and the Company. In accordance with the contents of such complaint, Repsol claims damages for the alleged failure by BNY to accept and carry out voting instructions provided by Repsol in connection with, among other things, the election of the Company's Board of Directors at the Company's shareholders' meeting on June 4, 2012, thereby allegedly violating BNY's contractual obligations. Repsol alleges that, in addition to the American Depositary Shares ("ADS") it owns, it had the right to vote ADS owned by a certain third party that were pledged in Repsol's favor, and it was unable to exercise such voting rights due to alleged failures by BNY described above and an allegedly inappropriate intervention by the Company whereby the Company instructed BNY not to accept Repsol's voting instructions. On April 29, 2013, YPF filed a motion to dismiss the complaint and on August 20, 2013 there was a hearing on the matter. It is noted that an initial exchange of witness interrogatories and documentation (discovery) between Repsol and YPF had begun. On February 6, 2014, YPF became aware that the New York Supreme Court, in the United States, decided to dismiss all claims, including the claim for damages, submitted by Repsol against YPF and BONY. Among other matters, it found that Repsol did not demonstrate that YPF: (i) was negligent or acted in bad faith; (ii) was involved in BONY´s alleged failure to timely transfer voting instructions; and (iii) willfully interfered in the relationship between Repsol and BONY. Once this decision is final, Repsol will not be able to submit a further complaint against YPF for the mentioned claims.

  Additionally, YPF was notified of three complaints filed by Repsol S.A. in connection with the enforcement of Law 26,741, requesting the invalidation of the Ordinary shareholders' meetings dated on June 4, 2012, July 17, 2012 and the Annual General Meeting No. 38 on September 13, 2012, all of which have been answered by YPF. On October 8, 2013, the tribunal decided to open the case for the submission of evidence, and scheduled a hearing for February 27, 2014. On November 20, 2013, the Company was notified of a new complaint submitted by Repsol, requesting the nullity of the Ordinary and Extraordinary Shareholders Meeting dated April 30, 2013 -and its continuation on May 30, 2013- including the decisions taken therein.

- *YPF class action:*

  On April 16, 2013, YPF has been served of a class action related to certain YPF share sale transactions undertaken by Repsol in March 2011, initiated by Monroe County Employees Retirement System, later consolidated with a similar claim initiated by Felix Portnoy. The claim is based on an alleged failure to inform the market, during the period between December 22, 2009 and April 16, 2012 (period of the class) and consequently the purchaser parties in such transactions, as of the date set forth above, regarding the potential risk of expropriation of the Company, and on the alleged effect on the value of the shares. On July 26, 2013, plaintiffs have notified the parties their intention to amend the complaint for second time, after its first amendment when Felix Portnoy was included in the Plaintiff class. Both YPF and the Underwriters' representatives (excluded from the first amendment) have expressed their opposition to such proposed second amendment. On October 8, 2013, despite the opposition of YPF, the federal district court of New York, granted the Plaintiffs' request to file a second amended complaint including new claims under Section 11 of the Securities Act. On October 29, 2013, Plaintiffs filed a second consolidated amended complaint. On November 26, 2013, YPF submitted a motion to dismiss the new complaint. On February 20, 2014, the Tribunal dismissed all claims made individually and on behalf of others in similar scenarios against YPF and other respondents, concluding that claimants did not: (i) identify any omission or misrepresentation of information by YPF, (ii) allege any facts demonstrating that YPF had the intent to deceive the investors, (iii) demonstrate that the purported failure to disclose the risk of expropriation caused the alleged damages. The Tribunal also held that the statute of limitations for the claims raised under the Securities Act of 1933 has lapsed. Once this decision is final, claimants will not be able to submit a further complaint against YPF for the mentioned claims.

Additionally, the Company has received other labour, civil and commercial claims and several claims from the AFIP and from provincial and municipal fiscal authorities, not individually significant, which have not been accrued since Management, based on the evidence available as of the date of issuance of these consolidated financial statements, has assessed them to be possible contingencies.

b) Contingent assets

On April 2, 2013, the facilities of the Company in the La Plata refinery were hit by a severe and unprecedented storm, which caused a fire and consequently affected the Coke A and Topping C units in the refinery. These incidents temporarily affected the crude processing capacity of the refinery, which had to be stopped entirely. Seven days after the event, the processing capacity was restored to about 100 mbbl/d through the commissioning of two distillation units (Topping IV and Topping D). Coke A unit is out of service permanently and Topping C unit was launched back in late May, after a technical and human effort of great relevance. As a consequence, the Company continues with the settlement process of the incident, with the insurance company.

Based on the documentation provided to the insurance adjuster appointed by reinsurers, and after their analysis, in November 2013 the Company requested an advanced payment on account of the total compensation that will result from this process, of approximately US$ 300 million. This advance was accepted and recognized by the reinsurers and, consequently, was recorded by the Company in the statement of comprehensive income for the year. Of this amount, US$ 215 million corresponds to the damage to property and the rest to a partial acknowledgment of lost profits pursuant to the rights arising from the insurance policy. Consequently, as of December 31, 2013, the Company has recorded a gain of 1,956 disclosed in “Other income (expense), net” account.

The Company is still in the process of claim lost profits, whose coverage extends until January 16, 2015.

c) Contractual commitments, main regulations and others:

- *Contractual commitments:* The Company has signed contracts by means of which it has committed to buy certain products and services, and to sell natural gas, liquefied petroleum gas and other products. Some of the mentioned contracts include penalty clauses that stipulate compensations for a breach of the obligation to receive, deliver or transport the product object of the contract. The anticipated estimated losses for contracts in progress, if any, considering the compensations mentioned above, have been charged to the income of the year in which they were identified.

  In this order, the Company has renegotiated certain natural gas export contracts, and has agreed, between others, to limit compensations only in case of interruptions and/or suspension of deliveries from any cause, except physical force majeure. Also, the Company has agreed to make investments and export gas to temporarily import certain final products. As of the date of issuance of these financial statements, the Company is fulfilling the agreed commitments mentioned above. To the extent that the Company does not comply with such agreements, we could be subject to significant claims, subject to the defences that the Company might have.

- *Natural gas regulatory requirements:* In addition to the regulations that affect the natural gas market mentioned in “Natural gas market” (Note 3), on June 14, 2007, Resolution No. 599/2007 of the Secretariat of Energy was published in the Official Gazette (the “Resolution”). This Resolution approved an agreement with natural gas producers regarding the natural gas supply to the domestic market during the period 2007 through 2011 (the “Agreement 2007-2011”). The purpose of this Agreement 2007-2011 is to guarantee the normal supply of the natural gas domestic market during the period 2007 through 2011, considering the domestic market demand registered during 2006 plus the growth of residential and small commercial customer’s consumption (the “Priority

Demand"). According to the Resolution, the producers that have signed the Agreement 2007-2011 commit to supply a part of the Priority Demand according to certain percentage determined for each producer based upon its share of production for the 36 months period prior to April 2004. In case of shortage to supply Priority Demand, natural gas exports of producers that did not sign the Agreement 2007-2011 will be the first to be called upon in order to satisfy such mentioned shortage. The Agreement 2007-2011 also establishes terms of effectiveness and pricing provisions for the Priority Demand consumption. Considering that the Resolution anticipates the continuity of the regulatory mechanisms that affect the exports, YPF has appealed the Resolution and has expressly stated that the execution of the Agreement 2007-2011 does not mean any recognition by YPF of the validity of that Resolution. On June 22, 2007, the National Direction of Hydrocarbons notified that the Agreement 2007-2011 reached the sufficient level of subscription. On January 5, 2012, the Official Gazette published Resolution of the Secretariat of Energy No. 172 which temporarily extends the rules and criteria established by Resolution No. 599/07, until new legislation replaces the Resolution previously mentioned. This Resolution was appealed on February 17, 2012 by filing a motion for reconsideration with the Secretariat of Energy.

Additionally, on October 4, 2010, the Official Gazette published ENARGAS Resolution No. 1410/2010 that approves the procedure which sets new rules for natural gas dispatch applicable to all participants in the natural gas industry, imposing new and more severe regulations to the producers' availability of natural gas ("Procedimiento para Solicitudes, Confirmaciones y Control de Gas"). By virtue of these procedures, distributors remain able to request all the natural gas necessary to cover the Priority Demand even in the case of natural gas volumes that exceed those that the Secretariat of Energy would have allocated by virtue of the Agreement ratified by the Resolution No. 599/07. Producers are obligated to confirm all the natural gas requested by distributors to supply the Priority Demand. The producers' shares in such volumes follow the allocation criterion established by the Agreement 2007-2011. It is not possible to predict the estimated demand of the Argentine market that must be satisfied by the producers, whether or not the producer signed the Agreement 2007-2011. Once the Priority Demand has been supplied, the volumes requested by the rest of the segments must be confirmed, leaving the exports last in order of priority. In case the programming do not yield sustainable results, with respect to the objective of maintaining the equilibrium and preserving the operation of the transportation and distribution systems, the necessary reprogramming and redirections will take place. In case the producer's confirmations are of a lower volume than requested, the transporters will be in charge of making confirmations adequate by redirecting natural gas until the volume required by distributors according to Priority Demand is completed. This greater volume will have to be withdrawn from the confirmations made by that producer to other clients. If the producer would not have confirmed natural gas to other clients from the same basin, the lacking volume will be requested to the rest of the natural gas producers. Therefore, this procedure imposes a supply obligation that is jointly liable for all producers in case any producer supplies natural gas in a deficient way. YPF has challenged the validity of Resolution No. 1,410/2010.

On November 8, 2011, ENARGAS published Resolution No. 1,982, which supplements Decree No. 2,067 of November 27, 2008, which had created a fiduciary fund to finance natural gas and other imports necessary to complement the natural gas injection required to satisfy the internal demand. This Resolution adjusts the tariff charges established by Executive Decree No. 2,067/08 and extends the type of users reached by the tariff adjustment, including users in the residential segment and gas processing and electric generation companies, among others, which has impacted on the operations of the Company and, very significantly in some companies under joint control, all of which have appealed against such resolution. In particular, the impact that the application of the tariff charge mentioned has on the operations of Mega is so significant that, if the situation is not solved in favour of Mega, it could have serious difficulties in the future to continue its activity.

These consolidated financial statements do not include any adjustments related to the recoverability of the assets of Mega which could be accrued on the assumption that it would cease its activity. This measure applies to consumptions that were made since December 1, 2011.

On November 24, 2011, ENARGAS issued Resolution No. 1,991, which extends the type of users that will be required to pay tariff charges. YPF has challenged the validity of such resolutions. On April 13, 2012, a preliminary induction was granted in relation with the processing plant El Portón, suspending the effects of such resolutions with respect to the mentioned plant.

- *Liquid hydrocarbons regulatory requirements:* Resolution No. 1,679/04 of the Secretariat of Energy reinstalled the registry of diesel and crude oil export transactions created by Executive Decree No. 645/02, and mandated that producers, sellers, refining companies and any other market agent that wishes to export diesel or crude oil to register such transaction and to demonstrate that domestic demand has been satisfied and that they have offered the product to be exported to the domestic market. In addition, Resolution No. 1,338/06 of the Secretariat of Energy added other petroleum products to the registration regime created by Executive Decree No. 645/02, including gasoline, fuel oil and its derivatives, diesel, aviation fuel, asphalts, certain petrochemicals, certain lubricants, coke and petrochemical derivatives. Resolution No. 715/07 of the Secretariat of Energy empowered the National Refining and Marketing Director to determine the amounts of diesel to be imported by each company, in specific periods of the year, to compensate exports of products included under the regime of Resolution No. 1,679/04; the fulfilment of this obligation to import diesel is necessary to obtain authorization to export the products included under Decree No. 645/02. In addition, certain regulations establish that exports are subordinated to the supply of the domestic market. In this way, Resolution No. 25/2006 of the Secretariat of Domestic Commerce, issued on October 11, 2006, imposes on each Argentine refining and/or retail company the obligation to supply all reasonable diesel fuel demand, by supplying certain minimum volumes (which at least should be volumes supplied the year before plus the positive correlation between diesel demand and GDP accumulated from the month reference). The mentioned commercialization should be done without altering or affecting the normal operation of the diesel market.

  Additionally, Rule No.168/04 requires companies intending to export LPG to first obtain an authorization from the Secretariat of Energy, by demonstrating that local demand was satisfied or that an offer to sell LPG to local demand has been made and rejected.

  In January 2008, the Secretariat of Domestic Commerce issued Resolution No.14/2008, whereby the refining companies were instructed to optimize their production in order to obtain maximum volumes according to their capacity.

  On January 26, 2012, the Secretariat of Domestic Commerce issued Resolution No. 6/2012 whereby (i) YPF and other four oil companies were required to sell diesel oil to public bus transportation companies at a price not higher than the retail price charged on its service station located, in general terms, nearest to the place of delivery of diesel fuel to each such transportation company, while maintaining both historic volumes and delivery conditions; and (ii) it created a price monitoring scheme of both the retail and the bulk markets to be implemented by the CNDC. YPF has appealed that resolution. On February 16, 2012, YPF filed with the CNDC an appeal against Resolution No. 6/2012, for submission to the Civil and Commercial Federal Court of Appeals of Buenos Aires city. Meanwhile, on March 2, 2012, YPF has challenged this Resolution and requested a preliminary injunction against its validity. YPF's preliminary injunction has been granted and the effects of the Resolution No. 6/2012 have been temporarily suspended, until the appeal is judicially solved. Against that preliminary injection, the Argentinian Federal Government presented an extraordinary federal appeal, which has not yet been served to YPF.

  On March 13, 2012, YPF was notified of Resolution No. 17/2012, issued by the Argentine Secretariat of Domestic Commerce, pursuant to which YPF, Shell Compañía Argentina de Petróleo, S.A. and ESSO Petrolera Argentina S.R.L were ordered to supply jet fuel for domestic and international air transport at a price net of taxes not to exceed 2.7% of the price net of taxes of medium octane gasoline (not premium) offered at its closest service station to the relevant airport, while maintaining its existing supply logistics and its usual supply quantities. The abovementioned resolution benefits companies owning aircraft that operate in the field of commercial passenger or commercial passenger and cargo aviation which are registered under the Argentine National Aircraft Registry. According to a later clarification from the Secretary of Domestic Commerce, the beneficiaries of the measure adopted by this resolution are the following companies: Aerolíneas Argentinas, Andes

Líneas Aéreas S.A., Austral – Cielos del Sur, LAN Argentina S.A. and Sol S.A. Líneas Aéreas. In addition, in said resolution, the Argentine Secretariat of Domestic Commerce indicated that it considered convenient to implement a price surveillance system to be implemented by the CNDC. YPF has challenged such resolution, which will be reviewed by a court. The Civil and Commercial Federal Court granted the appeal filed by YPF with suspensive effect, consequently the effects of Resolution No. 17/2012 were suspended until the legality or illegality of the Resolution is solved. Subsequently, the Argentinian Federal Government filed a federal extraordinary appeal, and YPF answered it. To date, the court granted the extraordinary appeal but has not yet been submitted to the supreme court.

On August 31, 2012, YPF was notified of the judgement of the mentioned Court, which declared the nullity of Resolution No. 17/2012, based on the lack of jurisdiction of the Argentine Secretariat of Domestic Commerce to issue a measure of that nature.

Decree No. 1,189/2012 of the National Executive Power, dated July 17, 2012, established that the jurisdictions and entities of the National public Sector included in section 8, subsection a) of Law No. 24,156 (National Administration, formed by the central administration and the decentralized agencies including the social insurance institutions) must contract with YPF the provision of fuels and lubricants for the fleet of official cars, boats and aircrafts, except in those cases which have the prior authorization of the Chief of the Cabinet of Ministers.

- *Regulatory requirements established by Decree No. 1,277/2012:* On July 25, 2012, the executive decree of Law No. 26,741, Decree No. 1,277/2012, was published, creating the "Regulation of the Hydrocarbons Sovereignty Regime in the Argentine Republic". Among other matters, the mentioned decree establishes: the creation of the National Plan of Investment in Hydrocarbons; the creation of the Commission for Planning and Coordination of the Strategy for the National Plan of Investment in Hydrocarbons (the "Commission"), which will elaborate on an annual basis, within the framework of the National Hydrocarbon Policy, the National Plan of Investment in Hydrocarbons; the National Registry of Investments in Hydrocarbons in which the companies undertaking activities of exploration, exploitation, refining, transport and commercialization of hydrocarbons and fuels will have to register; and the obligation for the registered companies to provide their Plan of Investments every year before September 30, including a detail of quantitative information in relation to the activities of exploration, exploitation, refining, transport and commercialization of hydrocarbons and fuels according to each company. Additionally, the mentioned companies will have to provide their plans in relation to the maintenance and increase of hydrocarbons reserves, including: a) an investment in exploration plan; b) an investment plan in primary hydrocarbons reserves recovery techniques; and c) an investment plan in secondary hydrocarbons reserves recovery techniques, which will be analyzed by the Commission; the Commission will adopt the promotion and coordination measures that may consider necessary for the development of new refineries in the National Territory, that may allow the growth in the local processing capacity in accordance with the aims and requirements of the National Plan of Investment in Hydrocarbons; in relation to prices, and accordingly to the Decree, for the purpose of granting reasonable commercial prices, the Commission will determine the criteria that shall govern the operations in the domestic market. In addition, the Commission will publish reference prices of each of the components of the costs and the reference prices for the sale of hydrocarbons and fuels, which will allow to cover the production costs attributable to the activity and to reach a reasonable margin of profit. Not complying with the dispositions included in the Decree and supplementary rules may result in the following penalties: fine, admonition, suspension or deregistration from the registry included in section 50 of Law No. 17,319; the nullity or expiration of the concessions or permits. Moreover, the mentioned Decree abrogates the dispositions of the Decrees No. 1,055/89, 1,212/89 and 1,589/89 (the "Deregulation Decrees") which set, among other matters, the right to the free disposition of hydrocarbon production.
- *Other regulatory requirements:* During 2005, the Secretariat of Energy by means of Resolution No. 785/2005 modified by Resolution No. 266/2008 of the Ministry of Federal Planning, Public Investment and Services, created the National Program of Hydrocarbons

and its derivatives Warehousing Aerial Tank Loss Control, measure aimed at reducing and correcting environmental pollution caused by hydrocarbons and its derivatives warehousing-aerial tanks. The Company has begun to develop and implement a technical and environmental audit plan as required by the resolution.

- *Refining and Petroleum Plus Programs:* Decree No. 2,014/2008 of the Department of Federal Planning, Public Investment and Services of November 25, 2008, created the "Refining Plus" and the "Petroleum Plus" programs to encourage (a) the production of diesel fuel and gasoline and (b) the production of crude oil and the increase of reserves through new investments in exploration and production. The programs entitle refining companies that undertake the construction of a new refinery or the expansion of their refining and/or conversion capacity and production companies that increase their production and reserves within the scope of the program to receive export duty credits to be applied to exports withholdings. In order to be eligible for the benefits of both programs, companies' plans must be approved by the Argentine Secretariat of Energy.

  During February 2012, by Note No. 707/2012, supplemented by Note No. 800/2012, both issued by the Secretariat of Energy, YPF was notified that the benefits granted under the "Refining and Petroleum Plus" programs had been temporarily suspended. The effects of the suspension also apply to benefits accrued and not yet redeemed by YPF at the time of the issuance of the Notes. The reasons alleged for such suspension are that the programs had been created in a context where domestic prices were lower than prevailing prices and that the objectives of those programs had already been achieved. On March 16, 2012, YPF has challenged this temporary suspension.

- *Repatriation of foreign exchange:* During October, 2011, Decree No. 1,722/2011 was published and became effective as from such date. The mentioned decree provides that total export collections from operations by producers of crude oil or its derivatives, natural gas and liquefied gas, and companies which aim to develop mining projects, must be liquidated in the single and free-exchange market in accordance with the provisions of Article No. 1 of Decree No. 2,581 of April 10, 1964 (see Decree No. 929/2013 below).

- *Investment Promotion Regime for the Exploitation of Hydrocarbons—Decree No. 929/2013*: the Decree No. 929/2013 provides the creation of an Investment Promotion Regime for the Exploitation of Hydrocarbons (the "Promotional Regime"), both conventional and unconventional, which will apply throughout the territory of the Republic of Argentina. Companies submitting "Investment Projects for the Exploitation of Hydrocarbons" (the "Project") with the Commission, for its approval and inclusion in the Promotion Regime, must hold exploration permits and/or exploitation concessions granted by the Federal Government and/or the Provinces. If the company does not hold exploration permits and/or exploitation concessions, it must operate associated with a company that does hold such permit or concession rights, be duly registered at the "National Register of Hydrocarbons Investments" created by Federal Decree 1,277/2012, have submitted the "Annual Investment Plan" established by Federal Decree 1,277/2012 and the Project must involve the performance of a direct investment in foreign currency for an amount not lower than US$ 1 billion, calculated at the time of submission of the Project and to be invested during the first five years of the Project. The beneficiaries of the Promotion Regime shall enjoy in terms of Law N° 17,319 the following benefits: (i) from the 5th year of the start-up of their respective 'Investment Projects for the Exploitation of Hydrocarbons', the right to freely market abroad the 20% of the oil and gas produced in their Projects, at 0% export tax rate, (ii) the right to maintain abroad all the foreign currency proceeds of the aforementioned oil and gas exports, provided that, as a result of the relevant investment project, at least US$ 1 billion are transferred to the Argentine financial market; (iii) in periods in which domestic production of hydrocarbons is insufficient to cover domestic needs, the beneficiaries shall, from the 5th year of the start-up of their respective projects, be entitled to obtain, in relation to the 20% of oil and gas production that cannot be exported, a price not lower than the reference export price.

  Additionally, the Decree creates the figure of the "Concession for the Unconventional Exploitation of Hydrocarbons", which involves the extraction of liquid and/or gaseous hydrocarbon by unconventional stimulation techniques applied in fields located in geological formations of shale or slate rocks (shale gas or shale oil), tight

sands (tight sands, tight gas, tight oil), coal seams (coal bed methane) and/or characterized, in general, by the presence of low-permeability rocks. The Decree recognizes that, in accordance with the provisions of Law No. 17,319, the companies that holds exploration and/or exploitation concessions, which were included in the Promotional Regime, will have the right to request a "Concession for the Unconventional Exploitation of Hydrocarbons". Also the holders of a "Concession for the Unconventional Exploitation of Hydrocarbons", may request the consolidation of an adjacent area held by the same title holders as a single "Concession for the Unconventional Exploitation" insofar they can establish the geological continuity of the adjacent areas.

- *Natural Gas Agreement:* On December 2012, YPF and other gas producing companies of Argentina agreed with the Planning and Strategic Coordination Commission of the National Plan of Hydrocarbon Investments (the "Commission") to establish an incentive scheme for the Additional Injection (all gas injected by the companies above certain threshold) of natural gas. On February 14, 2013 Resolution 1/2013 of the Commission was published in the Official Gazette. This Resolution formally creates the "Natural Gas Additional Injection Stimulus Program". Under this regulation, gas producing companies were invited to file Projects for increasing Total Natural Gas Injection ("the projects") to the Commission, in order to receive an Increased Price of 7.5 US$/MBTU for all gas injected above certain threshold (Additional Injection). The Projects shall comply with minimum requirements established in Resolution 1/2013, and will be subject to approval consideration by the Commission. The Projects have a maximum term of five (5) years, renewable at the request of the beneficiary, and subject to the decision of the Commission. If the beneficiary company, for certain month, does not reach the compromised production increase of its project, approved by the Commission, it will have to compensate its failure to achieve the minimum total injection committed in such Project.

- *CNV new regulatory framework:* Through Resolution No. 622/2013, dated September 5, 2013, the CNV approved the Resolutions (N.T. 2013) applicable to the companies subject to its oversight, pursuant to the Capital Market Law No. 26,831, and regulatory Decree No. 1,023, dated August 1, 2013. Such Resolution abrogates CNVs' prior regulations (N.T. 2001 and amendments) and the general Resolutions No. 615/2013 and No. 621/2013, as from the effectiveness of Resolutions (N.T. 2013).

- *Agreements of extension of concessions*

  - *Province of Neuquén:* On December 28, 2000, through Decree No. 1,252/2000, the Argentine Federal Executive Branch (the "Federal Executive") extended for an additional term of 10 years (until November 2027) the concession for the exploitation of Loma La Lata – Sierra Barrosa area granted to YPF. The extension was granted under the terms and conditions of the Extension Agreement executed between the Argentine Government, the Province of Neuquén and YPF on December 5, 2000. Under this agreement, YPF paid US$ 300 million to the Argentine Government for the extension of the concession mentioned above, which were recorded in "Fixed Assets" on the balance sheet and committed, among other things, to define a disbursement and investment program of US$ 8,000 million in the Province of Neuquén from 2000 to 2017 and to pay to the Province of Neuquén 5% of the net cash flows arising out of the concession during each year of the extension term. The previously mentioned commitments have been affected by the changes in economic rules established by Public Emergency Law.

    Additionally, in 2008 and 2009, YPF entered into a series of agreements with the Province of Neuquén, to extend for ten additional years the term of the production concessions on several areas located in that province, which, as result of the above mentioned agreement, will expire between 2026 and 2027. As a condition for the extension of these concessions YPF undertook the following commitments, among others, upon the execution of the agreements: i) to make to the Province total initial payments of US$ 204 million; ii) to pay in cash to the Province an "Extraordinary Production Royalty" of 3% of the production of the areas involved. In addition, the parties agreed to make adjustments of up to an additional 3% in the event of an extraordinary income according to the mechanisms and reference values established in each signed agreement and iii) to carry out exploration activities in the remaining exploration areas and make certain investments and expenditures in the production concessions that are the purpose of the agreements in a total amount of US$ 3,512 million until the expiring date of the concessions;

On July 24, 2013, in order to make feasible the implementation of a non-conventional hydrocarbons project, YPF and the Province of Neuquén signed an Agreement under which the Province of Neuquén agreed to (i) separate from the Loma La Lata – Sierra Barrosa exploitation concession a surface area of 327,5 km^2; (ii) incorporate such separated surface area into the surface area of the Loma Campana exploitation concession, forming a surface area of 395 km^2 and (iii) extend the Loma Campana exploitation concession for a term of 22 years starting from the date of its expiration (until November 11, 2048). The commitments made by the Company are as follows: i) payment of US$ 20 million in consideration for the effect that the separation of surface from the Area Loma La Lata - Loma Campana has on the conventional production, payable within 15 days of the legislative ratification of the Agreement; (ii) payment of US$ 45 million on the Corporate Social Responsibility concept, payable during the years 2013/2014/2015; (iii) payment of 5% on the investment project profits after taxes, applicable as from December 2027; (iv) 50% reduction, as from August of 2012, of the subsidy applicable to the price of natural gas for the Methanol Plant according to the terms of the Commitment Act of 1998 signed between the Company and the Province of Neuquén; (v) the Company undertakes to make an investment of US$ 1 billion within a period of 18 months beginning on July 16, 2013; and vi) YPF commits to prioritize the recruitment of labor, suppliers and services based in Neuquén. The Province of Neuquén also agrees: i) not to apply Extraordinary Income (Windfall Profits) or Extraordinary Production Taxes and to maintain a 12% rate for hydrocarbon royalties; (ii) to apply a Turnover Tax rate not higher than 3% to the revenue generated in the Loma Campana concession; and (iii) to set the total sum of US$ 1,240 million as the tax base for Stamps Tax purposes. The Agreement was approved by Decree No. 1,208/13 and Law N° 2867.

- *Mendoza:* In April 2011, YPF entered into an agreement with the province of Mendoza to extend for 10 years the term of certain exploitation concessions, and the transportation concessions located in the province, from the expiration of the original terms of the grant.

  By signing the memorandum of agreement, YPF assumed certain commitments within which includes: (i) to make initial payments to the province of Mendoza in an aggregate amount of approximately US$ 135 million, on the date specified in the agreement; (ii) to pay the province of Mendoza an "Extraordinary Production Royalty" of 3% of the production of the areas included in the agreement. In addition, the parties agreed to make additional adjustments in the event of extraordinary income due to lower export duties or a higher monthly average price of crude oil and/or natural gas according to a mechanism and reference values established in the Memorandum of Agreement; (iii) to carry out exploration activities and make certain investments and expenditures in a total amount of US$ 4,113 million until the expiration of the extended term, as stipulated in the agreement; and; (iv) to make payments equal to 0.3% of the annual amount paid as "Extraordinary Production Royalty" in order to fund the purchase of equipment and finance training activities, logistics and operational expenses in certain government agencies of the province of Mendoza specified in the agreement, among others.

- *Santa Cruz*: During November, 2012, YPF entered into an agreement with the province of Santa Cruz to extend for 25 years the term of certain exploitation concessions, from the expiration of their original terms.

  By signing the memorandum of agreement, YPF assumed certain commitments within which include: (i) to make initial payments to the province of Santa Cruz in an aggregate amount of approximately of US$ 200 million, on the date specified in the agreement; (ii) to pay the province of Santa Cruz a Production Royalty of 12% plus an additional of 3% over the production of conventional hydrocarbons; (iii) to pay the province of Santa Cruz a Production Royalty of 10% over the production of unconventional hydrocarbons; (iv) make certain investments on the exploitation concessions, as stipulated in the agreement; (v) carry out exploration activities in the remaining exploration areas; (vi) to contribute with social infrastructure investments within the province of Santa Cruz in an amount equivalent to 20% of the amount of the extension royalty; (vii) define and prioritize a remediation plan of environmental liabilities with reasonable technical criteria and the extent of remediation tasks within the term of the concessions.

- *Salta*: On October 23, 2012, YPF entered into an agreement with the province of Salta to extend for 10 years the original term of certain exploitation concessions from the expiration of their original terms. YPF and associated signatory companies (Tecpetrol S.A., Petrobras Argentina S.A., Compañía General de Combustibles S.A. and Ledesma SAAI) by signing the Memorandum of Agreement took, among others, the following commitments: (i) conducting in area Aguaragüe, on the dates indicated in the agreement and during the first two years, the following investments: a minimum amount in development plans, involving the drilling of development wells (at least 3) and expansion of production facilities and treatment of hydrocarbons of US$ 36 million, (ii) YPF and each of the associated signatory companies will recognize for the province a special extraordinary contribution equal to 25% of the amount corresponding to royalties of 12% referred to in art. 59 and 62 of Law 17,319, (iii) YPF and each of the associated signatory companies will recognize for the province an additional payment to the special extraordinary contribution, only when conditions of extraordinary income are verified in the marketing of oil crude production and natural gas from the concessions, under price increase obtained by each party, from the sum of US$ 90/bbl in the case of crude oil production and the sum equivalent to 70% of import gas prices, (iv) YPF and each of the associated signatory companies will pay to the province, and in the proportion that corresponds to each one, a one-time sum of US$ 5 million in the concept of bonus extension, (v) YPF and the associated signatory companies undertake to make investments for a minimum amount of US$ 30 million in additional exploration work to be implemented in the concessions.

- *Chubut – Concessions El Tordillo – La Tapera and Puesto Quiroga*: On October 2, 2013, the Province of Chubut published the law for the approval of the Agreement to Extend the Exploitation Concessions El Tordillo, La Tapera and Puesto Quiroga, located in the Province of Chubut. YPF holds 12.196% of the concessions, while Petrobras Argentina S.A. holds 35.67% and TECPETROL S.A. holds the remaining 52.133%. The Concessions were extended for a 30 year period counted as from the year 2017. The main terms and conditions agreed by the Province of Chubut comprise the commitment of the companies belonging to the JV to make the following payments and contributions: (i) paying US$ 18 million as Historical Remediation Bonus (ii) paying a Compensation Bonus amounting to a fixed 4% over the production of gas and oil since 2013 (this is calculated as an additional royalty); (iii) covering expenses and investments related to the protection and conservation of the environment; (iv) maintaining a minimum amount of equipment for drilling and work-overs in operation; (v) after the first ten years of extension, PETROMINERA will acquire a 10% interest in the exploitation Concessions.

- *Chubut - Restinga Alí, Sarmiento, Campamento Central – Cañadón Perdido, Manantiales Behr and El Trébol – Escalante*: On December 26, 2013, YPF and the Province of Chubut signed an Agreement for the extension of the original term of the Concessions for the Exploitation of Restinga Alí, Sarmiento, Campamento Central – Cañadón Perdido, Manantiales Behr and El Trébol. The Extension Agreement was ratified by the Legislature of the Province of Chubut on January 17, 2014, and by the Company´s Board on February 24, 2014; thus complying with the conditions precedent established in the Extension Agreement. The following are the main terms and conditions agreed with the Province of Chubut: YPF holds 100% of the exploitation concessions, except for the concession Campamento Central – Cañadón Perdido, where ENAP SIPETROL S.A. holds 50%. A 30-year extension was established for the terms of the exploitation concessions that expire in the years 2017 (Campamento Central – Cañadón Perdido and El Trébol – Escalante), 2015 (Restinga Alí) and 2016 (Manantiales Behr). YPF undertook, among others, the following obligations: (i) to pay a Historical Compensation Bonus of US$ 30 million; (ii) to pay to the Province of Chubut the Hydrocarbons Compensation Bonus amounting to 3% of the oil and gas production (calculated as an additional royalty); (iii) to meet a minimum level of investment; (iv) to maintain a minimum amount of equipment for drilling and work-over under hire and in operation; and (v) to assign to PETROMINERA S.E. 41% of YPF´s interest in the exploitation concessions of El Tordillo, La Tapera and Puesto Quiroga (amounting to 5% of the total concessions) and in the related Joint operations.

- *Tierra del Fuego*: the Company has negotiated with the Executive Office of the province of Tierra del Fuego the terms in order to extend their concessions in such province, having signed, on December 18, 2013, the Agreement of Extension of concessions of Tierra del Fuego and Los Chorrillos until 2027 and 2026, respectively. As of the date of issuance of these consolidated financial statements, the abovementioned agreement is pending approval by the Legislative from Tierra del Fuego province.

- *Agreements of project investments*

  - On July 16, 2013, the Company and subsidiaries of Chevron Corporation ("Chevron") signed an Investment Project Agreement ("the Agreement") with the objective of the joint exploitation of unconventional hydrocarbons in the province of Neuquén. The Agreement contemplates an expenditure, subject to certain conditions, of US$ 1,240 million by Chevron for the first phase of work to develop about 20 km^2 (the "pilot project") (4,942 acres) of the 395 km^2 (97,607 acres) corresponding to the area dedicated to the project, located in the aforementioned province and includes Loma La Lata Norte and Loma Campana area. This first pilot project includes the drilling of more than 100 wells.

    Altogether with what has already been invested by the Company in the area, this new investments will result in a total investment of US$ 1,500 million in the pilot project, where 15 drilling rigs are currently operating and more than 10,000 barrels of oil equivalent per day are being extracted.

    During September 2013, and upon the fulfillment of certain precedent conditions (among which is the granting of an extension of the Loma Campana concession maturity until 2048 and the unitization of that area with the sub-area Loma La Lata Norte), Chevron made the initial payment of US$ 300 million.

    On December 10, 2013, the Company and some of its subsidiaries and subsidiaries of Chevron Corporation successfully completed the pending documents for the closing of the Investment Project Agreement, which enables the disbursement by Chevron of US$ 940 million, in addition to the US$ 300 million that such company has already disbursed.

    For such purposes, the Company and Chevron made the necessary contracts for the assignment in favor of Compañía de Hidrocarburo No Convencional S.R.L. ("CHNC") of 50% of the exploitation concession Loma Campana ("LC"), and supplementary agreements including the contract for the organization of the Joint Operation ("JO") and the Joint Operating Agreement ("JOA") for the operation of LC, where YPF shall participate as area operator.

    The Company indirectly holds 100% of the capital stock of CHNC, but under the existing contractual arrangements, it does not make financial or operative decisions relevant to CHNC and does not fund its activities either. Therefore, the Company is not exposed to any risk or rewards due to its interest in CHNC. Thus, as required by IFRS, the Company has valued its interest in CHNC at cost, which is not significant, and has not recorded any profit or loss for such interest for the year ended December 31, 2013.

    In addition to the abovementioned assignment (the net credit for the assignment in favor of YPF as of December 31, 2013, amounts to 1,616), during December 2013, YPF and CHNC have made transactions, among which it is possible to highlight the net purchases of gas and crude oil by YPF for 50. These transactions were completed under the general and regulatory market conditions. Considering the rights that Chevron could exercise in the future over CHNC -to access to the 50% of the concession and supplementary rights- and as a guarantee for such rights and other obligations under the Investment Project Agreement, a pledge over the shares of a YPF's affiliate, which is an indirect holder of YPF's interest in CHNC, has been made in favor of Chevron.

    In this context, and considering that YPF is the LC Area Operator, the parties have made a Project Obligations, Indemnities and Guarantee Agreement, by virtue of which the Company makes certain representations and guarantees in relation to the Investment Project Agreement. This guarantee on the operation and management of the Project does not include the project's performance or return on investment, both at the exclusive risk of Chevron.

Finally, other supplementary agreements and documents related to the Investment Project Agreement have been signed, including: (a) the agreement for the allocation of certain benefits deriving from Executive Order No. 929/2013 from YPF to CHNC; (b) terms and conditions for YPF's acquisition of natural gas and crude oil pertaining to CHNC for 50% of the interest in the LC area; and (c) certain agreements for the technical assistance of Chevron to YPF.

In addition to what has already been invested by YPF in the area and once the agreed amount has been completed and the pilot project has been closed, both companies estimate that, subject to compliance with certain conditions, they will continue with the total development of the LC Area, sharing investments at 50% each.

- On September 23, 2013, the Company, Dow Europe Holding B.V. and PBB Polisur S.A., (hereinafter, collectively, "Dow") signed an agreement (the "Agreement"), which contemplates an expenditure by both parties of up to US$ 188 million which will be directed towards the joint exploitation of an unconventional gas pilot project in the Province of Neuquén, of which Dow will provide up to US$ 120 million by means of a financing agreement convertible into a participation in the project, which contemplates a first phase of work during which 16 wells will be drilled.

  If Dow exercises the conversion option, YPF would contribute 50% of its participation in the "El Orejano" area, which comprises a total area of 45 km^2 (11,090 acres) in the Province of Neuquén and a 50% interest in a joint venture to be formed for the exploitation of this area. If Dow does not exercise the option, the parties have agreed on the repayment conditions of the financing agreement, over a term of five years.

  As of December 31, 2013 the Company has received the first payment of the aforementioned transaction, amounting US$ 30 million, which has been recorded within "Noncurrent Loans" in the Company's Balance Sheet.

- On November 6, 2013, the Company and Petrolera Pampa S.A. (hereinafter "Petrolera Pampa") signed an investment agreement under which Petrolera Pampa undertakes to invest US$ 151.5 million in exchange for 50% of the interest in the production of hydrocarbons in the area of Rincón del Mangrullo in the Province of Neuquén, pertaining to the formation "Formación Mulichinco" (hereinafter the "Area"), where YPF shall be area operator.

  During this first stage (which shall be completed in a 12-month term), Petrolera Pampa has undertaken to invest US$ 81.5 million for the drilling of 17 wells and the acquisition and analysis of about 40 km^2 of 3D seismic data. Moreover, the Company shall make an additional equal investment for the drilling of 17 more wells, from which it will be entitled to 100% of the production.

  Once the first investment stage has concluded, Petrolera Pampa may choose to continue during the second investment stage (to be completed in a 12-month term), which envisages an investment of US$ 70 million for the drilling of 15 wells.

  Once the two stages have been completed, the Parties may make the necessary investments for the future development of the Area, in accordance with their respective interest (50% each).

- *Principal rules applicable to MetroGAS activities*: the natural gas distribution system is regulated by Law No. 24,076 (the "Gas Act") that, together with Decree No. 1.738/92, issued by the Executive Power, others regulatory decrees, the specific bidding rules ("Pliego"), the Transfer Agreement and the License, establishes the Regulatory Framework for MetroGAS' business. Under the License, MetroGAS is entitled to render the public service of gas distribution for a term of 35 years (for which MetroGAS may require—upon expiration—its extension for an additional 10-year term, subject to ENARGAS evaluation and approval).

  The License, the Transfer Agreement and the regulations issued pursuant to the Gas Act establish requirements regarding the quality of service, capital investment, restrictions on transfer and encumbrance on assets, cross-ownership restrictions among producers, transporters and distributors, and MetroGAS stock transfer.

The Gas Act and the License created ENARGAS as regulatory entity to administer and enforce the Gas Act and the applicable regulations. In this order, the tariffs for the gas distribution service were established by the License and are regulated by ENARGAS. The Public Emergency Law enacted in 2002 decreed the suspension of the periodical revision of the tariff regime established in the License.

MetroGAS management is currently under a renegotiation process with the National Government to adapt certain terms of the License in order to counteract the economic and financial situation that affects at company. As of the date of issuance of these financial statements it is neither possible to predict the outcome of the aforementioned process of renegotiation nor the effect it will have on MetroGAS's economic and financial situation.

- Regulatory Framework of the Electric Power Industry in the Argentine Republic:

  Legal Framework: Law No. 24,065, passed in 1992 and governed by Executive Order No. 1,398/92, has established the current basic regulatory framework for the electricity sector (the "Regulatory Framework"). This Regulatory Framework is supplemented by the regulations of the National Secretariat of Energy ("SE") for the generation and marketing of electric power, including the Resolution of the former Secretariat of Electric Energy No. 61/92, "Procedures for the Scheduling of Operations, Load Dispatch and Price Calculation", with its supplementary and amending regulations.

  The National Electricity Regulation Agency ("Ente Nacional Regulador de la Electricidad", "ENRE") is the agency that regulates, oversees and controls the electric power industry and, in such capacity, it is responsible for the enforcement of Law No. 24,065.

  The technical dispatch, operation and economic organization of the Argentine Interconnection System ("Sistema Argentino de Interconexión", "SADI") and the Wholesale Electricity Market ("Mercado Eléctrico Mayorista", "MEM") is under the responsibility of CAMMESA. CAMMESA also acts as a collection agency for all MEM agents.

  It is possible to underscore the following main supplementary and amending resolutions of the sector, taking into consideration the power generation business of YPF Energía Eléctrica:

  - SE Resolution No. 146/2002: this resolution established the framework within which generators may request funding for major or extraordinary maintenance works with the goal of maintaining their units available. This funding may be repaid with the future profits of the generation business, and it may also be repaid in advance. Against this backdrop, YPF Energía Eléctrica, as the successor of the operations of the Power Plants of Tucumán and San Miguel de Tucumán, has requested funding for its plan for the maintenance and availability improvement of the plants in Tucumán, and has offered its Sale Settlements with No Expiration Date to Define ("Liquidaciones de Venta sin Fecha de Vencimiento a Definir", "LVFVD") for the advanced repayment of the funded amounts.
  - SE Resolution No. 406/2004: this resolution established the mechanism to set collection priorities among various remunerative items of the power generation plants. This set priorities for the collection of items related to variable costs and the collection of the power made available to the system, and finally, of amounts related to generation margins for the sales made in the Spot market as per the curve of contracts with Large Users registered between May and August 2004. LVFVDs were issued for the last ones and for such cases in which CAMMESA did not have a certain repayment date.
  - 2008-2011 Generators Agreement: On November 25, 2010, the SE and the main electricity generator companies signed the "Agreement for the Management and Operation of Projects, Increase of Power Generation Availability and Adjustment of Remuneration for 2008-2011 Generation" (hereinafter, the "Generators Agreement"). This Generators Agreement was aimed at establishing the framework, conditions and undertakings that the parties should make to continue with the MEM adjustment process, to enable the entry of new generation to cover the increase in the demand for energy and power in such market, to determine a mechanism for the repayment of the

consolidated debts of generators incurred between January 1, 2008, and December 31, 2011, and the acknowledgment of global remuneration for MEM Generator Agents adhering to the Generators Agreement. The Generators Agreement envisaged an increase in the remuneration for the "Power Made Available" by the adhering power generators and in the maximum values recognized for variable maintenance costs and other costs other than fuels. As per this agreement, YPF Energía Eléctrica, as the successor company in the operation of the plants in "Complejo de Generación El Bracho", has credits with CAMMESA.

- SE Resolution No. 95/2013: this resolution establishes a new remuneration scheme based on the items described below and classified in terms of size and type of generation technology used. The defined remunerative items pertain to: a) remuneration for fixed costs; b) remuneration for variable costs other than fuel; c) direct additional remuneration; and d) indirect additional remuneration, which shall be allocated to a trust for the development of electric power infrastructure works. It is necessary to accept the terms and conditions of the resolution to access such remunerations. YPF Energía Eléctrica has adhered to this system in August 9, 2013, back-dated to February 1, 2013. Among other matters governed by this resolution, it shall be stressed that it established that until the SE decides otherwise, generators and large users shall refrain from making new contracts and/or renewing existing contracts (except for contracts under the framework of SE Resolution No. 1,281/2006 "Energy Plus" and SE Resolution No. 220/2006, among others) as of the entry into force of the resolution. Furthermore, it establishes that as from the date of termination of existing contracts, large users shall begin to make their power purchases through the agency in charge of dispatch (CAMMESA). Similarly, it establishes that fuel supply contracts shall only be acknowledged as long as they are in force, and no new contracts may be made and existing contracts may not be renewed as from their termination dates.

- The Company is committed with third parties under commercial contracts to purchase services and goods (such as LPG, electricity, gas, oil and steam), which as of December 31, 2013 amounted to 14,008. Additionally, there are commitments to carry out exploration activities and to make certain investments and expenditures until the expiration of some of the Company's concessions that amounted to 101,189 as of December 31, 2013, which includes the commitments for concessions extensions mentioned in the paragraphs above.

12. CONSOLIDATED BUSINESS SEGMENT INFORMATION

The different segments in which the Company is organized have in consideration the different activities from which the Company obtains income and incurs expenses. The mentioned organizational structure is based on the way in which the highest authority in the operational decision-making process analyzes the main financial and operating magnitudes while making decisions about resource allocation and performance assessment also considering the Company's business strategy.

The company has recently organized its reporting structure grouping the "Chemical" and "Refining and Marketing" segments in a new and unique segment named "Downstream". The structure above mentioned is mainly due to the common and/or shared strategy, to both businesses converge, considering the synergies generated between them, from fuel maximization approach offered to the market, in terms of volume and quality. Accordingly, the Company has adequate comparative information for the years 2012 and 2011 according to the aforementioned change.

In this line, the new reporting segment structure, taking into account the criteria established by IFRS 8, is as follows: the exploration and production, including contractual purchases of natural gas and purchase of crude oil arising from service contracts and concession obligations, as well as crude oil and natural gas intersegment sales ("Exploration and Production"); the refining, transport, purchase of crude oil and natural gas to third parties and intersegment sales, and marketing of crude oil, natural gas, refined products, petrochemicals, electric power generation and natural gas distribution ("Downstream"); and other activities, not falling into these categories, are classified under "Corporate and Other", principally including corporate administrative expenses and assets, construction activities and the environmental remediation according to the controlled company YPF Holdings (see Note 3).

Sales between business segments were made at internal transfer prices established by the Company, which generally seek to approximate to market prices.

Operating income (loss) and assets for each segment have been determined after intersegment adjustments.

	Exploration and Production	Downstream	Corporate and Other	Consolidation Adjustments	Total
For the year ended December 31, 2013					
Revenues from sales	3,851	85,624	638	—	90,113
Revenues from intersegment sales	38,846	1,147	2,285	(42,278)[1]	—
Revenues	42,697	86,771	2,923	(42,278)	90,113
Operating income (loss)	6,324	6,721	(1,522)	(363)	11,160
Income (loss) on investments in companies	(93)	446	—	—	353
Depreciation of fixed assets[2]	9,591	1,452	193	—	11,236
Acquisitions of fixed assets[2]	28,849	4,903	453	—	34,205
Assets	70,775	51,336	15,161	(1,677)	135,595
For the year ended December 31, 2012					
Revenues from sales	1,135	65,047	992	—	67,174
Revenues from intersegment sales	30,179	1,069	1,243	(32,491)[1]	—
Revenues	31,314	66,116	2,235	(32,491)	67,174
Operating income (loss)	5,730	4,095	(2,492)	570	7,903
Income (loss) on investments in companies	—	114	—	—	114
Depreciation of fixed assets	6,878	1,065	186	—	8,129
Acquisitions of fixed assets	11,835	4,232	142	—	16,209
Assets	41,980	30,901	8,031	(963)	79,949
For the year ended December 31, 2011					
Revenues from sales	269	54,636	1,306	—	56,211
Revenues from intersegment sales	23,401	848	651	(24,900)[1]	—
Revenues	23,670	55,484	1,957	(24,900)	56,211
Operating income (loss)	4,067	5,466	(1,714)	(631)	7,188
Income on investments in companies	—	685	—	—	685
Depreciation of fixed assets	5,465	820	153	—	6,438
Acquisitions of fixed assets	9,554	4,032	231	—	13,817
Assets	31,729	27,233	3,534	(1,506)	60,990

(1) Correspond to the elimination of income between segments of the group YPF.
(2) Investments and depreciations of fixed assets net of increases corresponding to GASA at acquisition date and YPF Energía Eléctrica at spin-off date (see Note 13).

The distribution of revenues by geographic area, according to the markets for which they are intended, for the years ended on December 31, 2013, 2012 and 2011, and fixed assets by geographic area as of December 31, 2013, 2012 and 2011 are as follows:

	Revenues			Fixed assets		
	2013	2012	2011	2013	2012	2011
Argentina	78,070	59,428	48,244	93,255	56,779	43,311
Mercosur and associated parties	6,461	3,894	3,985	20	24	21
Rest of América	4,022	2,812	2,028	221	168	190
Europe	1,560	1,040	1,954	—	—	—
Total	90,113	67,174	56,211	93,496	56,971	43,522

As of December 31, 2013 no external client represents 10% or more of the Company's revenue from its ordinary activities.

13. BUSINESS COMBINATIONS

– GASA

As mentioned in Note 1.a), during May 2013, the Company, through its subsidiary YPF Inversora Energética S.A. took control of GASA (controlling company of MetroGAS), by acquiring shares representing a 54.67% interest in GASA. Prior to this acquisition, the Company through its interest in YPF Inversora Energética S.A. owned 45.33% of the capital of GASA.

The main characteristics of the transaction, as well as information to enable users of the financial statements to assess the nature and financial effects of the business combination resulting from the aforementioned operation, as IFRS requires are described below.

Name and description of the acquired entity:

GASA is the parent company of MetroGAS, company awarded with the license for the distribution of natural gas in the City of Buenos Aires and southern suburbs of Buenos Aires Province.

GASA owns 70% equity interest of MetroGAS by holding all of the class "A" representing a stake of 51% in capital, and class "B" shares representing a stake of 19% in capital.

MetroGAS provides distribution services to approximately 2.2 million customers within its service area (city of Buenos Aires and eleven municipalities in the south of Buenos Aires).

The acquisition date, the percentage acquired and primary reasons for the acquisition:

The Company has fulfilled with the obligations arising from the purchase agreement, which corresponded to the payment of the balance of the purchase price, during May 2013. As a result of the transaction (which includes shares representing 54.67% stake in GASA), the Company controls 100% of GASA.

As described in Resolution 1/2566 D from Enargas, the operation is expected to result in a substantial benefit to customers of the distribution company as a consequence of applying to MetroGAS a responsible management, not only in economic and financial matters, but also taking social principles upon which the welfare of current and future generations.

The acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each main asset:

The price of the above operation (acquisition of shares representing 54.67% stake in GASA) was US$ 9.7 million, which implies a total value for the 100% of the participation in GASA of approximately US$ 17.7 million, which approximates the fair value of the net assets and liabilities of the acquired company.

Below are the fair values of the main assets and liabilities of the acquired company (values at 100% interest), which have been incorporated into the Company's balance sheet as of the acquisition date:

Cash and equivalents	143
Trade receivables	318
Other receivables and other assets	23
Fixed assets	1,788
Provisions	104
Loans	879
Accounts payables	461
Social security and other taxes payables	102
Deferred income tax liabilities	328
Income tax liability	12

Additionally, non-controlling interest amounted to 178 as of the date of acquisition, corresponding to the 30% interest in MetroGAS.

Prior to the transaction, the carrying value of the interest in GASA amounted to zero. As a consequence of the acquisition, remeasurement of shares in GASA to fair value generated a gain of approximately 136, which has been recorded under "Income on investments in companies" account in the comprehensive income statement of the Company for the year ended December 31, 2013.

Income and expenses from ordinary activities of GASA since the acquisition date included in the financial statements of the Company for the year:

Revenues	1,363
Cost of sales	(1,044)
Gross profit	319
Other operating expenses	(266)
Operating income	53
Financial income (expense), net	(326)
Income tax	139
Net loss for the year	(134)

Income and expenses from ordinary activities of GASA since the beginning of the current year and until December 31, 2013:

Revenues	1,848
Cost of sales	(1,425)
Gross profit	423
Other operating expenses	(394)
Operating income	29
Financial income (expense), net	721[(1)]
Income tax	(253)
Net income for the year	497

(1) Includes the gain as a result of debt restructuring of MetroGAS and GASA prior to the acquisition date (see Note 2.i) for a total amount of 1,141.

Revenues and net incomes of the Company considering the present business combination since the beginning of the current year would have been 90,581 and 5,710, respectively.

– YPF Energía Eléctrica S.A.

On June 4, 2013, the Company, Pluspetrol Resources Corporation BV ("PPRC") and Pluspetrol Energy SA ("PPE") signed an agreement to carry out a spin off PPE, without dissolving it, and allocate part of their assets to create a new spun off company.

This spin off was done with effective date on August 1, 2013 and as a consequence, YPF Energía Eléctrica SA was created (spun off company), on which the Company directly or indirectly holds 100% interest and the Company withdrew its participation in PPE.

As a result of the spin off, YPF Energía Eléctrica SA maintained the electric generation business, previously operated by PPE, and a 27% interest in Ramos Consortium.

The main characteristics of the transaction, as well as information to enable users of the financial statements to assess the nature and financial effects of the business combination resulting from the aforementioned operation as IFRS requires, are described below.

Name and description of the parent company:	Pluspetrol Energy SA. On July 31, 2013, the Company had 45% interest on its capital.
Name and description of the spun off company:	YPF Energía Eléctrica S.A. The main goal of this company is the electric generation business operating two power plants in the province of Tucuman, plus a 27% interest in the Ramos Consortium dedicated to the Exploration and Production of Hydrocarbons.
The spin off date:	July 31, 2013

Fair value of the consideration transferred and fair value of the main assets of the acquisition:

The fair value of the net assets and liabilities transferred to the company's spin off process, amounted to 485. Below are the main items:

Trade receivables	65
Fixed assets	638
Accounts payables	77
Loans	52
Social security and other taxes payables	50
Deferred income tax liabilities	35
Other Liabilities	4

Prior to the transaction, the carrying amount of the investment in PPE was 350 and the Company maintained a 115 translation difference reserve in relation with the mentioned investment. As a consequence of the spin-off, the fair value of the assets and liabilities emerging from the spin-off of Pluspetrol Energy S.A. generated a gain of approximately 20, that was recorded under the "Income on investments in companies" account in the comprehensive income statement of the Company for the year ended December 31, 2013.

Income and expenses from ordinary activities of YPF Energía Eléctrica since the acquisition date included in the financial statements of the Company for the year:

Revenues	266
Cost of sales	(162)
Gross profit	104
Other operating expenses	8
Operating income	112
Financial income (expense), net	(16)
Income tax	(28)
Net income for the year	68

Given the nature of the spin-off process through which the above mentioned business was acquired, is not possible to calculate the effect that would have had over revenues and net income if the business combination was considered since the beginning of the year.

14. SUBSEQUENT EVENTS

- On January 31, 2014, YPF acquired Petrobras Argentina S.A.'s 38.45% interest in the joint operation contract Puesto Hernández signed between both companies for the exploitation of the Puesto Hernández area (the "Area"). The Area is an exploitation concession located in the Provinces of Neuquén and Mendoza. YPF is the holder of the concession until 2027, which is operated under the aforementioned joint operation contract which expires on June 30, 2016 and will be early terminated. YPF will own 100% interest in the Area, and will become the operator. Puesto Hernández currently produces over 10,000 barrels per day of light crude oil (Medanito quality). The transaction was completed for the amount of US$ 40.7 million. By becoming the operator of the Area, YPF will be able to accelerate its investment plans to optimize the Area's production potential until 2027. The Company estimates that the amount paid for the business combination will be mainly classified as fixed assets.

- On February 7, 2014, YPF acquired Potasio Rio Colorado S.A.'s 50% interest in the joint operation contract, Segment 5 Loma La Lata – Sierra Barrosa (known as "Lajas" formation) signed by YPF and Potasio Rio Colorado S.A. for the exploitation of the Lajas formation concession area (the "Area"). The Area is an exploitation concession, located in the Province of Neuquén. YPF is the holder of the concession which expires in 2027. Exploitation of the Area was conducted under the aforementioned joint operation contract. The terms of the joint operation contract provided that it would expire upon the earlier of the expiration of the concession or the early termination of any agreement or contract that granted the right to continue exploiting the Area. As a result of the termination of the joint operation contract YPF will own 100% interest in the Area. The consideration for the transaction was US$ 25 million. The Company expects that such consideration will be accounted for mainly as fixed assets.

- On February 12, 2014, YPF S.A. and its subsidiary YPF Europe B.V. (constituted in January, 2014) accepted an offer made by Apache Overseas lnc. and Apache International Finance II S.a.r.I. ("Apache") for the acquisition of 100% of Apache's interest in foreign companies that control certain Argentine companies which are the owners of assets located in the Argentine Republic, and the acquisition of certain intercompany loans owed by the aforementioned Argentine companies.

  Pursuant to this transaction, YPF takes control of all the assets of the Apache Group in Argentina and, together with YPF Europe B.V., of certain intercompany loans. The price for the transaction, as agreed upon by the parties, is US$ 800 million plus working capital and minus adjustments that may be produced at the contract closing date due to activities outside the ordinary course of business. The payment will be made with an initial deposit of US$ 50 million, which was made on February 12, 2014, and the settlement of the remaining balance within the next 30 days, and from that moment the Company takes control of the mentioned companies. The primary assets included in this transaction, located in the provinces of Neuquén, Tierra del Fuego and Río Negro, produce a total of 46,800 oil equivalents barrels per day, and have an important infrastructure of pipelines and facilities, employing around 350 employees. In addition, certain assets have potential for exploration and development in the Vaca Muerta formation.

As result of the previously described transaction, YPF acquires the following corporate shares: (i) 100% of the capital stock of Apache Canada Argentina Investment S.a.r.I. and 100% of the capital stock of Apache Canada Argentina Holdings S.a.r.I.; (ii) 100% of the capital stock of Apache Argentina Corporation, through which it will control 65.28% of Apache Petrolera Argentina S.A., and (iii) 34.72% of Apache Petrolera Argentina S.A.

On March 12, 2014, YPF completed the acquisition of the mentioned companies and the assignment of certain intercompany loans owed by the Argentine companies -which are the owners of the assets located in the Republic of Argentina- in favor of YPF and YPF Europe B. V., through the payment of the outstanding amount to complete the agreed price of US$ 786 million. Following the completion of the acquisition, and within a 60-days period, the sellers will prepare and deliver to YPF and YPF Europe B.V. the final completion statements in order to be accepted or not by the latters within a 90-days period, requiring any price adjustment, if any.

As of the issuance date of these financial statements, given the recentness of the acquisition, the accounting of the business combination is incomplete, consequently the Company is unable neither to disclose information about the fair value of the net assets acquired and other disclosures required by IFRS 3, nor to state if any goodwill or result will arise from the mentioned acquisition.

Additionally, on February 12, 2014, YPF has entered into a transfer of assets agreement with Pluspetrol S.A. ("Pluspetrol") whereby it will transfer, in exchange for US$ 217 million, an interest that belongs to Apache Energía Argentina S.R.L. (a subsidiary of Apache Canada Argentina Holdings S.a.r.I.), in three concessions and four joint operation contracts, as well as an interest of YPF in a joint operation contract. The aforementioned interests correspond to assets located in the Province of Neuquén, with the objective of jointly exploring and developing the Vaca Muerta formation. The approval from the corresponding regulatory agencies of this transaction is pending.

- As of the date of the issuance of these consolidated financial statements, the Company was in the process of the issuance of the Negotiable Obligations Class XXIX for an amount of 500, which will accrue variable interest and maturing between 2018 and 2020; the Negotiable Obligations Class XXX for an amount of 500, which will accrue variable interest and maturing on 2015, and of voluntary exchange of Negotiable Obligations which accrue 10% interest and maturing on 2028 for Additional Negotiable Obligations Class XXVI for a face value up to U$S 100 million.

- Law No. 26,741 of Hydrocarbon Sovereignty, declared of public utility and subject to expropriation the 51% of the shares of YPF, owned directly or indirectly by Repsol S.A., its main shareholders and its subsidiaries. Further, the mentioned law established the temporary occupation of the shares reached by it, following the procedures set forth in Law No. 21,499. On February 25, 2014, the Government of the Argentine Republic and Repsol S.A. ("Repsol") achieved an agreement (here in after, the "Agreement") in relation to the expropriation compensation of 200,589,525 YPFs Class "D" shares in conformity with Law No. 26,741, under the framework of Law No. 21,499 of Expropriation. In conformity with such law the Ministry of the Economy and Finance of the Nation signed the document whereby Repsol agrees to accept a payment of US$ 5,000 million in sovereign bonds as compensation for the expropriation. The Agreement involves the withdrawal of judicial and arbitral claims filed by Repsol – including the ones against YPF – and a waiver for further claims. The enforcement of the Agreement is subject to the ratification of the General Shareholders' Meeting of Repsol and of the Argentine Congress. On February 27, 2014, the Argentine Republic and Repsol signed the Agreement.

  Additionally, on February 27, 2014, YPF and Repsol executed an arrangement (the "Arrangement") whereby, mainly, the parties reciprocally withdraw, subject to certain exclusions, all present and future actions and/or claims based on causes occurring prior to the Arrangement derived from the declaration of public interest and subjection to expropriation of the YPF's shares, owned by Repsol, pursuant to Law No. 26,741, the intervention, temporary takeover of public utility declared shares and management of YPF.

Likewise, the parties have agreed to withdraw reciprocal actions and claims with respect to third parties and/or pursued by them, and to grant a series of mutual indemnities subject to certain conditions.

The Arrangement will be enforced on the day following to the date on which Repsol notifies YPF that the Agreement signed between Repsol and the Government of the Argentine Republic has been enforced. If such enforcement does not occur on or prior May 7, 2014, or at a later date as the parties may agree in writing, the Arrangement shall not be enforced and shall remain void, and the parties shall retain all of the rights preexisting at the date of their signature, and the Arrangement shall not create any liability for either party.

- On March 21, 2014, a fire occurred at the Cerro Divisadero crude oil treatment plant, located 20 kilometers from the town of Bardas Blancas in the province of Mendoza. The Cerro Divisadero plant, which has 6 tanks, 4 of which are for processing and 2 are for dispatch of treated crude oil, concentrates the production of 10 fields in the Malargue area, which constitutes a daily production of approximately 9,200 barrels of oil and represents 3.8% of the oil production of YPF. As of the date of these financial statements, the fire has been completely extinguished and maintenance works have commenced to reinitiate operations of the surrounding facilities, which had been preventatively shut down due to the risk of being affected, and to work on reestablishing production. The technical personnel of the Company are currently defining the plan for the total resumption of activities in the coming days. In addition the Company is in the process of gathering the necessary information to make a claim under our existing insurance coverage.

As of the date of the issuance of these consolidated financial statements, there are no other significant subsequent events that require adjustments or disclosure in the financial statements of the Company as of December 31, 2013, which were not already considered in such consolidated financial statements according to IFRS.

The consolidated financial statements as of December 31, 2013, presented for regulatory purposes before the CNV, have been approved by the Board of Directors' meeting and authorized to be issued on March 7, 2014, and will be considered by the next annual Shareholders' meeting. These consolidated financial statements, which comprise those presented before the CNV on March 7, 2014, plus an update of Note 14 – "Subsequent events" and the inclusion of Note 15 – "Supplemental information on oil and gas activities", have been approved by Management on March 27, 2014.

15. SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES (UNAUDITED)

The following information is presented in accordance with ASC No. 932 *"Extractive Activities – Oil and Gas"*, as amended by ASU 2010 – 03 *"Oil and Gas Reserves. Estimation and Disclosures"*, issued by FASB in January 2010.

Oil and gas reserves

Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible (from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations) prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within reasonable time. In some cases, substantial investments in new wells and related facilities may be required to recover proved reserves.

Information on net proved reserves as of December 31, 2013, 2012 and 2011 was calculated in accordance with the SEC rules and FASB's ASC 932 as amended. Accordingly, crude oil prices used to determine reserves were calculated considered the underweighted average price of the first-day-of-the-month price for each month within the twelve-month period ended December 31, 2013, 2012 and 2011, respectively, for crude oils of different quality produced by the Company. The Company considered the realized prices for crude oil in the domestic market taking into

account the effect of exports taxes as were enforced by the enacted laws as of each of the corresponding years (until 2016 in accordance with Law No. 26,732). For the years beyond the mentioned periods, the Company considered the underweighted average price of the first-day-of-the-month price for each month within the twelve-month period ended December 31, 2013, 2012 and 2011, respectively, which refers to the WTI prices adjusted by each different quality produced by the Company. Additionally, since there are no benchmark market natural gas prices available in Argentina, the Company used average realized gas prices during the year to determine its gas reserves.

Net reserves are defined as that portion of the gross reserves attributable to the interest of YPF after deducting interests owned by third parties. In determining net reserves, the Company excludes from its reported reserves royalties due to others, whether payable in cash or in kind, where the royalty owner has a direct interest in the underlying production and is able to make lifting and sales arrangements independently. By contrast, to the extent that royalty payments required to be made to a *third party*, whether payable in cash or in kind, are a financial obligation, or are substantially equivalent to a production or severance tax, the related reserves are not excluded from the reported reserves despite the fact that such payments are referred to as "royalties" under local rules. The same methodology is followed in reporting our production amounts.

Gas reserves exclude the gaseous equivalent of liquids expected to be removed from the gas on concessions and leases, at field facilities and at gas processing plants. These liquids are included in net proved reserves of crude oil and natural gas liquids.

Technology used in establishing proved reserves additions in 2013

YPF's estimated proved reserves as of December 31, 2013, are based on estimates generated through the integration of available and appropriate data, utilizing well-established technologies that have been demonstrated in the field to yield repeatable and consistent results. Data used in these integrated assessments include information obtained directly from the subsurface via wellbore, such as well logs, reservoir core samples, fluid samples, static and dynamic pressure information, production test data, and surveillance and performance information. The data utilized also include subsurface information obtained through indirect measurements, including high quality 2-D and 3-D-seismic data, calibrated with available well control. Where applicable, surface geological information was also utilized. The tools used to interpret and integrate all these data included both proprietary and commercial software for reservoir modeling, simulation and data analysis. In some circumstances, where appropriate analog reservoir models are available, reservoir parameters from these analog models were used to increase the reliability of our reserves estimates.

Changes in YPF's Estimated Net Proved Reserves

The table below sets forth information regarding changes in YPF's net proved reserves during 2013, 2012 and 2011, by hydrocarbon product.

Crude oil, condensate and natural gas liquids	2013			2012			2011		
	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign
	(Millions of barrels)								
Consolidated entities									
At January 1,	**590**	**589**	**1**	**584**	**583**	**1**	**531**	**530**	**1**
Developed	453	453	(*)	437	436	1	404	403	1
Undeveloped	137	136	(*)	147	147	—	127	127	—
Revisions of previous estimates [1]	105	105	(*)	82	81	1	91	90	1
Extensions and discoveries	29	29	—	18	18	—	43	43	—
Improved recovery	11	11	—	6	6	—	19	19	—
Purchase of minerals in place [2]	2	2	—	—	—	—	—	—	—
Sale of minerals in place	(7)	(7)	—	—	—	—	—	—	—
Production for the year [3]	(102)	(102)	(*)	(100)	(99)	(1)	(100)	(99)	(1)
At December 31[4],	**628**	**627**	**1**	**590**	**589**	**1**	**584**	**583**	**1**
Developed	477	476	1	453	453	(*)	437	436	1
Undeveloped	151	151	—	137	136	(*)	147	147	—
Equity-accounted entities									
At January 1,	1	1	—	1	1	—	1	1	—
Developed	1	1	—	1	1	—	1	1	—
Undeveloped	—	—	—	—	—	—	—	—	—
Revisions of previous estimates [1]	—	—	—	—	—	—	—	—	—
Extensions and discoveries	—	—	—	—	—	—	—	—	—
Improved recovery	—	—	—	—	—	—	—	—	—
Purchase of minerals in place	—	—	—	—	—	—	—	—	—

Sale of minerals in place [2]	(1)	(1)	—	—	—	—	—	—	—
Production for the year	(*)	(*)	—	—	—	—	—	—	—
At December 31,	—	—	—	1	1	—	1	1	—
Developed	—	—	—	1	1	—	1	1	—
Undeveloped	—	—	—	—	—	—	—	—	—

Crude oil, condensate and natural gas liquids	2013			2012			2011		
	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign
	(Millions of barrels)								
Consolidated and Equity-accounted entities									
At January 1,									
Developed	454	454	(*)	438	437	1	405	404	1
Undeveloped	137	136	(*)	147	147	—	127	127	—
Total	**591**	**590**	**1**	**585**	**584**	**1**	**532**	**531**	**1**
At December 31,									
Developed [5]	477	476	1	454	454	—	438	437	1
Undeveloped [6]	151	151	—	137	136	—	147	147	—
Total [7]	**628**	**627**	**1**	**591**	**590**	**1**	**585**	**584**	**1**

* Not material (less than 1)

(1) Revisions in estimates of reserves are performed at least once a year. Revision of oil and gas reserves is considered prospectively in the calculation of depreciation.

(2) Approximately 1 was transferred to Consolidated Entities as a result of YPF Energía Eléctrica working interest on Ramos Field. These rights were previously owned by former Pluspetrol Energy and thus disclosed under Equity-accounted Entities reserves.

(3) Oil production for the years 2013, 2012 and 2011 includes an estimated approximately 15, 13 and 12 mmbbl, respectively, of crude oil, condensate and natural gas liquids in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax. Equity-accounted entities' production of crude oil, condensate and natural gas liquids in respect of royalty payment which are a financial obligation, or are substantially equivalent to a production or similar tax, is not material.

(4) Proved oil reserves of consolidated entities as of December 31, 2013, 2012 and 2011 include an estimated approximately 93, 85 and 76, and, respectively, of crude oil, condensate and natural gas liquids in respect of royalty payments which, as described above, are a financial obligation, or are substantially equivalent to a production or similar tax. Oil reserves of equity–accounted entities in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax, is not material.

(5) Includes natural gas liquids of 55, 56 and 58 as of December 31, 2013, 2012 and 2011, respectively.

(6) Includes natural gas liquids of 21, 13 and 14 as of December 31, 2013, 2012 and 2011, respectively.

(7) Includes natural gas liquids of 76, 70 and 74 as of December 31, 2013, 2012 and 2011, respectively.

Natural gas	2013			2012			2011		
	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign
	(Billions of standard cubic feet)								
Consolidated entities									
At January 1,	**2,186**	**2,183**	**3**	**2,362**	**2,360**	**2**	**2,533**	**2,531**	**2**
Developed	1,810	1,807	3	1,760	1,758	2	1,948	1,946	2
Undeveloped	376	376	—	602	602	(*)	585	585	—
Revisions of previous estimates [1]	565	564	1	220	219	1	166	165	1
Extensions and discoveries	179	179	—	31	31	—	104	104	—
Improved recovery	2	2	—	4	4	—	—	—	—
Purchase of minerals in place [2]	73	73	—	—	—	—	—	—	—
Sale of minerals in place	(10)	(10)	—	—	—	—	—	—	—
Production for the year [3]	(437)	(436)	(1)	(432)	(431)	(1)	(441)	(440)	(1)
At December 31,	**2,558**	**2,555**	**3**	**2,186**	**2,183**	**3**	**2,362**	**2,360**	**2**
Developed	1,938	1,935	3	1,810	1,807	3	1,760	1,758	2
Undeveloped	620	620	—	376	376	—	602	602	(*)
Equity-accounted entities									
At January 1,	**36**	36	**—**	**38**	**38**	**—**	**48**	**48**	**—**
Developed	36	36	—	38	38	—	48	48	—
Undeveloped	—	—	—	—	—	—	—	—	—
Revisions of previous estimates [1]	—	—	—	8	8	—	1	1	—
Extensions and discoveries	—	—	—	—	—	—	—	—	—
Improved recovery	—	—	—	—	—	—	—	—	—
Purchase of minerals in place	—	—	—	—	—	—	—	—	—
Sale of minerals in place [2]	(31)	(31)	—	—	—	—	—	—	—

Production for the year [3]	(5)	(5)	—	(10)	(10)	—	(12)	(12)	—
At December 31,	**—**	**—**	**—**	**36**	**36**	**—**	**38**	**38**	**—**
Developed	—	—	—	36	36	—	38	38	—
Undeveloped	—	—	—	—	—	—	—	—	—

Natural gas	2013 Worldwide	2013 Argentina	2013 Other foreign	2012 Worldwide	2012 Argentina	2012 Other foreign	2011 Worldwide	2011 Argentina	2011 Other foreign
				(Billions of standard cubic feet)					
Consolidated and Equity-accounted entities									
At January 1,									
Developed	1,846	1,844	2	1,797	1,795	2	1,996	1,994	2
Undeveloped	376	376	—	602	602	—	585	585	—
Total	**2,222**	**2,220**	**2**	**2,399**	**2,397**	**2**	**2,581**	**2,579**	**2**
At December 31,									
Developed	1,938	1,935	3	1,846	1,844	2	1,797	1,795	2
Undeveloped	620	620	—	376	376	—	602	602	—
Total [4]	**2,558**	**2,555**	**3**	**2,222**	**2,220**	**2**	**2,399**	**2,397**	**2**

* Not material (less than 1)

(1) Revisions in estimates of reserves are performed at least once a year. Revision of natural gas reserves is considered prospectively in the calculation of depreciation.

(2) Approximately 31 were transferred to Consolidated Entities as a result of YPF Energía Eléctrica working interest on Ramos Field. These rights were previously owned by former Pluspetrol Energy and thus disclosed under Equity-accounted Entities reserves.

(3) Natural gas production for the years 2013, 2012 and 2011 includes an estimated approximately 47, 48 and 48 bcf, respectively, of natural gas in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax. Equity-accounted entities production of natural gas in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax, is not material.

(4) Proved natural gas reserves of consolidated entities as of December 31, 2013, 2012 and 2011 include an estimated approximately 285, 252 and 254, respectively, of natural gas in respect of royalty payments which, as described above, are a financial obligation, or are substantially equivalent to a production or similar tax. Natural gas reserves of equity-accounted entities in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax, is not material.

Oil equivalent [1]	2013 Worldwide	2013 Argentina	2013 Other foreign	2012 Worldwide	2012 Argentina	2012 Other foreign	2011 Worldwide	2011 Argentina	2011 Other foreign
				(Millions of barrels of oil-equivalent)					
Consolidated entities									
At January 1,	**979**	**978**	**1**	**1,005**	**1,004**	**1**	**982**	**981**	**1**
Developed	776	775	1	751	750	1	751	750	1
Undeveloped	203	203	—	254	254	—	231	231	—
Revisions of previous estimates [2]	206	205	1	121	120	1	121	120	1
Extensions and discoveries	61	61	—	24	24	—	62	62	—
Improved recovery	11	11	—	7	7	—	18	18	—
Purchase of minerals in place [3]	15	15	—	—	—	—	—	—	—
Sale of minerals in place	(9)	(9)	—	—	—	—	—	—	—
Production for the year [4]	(180)	(179)	(*)	(178)	(177)	(1)	(178)	(177)	(1)
At December 31, [5]	**1,083**	**1,082**	**1**	**979**	**978**	**1**	**1,005**	**1,004**	**1**
Developed	822	821	1	776	775	1	751	750	1
Undeveloped	261	261	—	203	203	—	254	254	—
Equity-accounted entities									
At January 1,	**8**	**8**	**—**	**8**	**8**	**—**	**10**	**10**	**—**
Developed	8	8	—	8	8	—	10	10	—
Undeveloped	—	—	—	—	—	—	—	—	—
Revisions of previous estimates [2]	—	—	—	2	2	—	1	1	—
Extensions and discoveries	—	—	—	—	—	—	—	—	—
Improved recovery	—	—	—	—	—	—	—	—	—
Purchase of minerals in place	—	—	—	—	—	—	—	—	—
Sale of minerals in place [3]	(7)	(7)	—	—	—	—	—	—	—
Production for the year [4]	(1)	(1)	—	(2)	(2)	—	(3)	(3)	—
At December 31, [5]	**—**	**—**	**—**	**8**	**8**	**—**	**8**	**8**	**—**
Developed	—	—	—	8	8	—	8	8	—
Undeveloped	—	—	—	—	—	—	—	—	—

Oil equivalent [1]	2013 Worldwide	2013 Argentina	2013 Other foreign	2012 Worldwide	2012 Argentina	2012 Other foreign	2011 Worldwide	2011 Argentina	2011 Other foreign
				(Millions of barrels of oil-equivalent)					
Consolidated and Equity-accounted entities									
At January 1,									
Developed	783	782	1	759	758	1	761	760	1
Undeveloped	203	203	—	254	254	—	231	231	—
Total	**987**	**986**	**1**	**1,013**	**1,012**	**1**	**992**	**991**	**1**
At December 31,									
Developed	822	821	1	783	782	1	759	758	1
Undeveloped	261	261	—	203	203	—	254	254	—
Total [5]	**1,083**	**1,082**	**1**	**987**	**986**	**1**	**1,013**	**1,012**	**1**

* Not material (less than 1)

(1) Volumes of natural gas have been converted to barrels of oil-equivalent at 5,615 cubic feet per barrel.

(2) Revisions in estimates of reserves are performed at least once a year. Revision of oil and natural gas reserves are considered prospectively in the calculation of depreciation.

(3) Approximately 6.5 were transferred to Consolidated Entities as a result of YPF Energía Eléctrica working interest on Ramos Field. These rights were previously owned by former Pluspetrol Energy and thus disclosed under Equity-accounted Entities reserves.

(4) Barrel of oil-equivalent production of consolidated entities for the years 2013, 2012 and 2011 includes an estimated approximately 23, 22 and 21, respectively, of oil and natural gas in respect of royalty payments which, as described above, are a financial obligation, or are substantially equivalent to a production or similar tax. Oil and natural gas production of equity-accounted entities in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax, is not material.

(5) Proved oil-equivalent reserves of consolidated entities as of December 31, 2013, 2012 and 2011 include an estimated approximately 144, 130 and 121, respectively, of oil and natural gas in respect of royalty payments which, as described above, are a financial obligation, or are substantially equivalent to a production or similar tax. Oil and natural gas reserves of equity-accounted entities in respect of royalty payments which are a financial obligation, or are substantially equivalent to a production or similar tax, are not material.

The paragraphs below explain in further detail the most significant changes in our reserves during 2013.

Changes in our estimated proved reserves during 2013

a) Revisions of previous estimates

During 2013, the Company's proved reserves were revised upwards by 106 million barrels ("mmbbl") of crude oil, condensate, and natural gas liquids, and 564 billion cubic feet ("bcf") of natural gas.

The main revisions to proved reserves have been due to the following:

- The term of concession contracts was extended for several operated and non-operated fields located in Chubut Province. Because of this, approximately 43 mmbbl of oil proved reserves and 15 bcf of proved gas reserves were added in the Manantiales Behr, El Trebol, Escalante, Zona Central—Bella Vista, Cañadón Perdido, El Tordillo, La Tapera and Sarmiento fields.
- In the Magallanes field, approximately 36 mmboe (9 mmbbl of oil and 150 bcf of gas) of proved developed reserves were added as a result of better than expected production and revised expected production until the expiration of the concession contract.
- A total of 8 mmbbl of liquids and 84 bcf of gas proved developed reserves were added in Loma La Lata Central, in the southern part of Loma La Lata field, mainly because of new projects, revision of existing projects, and a higher than forecasted production performance.
- In the Golfo San Jorge Basin, Los Perales and Seco León fields, 12 mmboe of proved developed reserves (10.6 mmbbl of oil and 8.2 bcf of gas) were added because of an improved production performance.
- A total of 9 mmbbl of liquids and 122 bcf of gas proved reserves were added in the El Porton, Chihuido de la Salina, Chihuido de la Salina Sur and Filo Morado fields in relation with production response, workovers activity and project revision in accordance with updated field response.

- In the Rincón del Mangrullo field approximately 6 mmbbl of liquids proved reserves, and 74 bcf of mainly proved undeveloped gas reserves were added because of additional drilling activity planned for 2014.
- The Chihuido de la Sierra Negra field added approximately 7 mmbbl of oil and 3 bcf of gas proved developed reserves due to better than expected production performance.
- Production rates did not behave as expected in the Aguada Pichana, Puesto Hernández, Aguada Toledo - Sierra Barrosa and Barrancas fields. Proved developed reserves were reduced 8.8 mmboe based on this new information.
- New wells drilled during 2013 in several operated areas did not perform as expected. Because of this, proved reserves were reduced in 6 mmbbl of liquids and 4 bcf of gas mainly in the Barranca Baya, Loma La Lata Norte, Loma Campana, Cerro Fortunoso, and Vizcacheras fields.

b) Extensions and discoveries

Wells drilled in unproved reserve areas added approximately 61 mmboe of proved reserves (179 bcf of natural gas and 29 mmbbl of oil).

- A total of approximately 27.5 mmboe of proved reserves were added as a result of wells drilled and scheduled to be drilled during 2014 in the Aguada Toledo - Sierra Barrosa Field. The main contributions came from the Lajas Tight Gas formation (15.9 mmboe), and the Lotena formation (7.9 mmboe).
- Unconventional proved developed oil reserves for a total of 10.6 mmboe were added as a consequence of 57 new wells drilled in unproved reserves and resources areas of the Loma La Lata Norte, Loma La Lata fields in the Vaca Muerta Formation.
- In the Loma Campana Field, unconventional proved developed oil reserves for a total of 4.0 mmboe were added related to 22 new wells drilled in unproved reserves and resources areas.
- In the Golfo San Jorge Basin, extensions drilled in the Seco León Field (25 new wells) allowed the addition of approximately 2.8 mmboe of mainly oil proved reserves.
- Also in the Golfo San Jorge Basin, 37 new extension wells drilled in the Barranca Baya Field added 2.6 mmboe of mainly oil reserves.

c) Improved recovery

A total of approximately 11.5 mmboe of proved oil reserves have been added due to positive production response, new production and injection wells, and from workovers, performed as part of the improved recovery projects, including:

- In the Neuquina Basin, Aguada Toledo - Sierra Barrosa field approximately 6.3 mmboe of oil reserves were added as a result of new scheduled Secondary Recovery projects, extension projects, and new wells drilled in the area.
- In the San Jorge Basin, Manantiales Behr and El Trebol Fields 3.4 mmboe of Secondary Recovery Reserves were added as a result of recovery factor improvements based on new drilling and project optimization.
- In the Neuquina Basin in Cerro Fortunoso Field, proved undeveloped reserves were reduced by approximately 3.7 mmboe because of observed changes in the behaviour of a secondary recovery pilot project.

d) Sales and acquisitions

- The acquisition of a 23% working interest in the Aguarague and San Antonio Sur Fields of the Noroeste Basin resulted in the addition of approximately 8.9 mmboe of proved reserves. YPF's working interest in this field is currently 53%.
- The execution of a contract for a Joint Venture Project for the development and operation of the Loma Campana and Loma La Lata Norte (North of Loma La Lata) fields resulted in an 8.8 mmboe reduction in proved reserves of Vaca Muerta and Quintuco formations. As part of this agreement, YPF's working interest in these fields changed from 100% to 50%.

Approximately 6.5 mmboe were transferred to Consolidated Entities as a result of YPF Energía Eléctrica's working interest in the Ramos Field. These rights were previously owned by Pluspetrol Energy and are thus disclosed under Equity-accounted Entities reserves.

Capitalized costs

The following tables set forth capitalized costs, along with the related accumulated depreciation and allowances as of December 31, 2013, 2012 and 2011:

	2013			2012			2011		
Consolidated capitalized costs	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**
Proved oil and gas properties									
Mineral property, wells and related equipment	177,058	1,869	178,927	119,579	1,291	120,870	97,820	1,082	98,902
Support equipment and facilities	7,601	—	7,601	5,437	—	5,437	3,569	—	3,569
Drilling and work in progress	8,998	—	8,998	5,739	—	5,739	3,176	—	3,176
Unproved oil and gas properties	4,577	83	4,660	3,833	78	3,911	2,729	78	2,807
Total capitalized costs	198,234	1,952	200,186	134,588	1,369	135,957	107,294	1,160	108,454
Accumulated depreciation and valuation allowances	(133,558)	(1,676)	(135,234)	(93,316)	(1,142)	(94,458)	(75,312)	(909)	(76,221)
Net capitalized costs	64,676	276	64,952	41,272	227	41,499	31,982	251	32,233

	2013			2012			2011		
Company's share in equity method investees' capitalized costs	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**
Proved oil and gas properties									
Mineral property, wells and related equipment	—	—	—	278	—	278	274	—	274
Support equipment and facilities	—	—	—	—	—	—	—	—	—
Drilling and work in progress	—	—	—	—	—	—	—	—	—
Unproved oil and gas properties	—	—	—	—	—	—	—	—	—
Total capitalized costs	—	—	—	278	—	278	274	—	274
Accumulated depreciation and valuation allowances	—	—	—	(212)	—	(212)	(193)	—	(193)
Net capitalized costs	—	—	—	66	—	66	81	—	81

Costs incurred

The following tables set forth the costs incurred for oil and gas producing activities during the years ended December 31, 2013, 2012 and 2011:

	2013			2012			2011		
Consolidated costs incurred	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**
Acquisition of unproved properties	—	—	—	—	—	—	179	—	179
Acquisition of proved properties	78	—	78	—	—	—	—	—	—
Exploration costs	1,626	57	1,683	1,644	237	1,881	1,508	159	1,667
Development costs	26,160	15	26,175	9,073	106	9,179	7,942	7	7,949
Total costs incurred	27,864	72	27,936	10,717	343	11,060	9,629	166	9,795

	2013			2012			2011		
Company's share in equity method investees' capitalized costs	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**
Exploration costs	—	—	—	—	—	—	—	—	—
Development costs	—	—	—	3	—	3	18	—	18

Total costs incurred	—	—	—	3	—	3	18	—	18

Results of operations from oil and gas producing activities

The following tables include only the revenues and expenses directly associated with oil and gas producing activities. It does not include any allocation of the interest costs or corporate overhead and, therefore, is not necessarily indicative of the contribution to net earnings of the oil and gas operations.

Differences between these tables and the amounts shown in Note 12, "Consolidated Business Segment Information", for the exploration and production business unit, relate to additional operations that do not arise from those properties held by the Company.

	2013			2012			2011		
Consolidated results of operations	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**
Net sales to unaffiliated parties	2,751	276	3,027	4,437	243	4,680	2,888	239	3,127
Net intersegment sales	38,908	—	38,908	27,053	—	27,053	20,686	—	20,686
Total net revenues	41,659	276	41,935	31,490	243	31,733	23,574	239	23,813
Production costs	(24,938)	(55)	(24,993)	(18,904)	(54)	(18,958)	(14,186)	(48)	(14,234)
Exploration expenses	(770)	(59)	(829)	(298)	(284)	(582)	(464)	(110)	(574)
Depreciation and expense for valuation allowances	(9,464)	(135)	(9,599)	(6,789)	(105)	(6,894)	(5,619)	(115)	(5,734)
Other	(715)	—	(715)	(475)	—	(475)	(387)	—	(387)
Pre-tax income from producing activities	5,772	27	5,799	5,024	(200)	4,824	2,918	(34)	2,884
Income tax expense	(1,997)	(22)	(2,019)	(1,752)	—	(1,752)	(1,018)	—	(1,018)
Results of oil and gas producing activities	3,775	5	3,780	3,272	(200)	3,072	1,900	(34)	1,866

	2013			2012			2011		
Company's share in equity method investees' capitalized costs	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**	**Argentina**	**Other foreign**	**Worldwide**
Net sales to unaffiliated parties	—	—	—	96	—	96	104	—	104
Net intersegment sales	—	—	—	31	—	31	25	—	25
Total net revenues	—	—	—	127	—	127	129	—	129
Production costs	—	—	—	(56)	—	(56)	(57)	—	(57)
Depreciation and expense for valuation allowances	—	—	—	(27)	—	(27)	(2)	—	(2)
Pre-tax income from producing activities	—	—	—	44	—	44	70	—	70
Income tax expense	—	—	—	(15)	—	(15)	(25)	—	(25)
Results of oil and gas producing activities	—	—	—	29	—	29	45	—	45

Standardized measure of discounted future net cash flows

The standardized measure is calculated as the excess of future cash inflows from proved reserves less future costs of producing and developing the reserves, future income taxes and a discount factor. Future cash inflows represent the revenues that would be received from production of year-end proved reserve quantities assuming the future production would be sold at the prices used for reserves estimates as of year-end (the "average price"). Accordingly, crude oil prices used to determine reserves were calculated at the beginning of each month, for crude oils of different quality produced by the Company. The Company considered the realized prices for crude oil in the domestic market taking into account the effect of exports taxes as were enforced by the enacted laws as of each of the corresponding years (until 2016 in accordance with Law No. 26,732). For the years beyond the mentioned periods, the Company considered the underweighted average price of the first-day-of-the-month price for each month within the twelve-month period ended December 31, 2013, 2012 and 2011, respectively, which refers to the WTI prices adjusted by each different quality produced by the Company. Additionally, since there are no benchmark market natural gas prices available in Argentina, the Company used average realized gas prices during the years ended December 31, 2013, 2012 and 2011 to determine its gas reserves.

Future production costs include the estimated expenditures related to production of the proved reserves plus any production taxes without consideration of future inflation. Future development costs include the estimated costs of drilling development wells and installation of production facilities, plus the net costs associated with dismantling and abandonment of wells, assuming year-end costs continue without consideration of future inflation. Future income taxes were determined by applying statutory rates to future cash inflows less future production costs and less tax depreciation of the properties involved. The present value was determined by applying a discount rate of 10% per year to the annual future net cash flows.

The future cash inflows and outflows in foreign currency have been remeasured at the selling exchange rate of Argentine pesos 6.52, 4.90 and 4.30 to US$ 1, as of December 31, 2013, 2012 and 2011, respectively.

The standardized measure does not purport to be an estimate of the fair market value of the Company's proved reserves. An estimate of fair value would also take into account, among other things, the expected recovery of reserves in excess of proved reserves, anticipated changes in future prices and costs and a discount factor representative of the time value of money and the risks inherent in producing oil and gas.

Consolidated standardized measure of discounted future net cash flows	2013			2012			2011		
	Argentina	Other foreign	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign	Worldwide
Future cash inflows [1]	357,749	641	358,390	224,894	305	225,199	173,871	364	174,235
Future production costs	(185,727)	(151)	(185,879)	(118,603)	(102)	(118,705)	(74,604)	(131)	(74,735)
Future development costs	(49,164)	(180)	(49,344)	(27,013)	(1)	(27,014)	(26,071)	(48)	(26,119)
Future income tax expenses	(25,403)	(150)	(25,553)	(14,042)	(65)	(14,107)	(18,476)	(82)	(18,558)
10% annual discount for estimated timing of cash flows	(35,935)	(54)	(35,989)	(24,793)	(18)	(24,811)	(19,090)	(15)	(19,105)
Standardized measure of discounted future net cash flows	61,520	106	61,626	40,443	119	40,562	35,630	88	35,718

Company's share in equity method investee's standardized measure of discounted future net cash flows	2013			2012			2011		
	Argentina	Other foreign	Worldwide	Argentina	Other foreign	Worldwide	Argentina	Other foreign	Worldwide
Future cash inflows [1]	—	—	—	528	—	528	594	—	594
Future production costs	—	—	—	(172)	—	(172)	(169)	—	(169)
Future income tax expenses	—	—	—	(101)	—	(101)	(144)	—	(144)
10% annual discount for estimated timing of cash flows	—	—	—	(61)	—	(61)	(66)	—	(66)
Standardized measure of discounted future net cash flows	—	—	—	194	—	194	215	—	215

(1) For the years ended December 31, 2013, 2012 and 2011, future cash inflows are stated net of the effect of withholdings on exports until 2016 in accordance with Law No. 26,732.

Changes in the standardized measure of discounted future net cash flows

The following table reflects the changes in standardized measure of discounted future net cash flows for the years ended December 31, 2013, 2012 and 2011:

	2013		2012		2011	
	Consolidated	Company's share in equity method investees	Consolidated	Company's share in equity method investees	Consolidated	Company's share in equity method investees
Beginning of year	40,562	194	35,718	215	44,029	194
Sales and transfers, net of production costs	(20,402)	—	(14,932)	(120)	(13,397)	(99)
Net change in sales and transfer prices, net of future production costs	3,174	—	(6,206)	(32)	(24,583)	2
Changes in reserves and production rates (timing)	21,996	—	7,378	14	10,771	84
Net changes for extensions, discoveries and improved recovery	6,963	—	3,967	—	8,491	—
Changes in estimated future development and abandonment costs	(11,012)	—	(94)	9	(8,714)	(5)
Development costs incurred during the year that reduced future development						

costs	7,544	—	4,821	3	3,487	4
Accretion of discount	4,592	—	3,419	17	4,112	15
Net change in income taxes	(5,284)	—	1,583	58	7,897	5
Others	13,493	(194)[1]	4,908	30	3,625	15
End of year	61,626	—	40,562	194	35,718	215

(1) Approximately 194 were transferred to Consolidated Entities as a result of YPF Energía Eléctrica's working interest on Ramos Field. These discounted future net cash flows were previously owned by former Pluspetrol Energy and thus disclosed under Company's share in equity method investees.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2013 AND COMPARATIVE INFORMATION

CONSOLIDATED COMPANIES, JOINT VENTURES AND AFFILIATED

(amounts expressed in millions of Argentine pesos, except where otherwise indicated – Note 1.b.1)

a) Consolidated companies[12]

	2013							
	Description of the Securities				Information of the issuer			Last Financial Sta
Name and Issuer	Class	Face Value	Amount	Main Business	Registered Address	Date	Capital Stock	
Controlled companies:								
YPF International S.A. [8]	Common	Bs. 100	2,512,290	Investment	Calle La Plata 19, Santa Cruz de la Sierra, República de Bolivia	12-31-13	236	
YPF Holdings Inc. [8]	Common	US$ 0.01	810,614	Investment and finance	1330 Lake Robbins Drive, Suite 300, The Woodlands, Texas, U.S.A.	12-31-13	5,269	
Operadora de Estaciones de Servicios S.A.	Common	$ 1	163,701,747	Commercial management of YPF's gas stations	Macacha Güemes 515, Buenos Aires, Argentina	12-31-13	163	
A-Evangelista S.A.	Common	$ 1	8,683,698	Engineering and construction services	Macacha Güemes 515, Buenos Aires, Argentina	12-31-13	9	
YPF Servicios Petroleros S.A.	Common	$ 1	47,500	Wells perforation and/or reparation services	Macacha Güemes 515, Buenos Aires, Argentina	12-31-11	—	[10]
YPF Inversora Enérgetica S.A. [9]	Common	$ 1	59,955,411	Investment	Macacha Güemes 515, Buenos Aires, Argentina	12-31-13	60	
YPF Energía Eléctrica S.A. [13]	Common	$ 1	30,006,540	Exploration, development, industrialization and marketing of hydrocarbons, and generation, transportation and marketing of electric power	Macacha Güemes 515, Buenos Aires, Argentina	12-31-13	30	
YPF Chile S.A. [14]	Common	—	44,830,700	Lubricants and aviation fuels trading and hydrocarbons research and exploration	Villarica 322, Módulo B1, Quilicura, Santiago	12-31-13	262	
YPF Tecnología S.A.	Common	$ 1	194,100,000	Investigation, development, production and commercialization of technologies, knowledge, goods and services.	Macacha Güemes 515, Buenos Aires, Argentina	12-31-13	194	

b) Companies valued using the equity method

	2013												
	Description of the Securities					Information of the issuer		Las Financial Statements Available					H
Name and Issuer	Class	Face Value	Amount	Book Value[3]	Cost[2]	Main Business	Registered Address	Date	Capital Stock	Income (Loss)	Equity	C S	
Joint Ventures:													

Compañía Mega S.A.[6][8]	Common	$	1	244,246,140	408	—	Separation, fractionation and transportation of natural gas liquids	San Martín 344, P. 10º, Buenos Aires, Argentina	09-30-13	203	(109)	445
Profertil S.A.[8]	Common	$	1	391,291,320	1,088	—	Production and marketing of fertilizers	Alicia Moreau de Justo 740, P. 3°, Buenos Aires, Argentina	12-31-13	783	660	1,358
Refinería del Norte S.A.	Common	$	1	45,803,655	413	—	Refining	Maipú 1, P. 2º, Buenos Aires, Argentina	09-30-13	92	56	669
					1,909	—						
Affiliated Companies:												
Oleoductos del Valle S.A.	Common	$	10	4,072,749	70[1]	—	Oil transportation by pipeline	Florida 1, P. 10°, Buenos Aires, Argentina	12-31-13	110	4	205
Terminales Marítimas Patagónicas S.A.	Common	$	10	476,034	55	—	Oil storage and shipment	Av. Leandro N. Alem 1180, P.11°, Buenos Aires, Argentina	12-31-13	14	(2)	173
Oiltanking Ebytem S.A.[8]	Common	$	10	351,167	58	—	Hydrocarbon transportation and storage	Terminal Marítima Puerto Rosales – Provincia de Buenos Aires, Argentina	12-31-13	12	30	83
Gasoducto del Pacífico (Argentina) S.A.	Preferred	$	1	15,579,578	16	—	Gas transportation by pipeline	San Martín 323, P. 13º, Buenos Aires, Argentina	12-31-13	156	102	192
Central Dock Sud S.A.	Common	$	0.01	2,822,342,992	— [7]	46	Electric power generation and bulk marketing	Pasaje Ingeniero Butty 220, P. 16°, Buenos Aires, Argentina	03-31-13	356	(59)	32
Inversora Dock Sud S.A.	Common	$	1	103,501,823	— [7]	193	Investment and finance	Pasaje Ingeniero Butty 220, P. 16°, Buenos Aires, Argentina	03-31-13	241	(35)	148
Pluspetrol Energy S.A.[11]	—	—		—	—	—	—	—	—	—	—	—
Oleoducto Trasandino (Argentina) S.A.	Preferred	$	1	27,018,720	15	—	Oil transportation by pipeline	Macacha Güemes 515, P. 3°, Buenos Aires, Argentina	09-30-13	34	7	44
Other companies:												
Others[4]	—	—		—	13	49	—	—	—	—	—	—
					227	288						
					2,136	288						

(1) Holding in shareholders' equity, net of intercompany profits.
(2) Cost net of cash dividends and stock redemption.
(3) Holding in shareholders' equity plus adjustments to conform to YPF accounting methods.
(4) Includes Gasoducto del Pacífico (Cayman) Ltd., A&C Pipeline Holding Company, Poligás Luján S.A.C.I.,Oleoducto Transandino (C
Civeny S.A. and Bioceres S.A.
(5) Additionally, the Company has a 29.93% indirect holding in capital stock through Inversora Dock Sud S.A.
(6) As stipulated by shareholders' agreement, joint control is held in this company by shareholders.
(7) Holding in negative shareholders' equity as of December 31, 2013, 2012 and 2011 was disclosed in "Accounts payable" after adjustr
to conform to YPF accounting methods.

(8) The U.S. dollar has been defined as the functional currency of this company.
(9) During the current year, YPF Inversora Energética S.A., took control of GASA. As of 31 December 2013, the Company owns direct
capital stock of GASA, which owns 70% of the capital stock of MetroGAS (see Note 13).
(10) No value is disclosed as the carrying value is less than 1.
(11) The Company has been spun-off (see Note 13).
(12) Additionally, YPF Services USA Corp. Eleran Inversiones 2011 S.A.U, Energía Andina S.A., Compañía Minera Argentina S.A., YP
Comercio Derivado de Petróleo Ltd., Wokler Investment S.A. and YPF Colombia S.A. have been consolidated.
(13) Company created as a consequence of the spun-off of Pluspetrol Energy S.A. (see note 13).
(14) The peso chileno has been defined as functional currency for this company.
(15) Includes 41 corresponding to GASA, which was disclosed as a company under significant influence before the business combination

Exhibit II

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

INTEREST IN JOINT OPERATIONS AND OTHER AGREEMENTS

As of December 31, 2013, the main exploration and production joint operations and other agreements in which the Company participates are the following:

Name and Location	Ownership Interest	Operator
Acambuco *Salta*	22.50%	Pan American Energy LLC
Aguada Pichana *Neuquén*	27.27%	Total Austral S.A.
Aguaragüe *Salta*	53.00%	Tecpetrol S.A.
CAM-2/A SUR *Tierra del Fuego*	50.00%	Enap Sipetrol Argentina S.A.
Campamento Central / Cañadón Perdido *Chubut*	50.00%	YPF S.A.
Consorcio CNQ 7/A *La Pampa and Mendoza*	50.00%	Pluspetrol Energy S.A.
El Tordillo *Chubut*	12.20%	Tecpetrol S.A.
La Tapera y Puesto Quiroga *Chubut*	12.20%	Tecpetrol S.A.
Llancanelo *Mendoza*	51.00%	YPF S.A.
Magallanes *Santa Cruz, Tierra del Fuego and National Continental Shelf*	50.00%	Enap Sipetrol Argentina S.A.
Palmar Largo *Formosa and Salta*	30.00%	Pluspetrol S.A.
Puesto Hernández *Neuquén and Mendoza*	61.55%	Petrobras Energía S.A.
Ramos *Salta*	42.00%	Pluspetrol Energy S.A.
San Roque *Neuquén*	34.11%	Total Austral S.A.
Tierra del Fuego *Tierra del Fuego*	30.00%	Petrolera L.F. Company S.R.L.
Yacimiento La Ventana – Río Tunuyán *Mendoza*	60.00%	YPF S.A.
Zampal Oeste *Mendoza*	70.00%	YPF S.A.
Neptune *USA*	15.00%	BHPB Pet (Deepwater) Inc.

Exhibit III

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

BALANCE SHEET AS OF DECEMBER 31, 2013 AND COMPARATIVE INFORMATION
MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN ARGENTINE PESOS

INFORMATION REQUIRED BY ARTICLE 63 OF LAW No. 19,550

(amount expressed in million)

Account	Foreign currency and amount						Exchange rate in pesos as of 12-31-13	Value in pesos as of 12-31-13
	12-31-2011		12-31-2012		12-31-2013			
Noncurrent Assets								
Other receivables and advances	US$	88	US$	80	US$	319	6.48[1]	2,067
	UYU	—	UYU	26	UYU	—	— [1]	—
	BRL	—	BRL	—	BRL	4	2.77[1]	11
Total noncurrent assets								2,078
Current Assets								
Trade receivables	US$	519	US$	176	US$	263	6.48[1]	1,704
	UYU	132	UYU	2	UYU	—	— [1]	—
	CLP	—	CLP	5,839	CLP	8,688	0.01[1]	87
	BRL	—	BRL	—	BRL	21	2.77[1]	58
Other receivables and advances	US$	200	US$	113	US$	502	6.48[1]	3,253
	€	2	€	3	€	3	8.96[1]	27
	UYU	225	UYU	105	UYU	34	0.31[1]	11
	BOP	16	BOP	6	BOP	—	— [1]	—
	CLP	—	CLP	—	CLP	1,087	0.01[1]	11
Cash and equivalents	US$	166	US$	98	US$	649	6.48[1]	4,205
	BOP	23	BOP	33	BOP	—	— [1]	—
	CLP	—	CLP	997	CLP	189	0.01[1]	2
	UYU	—	UYU	50	UYU	6	0.31[1]	2
	BRL	—	BRL	—	BRL	4	2.77[1]	11
Total current assets								9,371
Total assets								11,449
Noncurrent Liabilities								
Provisions	US$	1,169	US$	1,233	US$	2,095	6.52[2]	13,660
Other taxes payables	US$	—	US$	—	US$	16	6.52[2]	104
Salaries and social security	US$	3	US$	3	US$	1	6.52[2]	7
Loans	US$	1,038	US$	1,087	US$	1,980	6.52[2]	12,910
Accounts payable	US$	14	US$	5	US$	60	6.52[2]	391
	UYU	—	UYU	—	UYU	8	0.35[2]	3
Total noncurrent liabilities								27,075
Current Liabilities								
Provisions	US$	102	US$	58	US$	123	6.52[2]	802
Loans	US$	1,312	US$	736	US$	985	6.52[2]	6,422
	BRL	—	BRL	—	BRL	13	2.79[2]	36
Salaries and social security	US$	—	US$	1	US$	2	6.52[2]	13
	UYU	—	UYU	9	UYU	10	0.35[2]	4
	BRL	—	BRL	—	BRL	2	2.79[2]	6
Accounts payable	US$	1,372	US$	1,479	US$	1,776	6.52[2]	11,580
	€	49	€	48	€	186	9.00[2]	1,674
	UYU	111	UYU	74	UYU	27	0.35[2]	9
	BOP	—	BOP	53	BOP	23	0.96[2]	22
	CLP	—	CLP	4,994	CLP	6,629	0.01[2]	66
	BRL	—	BRL	—	BRL	6	2.79[2]	17
Total current liabilities								20,651
Total liabilities								47,726

(1) Buying exchange rate.
(2) Selling exchange rate.

Exhibit 12.1

302 CERTIFICATION

I, Miguel Galuccio, certify that:

1. I have reviewed this annual report on Form 20-F of YPF S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 27, 2014.

/s/ Miguel Galuccio
Miguel Galuccio
Chief Executive Officer

Exhibit 12.2

302 CERTIFICATION

I, Daniel González, certify that:

1. I have reviewed this annual report on Form 20-F of YPF S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 27, 2014.

/s/ Daniel González
Daniel González
Chief Financial Officer

Exhibit 13.1

906 CERTIFICATION

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F for the year ended December 31, 2013 (the "report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Miguel Galuccio, the Chief Executive Officer and Daniel González, the Chief Financial Officer of YPF S.A., each certifies that, to the best of their knowledge:

1. the report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of YPF S.A.

Date: March 27, 2014.

/s/ Miguel Galuccio
Miguel Galuccio
Chief Executive Officer

/s/ Daniel González
Daniel González
Chief Financial Officer

Exhibit 23.1

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

March 14, 2014

Mr. Daniel Gonzalez
YPFS.A.
Macacha Guemes 515
C1106BKK Buenos Aires
Argentina

Ladies and Gentlemen:

We hereby consent to the reference to DeGolyer and MacNaughton as set forth under the section "Internal Controls on Reserves and Reserves Audits," and to the inclusion of our third-party letter report dated August 30, 2013, and as an exhibit in YPF S.A.'s report on Form 20-F for the year ended December 31, 2013, to be filed with the United States Securities and Exchange Commission (SEC).

Our third-party letter report contains our independent estimates of the proved crude oil, condensate, natural gas liquids, gasoline, marketable gas, and oil equivalent reserves as of October 1, 2013, of certain selected properties in the Gulf of Mexico, the Texas Panhandle region, and western Oklahoma in which YPF S.A. holds interests.

Very truly yours,

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

Exhibit 23.2

ihs.com • fekete.com

SUITE 2000 540 - 5TH AVENUE SW CALGARY, AB T2P 0M2 • 403 213 4200 • 1 800 625 2488

March 19, 2014

YPF S.A.
Macacha Guemes 515
Ciudad Autonoma de Buenos Aires
Buenos Aires, Argentina

Ladies and Gentlemen:

We hereby consent to the reference to IHS Global Canada Inc. as set forth under the section "Internal Controls on Reserves and Reserves Audits", and to the inclusion of our third party report dated January 31, 2014 and as an exhibit in YPF S.A.'s report on Form 20-F for the year ended December 31, 2013, to be filed with the United States Securities and Exchange Commission (SEC).

Our third-party letter report contains our independent estimates of the proved crude oil, condensate, natural gas liquids, marketable gas and oil equivalent reserves as of September 30, 2013, of certain selected properties in Argentina in which YPF S.A. holds interests.

Yours truly,

IHS GLOBAL CANADA INC.

Dale Struksnes, B. Comm., CMA, C.E.T.
Manager, Reserve Evaluations

PERMIT TO PRACTICE
IHS GLOBAL CANADA LIMITED
Signature:
Date:
PERMIT NUMBER P 8280
The Association of Professional Engineers and Geoscientists of Alberta

IHS FEKETE RESERVOIR SOLUTIONS

Exhibit 99.1

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

APPRAISAL REPORT
as of OCTOBER 1,
2013 on
CERTAIN PROPERTIES
owned by
MAXUS ENERGY CORPORATION

EXECUTIVE SUMMARY

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DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

APPRAISAL REPORT as of OCTOBER 1, 2013 on CERTAIN PROPERTIES owned by MAXUS ENERGY CORPORATION

EXECUTIVE SUMMARY

FOREWORD

Scope of Investigation

This report is an appraisal, as of October 1, 2013, of the extent and value of the proved and probable crude oil, condensate, natural gas liquids (NGL), and natural gas reserves of certain properties that Maxus Energy Corporation (Maxus) has represented that it owns. The properties appraised consist of working and overriding royalty interests located in Oklahoma and Texas (Crescendo) and offshore Gulf of Mexico (Neptune).

Estimates of proved reserves presented in this report have been prepared in compliance with the regulations promulgated by the United States Securities and Exchange Commission (SEC). Estimates of probable reserves presented in this report have been prepared in accordance with the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. These reserves definitions are discussed in detail in the Definition of Reserves section of this report.

Reserves estimated in this report are expressed as gross and net reserves. Gross reserves are defined as the total estimated petroleum remaining to be produced after September 30, 2013. Net reserves are defined as that portion of the gross reserves attributable to the interests owned by Maxus after deducting royalties and interests owned by others.

This report also presents values for proved and probable reserves using initial prices and costs provided by Maxus. Future prices were estimated using guidelines established by the SEC and the Financial Accounting Standards Board (FASB). A detailed explanation of the future price and cost assumptions is included in the Valuation of Reserves section of this report.

Values shown herein are expressed in terms of future gross revenue, future net revenue, and present worth. Future gross revenue is that revenue which will accrue to the appraised interests from the production and sale of the estimated net reserves. Future net revenue is calculated by deducting estimated production taxes, ad valorem taxes, operating expenses, and capital costs from the future gross revenue. Operating expenses include field operating expenses, transportation expenses, compression charges, and an allocation of overhead that directly relates to production activities. Future income tax expenses were not taken into account in the preparation of these estimates. Present worth is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. In this report, present worth values using a discount rate of 10 percent are reported in detail and values using discount rates of 5, 10, 15, 20, 25, and 30 percent are reported as totals.

Estimates of oil, condensate, NGL, and gas reserves and future net revenue should be regarded only as estimates that may change as further production history and additional information become available. Not only are such reserves and revenue estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Authority

This report was prepared at the request of Mr. Fernando Segovia, Purchasing Manager, Maxus Energy Corporation.

Source of Information

Data used in the preparation of this report were obtained from Maxus, from reports filed with the appropriate regulatory agencies, and from other public sources. In the preparation of this report we have relied, without independent verification, upon information furnished by Maxus with respect to property interests being appraised, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. It was not considered necessary to make a field examination of the physical condition and operation of the properties.

DEFINITION of RESERVES

Petroleum reserves included in this report are classified by degree of proof as proved or probable. Only proved and probable reserves have been evaluated for this report. Proved reserves classifications used in this report are in accordance with the reserves definitions of Rules 4-lO(a) (1}-(32) of Regulation S-X of the SEC. Proved reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs consistent with the effective date of this report, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The petroleum reserves are classified as follows:

Proved oil and gas reserves—Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible-from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations-prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and
(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

The following definitions for developed and undeveloped reserves apply only to proved reserves evaluated herein.

Developed oil and gas reserves—Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves—Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in [section 210.4-10 (a) Definitions], or by other evidence using reliable technology establishing reasonable certainty.

The probable reserves presented in this report have been prepared in accordance with the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. Probable and possible reserves are based on geoscience and/or engineering data similar to that used in estimates of proved reserves, but technical or other uncertainties preclude such reserves being classified as proved.

Probable Reserves—Probable reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50-percent probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible Reserves—Possible reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than probable reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of proved plus probable plus possible reserves (3P), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10-percent probability that the actual quantities recovered will equal or exceed the 3P estimate.

The extent to which probable and possible reserves ultimately may be recategorized as proved reserves is dependent upon future drilling, testing, and well performance. The degree of risk to be applied in evaluating probable and possible reserves is influenced by economic and technological factors as well as the time element. Probable reserves in this report have not been adjusted in consideration of these additional risks to make them comparable to proved reserves. No possible reserves have been evaluated for this report.

ESTIMATION of RESERVES

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with practices generally recognized by the petroleum industry, which for proved reserves are as presented in the publication of the Society of Petroleum Engineers entitled "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (Revision as of February 19, 2007)" and for probable reserves are as presented in accordance with definitions established by the PRMS. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

When applicable, the volumetric method was used to estimate the original oil in place (OOIP). Structure maps were prepared to delineate each reservoir, and isopach maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation. When adequate data were available and when circumstances justified, material-balance and other engineering methods were used to estimate OOIP.

Estimates of ultimate recovery were obtained after applying recovery factors to OOIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, material-balance and other engineering methods were used to estimate recovery factors. An analysis of reservoir performance, including production rate, reservoir pressure, and gas-oil ratio behavior, was used in the estimation of reserves.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated only to the limits of economic production based on current economic conditions.

In certain cases, when the previously named methods could not be used, reserves were estimated by analogy with similar wells or reservoirs for which more complete data were available.

Gas quantities estimated herein are expressed as wet gas and sales gas. Wet gas is defined as the total gas to be produced before reductions for volume loss due to fuel and flare consumption and reduction for plant processing. Sales gas is defined as that portion of the wet gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and plant processing. Gross gas quantities are reported as wet gas. Net gas quantities are reported as sales gas. All gas quantities are expressed at a temperature base of 60 degrees Fahrenheit COF) and at the legal pressure base of the state or area in which the reserves are located. Condensate reserves estimated herein are those to be recovered by normal lease separation.

In the preparation of this report, as of October 1, 2013, gross production estimated to October 1, 2013, was deducted from gross ultimate recovery to arrive at the estimates of gross reserves. Production data from certain properties were available through April 2013. Data available from wells drilled to August 16, 2013, were used in this report.

The proved and probable reserves, as of October 1, 2013, of the properties appraised are estimated as follows, expressed in thousands of barrels (Mbbl) and millions of cubic feet (MMcf):

	Gross Reserves			Net Reserves		
	Oil and Condensate (Mbbl)	NGL (Mbbl)	Wet Gas (MMcf)	Oil and Condensate (Mbbl)	NGL (Mbbl)	Sales Gas (MMcf)
Proved						
Developed Producing	8,056	187	463,860	753	25	2,897
Developed Nonproducing	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0
Total Proved	8,056	187	463,860	753	25	2,897
Probable*	5,699	192	4,460	748	25	392

* Probable reserves have not been risk adjusted to make them comparable to proved reserves.

VALUATION of RESERVES

Revenue values in this report have been prepared using initial prices and costs specified by Maxus. Future prices were estimated using guidelines established by the SEC and the FASB.

In this report, values for proved and probable reserves are based on projections of estimated future production and revenue prepared for these properties with no risk adjustment applied to the probable reserves. Probable reserves involve substantially higher risk than proved reserves. Revenue values for probable reserves have not been adjusted to account for such risks; this adjustment would be necessary in order to make probable reserves values comparable with values for proved reserves.

The following assumptions were used for estimating future prices and costs:

Oil and Condensate Prices

Maxus has represented that the oil and condensate prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. Maxus requested that this report be delivered at the end of August 2013, approximately 30 days before the "as of" date of this report. In doing so, the September 1, 2013, posted product price, the final product price used to determine the average product price for the 12-month period preceding the "as of" date of the evaluation, was not available. At Maxus' request the final product price used to calculate the average product price for the 12-month period preceding the "as of" date of this report was the product price posted on August 16, 2013. Maxus supplied differentials by field to a West Texas Intermediate reference price of $95.10 per barrel and the prices were held constant thereafter. The volume-weighted average price attributable to estimated proved reserves was $92.96 per barrel of oil and condensate.

NGLPrices

Maxus supplied differentials by field to a reference price of $60.48 per barrel and the prices were held constant thereafter. The volume-weighted average price attributable to estimated proved reserves was $52.92 per barrel.

Natural Gas Prices

Maxus has represented that the natural gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. Maxus requested that this report be delivered at the end of August 2013, approximately 30 days before the "as of" date of this report. In doing so, the September 1, 2013, posted gas price, the final gas price used to determine the average gas price for the 12-month period preceding the "as of" date of the evaluation, was not available. At Maxus' request the final gas price used to calculate the average gas price for the 12-month period preceding the "as of" date of this report was the gas price posted on August 16, 2013. The gas prices were calculated for each property using differentials to the Henry Hub reference price of $3.58 per million British thermal units (MMbtu) furnished by Maxus and held constant thereafter. The volume-weighted average price attributable to estimated proved reserves was $3.601 per thousand cubic feet.

Operating Expenses and Capital Costs

Estimates of operating expenses and capital costs based on current costs were used for the lives of the properties with no increases in the future based on inflation. In certain cases, future costs, either higher or lower than current costs, may have been used because of anticipated changes in operating conditions. Future capital costs were estimated using expected 2013 values and were not adjusted for inflation.

DEGOLYER AND MACNAUGHTON

The estimated future revenue to be derived from the production and sale of the net proved and probable reserves, as of October 1, 2013, of the properties appraised is summarized as follows, expressed in thousands of dollars (M$):

	Developed Producing:	Developed Nonproducing:	Undeveloped	Total Proved	Probable*
Future Gross Revenue, M$	81,757	0	0	81,757	72,291
Production and Ad Valorem Taxes, M$	908	0	0	908	0
Operating Expenses, M$	17,716	0	0	17,716	12,675
Capital Costs, M$	0	0	0	0	13,500
Abandonment Costs, M$	28,800	0	0	28,800	0
Future Net Revenue**, M$	34,333	0	0	34,333	46,116
Present Worth at 10 Percent**, M$	30,218	0	0	30,218	29,764

* Values for probable reserves have not been risk adjusted to make them comparable to values for proved reserves.
** Future income tax expenses were not taken into account in the preparation of these estimates.

The development of production and the resulting timing of capital expenditures were based on a development plan provided by Maxus.

In our opinion, the information relating to estimated proved reserves, estimated future net revenue from proved reserves, and present worth of estimated future net revenue from proved reserves of oil, condensate, natural gas liquids, and gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-6, 932-235-50-7, 932-235-50-9, 932-235-50-30, and 932-235-50-31(a), (b), and (e) of the Accounting Standards Update 932-235-50, *Extractive Industries - Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the Financial Accounting Standards Board and Rules 4-10(a) (1}-(32) of Regulation S-X and Rules 302(b), 1201, and 1202(a) (1), (2), (3), (4), (8)(i), (ii), and (v}-(x) of Regulation S-K of the Securities and Exchange Commission; provided, however, that (i) future income tax expenses have not been taken into account in estimating the future net revenue and present worth values set forth herein, (ii) estimates of the proved developed and proved undeveloped reserves are not presented at the beginning of the year, and (iii) the as-of date of this report does not coincide with Maxus' fiscal year.

This report was completed on August 30, 2013; therefore, events that may have occurred after the preparation of this report but before the "as-of" date of October 1, 2013, that might have affected the reserves, prices, and costs used in the estimates presented herein were not taken into account.

To the extent that the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as engineers, are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

SUMMARY and CONCLUSIONS

Maxus has represented that it owns interests in certain properties located in Oklahoma, Texas, and offshore Gulf of Mexico. The estimated net proved and probable reserves of the properties appraised, as of October 1, 2013, are summarized as follows, expressed in thousands of barrels (Mbbl) and millions of cubic feet (MMcD):

	Net Reserves		
	Oil and Condensate (Mbbl)	NGL (Mbbl)	Sales Gas (MMcf)
Proved			
Developed Producing	753	25	2,897
Developed Nonproducing	0	0	0
Undeveloped	0	0	0
Total Proved	753	25	2,897
Probable*	748	25	392

* Probable reserves have not been risk adjusted to make them comparable to proved reserves.

Estimated revenue and costs attributable to Maxus' interests in the reserves, as of October 1, 2013, of the properties appraised under the aforementioned assumptions concerning future prices and costs are summarized as follows, expressed in thousands of dollars (M$):

	Developed Producing	Developed Nonproducing	Undeveloped	Total Proved	Probable*
Future Gross Revenue, M$	81,757	0	0	81,757	72,291
Production and Ad Valorem Taxes, M$	908	0	0	908	0
Operating Expenses, M$	17,716	0	0	17,716	12,675
Capital Costs, M$	0	0	0	0	13,500
Abandonment Costs, M$	28,800	0	0	28,800	0
Future Net Revenue**, M$	34,333	0	0	34,333	46,116
Present Worth at 10 Percent**, M$	30,218	0	0	30,218	29,764

* Values for probable reserves have not been risk adjusted to make them comparable to values for proved reserves.
** Future income tax expenses were not taken into account in the preparation of these estimates.

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant's ability to recover its oil and gas reserves, we are not aware of any such governmental actions which would restrict the recovery of the October 1, 2013, estimated oil and gas volumes. The reserves estimated in this report can be produced under current regulatory guidelines.

DEGOLYER AND MACNAUGHTON

DeGolyer and MacNaughton IS an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. DeGolyer and MacNaughton does not have any financial interest, including stock ownership, in Maxus. Our fees were not contingent on the results of our evaluation. This report has been prepared at the request of Maxus. DeGolyer and MacNaughton has used all assumptions, data, procedures, and methods that it considers necessary and appropriate to prepare this report.

Submitted,

/s/ DeGolyer and MacNaughton
DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

SIGNED: August 30, 2013

/s/ Paul J. Szatkowski. P.E.
Paul J. Szatkowski. P.E.
Senior Vice President
DeGolyer and MacNaughton

Exhibit 99.2

SEC RESERVES AUDIT OF CERTAIN P&NG INTERESTS
OF YPF S.A.
IN ARGENTINA
AS OF SEPTEMBER 30, 2013

Prepared For:

YPF S.A.

Prepared By:

IHS GLOBAL CANADA INC.

ihs.com • fekete.com
SUITE 2000 540 - 5TH AVENUE SW CALGARY, AB T2P 0M2 • 403 213 4200 • 1 800 625 2488

January 31, 2014

Mr. Javier Sanagua
Auditor de Reservas, YPF S.A.
Macacha Guemes 515
Ciudad Autonoma de Buenos Aires
Buenos Aires, Argentina

Re: SEC Reserves Audit of Certain P&NG Interests of YPF S.A.
In Argentina as of September 30, 2013

Dear Mr. Javier Sanagua:

This reserve statement has been prepared by IHS Global Canada Inc. (IHS) and issued on January 31, 2014 at the request of YPF S.A. (YPF), operator of certain assets in the Cuyo, Neuquina, and San Jorge Basins in Argentina. YPF holds a 100% working interest in these properties with the exception of those described below.

Properties	Working Interest (%)
Zona Central – Bella Vista Este	50
Lajas Ute	50

IHS has conducted an independent audit examination as of September 30, 2013, of the hydrocarbon liquid and natural gas proved reserves for 23 properties in the Cuyo, San Jorge and Neuquina Basins. This report is intended for inclusion in YPF's filings (20-F, F-3) with the United States Securities and Exchange Commission.

The Chubut properties (Manantiales Behr, Restinga ali, Zona Central-Bella Vista Este and Sarmiento No Operada) were evaluated based on the information available as at December 31, 2013. Reserves were revised for these Chubut properties to reflect the new extensions to the concession dates.

On the basis of technical and other information made available to us concerning these properties, we hereby provide the reserve summary given in the table below.

Summary of Remaining Hydrocarbon Volumes

	Liquids (E3m3)	Gas (E6m3)
Proved		
Developed Producing	28213.0	5900.5
Developed Non-Producing	81.0	2.7
Undeveloped	12314.2	3985.0
Total Proved	**40608.3**	**9888.3**

Hydrocarbon liquid volumes represent crude oil, condensate, gasoline and NGL estimated to be recovered during field separation and plant processing and are reported in thousands (10^3) of stock tank cubic meters. Natural gas volumes represent expected gas sales, and are reported in million (10^6) standard cubic meters (at standard conditions of 15 degrees Celsius and 1 atmosphere). The volumes have not been reduced for fuel usage in the field. Based on the assumption that Argentine royalties are a financial obligation or substantially equivalent to a production or similar tax, royalties payable to the provinces have not been deducted from the reported volumes.

Gas reserves sales volumes are based on firm and existing gas contracts, or on the reasonable expectation that any such existing gas sales contracts will be renewed on similar terms in the future.

The tables below contain the reserves for each property.

TOTAL LIQUID HYDROCARBONS

Entity	LIQUID HYDROCARBONS (E3m3) PDP (CDEP)	PDNP (CDNP)	PUD (CND)	TP
Cuyo				
Barrancas	2190.5	11.0	103.8	2305.3
Estructura Cruz de Piedra	830.1	0.0	165.4	995.5
Lunlunta Carrizal	274.3	0.0	97.6	371.9
Ugarteche	476.6	0.0	26.1	502.7
Total Cuyo	**3771.5**	**11.0**	**392.9**	**4175.4**
San Jorge				
Barranca Baya	2642.2	0.0	2031.2	4673.4
Lomas Del Cuy	1890.6	0.0	1168.7	3059.3
Los Monos	94.0	0.0	0.0	94.0
Los Perales	6246.5	0.0	2703.9	8950.4
Manantiales Behr	4269.1	0.0	42.6	4311.7
Restinga Ali	84.7	0.0	0.0	84.7
Rio Mayo*	0.0	0.0	0.0	0.0
Sarmiento No Operada	3.1	0.0	0.0	3.1
Seco Leon	3632.7	0.0	3376.1	7008.8
Zona Central - Bella Vista Este	1994.6	0.0	287.3	2281.9
Total San Jorge	**20857.5**	**0.0**	**9609.7**	**30467.2**
Neuquina				
Aguada Toledo - Sierra Barrosa	1054.7	0.0	1145.5	2200.2
Barranca De Los Loros*	0.0	0.0	0.0	0.0
Cerro Fortunoso	1682.9	0.0	551.9	2234.7
Cerro Liupuca*	0.0	0.0	0.0	0.0
Cerro Negro*	0.0	0.0	0.0	0.0
El Manzano*	0.0	0.0	0.0	0.0
Lajas Ute	0.0	0.0	0.0	0.0
Las Manadas	60.0	0.0	194.6	254.6
Volcan Auca Mahuida	786.5	70.0	419.6	1276.1
Total Neuquina	**3584.0**	**70.0**	**2311.6**	**5965.6**
GRAND TOTAL	**28213.0**	**81.0**	**12314.2**	**40608.3**

* *YPF has not assigned any reserves to these fields*

NATURAL GAS VOLUMES

Entity	GAS (E6m3) PDP (CDEP)	PDNP (CDNP)	PUD (CND)	TP
Cuyo				
Barrancas	28.7	0.2	1.2	30.1
Estructura Cruz de Piedra	14.1	0.0	2.8	16.9
Lunlunta Carrizal	4.1	0.0	1.5	5.6
Ugarteche	7.0	0.0	0.4	7.4
Total Cuyo	**53.9**	**0.2**	**5.9**	**60.0**
San Jorge				
Barranca Baya	92.3	0.0	61.4	153.7
Lomas Del Cuy	167.7	0.0	96.1	263.8
Los Monos	16.9	0.0	0.0	16.9
Los Perales	1587.0	0.0	160.5	1747.5
Manantiales Behr	359.8	0.0	5.0	364.8
Restinga Ali	2.3	0.0	0.0	2.3
Rio Mayo*	0.0	0.0	0.0	0.0
Sarmiento No Operada	0.0	0.0	0.0	0.0
Seco Leon	432.6	0.0	109.5	542.1
Zona Central - Bella Vista Este	24.1	0.0	3.1	27.2
Total San Jorge	**2682.7**	**0.0**	**435.6**	**3118.3**
Neuquina				
Aguada Toledo - Sierra Barrosa	2600.2	0.0	3492.7	6092.9
Barranca De Los Loros*	0.0	0.0	0.0	0.0
Cerro Fortunoso	0.0	0.0	0.0	0.0
Cerro Liupuca*	0.0	0.0	0.0	0.0
Cerro Negro*	0.0	0.0	0.0	0.0
El Manzano*	0.0	0.0	0.0	0.0
Lajas Ute	448.4	0.0	0.0	448.4
Las Manadas	5.2	0.0	16.9	22.1
Volcan Auca Mahuida	110.1	2.5	34.0	146.6
Total Neuquina	**3163.9**	**2.5**	**3543.6**	**6710.0**
GRAND TOTAL	**5900.5**	**2.7**	**3985.0**	**9888.3**

* *YPF has not assigned any reserves to these fields*

OIL VOLUMES

Entity	OIL (E3m3) PDP (CDEP)	PDNP (CDNP)	PUD (CND)	TP
Cuyo				
Barrancas	2152.7	11.0	103.8	2267.5
Estructura Cruz de Piedra	830.1	0.0	165.4	995.5
Lunlunta Carrizal	274.3	0.0	97.6	371.9
Ugarteche	476.6	0.0	26.1	502.7
Total Cuyo	**3733.7**	**11.0**	**392.9**	**4137.6**
San Jorge				
Barranca Baya	2642.2	0.0	2031.2	4673.4
Lomas Del Cuy	1890.6	0.0	1168.7	3059.3
Los Monos	94.0	0.0	0.0	94.0
Los Perales	6246.5	0.0	2703.9	8950.4
Manantiales Behr	4269.1	0.0	42.6	4311.7
Restinga Ali	84.7	0.0	0.0	84.7
Rio Mayo*	0.0	0.0	0.0	0.0
Sarmiento No Operada	3.1	0.0	0.0	3.1
Seco Leon	3632.7	0.0	3376.1	7008.8
Zona Central - Bella Vista Este	1994.6	0.0	287.3	2281.9
Total San Jorge	**20857.5**	**0.0**	**9609.7**	**30467.2**
Neuquina				
Aguada Toledo - Sierra Barrosa	1054.7	0.0	1145.5	2200.2
Barranca De Los Loros*	0.0	0.0	0.0	0.0
Cerro Fortunoso	1682.9	0.0	551.9	2234.7
Cerro Liupuca*	0.0	0.0	0.0	0.0
Cerro Negro*	0.0	0.0	0.0	0.0
El Manzano*	0.0	0.0	0.0	0.0
Lajas Ute	0.0	0.0	0.0	0.0
Las Manadas	60.0	0.0	194.6	254.6
Volcan Auca Mahuida	786.5	70.0	419.6	1276.1
Total Neuquina	**3584.0**	**70.0**	**2311.6**	**5965.6**
GRAND TOTAL	**28175.2**	**81.0**	**12314.2**	**40570.4**

* *YPF has not assigned any reserves to these fields*

NGL VOLUMES

Entity	NGL (E3m3) PDP (CDEP)	PDNP (CDNP)	PUD (CND)	TP
Cuyo				
Barrancas	37.8	0.0	0.0	37.8
Estructura Cruz de Piedra	0.0	0.0	0.0	0.0
Lunlunta Carrizal	0.0	0.0	0.0	0.0
Ugarteche	0.0	0.0	0.0	0.0
Total Cuyo	**37.8**	**0.0**	**0.0**	**37.8**
San Jorge				
Barranca Baya	0.0	0.0	0.0	0.0
Lomas Del Cuy	0.0	0.0	0.0	0.0
Los Monos	0.0	0.0	0.0	0.0
Los Perales	0.0	0.0	0.0	0.0
Manantiales Behr	0.0	0.0	0.0	0.0
Restinga Ali	0.0	0.0	0.0	0.0
Rio Mayo*	0.0	0.0	0.0	0.0
Sarmiento No Operada	0.0	0.0	0.0	0.0
Seco Leon	0.0	0.0	0.0	0.0
Zona Central - Bella Vista Este	0.0	0.0	0.0	0.0
Total San Jorge	**0.0**	**0.0**	**0.0**	**0.0**
Neuquina				
Aguada Toledo - Sierra Barrosa	0.0	0.0	0.0	0.0
Barranca De Los Loros*	0.0	0.0	0.0	0.0
Cerro Fortunoso	0.0	0.0	0.0	0.0
Cerro Liupuca*	0.0	0.0	0.0	0.0
Cerro Negro*	0.0	0.0	0.0	0.0
El Manzano*	0.0	0.0	0.0	0.0
Lajas Ute	0.0	0.0	0.0	0.0
Las Manadas	0.0	0.0	0.0	0.0
Volcan Auca Mahuida	0.0	0.0	0.0	0.0
Total Neuquina	**0.0**	**0.0**	**0.0**	**0.0**
GRAND TOTAL	**37.8**	**0.0**	**0.0**	**37.8**

* *YPF has not assigned any reserves to these fields*

It is our understanding that the Proved reserves estimated in this report as of September 30, 2013 constitute approximately 25.5% of YPF's Proved reserves. It is also our understanding that the Proved Undeveloped reserves estimated in this report constitute approximately 38.6% of all YPF's Proved Undeveloped reserves as of September 30, 2013. In addition, the Manantiales Behr, Restinga Ali, Rio mayo, Sarmiento No Operada and Zona Central-Bella Vista Este fields which were audited as of December 31, 2013 represented approximately 3.5% of the YPF Proved reserves and 1.5% of the YPF Proved Undeveloped reserves as of December 31, 2013. These proportions are on a barrel oil equivalent (BOE) basis. IHS cannot directly verify this statement as it was not requested to review YPF's other oil and gas assets. Our study was completed on January 31, 2014.

The Chubut properties (Manantiales Behr, Restinga ali, Zona Central-Bella Vista Este and Sarmiento No Operada) were evaluated based on the information available as at December 31, 2013. Reserves were revised for these Chubut properties to reflect the new extensions to the concession dates.

IHS' audit of the YPF reserves estimates was based on decline curve analysis to extrapolate the production of existing wells or generate type curves to estimate future production from the locations proposed by YPF. Geological information, material balance, fluid laboratory tests, reservoir simulations, field deliverability forecasts and other pertinent information was used to assess the reserves estimates and the classification/categorization of the proposed development plans.

This audit examination was based on reserve estimates and other information provided by YPF to IHS through December 2013 and included such tests, procedures and adjustments as were considered necessary under the circumstances to prepare the report. All questions that arose during the course of the audit process were resolved to our satisfaction. There were no significant differences between IHS and YPF reserve estimates.

The economic tests for the September 30, 2013 reserve volumes were based on realized crude oil, condensate, NGL and average gas sales prices as shown in the following table, as advised by YPF. A prior twelve-month first-day-of-the-month average price for West Texas Intermediate (WTI) crude of US$96.90/BBL serves as the foundation for the oil, condensate and gasoline price. YPF is subject to extensive regulations relating to the oil and gas industry in Argentina which include specific natural gas market regulations as well as hydrocarbon export taxes that apply until 2017 according to Law 26,217, all of which affect the realized prices of oil and other products in the domestic market. As a result, crude oil prices used to determine reserves are set at the beginning of every month until 2013, for crude oils of

different quality produced by YPF, considering the realized prices for crude oils of such quality in the domestic market, taking into account the effects of Law 26,217. Additionally, a significant portion of the Argentine gas market is regulated. Natural gas prices for the residential and power generation segments, as well as natural gas for vehicles, are regulated by the government. Natural gas prices for industrial consumers are negotiated by market participants on a private basis. As a result, there are no benchmark market natural gas prices available in Argentina. IHS reviewed and accepted the prices used by YPF in estimating the reserves in Argentina.

In addition, YPF increments the crude oil, condensate and gasoline price in 2017 due to the scheduled expiration of the export retention tax mentioned above. There is no certainty at this point that this will occur, as the export tax has been scheduled to expire several times in the recent past but extended as the deadline approached. Maintaining the current price would potentially have an impact on the reserves estimates.

	Prices Based on WTI US$/BBL & US$/MMBTU			
	Crude Oil Condensate 2014 - 2016 (US$/BBL)	Crude Oil Condensate 2017+ (US$/BBL)	NGL 2014 (US$/BBL)	Natural Gas 2014+ (US$/MMBTU)
Cuyo				
Barrancas	67.22	89.14	21.06	7.09
Estructura Cruz de Piedra	67.22	89.14	—	7.09
Lunlunta Carrizal	67.22	89.14	—	7.09
Ugarteche	67.22	89.14	—	—
San Jorge				
Barranca Baya	71.00	91.30	—	5.97
Lomas Del Cuy	67.12	89.04	—	5.60
Los Monos	71.00	91.30	—	5.97
Los Perales	71.00	91.30	—	5.97
Manantiales Behr	66.12	—	—	4.10
Restinga Ali	66.12	—	—	—
Rio Mayo*	67.12	89.04	—	—
Sarmiento No Operada	66.12	88.04	—	—
Seco Leon	67.12	89.04	—	5.97
Zona Central - Bella Vista Este	66.12	88.04	—	—
Neuquina				
Aguada Toledo - Sierra Barrosa	75.56	93.72	—	4.85
Barranca De Los Loros*	75.98	94.14	—	—
Cerro Fortunoso	63.92	85.84	—	—
Cerro Liupuca*	74.43	92.59	—	—
Cerro Negro*	74.43	92.59	—	—

	Prices Based on WTI US$/BBL & US$/MMBTU			
	Crude Oil Condensate 2014 - 2016 (US$/BBL)	Crude Oil Condensate 2017+ (US$/BBL)	NGL 2014 (US$/BBL)	Natural Gas 2014+ (US$/MMBTU)
Neuquina - cont'd -				
El Manzano*	63.92	85.84	—	—
Lajas Ute	75.56	93.72	—	4.85
Las Manadas	75.98	94.14	—	—
Volcan Auca Mahuida	75.98	94.14	—	—

* *YPF has not assigned any reserves to these fields*

Future capital costs were derived from development program forecasts prepared by YPF for the fields which were summarized in economic summary tables that were provided for the reserve audit. Recent historical operating expense data were utilized as the basis for operating cost projections and was incorporated by YPF in their economic summary tables. IHS has determined that YPF has projected sufficient capital investments and operating expenses to produce economically the projected volumes.

IHS has reviewed the estimates of total remaining recoverable hydrocarbon liquid and gas volumes at September 30, 2013 and has also reviewed the Chubut properties (Manantiales Behr, Restinga Ali, Zona Central-Bella Vista Este and Sarmiento No Operada) based on information available as at December 31, 2013 regarding new extensions to the concession dates and associated reserve revisions.

It is IHS' opinion that the estimates of total remaining recoverable hydrocarbon liquid and gas volumes at September 30, 2013, and additionally, the Chubut properties (Manantiales Behr, Restinga Ali, Zona Central-Bella Vista Este and Sarmiento No Operada) evaluated with updated concession date information as at December 31, 2013 are, in the aggregate, reasonable and the reserves categorization is appropriate and consistent with the definitions for reserves set out in 17-CFR Part 210 Rule 4-10(a) of Regulation S-X of the United States Securities and Exchange Commission (as set out in Appendix II). IHS concludes that the methodologies employed by YPF in the determination of the volume estimates are appropriate and that the quality of the data relied upon, the depth and thoroughness of the estimation process is adequate.

IHS is not aware of any potential changes in regulations applicable to these fields that could affect the ability of YPF to produce the estimated reserves.

This assessment has been conducted based on IHS' understanding of YPF's petroleum property rights as represented by YPF's management. IHS is not in a position to attest to property title, financial interest relationships or encumbrances thereon for any part of the appraised properties or interests.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognized as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Estimates of oil and gas reserves or resources prepared by other parties may differ, perhaps materially, from those contained within this report. The accuracy of any reserve or resource estimate is a function of the quality of the available data and of engineering and geological interpretation. Results of drilling, testing and production that post-date the preparation of the estimates may justify revisions, some or all of which may be material. Accordingly, reserve and resource estimates are often different from the quantities of oil and gas that are ultimately recovered, and the timing and cost of those volumes that are recovered may vary from that assumed.

For this assignment, IHS served as independent reserve auditors. The firm's officers and employees have no direct or indirect interest holdings in the properties evaluated. IHS' remuneration was not in any way contingent on reported reserve estimates. The qualifications of the technical person primarily responsible for overseeing this audit and staff members involved in the audit are included in this report.

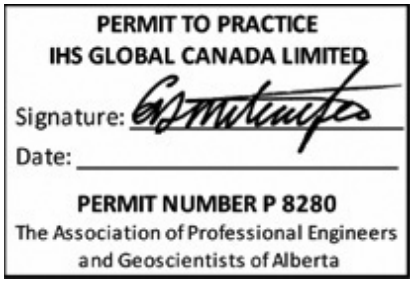
This report has been prepared at the request of YPF regarding assets it holds in Argentina and is for inclusion in YPF's filings with the United States Securities and Exchange Commission.

YPF will obtain IHS' prior written or email approval for the use with third parties and context of the use with third parties of any results, statements or opinions expressed by IHS to YPF, which are attributed to IHS. Such requirement of approval shall include, but not be confined to, statements or references in documents of a public or semi-public nature such as loan agreements, prospectuses, reserve statements, websites, press releases, etc.

Yours truly,

IHS Global Canada Inc.

Dale Struksnes, B. Comm., CMA, C.E.T.
Manager, Reserve Evaluations



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CERTIFICATE OF QUALIFICATION

I, Maria Tjoa, certify that:

1. I graduated from the University of Dalhousie, Halifax, Nova Scotia with a Bachelor in Engineering in Electrical with Computer Engineering, in 2003 and have in excess of 7 years experience in the Petroleum Industry.
2. I am an Engineer-In-Training in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Maria Tjoa
Maria Tjoa, E.I.T.

CERTIFICATE OF QUALIFICATION

I, Carmen M. Bujor, certify that:

1. I graduated from the University of Bucharest, Romania with a B.Sc. in Chemical Engineering in 1986, and have in excess of 17 years experience in the Petroleum Industry.
2. I am a registered Professional Engineer in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Carmen M. Bujor
Carmen M. Bujor, P.Eng.

CERTIFICATE OF QUALIFICATION

I, Robert V. Coles, certify that:

1. I graduated from the Technical University of Nova Scotia with a Bachelor of Engineering (Mining Engineering) in 1981 and have in excess of 32 years experience in reservoir engineering, business development and property evaluation the Petroleum Industry.

2. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."

3. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.

4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Robert V. Coles
Robert V. Coles

CERTIFICATE OF QUALIFICATION

I, Cesar Velasquez, certify that:

1. I graduated from the Central University of Venezuela, Caracas, Venezuela, with a B.Sc. in Petroleum Engineering in 1997, hold a Specialization, Integrated Reservoir Management from the Central University of Venezuela conferred in 2003, and have in excess of 17 years of experience in the Petroleum Industry.

2. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."

3. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.

4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Cesar Velasquez
Cesar Velasquez

CERTIFICATE OF QUALIFICATION

I, Ehsan Motamed, certify that:

1. I graduated from the Petroleum University of Technology, Iran, with a B.Sc. in Chemical Engineering in 1999, hold a M.Sc. degree in Petroleum Engineering from the Petroleum University of Technology, Iran conferred in 2010, and have in excess of 12 years experience in the Petroleum Industry.
2. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
3. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Ehsan Motamed
Ehsan Motamed

CERTIFICATE OF QUALIFICATION

I, Ivan Olea, certify that:

1. I graduated from the National Autonomous University of Mexico, Mexico City, Mexico, with a B.Sc. in Petroleum Engineering in 2003, hold a M.Sc. degree in Mechanical Engineering from the University of Calgary conferred in 2006, and have in excess of 7 years experience in the Petroleum Industry.

2. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."

3. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.

4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Ivan Olea
Ivan Olea

CERTIFICATE OF QUALIFICATION

I, Dale Struksnes, certify that:

1. I graduated from the Southern Alberta Institute of Technology with an Honours Diploma in Petroleum Technology in 1988 and have in excess of 25 years experience in the Petroleum Industry.
2. I am a certified Engineering Technologist in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Dale Struksnes
D. Struksnes, B. Comm., CMA, C.E.T.

CERTIFICATE OF QUALIFICATION

I, Jason K. Wilhelm, certify that:

1. I graduated from the University of Saskatchewan with a B.Sc. in Chemical Engineering in 1996 and have in excess of 17 years experience in the Petroleum Industry.
2. I am a registered Professional Engineer in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Jason K. Wilhelm
Jason K. Wilhelm, P. Eng.

CERTIFICATE OF QUALIFICATION

I, Norbert K. Alwast, certify that:

1. I graduated from the University of Calgary with a B.Sc. in Geology in 1986. I have in excess of 27 years experience in the Petroleum Industry.
2. I am a registered Professional Geologist in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Norbert K. Alwast
Norbert K. Alwast, P. Geol.

CERTIFICATE OF QUALIFICATION

I, Michael G. Muirhead, certify that:

1. I graduated from the University of British Columbia with a B.Sc. in Geology. I completed my degree in 1991 and have in excess of 22 years experience in the Petroleum Industry.
2. I am a registered Professional Geologist in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ Michael G. Muirhead
Michael G. Muirhead, P. Geol.

CERTIFICATE OF QUALIFICATION

I, John B. Hughes, certify that:

1. I graduated from the University of Calgary with a B.Sc. in Geology in 1972 and have in excess of 41 years experience in the Petroleum Industry.
2. I am a registered Professional Geologist in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ John B. Hughes
John B. Hughes, P. Geol.

CERTIFICATE OF QUALIFICATION

I, Gary D. Metcalfe, certify that:

1. I graduated from the University of Calgary with a B.Sc. in Mechanical Engineering in 1976 and have in excess of 37 years experience in the Petroleum Industry.
2. I am a registered Professional Engineer in the Province of Alberta.
3. I am employed by the engineering firm, IHS Global Canada Inc., named as having prepared a report entitled, "SEC Reserves Audit of Certain P&NG Interests of YPF S.A. in Argentina as of September 30, 2013."
4. I have no interest, directly or indirectly, in **YPF S.A.** nor in the properties evaluated, nor do I expect to obtain any interest, directly or indirectly in the Company, or the properties evaluated, nor in the securities of the Company.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of public information and records, the files of **YPF S.A.,** and the appropriate regulatory authorities.

/s/ G. D. Metcalfe
G. D. Metcalfe, P. Eng.

LIMITATIONS OF REPORT

All factual data supplied by or obtained from the files of **YPF S.A.,** were accepted as correct.

A field inspection was not considered necessary by IHS Global Canada Inc.

It should be understood that our audit does not constitute a complete reserves study. In the conduct of our examination, we have not independently verified the accuracy and completeness of all the information and data furnished by your Company with respect to ownership interest or oil and gas production. We have, however, specifically identified to you the information and data upon which we relied. Furthermore, if in the course of our examination something came to our attention that brought into question the validity or sufficiency of any of the information or data, we did not rely on that information or data until we had satisfactorily resolved our questions or independently verified it.

This report has been prepared for the exclusive use of **YPF S.A.** and for the information and assistance of its independent public accountants and financial lenders in connection with their review of, and report upon, the financial statements of your company and no part thereof should be reproduced, distributed or made available to any other person, company, regulatory body or organization without the complete context of the report and the knowledge and consent of IHS Global Canada Inc.

The analyses, interpretations and opinions expressed in this report reflect the best judgement of IHS Global Canada Inc. Due to the inherent risks associated with the petroleum business, IHS Global Canada Inc. assumes no responsibility and makes no warranty whatsoever in connection with the information, analyses, interpretations and opinions presented herein.

U.S. SECURITIES AND EXCHANGE COMMISSION (SEC)
MODERNIZATION OF OIL AND GAS REPORTING

As requested by YPF S.A., the Proved Reserve definition used in this report is in accordance with the Reserve Definitions of Rules 210-4-10(a) of Regulation S-X of the Securities Exchange Commission (SEC) as amended by the SEC "Modernization of Oil and Gas Reporting – Final Rule" published January 14, 2009.

SEC DEFINITIONS FOR OIL AND GAS RESERVES

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Probable oil and gas reserves – Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (iv) and (vi) of the definition of possible reserves.

Possible oil and gas reserves – Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (iii) of the proved oil and gas definition, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in [section 210.4–10 (a) Definitions], or by other evidence using reliable technology establishing reasonable certainty.

STANDARD OIL INDUSTRY TERMS AND ABBREVIATIONS

^{o}API	Degrees API (American Petroleum Institute)
B	Billion (10^9)
BBL	Barrels
/BBL	per barrel
BSCF or BCF	Billion standard cubic feet
BSCFD or BCFD	Billion standard cubic feet per day
Bm^3	Billion cubic metres
BHP	Bottomhole pressure
BPD	Barrels per day
BOE	Barrels of oil equivalent @ xxx MSCF/BBL
BOEPD	Barrels of oil equivalent per day@ xxx MSCF/BBL
BOPD	Barrels of oil per day
BWPD	Barrels of water per day
BTU	British Thermal Units
Cp	Centipoise (a measure of viscosity)
Deg C	Degrees Celsius
Deg F	Degrees Fahrenheit
DST	Drillstem Test
E&P	Exploration and Production
EOR	Enhanced Oil Recovery
EUR	Estimated Ultimate Recovery
FDP	Field Development Plan
Ft	Foot/feet
G&A	General and Administrative Costs
GIP	Gas Initially In-Place
GJ	Gigajoules (one billion Joules)
GOR	Gas/Oil Ratio
GWC	Gas/Water Contact
IRR	Internal Rate of Return
k	Permeability
KB	Kelly Bushing
km	Kilometres
LKG	Last Known Gas
LKH	Last Known Hydrocarbons
LKO	Last Known Oil
LNG	Liquefied Natural Gas
m	Metres
M	Thousand
m^3	Cubic Metres
MCF or MSCF	Thousand Standard Cubic Feet
MMCF or MMSCF	Million Standard Cubic Feet
m^3/d	Cubic Metres per day
mD	Measure of Permeability in millidarcies
MD	Measured Depth
Mean	Arithmetic average of a set of numbers
Median	Middle value in a set of values
MFT	Multi Formation Tester
Mm^3	Thousand Cubic Metres
Mm^3/d	Thousand Cubic Metres per day

STANDARD OIL INDUSTRY TERMS AND ABBREVIATIONS

MM	Million
MMBBL	Millions of Barrels
MMBTU	Millions of British Thermal Units
Mode	Value that exists most frequently in a set of values = most likely
MSCFD	Thousand Standard Cubic Feet per day
MMSCFD	Million Standard Cubic Feet per day
NGL	Natural Gas Liquids
NPV	Net Present Value
OPEX	Operating Expenditure
OWC	Oil/Water Contact
Pa	Pascals (metric measurement of pressure)
P&A	Plugged and Abandoned
psi	Pounds per Square Inch
psia	Pounds per Square Inch Absolute
psig	Pounds per Square Inch Gauge
PVT	Pressure Volume Temperature
P10	10% Probability
P50	50% Probability
P90	90% Probability
Rf	Recovery Factor
RT	Rotary Table
R_w	Resistivity of Water
SCAL	Special Core Analysis
CF or SCF	Standard Cubic Feet
CFD or SCFD	Standard Cubic Feet per day
SL	Straight Line (for depreciation)
s_o	Oil Saturation
SPE	Society of Petroleum Engineers
SPEE	Society of Petroleum Evaluation Engineers
ss	Subsea
STB	Stock Tank Barrel
STOIIP	Stock Tank Oil nitially in-place
s_w	Water Saturation
T	Tonnes
TD	Total Depth
TSCF or TCF	Trillion Standard Cubic Feet
TOC	Total Organic Carbon
TVD	True Vertical Depth
TVDss	True Vertical Depth Subsea
US$	United States Dollar
WC	Watercut
WI	Working Interest
WTI	West Texas Intermediate
2D	Two Dimensional
3D	Three Dimensional
4D	Four Dimensional
%	Percentage

STANDARD OIL INDUSTRY TERMS AND ABBREVIATIONS

Reserve Classifications

PDP	Proved Developed Producing
PDNP	Proved Developed Non-Producing
PO	Possible
PR	Probable
PUD	Proved Undeveloped
TP	Proved
TPP	Total Proved Plus Probable
TPPP	Total Proved Plus Probable Plus Possible
1P	Proved Reserves
2P	Proved Plus Probable Reserves
3P	Proved Plus Probable Plus Possible Reserves

PART II: UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2014 AS FURNISHED TO THE SEC ON FORM 6-K ON NOVMEBER 13, 2014

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November, 2014

Commission File Number: 001-12102

YPF Sociedad Anónima

(Exact name of registrant as specified in its charter)

Macacha Güemes 515
C1106BKK Buenos Aires, Argentina
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

YPF Sociedád Anonima

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ITEM

SOCIEDAD ANONIMA

Consolidated Financial Statements
as of September 30, 2014 and Comparative Information

CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2014
AND COMPARATIVE INFORMATION

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA

Macacha Güemes 515 – Ciudad Autónoma de Buenos Aires, Argentina

FISCAL YEAR NUMBER 38

BEGINNING ON JANUARY 1, 2014

CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2014 AND COMPARATIVE INFORMATION

Principal business of the Company: exploration, development and production of oil, natural gas and other minerals and refining, transportation, marketing and distribution of oil and petroleum products and petroleum derivatives, including petrochemicals, chemicals and non-fossil fuels, biofuels and their components; production of electric power from hydrocarbons; rendering telecommunications services, as well as the production, industrialization, processing, marketing, preparation services, transportation and storage of grains and its derivatives.

Date of registration with the Public Commerce Register: June 2, 1977.

Duration of the Company: through June 15, 2093.

Last amendment to the bylaws: April 14, 2010.

Optional Statutory Regime related to Compulsory Tender Offer provided by Decree No. 677/2001 art. 24: not incorporated (modified by Law 26,831).

Capital structure as of September 30, 2014
(expressed in Argentine pesos)

– Subscribed, paid-in and authorized for stock exchange listing	3,933,127,930[1]

(1) Represented by 393,312,793 shares of common stock, Argentine pesos 10 per value and 1 vote per share.

MIGUEL MATIAS GALUCCIO
President

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2014 AND DECEMBER 31, 2013

(amounts expressed in millions of Argentine pesos – Note 1.b.1)

	Note	September 30, 2014	December 31, 2013
Noncurrent Assets			
Intangible assets	2.f	4,855	2,446
Fixed assets	2.g	144,675	93,496
Investments in companies	2.e	2,552	2,124
Deferred income tax assets	10	97	34
Other receivables and advances	2.c	2,300	2,927
Trade receivables	2.b	9	54
Total noncurrent assets		154,488	101,081
Current Assets			
Inventories	2.d	12,361	9,881
Other receivables and advances	2.c	8,149	6,506
Trade receivables	2.b	12,507	7,414
Assets held for sale	13	1,634	-
Cash and equivalents	2.a	15,873	10,713
Total current assets		50,524	34,514
Total assets		205,012	135,595
Shareholders' equity			
Shareholders' contributions		10,458	10,600
Reserves, other comprehensive income and retained earnings		59,730	37,416
Shareholders' equity attributable to the shareholders of the parent company		70,188	48,016
Non-controlling interest		154	224
Total shareholders' equity (per corresponding statements)		70,342	48,240
Noncurrent Liabilities			
Provisions	2.j	24,390	19,172
Deferred income tax liabilities	10	21,285	11,459
Other taxes payable		315	362
Salaries and social security		-	8
Loans	2.i	36,693	23,076
Accounts payable	2.h	614	470
Total noncurrent liabilities		83,297	54,547
Current Liabilities			
Provisions	2.j	1,622	1,396
Income tax liability		3,525	122
Other taxes payable		4,185	1,045
Salaries and social security		1,606	1,119
Loans	2.i	12,425	8,814
Accounts payable	2.h	28,010	20,312
Total current liabilities		51,373	32,808
Total liabilities		134,670	87,355
Total liabilities and shareholders' equity		205,012	135,595

Notes 1 to 15 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MATIAS GALUCCIO
President

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013

(amounts expressed in millions of Argentine pesos, except for per share amounts in Argentine pesos – Note 1.b.1)

		For the nine-month period ended September 30,		For the three-month period ended September 30,	
	Note	2014	2013	2014	2013
Revenues	2.k	104,203	64,819	38,209	24,244
Cost of sales	2.k	(74,808)	(48,386)	(26,365)	(17,875)
Gross profit		29,395	16,433	11,844	6,369
Selling expenses	2.k	(7,287)	(5,555)	(2,766)	(1,986)
Administrative expenses	2.k	(3,116)	(1,889)	(1,119)	(654)
Exploration expenses	2.k	(1,230)	(525)	(306)	(279)
Other income (expense), net	2.k	616	(1,124)	391	(6)
Operating income		18,378	7,340	8,044	3,444
Income on investments in companies	5	61	77	38	(56)
Financial income, net:					
(Losses) gains on assets					
Interests		1,078	573	480	257
Exchange differences		(2,240)	(1,362)	(620)	(778)
Gains (losses) on liabilities					
Interests		(5,304)	(2,360)	(1,793)	(935)
Exchange differences		9,914	4,115	1,880	1,996
Net income before income tax		21,887	8,383	8,029	3,928
Income tax	10	(5,961)	(3,041)	(2,931)	(1,038)
Deferred income tax	10	(8,377)	(2,141)	(1,879)	(1,473)
Net income for the period		7,549	3,201	3,219	1,417
Net income for the period attributable to:					
- Shareholders of the parent company		7,619	3,207	3,212	1,414
- Non-controlling interest		(70)	(6)	7	3
Earnings per share (basic and diluted) attributable to shareholders of the parent company	9	19.43	8.16	8.19	3.60
Other comprehensive income					
Translation differences from investments in companies[2]		(533)	(150)	(98)	(13)
Translation differences from YPF S.A.[3]		15,692	6,520	2,613	3,169
Total other comprehensive income for the period[1]		15,159	6,370	2,515	3,156
Total comprehensive income for the period		22,708	9,571	5,734	4,573

(1) Entirely assigned to the parent company's shareholders.
(2) Will be reversed to net income at the moment of the sale of the investment or full or partial reimbursement of the capital.
(3) Will not be reversed to net income.

Notes 1 to 15 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MATIAS GALUCCIO
President

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013

(amounts expressed in millions of Argentine pesos – Note 1.b.1)

	2014						
	Shareholders' contributions						
	Subscribed capital	Adjustment to contributions	Treasury shares	Adjustment to treasury shares	Share-based benefit plans	Acquisition cost of treasury shares	Sha tradi premi
Balances as of December 31, 2013	3,924	6,087	9	14	40	(110)	(4
Purchase of treasury shares	(6)	(10)	6	10	-	(198)	-
Accrual of share-based benefit plans	-	-	-	-	56	-	-
Balances at the end of the period	3,918	6,077	15	24	96	(308)	(4

	2014								
	Reserves							Equity attributable to	
	Legal	Future dividends	Investments	Purchase of treasury shares	Initial IFRS adjustment	Other comprehensive income	Retained earnings	Parent company's shareholders	Non-controlling interest
Balances as of December 31, 2013	2,007	4	8,394	120	3,648	18,112	5,131	48,016	224
Purchase of treasury shares	-	-	-	-	-	-	-	(198)	-
Accrual of share-based benefit plans	-	-	-	-	-	-	-	56	-
Acquisition of GASA	-	-	-	-	-	-	-	-	-
As decided by the Board of Directors' meeting of August 9, 2013:									
– Cash dividends (0.83 per share)	-	-	-	-	-	-	-	-	-
As decided by the General Ordinary and Extraordinary Shareholders' meeting of April 30, 2014:									
– Appropriation to Reserve for Investments	-	-	4,460	-	-	-	(4,460)	-	-
– Appropriation to Reserve for share-based employee benefit plans	-	-	-	200	-	-	(200)	-	-
– Appropriation to Reserve for future dividends	-	465	-	-	-	-	(465)	-	-

As decided by the Board of Directors' meeting of June 11, 2014:									
– Cash dividends (1.18 per share)	-	(464)	-	-	-	-	-	(464)	-
Other comprehensive income for the period	-	-	-	-	-	15,159	-	15,159	-
Net income for the period	-	-	-	-	-	-	7,619	7,619	(70)
Balances at the end of the period	2,007	5	12,854	320	3,648	33,271[1]	7,625	70,188	154

(1) Includes 34,528 corresponding to the effect of the translation of the financial statements of YPF S.A. and (1,257) corresponding to the effect of the trans of investment in companies with functional currency different to dollar, as detailed in Note 1.b.1.

(2) Includes 38 corresponding to long term benefit plans as of December 31, 2012, which were converted to share-based benefit plans (see Note 1.b. accrual of share-based benefit plans for the nine-month period ended September 30, 2013.

Notes 1 to 15 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MA
Pr

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013

(amounts expressed in millions of Argentine pesos – Note 1.b.1)

	2014	2013
Cash flows provided by operating activities		
Net income for the period	7,549	3,201
Adjustments to reconcile net income to cash flows provided by operating activities:		
Income on investments in companies	(61)	(77)
Depreciation of fixed assets	13,660	7,789
Amortization of intangible assets	250	142
Purchase of treasury shares	(198)	(93)
Consumption of materials and retirement of fixed assets and intangible assets, net of provisions	2,671	1,658
Income tax	14,338	5,182
Net increase in provisions	2,465	2,281
Interest, exchange differences and other(1)	1,813	(37)
Share-based benefit plan	56	73
Accrued insurance	(1,632)	-
Changes in assets and liabilities:		
Trade receivables	(4,150)	(4,032)
Other receivables and advances	(802)	(204)
Inventories	(2,425)	(1,480)
Accounts payable	1,663	4,625
Other taxes payable	3,006	118
Salaries and social security	431	77
Payment of provisions	(1,580)	(516)
Dividends from investments in companies	233	136
Proceeds from collection of lost profit insurance	1,689	-
Income tax payments	(2,582)	(2,464)
Net cash flows provided by operating activities	36,394	16,379
Cash flows used in investing activities(2)		
Acquisitions of fixed assets and intangible assets	(35,365)	(18,203)
Capital contributions to investments in companies	(94)	(11)
Advances received from the sale of fixed assets	1,711	-
Acquisition of participation in joint operations	(869)	-
Acquisition of subsidiaries net of acquired cash and equivalents	(6,103)	107
Proceeds from collection of damaged property's insurance	1,818	-
Net cash flows used in investing activities	(38,902)	(18,107)
Cash flows provided by financing activities		
Payments of loans	(9,012)	(4,892)
Payments of interest	(3,413)	(1,833)
Proceeds from loans	19,342	10,846
Dividends paid	(464)	(326)
Net cash flows provided by financing activities	6,453	3,795
Translation differences generated by cash and equivalents	1,215	89
Net increase in cash and equivalents	5,160	2,156
Cash and equivalents at the beginning of year	10,713	4,747
Cash and equivalents at the end of period	15,873	6,903
Net increase in cash and equivalents	5,160	2,156
COMPONENTS OF CASH AND EQUIVALENTS AT THE END OF PERIOD		
– Cash	6,567	883
– Other financial assets	9,306	6,020
TOTAL CASH AND EQUIVALENTS AT THE END OF PERIOD	15,873	6,903

(1) Does not include translation differences generated by cash and equivalents, which is exposed separately in the statement.
(2) The main investing and financing activities that have not affected cash and equivalents correspond to unpaid acquisitions of fixed assets and concessions extension easements for 4,977 and 3,248 for the nine-month periods ended September 30, 2014 and 2013, respectively, and increases related to hydrocarbon wells abandonment obligation costs for 124 for the nine-month period ended September 30, 2013.

Notes 1 to 15 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MATIAS GALUCCIO
President

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014 AND COMPARATIVE INFORMATION

(amounts expressed in millions of Argentine pesos, except where otherwise indicated – Note 1.b.1)

1. CONSOLIDATED FINANCIAL STATEMENTS

1.a) Presentation Basis

– Application of International Financial Reporting Standards

The consolidated interim financial statements of YPF S.A. (hereinafter "YPF") and its controlled companies (hereinafter and all together, the "Group" or the "Company") for the nine-month period ended September 30, 2014 are presented in accordance with International Accounting Standards ("IAS") No. 34 "Interim Financial Reporting". The adoption of IFRS as issued by the International Accounting Standards Board ("IASB") was determined by the Technical Resolution No. 26 (ordered text) issued by Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") and the regulations of the Argentine Securities Commission ("CNV").

The amounts and other information corresponding to the year ended on December 31, 2013 and for the nine-month and three-month periods ended on September 30, 2013, are an integral part of the consolidated financial statements mentioned above and are intended to be read only in relation to these statements.

– Criteria adopted by YPF in its transition to IFRS

At the date of the transition to IFRS (January 1, 2011, hereinafter the "transition date"), the Company has followed the following criteria in the context of the alternatives and exemptions provided by IFRS 1 "First-Time Adoption of International Financial Reporting Standards":

I. Fixed assets and intangible assets have been measured at the transition date at the functional currency defined by the Company according to the following basis:

   a) Assets as of the transition date which were acquired or incorporated before March 1, 2003, date on which General Resolution No. 441 of the CNV established the discontinuation of the remeasurement of financial statements in constant pesos: the value of these assets measured according to the accounting standards outstanding in Argentina before the adoption of IFRS (hereinafter the "Previous Argentine GAAP") have been adopted as deemed cost as of March 1, 2003 and remeasured into U.S. dollars using the exchange rate in effect on that date;

   b) Assets as of the transition date which were acquired or incorporated subsequently to March 1, 2003: have been valued at acquisition cost and remeasured into U.S. dollars using the exchange rate in effect as of the date of incorporation or acquisition of each such asset.

II. The cumulative translation differences generated by investments in foreign companies as of the transition date were reclassified to retained earnings. Under previous Argentine GAAP, these differences were recorded under shareholders' equity as deferred earnings.

   The effect arising from the initial application of IFRS, considering the mentioned criteria has been recorded in "Initial IFRS adjustment reserve account within Shareholders' equity". See additionally Note 1.b.17).

– Use of estimations

The preparation of the consolidated financial statements in accordance with IFRS, which is YPF´s Board of Directors' responsibility, require certain accounting estimates to be made and the Board of Directors and Management to make judgments when applying accounting standards. Areas of greater complexity or that require further judgment, or those where assumptions and estimates are significant, are detailed in Note 1.c, "Accounting Estimates and Judgments".

– Consolidation policies

a) General criteria

For purpose of presenting the consolidated financial statements, the full consolidation method was used with respect to those subsidiaries in which the Company holds, either directly or indirectly, control, understood as the ability to establish/manage the financial and operating policies of a company to obtain benefits from its activities. This capacity is, in general but not exclusively, obtained by the ownership, directly or indirectly of more than 50% of the voting shares of a company.

Interest in joint operations and other agreements which gives the Company a percentage contractually established over the rights of the assets and obligations that emerge from the contract ("joint operations"), have been consolidated line by line on the basis of the mentioned participation over the assets, liabilities, income and expenses related to each contract. Assets, liabilities, income and expenses of joint operations are presented in the consolidated balance sheet and in the consolidated statement of comprehensive income, in accordance with their respective nature.

Paragraph a) of Exhibit I details the controlled companies which were consolidated using the full consolidation method and Exhibit II details the main joint operations which were proportionally consolidated.

In the consolidation process, balances, transactions and profits between consolidated companies have been eliminated.

The Company's consolidated financial statements are based on the most recent available financial statements of the companies in which YPF holds control, taking into consideration, where necessary, significant subsequent events and transactions, information available to the Company's management and transactions between YPF and such controlled companies, which could have produced changes to their shareholders' equity. The date of the financial statements of such controlled companies used in the consolidation process may differ from the date of YPF's financial statements due to administrative reasons. The accounting principles and procedures used by controlled companies have been homogenized, where appropriate, with those used by YPF in order to present the consolidated financial statements based on uniform accounting and presentation policies. The financial statements of controlled companies whose functional currency is different from the presentation currency are translated using the procedure set out in Note 1.b.1.

YPF, directly and indirectly, holds approximately 100% of capital of the consolidated companies, except for the indirect holdings in MetroGAS S.A. ("MetroGAS") and YPF Tecnología S.A. ("YPF Tecnología"). Taking into account the previously mentioned, there are no material non-controlling interests to be disclosed, as required by IFRS 12 "Disclosure of Interests in Other Entities".

b) Acquisition of companies

As detailed in Note 13, on February, 2014, YPF and its subsidiary YPF Europe B.V. accepted the offer made by Apache Overseas Inc. and Apache International S.a.r.l. for the acquisition of 100% of its interest in parent companies of the Apache Group's assets in Argentina completing the precedent conditions set forth in that agreement on March 13, 2014 (take over control date). Additionally, during the second quarter of 2013 the Company obtained control over Gas Argentino S.A. ("GASA"), parent company of MetroGAS, and as from August, 2013, over YPF Energía Eléctrica S.A. ("YPF Energía Eléctrica"), a company resulting from the spin-off of Pluspetrol Energy S.A.

The Company has consolidated the results of operations of Apache Group (hereinafter YSUR), GASA, and consequently of its subsidiaries and of YPF Energía Eléctrica as from the moment in which it obtained control over such companies. The accounting effects of the above mentioned transactions, which include the purchase price allocation to the assets and liabilities acquired, are disclosed in Note 13.

1.b) Significant Accounting Policies

1.b.1) <u>Functional and Reporting Currency and tax effect on Other Comprehensive Income</u>

<u>Functional Currency</u>

YPF has defined the U.S. dollar as its functional currency based on criteria set out in IAS 21 "The effects of changes in foreign exchange rates". Consequently, non-monetary items which are measured in terms of historical cost, as well as income and expenses, are remeasured using the exchange rate at the date of the relevant transaction.

Transactions in currencies other than the functional currency of YPF are deemed to be "foreign currency transactions" and are remeasured into functional currency by applying the exchange rate prevailing at the date of the transaction (or, for practical reasons and when exchange rates do not fluctuate significantly, the average exchange rate for each month). At the end of each period or year or at the time of cancellation, the balances of monetary assets and liabilities in currencies other than the functional currency are measured at the exchange prevailing at such date and the exchange differences arising from such measurement are recognized as "Financial income (expense), net" in the consolidated statement of comprehensive income for the period or year in which they arise.

Assets, liabilities and income and expenses related to controlled companies and investments in companies are measured using their respective functional currency. The effects of translating into U.S. dollars the financial information of companies with a functional currency different from the U.S. dollar are recognized in "Other comprehensive income" for the period or year.

Reporting Currency

According to General Resolution No. 562 of the CNV, the Company must file its financial statements in pesos. Accordingly, the financial statements prepared by YPF in its functional currency have to be converted into reporting currency, following the criteria described below:

- Assets and liabilities of each balance sheet presented are translated at the closing exchange rate outstanding at the date of each balance sheet presented;
- Items of the statement of comprehensive income are translated at the exchange rate prevailing at the date of each transaction (or, for practical reasons and when exchange rates do not fluctuate significantly, the average exchange rate of each month); and
- The exchange differences resulting from this process are reported in "Other comprehensive income".

Tax effect on other comprehensive income:

Results accounted for in "Other comprehensive income" related to exchange differences arising from investments in companies with functional currencies other than U.S. dollars and also as a result of the translation of the financial statements of YPF to its reporting currency (pesos) have no effect on the current or deferred income tax because as of the time that such transactions were generated, they had no impact on net income nor taxable income.

1.b.2) Financial assets

The Company classifies its financial assets when they are initially recognized and reviews their classification at the end of the period or year, according to IFRS 9, "Financial Instruments".

A financial asset is initially recognized at its fair value. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset are capitalized upon initial recognition of the asset, except for those assets designated as financial assets at fair value through profit or loss.

Following their initial recognition, the financial assets are measured at its amortized cost if both of the following conditions are met: (i) the asset is held with the objective of collecting the related contractual cash flows (i.e., it is held for non-speculative purposes); and (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on its outstanding amount. If either of the two criteria is not met, the financial instrument is classified at fair value through profit or loss.

A financial asset or a group of financial assets measured at its amortized cost is impaired if there is objective evidence that the Company will not be able to recover all amounts according to its (or their) original terms. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate computed at its initial recognition, and the resulting amount of the loss is recognized in the consolidated statement of comprehensive income. Additionally, if in a subsequent period the amount of the impairment loss decreases, the previously recognized impairment loss is reversed to the extent of the

decrease. The reversal may not result in a carrying amount that exceeds the amortized cost that would have been determined if no impairment loss had been recognized at the date the impairment was reversed.

The Company writes off a financial asset when the contractual rights on the cash flows of such financial asset expire, or the financial asset is transferred.

In cases where IFRS require the valuation of receivables at discounted values, the discounted value does not differ significantly from their face value.

1.b.3) Inventories

Inventories are valued at the lower of their cost and their net realizable value. Cost includes acquisition costs (less trade discount, rebates and other similar items), conversion and other costs which have been incurred when bringing the inventory to its present location and condition.

In the case of refined products, costs are allocated in proportion to the selling price of the related products (isomargin method) due to the difficulty for allocating the production costs on an individual basis.

The Company assesses the net realizable value of the inventories at the end of each period or year and recognizes in profit or loss in the consolidated statement of comprehensive income the appropriate valuation adjustment if the inventories are overstated. When the circumstances that previously caused impairment no longer exist or when there is clear evidence of an increase in the inventories' net realizable value because of changes in economic circumstances, the amount written-down is reversed.

Raw materials, packaging and others are valued at their acquisition cost.

1.b.4) Intangible assets

The Company initially recognizes intangible assets at their acquisition or development cost. This cost is amortized on a straight-line basis over the useful lives of these assets (see Note 2.f). At the end of each period or year, such assets are measured at cost, considering the criteria adopted by the Company upon its transition to IFRS (see Note 1.a), less any accumulated amortization and any accumulated impairment losses.

The main intangible assets of the Company are as follows:

I. *Service concessions arrangements:* includes transportation and storage concessions (see Note 2.f). These assets are valued at their acquisition cost considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), net of accumulated amortization. They are depreciated using the straight-line method during the course of the concession period.

II. *Exploration rights:* the Company recognizes exploration rights as intangible assets, which are valued at their cost considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), net of any related impairment, if applicable. Investments related to unproved properties are not depreciated. These investments are reviewed for impairment at least once a year or whenever there are indicators that the assets may have become impaired. Any impairment loss or reversal is recognized in profit or loss in the consolidated statement of comprehensive income. Exploration costs (geological and geophysical expenditures, expenditures associated with the maintenance of unproved reserves and other expenditures relating to exploration activities), excluding exploratory wells drilling costs, are charged to expense in the consolidated statement of comprehensive income as incurred.

III. *Other intangible assets:* mainly includes costs relating to computer software development expenditures, as well as assets that represent the rights to use technology and knowledge ("know how") for the manufacture and commercial exploitation of equipment related to oil extraction. These items are valued at their acquisition cost considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), net of the related depreciation and any impairment, if applicable. These assets are amortized on a straight-line basis over their useful lives, which range between 3 and 14 years. Management reviews annually the mentioned estimated useful life.

The Company does not have intangible assets with indefinite useful lives as of September 30, 2014 and 2013, and as of December 31, 2013.

1.b.5) Investments in companies

Investments in affiliated companies and Joint Ventures are valued using the equity method. Affiliated companies are considered to be those in which the Company has significant influence, defined as the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Significant influence is presumed when the Company has an interest of 20% or more in a company.

Under the provisions of IFRS 11, "Joint Arrangements", and IAS 28 (2011), "Investments in Associates and Joint Ventures", investments in which two or more parties have joint control (defined as a "Joint Arrangement") shall be classified as either a Joint Operation (when the parties that have joint control have rights to the assets and obligations for the liabilities relating to the Joint Arrangement) or a Joint Venture (when the parties that have joint control have rights to the net assets of the Joint Arrangement). Considering such classification, Joint Operations shall be proportionally consolidated and Joint Ventures shall be accounted for under the equity method.

The equity method consists in the incorporation in the balance sheet line "Investments in companies", of the value of net assets and goodwill, if any, of the interest in the affiliated company or Joint Venture. The net income or expense for each period corresponding to the interest in these companies is reflected in the statement of comprehensive income in the "Income on investments in companies" line.

Investments in companies have been valued based upon the latest available financial statements of these companies as of the end of each period or year, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between YPF and the related company which have produced changes on the latter's shareholders' equity. The dates of the financial statements of such related companies and Joint Ventures used in the consolidation process may differ from the date of the Company's financial statements due to administrative reasons. The accounting principles and procedures used by affiliated companies have been homogenized, where appropriate, with those used by YPF in order to present the consolidated financial statements based on uniform accounting and presentation policies. The financial statements of affiliated companies whose functional currency is different from the presentation currency are translated using the procedure set out in Note 1.b.1).

Investments in companies in which the Company has no joint control or significant influence, have been valued at cost.

Investments in companies with negative shareholders' equity are disclosed in the "Accounts payable" account, provided that the Company has the intention to provide the corresponding financial support.

The carrying value of the investments in companies does not exceed their estimated recoverable value.

In paragraph b) of Exhibit I are detailed the investments in companies.

As from the effective date of Law No. 25,063, dividends, either in cash or in kind, that the Company receives from investments in other companies and which are in excess of the accumulated income that these companies carry upon distribution shall be subject to a 35% income tax withholding as a sole and final payment. The Company has not recorded any charge for this tax since it has estimated that dividends from earnings recorded by the equity method will not be subject to such tax.

1.b.6) Fixed assets

i. General criteria:

Fixed assets are valued at their acquisition cost, plus all the costs directly related to the location of such assets for their intended use, considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a).

Borrowing costs of assets that require a substantial period of time to be ready for their intended use are capitalized as part of the cost of these assets.

Major inspections, necessary to restore the service capacity of the related asset ("overhauls"), are capitalized and depreciated on a straight-line basis over the period until the next overhaul is scheduled.

The costs of renewals, betterments and enhancements that extend the useful life of properties and/or improve their service capacity are capitalized. As fixed assets are retired, the related cost and accumulated depreciation are eliminated from the balance sheet.

Repair and maintenance expenses are recognized in the statement of comprehensive income as incurred.

These assets are reviewed for impairment at least once a year or whenever there are indicators that the assets may have become impaired.

The carrying value of the fixed assets based on the cash generating unit, as defined in Note 1.b.8, does not exceed their estimated recoverable value.

ii. Depreciation:

Fixed assets, other than those related to oil and gas exploration and production activities, are depreciated using the straight-line method, over the years of estimated useful life of the assets, as follows:

	Years of Estimated Useful Life
Buildings and other constructions	50
Refinery equipment and petrochemical plants	20-25
Infrastructure of natural gas distribution	20-50
Transportation equipment	5-25
Furniture, fixtures and installations	10
Selling equipment	10
Electric power generation facilities	15-20
Other property	10

Land is classified separately from the buildings or facilities that may be located on it and is deemed to have an indefinite useful life. Therefore, it is not depreciated.

The Company reviews annually the estimated useful life of each class of assets.

iii. Oil and gas exploration and production activities:

The Company recognizes oil and gas exploration and production transactions using the “successful-efforts” method. The costs incurred in the acquisition of new interests in areas with proved and unproved reserves are capitalized as incurred under Mineral properties, wells and related equipment. Costs related to exploration permits are classified as intangible assets (see Notes 1.b.4 and 2.f).

Exploration costs, excluding the costs associated to exploratory wells, are charged to expense as incurred. Costs of drilling exploratory wells, including stratigraphic test wells, are capitalized pending determination as to whether the wells have found proved reserves that justify commercial development. If such reserves are not found, the mentioned costs are charged to expense. Occasionally, an exploratory well may be determined to have found oil and gas reserves, but classification of those reserves as proved cannot be made. In those cases, the cost of drilling the exploratory well shall continue to be capitalized if the well has found a sufficient quantity of reserves to justify its completion as a producing well, and the company is making sufficient progress assessing the reserves as well as the economic and operating viability of the project. If any of the mentioned conditions are not met, cost of drilling exploratory wells is charged to expense. In addition, the exploratory activity involves, in many cases, the drilling of multiple wells through several years in order to completely evaluate a project. As a consequence some exploratory wells may be kept in evaluation for long periods, pending the completion of additional wells and exploratory activities needed to evaluate and quantify the reserves related to each project.

Intangible drilling costs applicable to productive wells and to developmental dry holes, as well as tangible equipment costs related to the development of oil and gas reserves, have been capitalized.

The capitalized costs described above are depreciated as follows:

a) The capitalized costs related to productive activities have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to the estimated proved and developed oil and gas reserves.

b) The capitalized costs related to the acquisition of property and the extension of concessions with proved reserves have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to the estimated proved oil and gas reserves.

Revisions in oil and gas proved reserves are considered prospectively in the calculation of depreciation. Revisions in estimates of reserves are performed at least once a year. Additionally, estimates of reserves are audited by independent petroleum engineers on a three-year rotation plan.

iv. Costs related to hydrocarbon wells abandonment obligations:

Costs related to hydrocarbon wells abandonment obligations are capitalized at their discounted value along with the related assets, and are depreciated using the unit-of-production method. As compensation, a liability is recognized for this concept at the estimated value of the discounted payable amounts. Revisions of the payable amounts are performed upon consideration of the current costs incurred in abandonment obligations on a field-by-field basis or other external available information if abandonment obligations were not performed. Due to the number of wells in operation and/or not abandoned and likewise the complexity with respect to different geographic areas where the wells are located, current costs incurred in plugging activities are used for estimating the plugging activities costs of the wells pending abandonment. Current costs incurred are the best source of information in order to make the best estimate of asset retirement obligations. Future changes in the costs above mentioned, as well as changes in regulations related to abandonment obligations, which are not possible to be predicted at the date of issuance of these financial statements, could affect the value of the abandonment obligations and, consequently, the related asset, affecting the results of future operations.

v. Environmental tangible assets:

The Company capitalizes the costs incurred in limiting, neutralizing or preventing environmental pollution only in those cases in which at least one of the following conditions is met: (a) the expenditure improves the safety or efficiency of an operating plant (or other productive assets); (b) the expenditure prevents or limits environmental pollution at operating facilities; or (c) the expenditure is incurred to prepare assets for sale and do not raise the assets carrying value above their estimated recoverable value.

The environmental related assets and the corresponding accumulated depreciation are disclosed in the consolidated financial statements together with the other elements that are part of the corresponding assets which are classified according to their accounting nature.

vi. Assets held for sale

It corresponds to assets available for sale pursuant to the transfer of assets agreement mentioned in Note 13, which have been valued at the lowest of its acquisition cost and its fair value less direct sale expenses.

1.b.7) <u>Provisions</u>

The Company makes a distinction between:

a) Provisions: represent legal or constructive obligations, arising from past events, the settlement of which is expected to give rise to an outflow of resources and which amount and timing are uncertain. Provisions are recognized when the liability or obligation giving rise to an indemnity or payment arises, to the extent that its amount can be reliably estimated and that the obligation to settle is probable or certain. Provisions include both obligations whose occurrence does not depend on future events (such as provisions for environmental liabilities and provision for hydrocarbon wells abandonment obligations), as well as those obligations that are probable and can be reasonably estimated whose realization depends on the occurrence of a future events that are out of the control of the Company (such as provisions for contingencies). The amount recorded as provision corresponds to the best estimate of expenditures required to settle the obligation, taking into consideration the relevant risks and uncertainties; and

b) Contingent liabilities: represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company, or present obligations arising from past events, the amount of which cannot be estimated reliably or whose settlement is not likely to give rise to an outflow of resources embodying future economic benefits. Contingent liabilities are not recognized in the consolidated financial statements, but rather are disclosed to the extent they are significant, as required by IAS 37, "Provisions, contingent liabilities and contingent assets" (see Note 11).

When a contract qualifies as onerous, the related unavoidable liabilities are recognized in the consolidated financial statements as provisions, net of the expected benefits.

Except for provisions for hydrocarbon wells abandonment obligations, where the timing of settlement is estimated on the basis of the work plan of the Company, and considering the estimated production of each field (and therefore its abandonment) and provisions for pension plans, in relation to other noncurrent provisions, it is not possible to reasonably estimate a specific schedule of settlement of the provisions considering the characteristics of the concepts included.

1.b.8) Impairment of fixed assets and intangible assets

For the purpose of evaluating the impairment of fixed assets and intangible assets, the Company compares their carrying value with their recoverable value at the end of each year, or more frequently, if there are indicators that the carrying amount of an asset may not be recoverable. In order to assess impairment, assets are grouped into cash-generating units ("CGUs"), whereas the asset does not generate cash flows that are independent of those generated by other assets or CGUs, considering regulatory, economic, operational and commercial conditions. Considering the above mentioned, and specifically in terms of assets corresponding to the Upstream, they have been grouped into four CGUs (one of them grouping the assets of fields with oil reserves, and three units that group assets of fields with reserves of natural gas considering the country´s basins -Neuquina, Noroeste and Austral basins-), which are the best reflect of how the Company currently manage them in order to generate independent cash flows. The remaining assets are grouped at the CGU Downstream, which mainly includes the assets assigned to the refining of crude oil (or that complement such activity) and marketing of such products, in MetroGAS CGU, which includes assets related to distribution of natural gas and in YPF Energía Eléctrica CGU, which includes assets related to generation and commercialization of electric energy.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a rate that reflects the weighted average capital cost employed for each CGU.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount, and an impairment loss is recognized as an expense under "Impairment losses recognized and losses on disposal of fixed assets/intangible assets" in the consolidated statement of comprehensive income.

Any impairment loss is allocated to the assets comprising the CGU on a pro-rata basis based on their carrying amount. Consequently, the basis for future depreciation or amortization will take into account the reduction in the value of the asset as a result of any accumulated impairment losses.

Upon the occurrence of new events or changes in existing circumstances, which prove that an impairment loss previously recognized could have disappeared or decreased, a new estimate of the recoverable value of the corresponding asset is calculated to determine whether a reversal of the impairment loss recognized in previous periods needs to be made.

In the event of a reversal, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined in case no impairment loss had been recognized for the asset (or the CGU) in the past.

There were no impairment charges or reversals for the nine-month periods ended on September 30, 2014 and 2013.

1.b.9) Methodology used in the estimation of recoverable amounts

– Company's general criteria: the recoverable amount of fixed assets and intangible assets is generally estimated on the basis of their value in use, calculated on the basis of future expected cash flows derived from the use of the assets, discounted at a rate that reflects the weighted average capital cost.

In the assessment of the value in use, cash flow forecasts based on the best estimate of income and expense available for each CGU using sector inputs, past results and future expectations of business evolution and market development are utilized. The most sensitive aspects included in the cash flows used in all the CGUs are the purchase and sale prices of hydrocarbons (including applicable fees for the gas distribution), outstanding regulations, estimate of cost increase, employee costs and investments.

The cash flows from the exploration and production assets are generally projected for a period that covers the economically productive useful lives of the oil and gas fields and is limited by the contractual expiration of the concessions permits, agreements or exploitation contracts. The estimated cash flows are based on production levels, commodity prices and estimates of the future investments that will be necessary in relation to undeveloped oil and gas reserves, production costs, field decline rates, market supply and demand, contractual conditions and other factors. The unproved reserves are weighted with risk factors, on the basis of the type of each one of the exploration and production assets.

The cash flows of the Downstream businesses and YPF Energía Eléctrica are estimated on the basis of the projected sales trends, unit contribution margins, fixed costs and investment or divestment flows, in line with the expectations regarding the specific strategic plans of each business. However, cash inflows and outflows relating to planned restructurings or productivity enhancements are not considered.

The reference prices considered are based on a combination of market prices available in those markets where the Company operates, also taking into consideration specific circumstances that could affect different products the Company commercializes and management's estimations and judgments.

Estimated net future cash flows are discounted to its present value using a rate that reflects the average capital cost for each CGU.

For the valuation of the assets of the CGU MetroGAS, cash flows are developed based on estimates of the future behavior of certain variables that are sensitive in determining the recoverable value, among which stands out: (i) the nature, timing and extension of tariff increases and cost adjustments recognition, (ii) gas demand projections, (iii) evolution of costs to be incurred, and (iv) macroeconomic variables such as growth rate, inflation rate, foreign currency exchange rate, among others.

MetroGAS prepared its projections on the understanding that it will get tariff increases according to the current economic and financial situation of MetroGAS. Within these premises, and in terms of tariff increase estimations, the scenarios range from a tariff adjustment in order to meet adjustments obtained by other companies in that business up to a recovery of tariff levels prevailing in 2001 and in relation to regional tariffs in South America, especially in Brazil and Chile. A probability approach has been used to weight the different scenarios assigning an outcome probability to each cash flow scenario projected, based on current objective information. However, MetroGAS is unable to ensure that the realization of the assumptions used to develop these projections will be in line with its estimates, so they might differ significantly from the estimates and assumptions used as of the date of preparation of these consolidated financial statements.

1.b.10) Pension plans and other similar obligations

i. Retirement plan:

Effective March 1, 1995, YPF and certain subsidiaries have established a defined contribution retirement plan that provides benefits for each employee who elects to join the plan. Each plan member will pay an amount between 2% and 9% of his monthly compensation and YPF will pay an amount equal to that contributed by each member.

The plan members will receive YPF and certain subsidiaries' contribution prior to retirement only in the case of voluntary termination under certain circumstances or dismissal without cause and, additionally, in case of death or incapacity. Such companies have the right to discontinue this plan at any time, without incurring termination costs.

The total charges recognized under the retirement plan amounted to approximately 43 and 31 for the nine-month periods ended on September 30, 2014 and 2013, respectively.

ii. Performance Bonus Programs:

These programs cover certain YPF and its controlled companies' personnel. These bonuses are based on achieving business unit objectives and performance. They are calculated considering the annual compensation of each employee, certain key factors related to the fulfillment of these objectives and the performance of each employee and are paid in cash.

The amount charged to expense related to the Performance Bonus Programs was 589 and 333 for the nine-month periods ended on September 30, 2014 and 2013, respectively.

iii. Share-based benefit plan:

From the year 2013, YPF has decided to implement Share-based benefits Plans. These plans cover certain executive and management positions and key personnel with critical technical knowledge. The above plans are aimed at aligning the performance of executives and key technical staff with the objectives of the strategic plan of the Company.

These plans are to give participation, through shares of the Company, to each selected employee with the condition of remaining in it during the previously defined period (up to three years from the grant date, hereinafter "service period"), being this the only condition necessary to access the agreed final retribution. During the year 2013, the implementation of these plans has included the conversion of certain long term compensation plans existing to date of implementation. Consequently, during the month of June 2013, the Company has converted these existing plans to new share-based schemes, reversing a liability of 38 corresponding to existing plans as of December 31, 2012.

Consistent with share-based benefit plans approved in 2013, the Board of Directors at its meeting held on June 11, 2014, approved the creation of a new share-based benefit plan 2014-2016, which will be valid for three years from July 1, 2014 (grant date), with similar characteristics to those of the 2013-2015 plan.

For accounting purposes, YPF recognizes the effects of the plans in accordance with the guidelines of IFRS 2, "Share-based Payment". In this order, the total cost of the plans granted is measured at the grant date, using the fair value or market price of the Company's share in the American market. The above mentioned cost is accrued in the Company's net income for the year, over the vesting period, with the corresponding increase in Shareholders' equity in the account "Share-based Benefit Plans".

The amounts recognized in net income in relation with the share-based plans previously mentioned, which are disclosed according to their nature, amounted to 56 and 35 for the nine-month periods ended on September 30, 2014 and 2013, respectively.

Information related to the evolution of the quantity of shares of the plans at the end of the nine-month periods ended on September 30, 2014 and 2013 is as follows:

2013-2015 plan

	2014	2013
Amount at beginning of year	1,289,841	-
- Granted	-	1,962,500
- Settled	(8,165)	-
- Expired	(27,280)	-
Amount at the end of period[(1)]	1,254,396	1,962,500
Expense recognized during the period	40	35
Fair value of shares on grant date (in dollars)	14.75	14.75

(1) The average remaining life of the plan is between 1 and 25 months as of September 30, 2014 and between 3 and 27 months as of September 30, 2013.

2014-2016 plan

	2014
Amount at beginning of year	-
- Granted	356,054
- Settled	-
- Expired	-
Amount at the end of period(1)	356,054
Expense recognized during the period	16
Fair value of shares on grant date (in dollars)	33.41

(1) The average remaining life of the plan is between 13 and 33 months as of September 30, 2014.

iv. Pension Plans and other Post-retirement and Post-employment benefits

YPF Holdings Inc., which has operations in the United States of America, has certain defined benefit plans and post-retirement and post-employment benefits.

The funding policy related to the defined benefit plan, is to contribute amounts to the plan sufficient to meet the minimum funding requirements under governmental regulations, plus such additional amounts as management may determine to be appropriate.

In addition, YPF Holdings Inc. provides certain health care and life insurance benefits for eligible retired employees, and also certain insurance, and other post-employment benefits for eligible individuals in the event employment is terminated by YPF Holdings Inc. before their normal retirement. Employees become eligible for these benefits if they meet minimum age and years-of-service requirements. YPF Holdings Inc. accounts for benefits provided when payment of the benefit is probable and the amount of the benefit can be reasonably estimated. No assets were specifically reserved for the post-retirement and post-employment benefits, and consequently, payments related to them are funded as claims are received.

The plans mentioned above are valued at their net present value, are accrued based on the years of active service of the participating employees and are disclosed as noncurrent liabilities in the "Salaries and social security" account. The actuarial gains and losses arising from the remeasurement of the defined benefit liability of pension plans are recognized in Other Comprehensive Income as a component of shareholders' equity, and are transferred directly to the retained earnings. YPF Holdings Inc. updates its actuarial assumptions at the end of each fiscal year.

Additional disclosures related to the pension plans and other post-retirement and post-employment benefits, are included in Note 7.

Additionally, the Company's management believes that the deferred tax asset generated by the cumulative actuarial losses related to the pension plans of YPF Holdings Inc., will not be recoverable based on estimated taxable income generated in the jurisdiction in which they are produced.

1.b.11) Revenue recognition criteria

Revenue is recognized on sales of crude oil, refined products and natural gas, in each case, when title and risks are transferred to the customer following the conditions described below:

– the Company has transferred to the buyer the significant risks and benefits of ownership of the goods;
– the Company does not retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
– the amount of revenue can be measured reliably;
– it is probable that the economic benefits associated with the transaction will flow to the Company; and
– the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Grants for capital goods

Argentine tax authorities provide a tax incentive for investment in capital goods, computers and telecommunications for domestic manufacturers through a fiscal bonus, provided that manufacturers have industrial establishments located in Argentina, a requirement that is satisfied by the controlled

company A-Evangelista S.A. The Company recognizes such incentive when the formal requirements established by Decrees No. 379/01, 1551/01, its amendments and regulations are satisfied, to the extent that there is reasonable certainty that the grants will be received.

The bonus received may be computed as a tax credit for the payment of national taxes (i.e., Income Tax, Tax on Minimum Presumed Income, Value Added Tax and Domestic Taxes) and may also be transferred to third parties.

1.b.12) Recognition of revenue and costs associated with construction contracts

Revenues and costs related to construction activities performed by A-Evangelista S.A., controlled company, are accounted for in the consolidated statement of comprehensive income for the period using the percentage of completion method, considering the final contribution margin estimated for each project at the date of issuance of the financial statements, which arises from technical studies on sales and total estimated costs for each of them, as well as their physical progress.

The adjustments in contract values, changes in estimated costs and anticipated losses on contracts in progress are reflected in earnings in the period and/or year when they become evident.

The table below details information related to the construction contracts in progress on September 30, 2014 and 2013:

		Contracts in progress		
	Revenues of the period	Costs incurred plus accumulated recognized profits	Advances received	Gross amount due to customers
2014	414	2,725	476	-
2013	251	666	289	-

1.b.13) Leases

Operating leases

A lease is classified as an operating lease when the lessor does not transfer substantially to the lessee the entire risks and the inherent benefit of the ownership of the asset.

Costs related to operating leases are recognized on a straight-line basis in “Rental of real estate and equipment” and “Operation services and other service contracts” of the Consolidated Statement of Comprehensive income for the period in which they arise.

Finance Leases

The Company has no finance leases as defined under IFRS.

1.b.14) Earnings per share

Basic earnings per share are calculated by dividing the net income for the period attributable to YPF’s shareholders by the weighted average of shares of YPF outstanding during the period, net of the shares repurchased as mentioned in Note 4.

Additionally, diluted earnings per share are calculated by dividing the net income for the period attributable to YPF’s shareholders by the weighted average of ordinary shares of YPF outstanding during the period adjusted by the weighted average of ordinary shares of YPF that would be issued on the conversion of all the dilutive potential ordinary shares into YPF ordinary shares. As of the date of issuance of these financial statements there are no instruments outstanding that imply the existence of potential ordinary shares, thus the basic earnings per share matches the diluted earnings per share.

1.b.15) Financial liabilities

Financial liabilities (loans and accounts payable) are initially recognized at their fair value less the transaction costs incurred. Since the Company does not have financial liabilities whose characteristics require the recognition at their fair value, according to IFRS, after their initial recognition, financial liabilities are measured at amortized cost.

Any difference between the financing received (net of transaction costs) and the repayment value is recognized in the consolidated statement of comprehensive income over the life of the related debt instrument, using the effective interest rate method.

"Accounts payable" and "Other liabilities" are recognized at their face value since their discounted value does not differ significantly from their face value.

The Company derecognizes financial liabilities when the related obligations are settled or expire.

In order to account for the exchange of debt obligations arising from the voluntary reorganization petition of MetroGAS and GASA for new negotiable obligations executed on January 11, 2013 and March 15, 2013, respectively, as described in Note 2.i, the Company has followed the guidelines provided by IFRS 9, "Financial Instruments".

IFRS 9 states that an exchange of debt instruments between a borrower and a lender shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability when the instruments have substantially different terms. The difference between the carrying amount of the financial liability extinguished and the consideration paid, which includes any non-cash assets transferred or liabilities assumed, is recognized in net income. The Company considers that the terms of the outstanding debt obligations, arising from the voluntary reorganization petition, subject to the exchange are substantially different from the new negotiable obligations. Additionally, the Company has evaluated and positively concluded over the estimated funds that such companies will have to comply with the terms of the debt and that allows the recognition of the debt relief. Consequently, MetroGAS and GASA have recorded the debt instruments' exchange following the guidelines mentioned above. Also, according to IFRS 9 the new negotiable obligations were recognized initially at fair value, net of transaction costs incurred and subsequently measured at amortized cost (see additionally Note 2.i). In the initial recognition, the fair value of such debt has been estimated using the discounted cash flow method, in the absence of quoted prices in active markets representative for the amount issued.

1.b.16) Taxes, withholdings and royalties

Income tax and tax on minimum presumed income

The Company recognizes the income tax applying the liability method, which considers the effect of the temporary differences between the financial and tax basis of assets and liabilities and the tax loss carry forwards and other tax credits, which may be used to offset future taxable income, at the current statutory rate of 35%.

According to IAS No. 34, interim periods, the charge to income tax expense is recognized based on the best estimate as of the date of the effective tax rate projected at year end. Amounts accrued for income tax expense for the nine-month period ended September 30, 2014, may require adjustments in subsequent periods if, from new evidence, the estimation of the projected effective tax rate is changed.

Additionally, the Company calculates tax on minimum presumed income applying the current 1% tax rate to taxable assets as of the end of each year. This tax complements income tax. The Company's tax liability will coincide with the higher between the determination of tax on minimum presumed income and the Company's tax liability related to income tax, calculated applying the current 35% income tax rate to taxable income for the year. However, if the tax on minimum presumed income exceeds income tax during one tax year, such excess may be computed as prepayment of any income tax excess over the tax on minimum presumed income that may be generated in the next ten years.

In the year ended December 31, 2013, the amounts determined as current income tax were higher than tax on minimum presumed income and they were included in the "Income tax" account of the statement of income.

Additionally, YPF estimates that in the current year, the amount to determine as tax liability for income tax will be higher than the tax on minimum presumed income; therefore it has not recorded any charge for this item.

Under Law No. 25,063, dividends distributed, either in cash or in kind, in excess of accumulated taxable income as of the end of the year immediately preceding the dividend payment or distribution date, shall be subject to a 35% income tax withholding as a sole and final payment, except for those distributed to shareholders resident in countries benefited from treaties for the avoidance of double taxation, which will be subject to a minor tax rate.

Additionally, on September 20, 2013, Law No. 26,893 was enacted, establishing changes to the Income Tax Law, and determining, among other things, an obligation respecting such tax as a single and final payment of 10% on dividends paid in cash or in kind (except in shares) to foreign beneficiaries and individuals residing in Argentina, in addition to the 35% retention mentioned above. The dispositions of this Law came in force on September 23, 2013, date of its publication in the Official Gazette.

Personal assets tax – Substitute responsible

Individuals and foreign entities, as well as their undistributed estates, regardless of whether they are domiciled or located in Argentina or abroad, are subject to personal assets tax of 0.5% of the value of any shares or ADSs issued by Argentine entities, held at December 31 of each year. The tax is levied on the Argentine issuers of such shares or ADSs, such as YPF, which must pay this tax on behalf of the relevant shareholders, and is based on the equity value (following the equity method), or the book value of the shares derived from the latest financial statements at December 31 of each year. Pursuant to the Personal Assets Tax Law, YPF is entitled to seek reimbursement of such paid tax from the applicable shareholders.

Royalties and withholding systems for hydrocarbon exports

A 12% royalty is payable on the estimated value at the wellhead of crude oil production and the commercialized natural gas volumes. The estimated value is calculated based upon the approximate sale price of the crude oil and gas produced, less the costs of transportation and storage. To calculate royalties, the Company has considered price agreements according to crude oil buying and selling operations obtained in the market for certain qualities of such product, and has applied these prices, net of the discounts mentioned above, according to regulations of Law No. 17,319 as amended. In addition, and pursuant to the extension of the original terms of exploitation concessions, the Company has agreed to pay an extraordinary Production Royalty and in some cases a royalty of 10% is payable over the production of unconventional hydrocarbons (see Note 11).

Royalty expense and the extraordinary production royalties are accounted for as a production cost.

Law No. 25,561 on Public Emergency and Exchange System Reform (“Ley de emergencia pública”), issued in January 2002, established duties for hydrocarbon exports for a five-year period. In January 2007, Law No. 26,217 extended this export withholding system for an additional five-year period and also established specifically that this regime is also applicable to exports from “Tierra del Fuego province”, which were previously exempted. In addition, Law No. 26,732 published in the Official Gazette in December 2011 extended for an additional 5 years the mentioned regime. On November 16, 2007, the Ministry of Economy and Production (“MEP”) published Resolution No. 394/2007, modifying the withholding regime on exports of crude oil and other refined products. In addition, the Resolution No. 1/2013 of January 3, 2013 and Resolution No. 803/2014 of October 21, 2014 from the Ministry of Economy and Public Finance, modified the reference and floor prices. The outstanding regime provides that when the international price exceeds the reference price of US$ 80 per barrel, the producer will collect a floor price of US$ 70 per barrel, depending on the quality of the crude oil sold, with the remainder being withheld by the Argentine Government. If the international price is under US$ 80 per barrel, a 13% withholding rate should be applied. If the international price is under US$ 75 per barrel, an 11.50% withholding rate should be applied; if the international price is under US$ 70 per barrel, a 10% withholding rate should be applied. If such price is under US$ 45 per barrel, the Government will have to determine the export rate within a term of 90 business days.

The withholding rate determined as indicated above also applies to diesel, gasoline and other crude derivative products. In addition, the procedure for the calculation mentioned above applies to other crude derivatives and lubricants, based upon different withholding rates, reference prices and prices allowed to producers. Furthermore, in March 2008, Resolution No. 127/2008 of the MEP increased the natural gas export withholding rate to 100% of the highest price from any natural gas import contract. This resolution has also established a variable withholding system applicable to liquefied petroleum gas, similar to the one established by the Resolution No. 394/2007.

1.b.17) Shareholders' equity accounts

Shareholders' equity accounts have been valued in accordance with accounting principles in effect as of the transition date. The accounting transactions that affect shareholders' equity accounts were accounted for in accordance with the decisions taken by the Shareholders' meetings, and legal standards or regulations.

Subscribed capital and adjustments to contributions

Consists of the shareholders' contributions represented by shares and includes the outstanding shares at face value net of treasury shares mentioned in the following paragraph "Treasury shares" and "Adjustment to treasury shares". The subscribed capital account has remained at its historical value and the adjustment required by previous Argentine GAAP to state this account in constant Argentine pesos is disclosed in the "Adjustments to contributions" account.

The adjustment to contributions cannot be distributed in cash or in kind, but is allowed its capitalization by the issuance of shares. Also, this item may be used to compensate accumulated losses, considering the absorption order stated in the paragraph "Retained earnings".

Treasury shares and adjustments to treasury shares

It corresponds to the reclassification of the nominal value and the corresponding adjustment in constant peso (Adjustment to Contributions) of shares issued and repurchased by YPF in market transactions, as is required by the CNVs regulations in force.

Share-based benefit plans

Corresponds to the balance related to the share-based benefit plans as mentioned in Note 1.b.10.iii).

Acquisition cost of repurchased shares

Corresponds to the cost incurred in the acquisition of the shares that YPF holds as treasury shares (see Note 4).

Issuance premiums

Corresponds to the difference between the amount of subscription of the capital increase and the corresponding face value of the shares issued.

Share trading premium

Corresponds to the difference between the accrued amount in relation to the share-based benefit plan and the acquisition cost of YPF shares settled in relation with the mentioned plan.

Considering the debit balance of the premium, distribution of retained earnings is restricted by the balance of this premium.

Legal reserve

In accordance with the provisions of Law No. 19,550, YPF has to appropriate to the legal reserve no less than 5% of the net amount of net income, prior year adjustments, transfers from other comprehensive income to retained earnings and accumulated losses from previous years, until such reserve reaches 20% of the subscribed capital plus adjustment to contributions. As of September 30, 2014, the legal reserve has been fully integrated amounting 2,007.

Reserve for future dividends

Corresponds to the allocation made by YPF's shareholders' meeting, whereby a specific amount is being assigned to constitute a reserve for future dividends.

Reserve for investment and reserve for purchase of treasury shares

Corresponds to the allocations made by YPF's shareholders' meeting, whereby a specific amount is being assigned to be used in future investments and in the purchase of the Company's shares to meet the obligations arising from share-based benefit plan described in the Note 4.

Initial IFRS adjustment reserve

Corresponds to the initial adjustment in the transition to IFRS application, which was approved by the Shareholders' meeting of April 30, 2013, in accordance with the General Resolution No. 609 of the CNV.

Such reserve cannot be used in distributions in cash or in kind to the shareholders or owners of YPF and may only be reversed for capitalization or absorption of an eventual negative balance on the "Retained earnings" account according the aforementioned Resolution.

Other comprehensive income

Includes income and expenses recognized directly in equity accounts and the transfer of such items from equity accounts to the income statement of the period or to retained earnings, as defined by IFRS.

Retained earnings

Includes accumulated gains or losses without a specific appropriation, which being positive can be distributed upon the decision of the Shareholders' meeting, while not subject to legal restrictions. Additionally, it includes the net income of previous years that was not distributed, the amounts transferred from other comprehensive income and adjustments to income of previous years produced by the application of new accounting standards.

Additionally, pursuant to the regulations on the CNV, when the net balance of other comprehensive income account is positive, it shall not be distributed, capitalized nor used to compensate accumulated losses, and when the net balance of these results at the end of a period or year is negative, a restriction on the distribution of retained earnings for the same amount will be imposed.

Non-controlling interest

Corresponds to the interest in the net assets acquired and net income of MetroGAS (30%) and YPF Tecnología (49%), representing the rights on shares that are not owned by YPF.

1.b.18) Business combinations

Business combinations are accounted for by applying the acquisition method when the Company takes effective control over the acquired company.

YPF recognizes in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest and, goodwill, if any, in accordance with IFRS 3.

The acquisition cost is measured as the sum of the consideration transferred, measured at fair value at their acquisition date and the amount of any non-controlling interest in the acquired entity. YPF will measure the non-controlling interest in the acquired entity at fair value or at the non-controlling interest's proportionate share of the acquired entity´s identifiable net assets.

If the business combination is achieved in stages, YPF shall remeasure its previously held equity interest in the acquired entity at its acquisition date fair value and recognize a gain or loss in the statement of comprehensive income.

The goodwill cost is measured as the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed net by YPF. If this consideration is lower than the fair value of the assets identifiable and liabilities assumed, the difference is recognized in the statement of comprehensive income.

1.b.19) New standards issued

The standards, interpretations and related amendments published by the IASB and endorsed by the FACPCE and the CNV that have been applied by the Company as from the year beginning on January 1, 2014, are the following:

IFRIC 21 "Levies"

In May 2013, IASB issued the IFRIC Interpretation 21, "Levies", which is effective for fiscal years beginning on or after January 1, 2014, with early application permitted.

IFRIC 21 addresses the accounting for a liability to pay a levy imposed by governments on entities in accordance with legislation.

IAS 36 "Impairment of assets"

In May 2013, the IASB issued an amendment to IAS 36, "Impairment of assets", which is effective for fiscal years beginning on or after January 1, 2014, with early application permitted.

The amendment to IAS 36 changes disclosures requirements regarding the determination of impairment of assets.

The adoption of the standards and interpretations or amendments mentioned in the previous paragraphs did not have a significant impact on the financial statements.

In addition to IFRS 9, "Financial Instruments", IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", and IFRS 12, "Disclosure of Interests in Other Entities", as well as the amendments to IAS 27, "Separate Financial Statements" and IAS 28, "Investments in Associates and Joint Ventures", which have been early applied as of the date of transition, the Company has not applied in advance any other standard or interpretation permitted by the IASB.

The standards and interpretations or amendments of them, published by the IASB and adopted or in process to be adopted by the Federation of Professional Councils in Economic Sciences and the CNV, that are not in force because their effective date is subsequent to September 30, 2014 and that are not applied in advance to the effective date by the Company are the following:

IAS 39 "Financial instruments: Recognition and measurement"

In June 2013, IASB issued a limited modification to IAS 39 with the purpose of allowing the continuation of hedge accounting in circumstances when a hedging instrument is required to be novated.

IAS 19 "Employee Benefits"

In November 2013, IASB issued an amendment to IAS 19, to simplify the accounting on employees' contribution or third party to the defined benefit plans, allowing recognition of the aforementioned contribution as a reduction in the service cost in the period in which the related service was rendered rather than recognizing it at the service period.

Annual improvements cycle to IFRS

On December 2013, IASB issued two documents with amendments to IFRS which are mostly effective for fiscal years beginning on or after July 1, 2014, with early application permitted.

IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

In May 2014, IASB amended to IAS 16 and IAS 38 which clarify the depreciation and amortizations accepted methods.

IFRS 11 "Joint Arrangements"

In May 2014, IASB amended to IFRS 11 in order to establish that acquisitions of participation in joint operations whose activities constitute a business as defined by IFRS 3; apply the accounting principles set out in this standard. It is effective for fiscal years beginning on or after January 1, 2016, with early application permitted.

IFRS 15 “Revenue from Contracts with Customers”

In May 2014, IASB issued IFRS 15 which abrogates the application of IAS 11, 18 and IFRIC 13, 15, 18 and SIC 31, beginning on or after January 2017, with early application permitted.

The Company is analyzing the impact of the adoption of these amendments and new standards.

1.c) Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make assumptions and estimates that affect the amounts of the assets and liabilities recognized, the presentation of contingent assets and liabilities at the end of each period or year and the income and expenses recognized during the period or year. Future results may differ depending on the estimates made by Management.

The items in the financial statements and areas which require the highest degree of judgment and estimates in the preparation of the financial statements are: (1) crude oil and natural gas reserves; (2) provisions for litigation and other contingencies; (3) impairment test of assets (see Note 1.b.9), (4) provisions for environmental liabilities and hydrocarbon wells abandonment obligations (see Note 1.b.6, paragraph iv), and (5) the calculation of income tax and deferred income tax.

Crude oil and natural gas reserves

Estimating crude oil and gas reserves is an integral part of the Company’s decision-making process. The volume of crude oil and gas reserves is used to calculate the depreciation using unit of production ratio and to assess the impairment of the capitalized costs related to the exploration and production assets (see Notes 1.b.8 and 1.b.9).

The Company prepares its estimates of crude oil and gas reserves in accordance with the rules and regulations established for the crude oil and natural gas industry by the U.S. Securities and Exchange Commission (“SEC”).

Provisions for litigation and other contingencies

The final costs arising from litigation and other contingencies, and the perspective given to each issue by management may vary from their estimates due to different interpretations of laws, contracts, opinions and final assessments of the amount of the claims. Changes in the facts or circumstances related to these types of contingencies can have, as a consequence, a significant effect on the amount of the provisions for litigation and other contingencies recorded or the perspective given by management.

Provisions for environmental costs

Given the nature of its operations, YPF is subject to various provincial and national laws and regulations relating to the protection of the environment. These laws and regulations may, among other things, impose liability on companies for the cost of pollution clean-up and environmental damages resulting from operations. YPF management believes that the Company’s operations are in substantial compliance with Argentine laws and regulations currently in force relating to the protection of the environment as such laws have historically been interpreted and enforced.

The Company periodically conducts new studies to increase its knowledge of the environmental situation in certain geographic areas where it operates in order to establish the status, cause and remedy of a given environmental issue and, depending on its years of existence, analyze the Argentine Government’s possible responsibility for any environmental issue existing prior to December 31, 1990. The Company cannot estimate what additional costs, if any, will be required until such studies are completed and evaluated; however, provisional remedial or other measures may be required.

In addition to the hydrocarbon wells abandonment legal obligation for 17,797 as of September 30, 2014, the Company has accrued 2,151 corresponding to environmental remediation which evaluations and/or remediation works are probable and can be reasonably estimated, based on the Company’s existing remediation program. Legislative changes, on individual costs and/or technologies may cause a re-evaluation of the estimates. The Company cannot predict what environmental legislation or regulation will be enacted in the future or how future laws or regulations will be administered. In the long-term, these potential changes and ongoing studies could materially affect the Company’s future results of operations.

Additionally, certain environmental contingencies in the United States of America were assumed by Tierra Solutions Inc. and Maxus Energy Corporation, indirect controlled companies through YPF Holdings Inc. The detail of these contingencies is disclosed in Note 3.

Income tax and deferred income tax assets and liabilities

The proper assessment of income tax expenses depends on several factors, including interpretations related to tax treatment for transactions and/or events that are not expressly provided for by current tax law, as well as estimates of the timing and realization of deferred income taxes. The actual collection and payment of income tax expenses may differ from these estimates due to, among others, changes in applicable tax regulations and/or their interpretations, as well as unanticipated future transactions impacting the Company's tax balances.

Pursuant to IAS No. 34, income tax expense is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense for the nine-month period ended September 30, 2014 may have to be adjusted in a subsequent periods of that financial year if the estimate of the annual income tax rate changes.

1.d) Financial Risk Management

The Company's activities involve various types of financial risks: market, liquidity and credit. The Company maintains an organizational structure and systems that allow the identification, measurement and control of the risks to which it is exposed.

In addition, the table below details the classes of financial instruments of the Company classified in accordance to IFRS 9:

	September 30, 2014	December 31, 2013
Financial Assets		
At amortized cost		
Cash and equivalents (1)	12,487	8,691
Other receivables and advances (1)	3,615	4,018
Trade receivables (1)	12,516	7,468
At fair value through profit or loss		
Cash and equivalents (2)	3,386	2,022
Financial Liabilities		
At amortized cost		
Accounts payable (1)	26,438	20,655
Loans (3)	49,118	31,890
Provisions (1)	705	485

(1) Fair value does not differ significantly from their book value.
(2) Corresponds to investments in mutual funds with price quotation. The fair value was determined based on unadjusted quoted prices (Level 1) in the markets where those financial instruments trade. The net gains (losses) for the nine-month periods ended September 30, 2014 and 2013 for these instruments are disclosed as "Interest on assets" in the Statements of Comprehensive Income.
(3) Their fair value, considering unadjusted quoted prices (Level 1) for Negotiable Obligations and interest rates offered to the Company (Level 3) for the other financial loans, at the end of period or year, as appropriate, amounted to 52,442 and 33,784 as of September 30, 2014 and December 31, 2013, respectively.

Market Risk

The market risk to which the Company is exposed is the possibility that the valuation of the Company's financial assets or financial liabilities as well as certain expected cash flows may be adversely affected by changes in interest rates, exchange rates or certain other price variables.

The following is a description of these risks as well as a detail of the extent to which the Company is exposed and a sensitivity analysis of possible changes in each of the relevant market variables.

Exchange Rate Risk

The value of financial assets and liabilities denominated in a currency different from the Company´s functional currency is subject to variations resulting from fluctuations in exchange rates. Since YPF's functional currency is the U.S. dollar, the currency that generates the greatest exposure is the Argentine peso, the Argentine legal currency. The Company does not use derivatives as a hedge against exchange rate fluctuations. Otherwise, according to the Company's functional currency, and considering the conversion process to presentation currency, the fluctuations in the exchange rate related to the value of financial assets and liabilities in pesos does not have any effect in Shareholders' equity.

The following table provides a breakdown of the effect a variation of 10% in the prevailing exchange rates on the Company's net income, taking into consideration the exposure of financial assets and liabilities denominated in pesos as of September 30, 2014:

	Appreciation (+) / depreciation (-) of exchange rate of peso against dollar	September 30, 2014
Impact on net income before income tax corresponding to financial assets and liabilities	+10%	579
	10%	(579)

Interest Rate Risk

The Company is exposed to the risk associated with fluctuations in the interest rates which depend on the currency and maturity date of its loans or of the currency it has invested in financial assets.

The Company's short-term financial liabilities as of September 30, 2014 includes negotiable obligations, pre-financing of exports and imports´ financing arrangements, local bank credit lines and financial loans with local and international financial institutions. Long-term financial liabilities include negotiable obligations and financial loans with local and international financial institutions. Approximately 69% (34,041) of the total of the financial loans of the Company is denominated in U.S. dollars and the rest in Argentine pesos, as of September 30, 2014. These loans are basically used for working capital and investments. Financial assets mainly include, in addition to trade receivable which have low exposure to interest rate risk, bank deposits, fixed-interest deposits and investments in mutual funds such as "money market" or short-term fixed interest rate instruments.

Historically, the strategy for hedging interest rates is based on the fragmentation of financial counterparts, the diversification of the types of loans taken and, essentially, the maturities of such loans, taking into consideration the different levels of interest along the yield curve in pesos or U.S. dollars, and the amount of the loans based on future expectations and the timing of the future investment outlays to be financed.

The Company does not usually use derivative financial instruments to hedge the risks associated with interest rates. Changes in interest rates may affect the interest income or expenses derived from financial assets and liabilities tied to a variable interest rate. Additionally, the fair value of financial assets and liabilities that accrue interests based on fixed interest rates may also be affected.

The table below provides information about the financial assets and liabilities as of September 30, 2014 that accrues interest considering the applicable rate:

	September 30, 2014	
	Financial Assets[1]	Financial Liabilities[2]
Fixed interest rate	5,559	31,209
Variable interest rate	3,747	17,909
Total	9,306	49,118

(1) Includes only short-term investments. Does not include trade receivables which mostly do not accrue interest.
(2) Includes only financial loans. Does not include accounts payable which mostly do not accrue interest.

The portion of liabilities which accrues variable interest rate is mainly exposed to the fluctuations in LIBOR and BADLAR. Approximately 13,603 accrue variable interest of BADLAR plus a maximum spread of 4.75% and 3,951 accrue variable interest of LIBOR plus a spread between 4.00% and 7.50%. Additionally, 151 accrue annual interest rate of 19.00% plus the proportion of the increase in crude oil and natural gas production of the Company with an annual cap of 24.00% and 204 accrue annual interest rate of 20.00% plus the proportion of the increase in crude oil and natural gas production of the Company with an annual cap of 26.00%.

The table below shows the estimated impact on the consolidated comprehensive income that an increase or decrease of 100 basis points in the interest rate would have.

	Increase (+) / decrease (-) in the interest rates (basis points)	For the nine-month period ended September 30, 2014
Impact on the net income after income tax	+100	(77)
	-100	77

Other Price Risks

The Company is not significantly exposed to commodity price risks, as a result, among other reasons, of the existing regulatory, economic and government policies, which determines that local prices charged for gasoline, diesel and other fuels are not affected in the short-term by fluctuations in the price of such products in international and regional markets.

Additionally, the Company is reached by certain regulations that affect the determination of export prices received by the Company, such as those mentioned in Note 1.b.16 and 11.c, which consequently limits the effects of short-term price volatility in the international market.

As of September 30, 2014 and 2013, the Company has not used derivative financial instruments to hedge risks related to fluctuations in commodity prices.

Liquidity Risk

Liquidity risk is associated with the possibility of a mismatch between the need of funds (related, for example, to operating and financing expenses, investments, debt payments and dividends) and the sources of funds (such as net income, disinvestments and credit-line agreements by financial institutions).

As mentioned in previous paragraphs, YPF pretends to align the maturity profile of its financial debt to its ability to generate enough cash flows for its payment, as well as to finance the projected expenditures for each period. As of September 30, 2014 the availability of liquidity reached 26,973, considering cash for 6,567, other liquid financial assets for 9,306 and available credit lines from financial institutions for 2,600 and from the National Treasury for 8,500. Additionally, YPF has the ability to issue debt under the negotiable obligations global program originally approved by the Shareholders meeting in 2008, expanded in September 2012 and in April 2013 (see Note 2.i).

After the process which concluded with the change of shareholders mentioned in Note 4, the Company is still focused in structuring more efficiently the structure of maturity of its debt, in order to facilitate the daily operations and to allow the proper financing of planned investments.

The table below sets forth the maturity dates of the Company's financial liabilities as of September 30, 2014:

	September 30, 2014						
	Maturity date						
	0 - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
Financial Liabilities							
Accounts payable[(1)]	25,933	484	-	-	-	21	26,438
Loans	12,425	6,841	5,555	2,644	10,322	11,331	49,118
Provisions	705	-	-	-	-	-	705

(1) The amounts disclosed are the contractual, undiscounted cash flows associated to the financial liabilities given that they do not differ significantly from their face values.

Most of the Company's financial debt contains usual covenants for contracts of this nature. With respect to a significant portion of the financial loans, as of September 30, 2014, the Company has agreed, among other things and subject to certain exceptions, not to establish liens or charges on assets. Additionally, approximately 34% of the financial debt as of September 30, 2014 is subject to financial covenants related to the leverage ratio and debt service coverage ratio of the Company.

A portion of the Company's financial debt provides that certain changes in the Company's control and/or nationalization may constitute an event of default. Moreover, the Company's financial debt also contains cross-default provisions and/or cross acceleration provisions that could cause all of the financial debt to be accelerated if the debt having changes in control and/or nationalization events provisions is defaulted. As of the issuance date of these financial statements, the Company has obtained formal waivers from all the financial creditors in relation to its outstanding debt subject to the mentioned terms at the moment in which the change in control occurred, mentioned in Note 4. Additionally, and related to the outstanding debt of YPF subsidiaries, GASA and MetroGAS, see Note 2.i) of these consolidated financial statements.

Credit Risk

Credit risk is defined as the possibility of a third party not complying with its contractual obligations, thus negatively affecting results of operations of the Company.

Credit risk in the Company is measured and controlled on an individual customer basis. The Company has its own systems to conduct a permanent evaluation of credit performance of all of its debtors and customers, and the determination of risk limits with respect to customers, in line with best practices using for such end internal customer records and external data sources.

Financial instruments that potentially expose the Company to a concentration of credit risk consist primarily of cash and equivalents, trade receivables and other receivables and advances. The Company invests excess cash primarily in high liquid investments with financial institutions with a strong credit rating both in Argentina and abroad. In the normal course of business, the Company provides credit based on ongoing credit evaluations to its customers and certain related parties. Additionally, the Company accounts for credit losses in the other comprehensive income statement, based on specific information regarding its clients. As of the date of these financial statements, the Company's customer portfolio is diversified.

The allowances for doubtful accounts are measured by the following criteria:

– The aging of the receivable;
– The analysis of the customer's capacity to return the credit granted, also taking into consideration special situations such as the existence of a voluntary reorganization petition, bankruptcy and arrears, guarantees, among others.

The maximum exposure to credit risk of the Company as of September 30, 2014 based on the type of its financial instruments and without excluding the amounts covered by guarantees and other arrangements mentioned below is set forth below:

	Maximum exposure as of September 30, 2014
Cash and equivalents	15,873
Other financial assets	16,131

Following is the breakdown of the financial assets past due as of September 30, 2014.

	Current trade receivable	Other current receivables and advances
Less than three months past due	351	555
Between three and six months past due	613	146
More than six months past due	1,440	125
	2,404	826

At such date, the provision for doubtful trade receivables amounted to 827 and the provisions for other doubtful receivables amounted to 28. These allowances are the Company's best estimate of the losses incurred in relation with accounts receivables.

Guarantee Policy

As collateral of the credit limits granted to customers, YPF has several types of guarantees received from them. In the service stations and distributors market, where generally long-term relationships with customers are established, mortgages prevail. For foreign customers, the joint and several bonds from their parent companies prevail. In the industrial and transport market, bank guarantees prevail. With a lower presence, YPF also has obtained other guarantees as credit insurances, surety bonds, guarantee customer – supplier, car pledges, etc.

The Company has effective guarantees granted by third parties for a total amount of 3,199 and 1,671 as of September 30, 2014 and 2013, respectively.

During the nine-month period ended September 30, 2014, YPF executed guarantees received for an amount of 1. As of September 30, 2013 YPF executed guarantees received for an amount of 3.

2. ANALYSIS OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details regarding the significant accounts included in the consolidated financial statements are as follows:

Consolidated Balance Sheet as of September 30, 2014 and Comparative Information

2.a) Cash and equivalents:

	September 30, 2014	December 31, 2013
Cash	6,567	4,533
Short-term investments	5,920	4,158
Financial assets at fair value through profit or loss	3,386	2,022
	15,873	10,713

2.b) Trade receivables:

	September 30, 2014		December 31, 2013	
	Noncurrent	Current	Noncurrent	Current
Accounts receivable and related parties[1]	17	13,326	60	8,066
Provision for doubtful trade receivables	(8)	(819)	(6)	(652)
	9	12,507	54	7,414

(1) See Note 6 for additional information about related parties.

Changes in the provision for doubtful trade receivables

	For the nine-month period ended September 30,			
	2014		2013	
	Noncurrent provision for doubtful trade receivables	Current provision for doubtful trade receivables	Noncurrent provision for doubtful trade receivables	Current provision for doubtful trade receivables
Amount at beginning of year	6	652	6	494
Increases charged to expenses	-	140	-	28
Decreases charged to income	-	(24)	-	(25)
Amounts incurred	-	-	-	-
Translation differences	2	51	-	23
Reclassifications and others	-	-	-	-
Amount at end of period	8	819	6	520

2.c) Other receivables and advances:

	September 30, 2014		December 31, 2013	
	Noncurrent	Current	Noncurrent	Current
Trade	-	817	-	377
Tax credit, export relates and production incentives	87	2,205	22	1,233
Trust contributions - Obra Sur	51	19	67	34
Loans to clients and balances with related parties[1]	834	139	517	81
Collateral deposits	528	539	397	253
Prepaid expenses	15	502	11	490
Advances and loans to employees	6	241	3	166
Advances to suppliers and customs agents[2]	-	2,176	-	1,062
Receivables with partners in Joint Operations	658	594	1,852[3]	595[3]
Insurance receivables (Note 11.b)	-	631	-	1,956
Miscellaneous	125	384	62	357
	2,304	8,247	2,931	6,604
Provision for other doubtful accounts	-	(98)	-	(98)
Provision for valuation of other receivables to their estimated realizable value	(4)	-	(4)	-
	2,300	8,149	2,927	6,506

(1) See Note 6 for additional information on related parties.
(2) Includes, among others, advances to customs agents for the payment of taxes and import rights related to the imports of fuels and other products.
(3) Includes the receivables related to the investment agreement with Chevron Corporation (see Note 11.c).

2.d) Inventories:

	September 30, 2014	December 31, 2013
Refined products	7,550	5,713
Crude oil and natural gas	3,636	3,451
Products in process	104	115
Construction works in progress	615	107
Raw materials and packaging materials	456	495
	12,361(1)	9,881(1)

(1) As of September 30, 2014 and December 31, 2013, the net realizable value of the inventories does not differ, significantly, from their cost.

2.e) Investments in companies:

	September 30, 2014	December 31, 2013
Investments in companies (Exhibit I)	2,564	2,136
Provision for reduction in value of investments in companies	(12)	(12)
	2,552	2,124

2.f) Evolution of intangible assets:

	2014				
	Cost				
Main account	Amounts at beginning of year	Increases	Translation effect	Net decreases, reclassifications and transfers	Amounts at the end of period
Service concessions	3,917	353	1,134	6	5,410
Exploration rights	801	3,033	302	(1,576)	2,560
Other intangibles	1,879	39	557	6	2,481
Total 2014	6,597	3,425(1)	1,993	(1,564)(1)	10,451
Total 2013	4,443	366	822	(16)	5,615

	2014							2013	
	Amortization								
Main account	Accumulated at beginning of year	Net decreases, reclassifications and transfers	Depreciation rate	Increases	Translation effect	Accumulated at the end of period	Net book value 09-30	Net book value 09-30	Net book value 12-31
Service concessions	2,551	-	4-5%	101	740	3,392	2,018	1,132	1,366
Exploration rights	8	(38)	-	31	2	3	2,557	671	793
Other intangibles	1,592	1	7-33%	118	490	2,201	280	187	287
Total 2014	4,151	(37)		250	1,232	5,596	4,855		
Total 2013	2,951	(22)		142	554	3,625		1,990	2,446

(1) Includes 2,784 corresponding to YSUR Group in Argentina at acquisition date and 1,538 of assets decrease classified as “Assets held for sale” (see note 13).

The Company does not have intangible assets with indefinite useful lives as of September 30, 2014, September 30, 2013 and December 31, 2013.

Service concessions: the Argentine Hydrocarbons Law permits the executive branch of the Argentine government to award 35-year concessions for the transportation of oil, gas and petroleum products following submission of competitive bids. The term of a transportation concession may be extended for an additional ten-year term. Pursuant to Law No. 26,197, provincial governments have the same powers. Holders of production concessions are entitled to receive a transportation concession for the oil, gas and petroleum products that they produce. The holder of a transportation concession has the right to:

– transport oil, gas and petroleum products; and

– construct and operate oil, gas and products pipelines, storage facilities, pump stations, compressor plants, roads, railways and other facilities and equipment necessary for the efficient operation of a pipeline system.

The holder of a transportation concession is obligated to transport hydrocarbons for third parties on a non-discriminatory basis for a fee. This obligation, however, applies to producers of oil or gas only to the extent that the concession holder has surplus capacity available and is expressly subordinated to the transportation requirements of the holder of the concession. Transportation tariffs are subject to approval by the Argentine Secretariat of Energy for oil pipelines and petroleum products and by the National Gas Regulatory Authority (Ente Nacional Regulador del Gas or "ENARGAS") for gas pipelines. Upon expiration of a transportation concession, the pipelines and related facilities automatically revert to the Argentine State without payment to the holder.

The Privatization Law granted YPF a 35-year transportation concession with respect to the pipelines operated by Yacimientos Petrolíferos Fiscales S.A. at the time. The main pipelines related to such transport concessions are:

– La Plata / Dock Sud

– Puerto Rosales / La Plata

– Monte Cristo / San Lorenzo

– Puesto Hernández / Luján de Cuyo

– Luján de Cuyo / Villa Mercedes

Management considers that the assets referred to above meet the criteria set forth by IFRIC 12, and should be therefore recognized as intangible assets.

2.g) Composition and evolution of fixed assets:

	September 30, 2014	December 31, 2013
Net book value of fixed assets	144,851	93,662
Provision for obsolescence of materials and equipment	(176)	(166)
	144,675	93,496

	2014				
	Cost				
Main account	Amounts at beginning of year	Increases	Translation effect	Net decreases, reclassifications and transfers	Amounts at the end of period
Land and buildings	6,965	6	1,874	61	8,906
Mineral property, wells and related equipment	179,877	7,204	52,785	6,960	246,826
Refinery equipment and petrochemical plants	29,267	-	8,583	2,275	40,125
Transportation equipment	1,466	90	403	100	2,059
Materials and equipment in warehouse	5,576	5,912	1,500	(5,228)	7,760
Drilling and work in progress	19,840	26,019	5,829	(6,648)	45,040
Exploratory drilling in progress[3]	927	1,452	203	(804)	1,778
Furniture, fixtures and installations	2,267	55	645	278	3,245
Selling equipment	4,084	-	1,213	152	5,449
Infrastructure for natural gas distribution	2,722	104	1	(3)	2,824
Electric power generation facilities	1,542	16	-	5	1,563
Other property	4,070	54	1,042	15	5,181
Total 2014	258,603	40,912[4][5]	74,078	(2,837)[6]	370,756
Total 2013	170,843	23,959[8][9][10]	31,496	(1,757)[7]	224,541

	2014							2013	
	Depreciation								
Main account	Accumulated at beginning of year	Net decreases, reclassifications and transfers	Depreciation rate	Increases	Translation effect	Accumulated at the end of period	Net book value 09-30	Net book value 09-30	Net book value 12-31
Land and buildings	2,804	-	2%	114	763	3,681	5,225	3,716	4,161
Mineral property, wells and related equipment	133,672	(89)	(1)	11,589	39,115	184,287	62,539(2)	33,568(2)	46,205(2)
Refinery equipment and petrochemical plants	17,611	(7)	4-5%	1,257	5,138	23,999	16,126	6,989	11,656
Transportation equipment	1,022	(10)	4-20%	106	282	1,400	659	358	444
Materials and equipment in warehouse	-	-	-	-	-	-	7,760	5,308	5,576
Drilling and work in progress	-	-	-	-	-	-	45,040	23,862	19,840
Exploratory drilling in progress(3)	-	-	-	-	-	-	1,778	1,259	927
Furniture, fixtures and installations	1,990	(4)	10%	170	557	2,713	532	280	277
Selling equipment	3,034	(3)	10%	179	883	4,093	1,356	951	1,050
Infrastructure of natural gas distribution	1,107	(8)	2-5%	63	1	1,163	1,661	1,591	1,615
Electric power generation facilities	1,060	-	5-7%	85	-	1,145	418	494	482
Other property	2,641	(2)	10%	97	688	3,424	1,757	1,260	1,429
Total 2014	164,941	(123)(6)		13,660	47,427	225,905	144,851		
Total 2013	113,740	(93)(7)		10,383(8)(9)	20,875	144,905		79,636	93,662

(1) Depreciation has been calculated according to the unit of production method (Note 1.b.6).
(2) Includes 4,338, 3,420 and 3,748 of mineral property as of September 30, 2014 and 2013, and December 31, 2013, respectively.
(3) As of September 30, 2014, there are 67 exploratory wells in progress. During the nine-month period ended on such date, 37 wells were drilled, 19 wells were charged to exploratory expenses and 6 wells were transferred to proved properties which are included in the account Mineral property, wells and related equipment.
(4) Includes 858, 210 and 11 of increases corresponding to Puesto Hernández, Lajas and La Ventana, respectively, joint operations on the additional interest acquisition date.
(5) Includes 5,469 of increases corresponding to YSUR Group in Argentina on the acquisition date (see Note 13).
(6) Includes 32 of net book value charged to fixed assets provisions for the nine-month period ended September 30, 2014.
(7) Includes, among others, the write-down of the assets of Coke A unit as a consequence of the incident in La Plata refinery on April 2013, as a result of the storm that took place in that city (see also Note 11.b).
(8) Includes 3,137 and 1,352 of increases and accumulated depreciation, respectively, corresponding to GASA on the acquisition date (see Note 13).
(9) Includes 1,878 and 1,242 of increases and accumulated depreciation, respectively, corresponding to YPF Energía Eléctrica at the spin-off date (see Note 13).
(10) Includes 124 corresponding to hydrocarbon wells abandonment costs for the nine-month period ended September 30, 2013.

As described in Note 1.b.6, YPF capitalizes the financial cost as a part of the cost of the assets. For the nine-month periods ended on September 30, 2014 and 2013 the annual average rate of capitalization were 12.30% and 11.83% and the capitalized amount were 412 and 438, respectively, for the periods above mentioned.

Set forth below is the evolution of the provision for obsolescence of materials and equipment for the nine-month periods ended on September 30, 2014 and 2013:

	For the nine-month period ended September 30,	
	2014	2013
Amount at beginning of year	166	132
Increase charged to expense	1	-
Decrease charged to income	(4)	-
Amounts incurred	(32)	-
Translation differences	45	23
Amount at end of period	176	155

2.h) Accounts payable:

	September 30, 2014		December 31, 2013	
	Noncurrent	Current	Noncurrent	Current
Trade and related parties[1]	131	24,221	153	18,553
Investments in companies with negative shareholders' equity	-	259	-	127
Extension of Concessions – Provinces of Chubut, Santa Cruz and Neuquén	327	327	275	1,036
Advances received on the sale of fixed assets (Note 13)	-	1,818	-	-
Miscellaneous	156	1,385	42	596
	614	28,010	470	20,312

(1) For more information about related parties, see additionally Note 6.

2.i) Loans:

	Interest rate [1]	Principal maturity	September 30, 2014		December 31, 2013	
			Noncurrent	Current	Noncurrent	Current
Negotiable Obligations[2]	0.10-27.52%	2014-2028	33,657	5,336	20,474	4,296
Other financial debts	2.00-26.00%	2014-2019	3,036[3][4]	7,089[3][4]	2,602	4,518
			36,693	12,425	23,076	8,814

(1) Annual interest rate as of September 30, 2014.
(2) Disclosed net of 201 and 137, corresponding to YPF's outstanding Negotiable Obligations repurchased through open market transactions as of September 30, 2014 and December 31, 2013, respectively.
(3) Includes approximately 8,364 corresponding to loans agreed in U.S. dollars, which accrue interest at rates between 2.00% and 7.25%.
(4) Includes 701 corresponding to loans granted by Banco Nación Argentina denominated in argentine pesos of which 368 accrue fixed interest rate of 15.00% until December 2015 and then accrue variable interest of BADLAR plus a spread of 4 points and 333 accrue variable interest of BADLAR plus a spread of 4 points with a maximum lending interest rate of the overall portfolio of Banco Nación. See additionally Note 6.

Details regarding the Negotiable Obligations of the Company are as follows:

(in million)								Book Value			
Issuance								September 30, 2014		December 31, 2013	
Month	Year	Principal value		Class	Interest rate[3]		Principal maturity	Noncurrent	Current	Noncurrent	Current
- YPF:											
-	1998	US$ 15	(1) (6)	-	Fixed	10.00%	2028	58	5	534	10
September	2012	$ 200	(2) (6)	Class VII	-	-	-	-	-	-	202
September	2012	$ 1,200	(2) (4) (6)	Class VIII	BADLAR plus 4%	25.96%	2015	-	810	800	413
October	2012	US$ 130	(2) (5) (6)	Class IX	Fixed	5.00%	2014	-	1,099	-	853
October and December	2012	US$ 552	(2) (4) (5) (6)	Class X	Fixed	6.25%	2016	4,623	59	3,587	45
November and December	2012	$ 2,110	(2) (4) (6)	Class XI	BADLAR plus 4.25%	27.52%	2017	2,110	78	2,110	64
December and March	2012/3	$ 2,828	(2) (4) (6)	Class XIII	BADLAR plus 4.75%	26.49%	2018	2,828	23	2,828	22
March	2013	$ 300	(2) (6)	Class XIV	-	-	-	-	-	-	304
March	2013	US$ 230	(2) (5) (6)	Class XV	Fixed	2.50%	2014	-	931	-	1,497
May	2013	$ 300	(2) (6)	Class XVI	-	-	-	-	-	-	303
April	2013	$ 2,250	(2) (4) (6)	Class XVII	BADLAR plus 2.25%	26.10%	2020	2,250	92	2,250	83
April	2013	US$ 61	(2) (5) (6)	Class XVIII	Fixed	0.10%	2015	-	510	397	-
April	2013	US$ 89	(2) (5) (6)	Class XIX	Fixed	1.29%	2017	746	2	579	1
June	2013	$ 1,265	(2) (4) (6)	Class XX	BADLAR plus 2.25%	24.10%	2020	1,265	11	1,265	10
July	2013	$ 100	(2) (6)	Class XXI	-	-	-	-	-	-	101
July	2013	US$ 92	(2) (5) (6)	Class XXII	Fixed	3.50%	2020	508	105	510	89
October	2013	US$ 150	(2)	Class XXIV	LIBOR plus 7.50%	7.72%	2018	887	308	860	125
October	2013	$ 300	(2) (6)	Class XXV	BADLAR plus 3.24%	27.40%	2015	-	314	300	13
December	2013	US$ 587	(2)	Class XXVI	Fixed	8.88%	2018	4,829	119	3,251	10
December	2013	$ 150	(2) (6)	Class XXVII	Variable[7]	24.00%	2014	-	151	-	151
March	2014	$ 500	(2)	Class XXIX	BADLAR	22.24%	2020	500	7	-	-
March	2014	$ 379	(2)	Class XXX	BADLAR plus 3.50%	25.66%	2015	379	6	-	-
April	2014	US$ 1,000	(2)	Class XXVIII	Fixed	8.75%	2024	8,380	295	-	-
June	2014	$ 201	(2)	Class XXXI	Variable[8]	26.00%	2015	-	204	-	-
June	2014	$ 465	(2)	Class XXXII	BADLAR plus 3.20%	25.36%	2016	311	162	-	-
June	2014	US$ 66	(2) (5)	Class XXXIII	Fixed	2.00%	2017	555	1	-	-
September	2014	$ 1,000	(2)	Class XXXIV	BADLAR plus 0.1%	20.16%	2024	1,000	4	-	-
September	2014	$ 750	(2) (4)	Classs XXXV	BADLAR plus 3.50%	23.56%	2019	750	3	-	-
- MetroGAS:											
January	2013	US$ 177		SeriesA-L	Fixed	8.875%	2018	1,155	33	840	-
January	2013	US$ 18		Series A-U	Fixed	8.875%	2018	118	4	91	-
- GASA:											
March	2013	US$ 57		Series A-L	Fixed	8.875%	2015	398	-	262	-
March	2013	US$ 1		Series A-U	Fixed	8.875%	2015	7	-	10	-
								33,657	5,336	20,474	4,296

(1) Corresponds to the 1997 M.T.N. Program for U$S 1,000 million.
(2) Corresponds to the 2008 M.T.N. Program for U$S 5,000 million.
(3) Interest rate as of September 30, 2014.
(4) The ANSES and/or the Argentine Hydrocarbons Fund have participated in the primary subscription of these negotiable obligations, which may at the discretion of the respective holders, be subsequently traded in the securities market where these negotiable obligations are authorized to be traded.
(5) The payment currency of these Negotiable Obligations is the Argentine Peso at the Exchange rate applicable under the terms of the series issued.
(6) As of the date of issuance of these financial statements, the Company has fully complied with the use of proceeds disclose in the pricing supplements.
(7) Accrue an annual variable interest rate equivalent to the sum of a floor interest rate of 19% plus a spread related to YPF's total hydrocarbons production (natural gas, oil-condensate and gasoline) according to the information of the National Secretariat of Energy with a maximum interest rate of 24%.
(8) Accrue an annual variable interest rate equivalent to the sum of a floor interest rate of 20% plus a spread related to YPF's total hydrocarbons production (natural gas, oil-condensate and gasoline) according to the information of the National Secretariat of Energy with a maximum interest rate of 26%.

For additional information about covenants assumed by the Company and maturity of loans see Note 1.d) Financial risk management.

– YPF's negotiable obligations

The General Meeting of Shareholders held on January 8, 2008, approved a program to issue notes for a total amount of US$ 1,000 million. After the above mentioned date, the amount of the program was extended by the corresponding approval of the Shareholders' meeting, totalizing a maximum nominal amount outstanding of US$ 5,000 million or its equivalent in other currencies. The funds from this Program may be used for any of the alternatives provided in art. 3 of Law No. 23,576 of negotiable obligations and its supplementary rules.

– Negotiable Obligations of MetroGAS S.A. and Gas Argentino S.A. – Debt Restructuring:

• MetroGAS:

In compliance with the preventive agreement between MetroGAS and its creditors, in relation with MetroGAS voluntary reorganization petition, on January 11, 2013 new negotiable obligations were issued by MetroGAS (the "new negotiable obligations of MetroGAS") which were granted in exchange to the financial and non-financial creditors verified and declared acceptable.

On February 1 and February 13, 2013 MetroGAS presented to the Court the documentation that demonstrates the fulfillment of the debt exchange and the issuance of the new negotiable obligations of MetroGAS in order to obtain the removal of the general prohibition and obtain the legal declaration of the accomplishment of the preventive agreement under the terms and conditions of art. 59 of the Bankruptcy law.

The issuance of the new negotiable obligations of MetroGAS was approved by the CNV on December 26, 2012, within the framework of the Global Negotiable Obligation Issuance Program of MetroGAS for a nominal value of up to US$ 600 million.

MetroGAS issued the new negotiable obligations to be exchanged for existing negotiable obligations:

• Series A-L for an amount of US$ 163,003,452.

• Series B-L for an amount of US$ 122,000,000.

and in exchange of non-financial debt of MetroGAS negotiable obligations:

• Series A-U for an amount of US$ 16,518,450.

• Series B-U for an amount of US$ 13,031,550.

From the date of issuance, all MetroGAS obligations under the terms of the Previous Negotiable Obligations and the previous non-financial debt were terminated and all rights, interests and benefits stipulated therein were annulled and canceled. Consequently, the previous Negotiable Obligation and the previous non-financial debt were extinguished and no longer constitute MetroGAS enforceable obligations. In this order, the debt exchange was accounted for as a debt extinguishment following the guidelines of IFRS 9. The result, before tax effect, of the restructuring of the outstanding debt obligations of MetroGAS was recognized by that company during the three months period ended on March 31, 2013. Since this result was recognized by MetroGAS prior to the YPF's acquisition, the effect arising thereof has been considered in the initial accounting of the acquisition of MetroGAS (see Note 13).

The principal value of the Class A New Negotiable Obligations of MetroGAS shall be fully redeemed at its maturity on December 31, 2018 in a single payment. The Class A New Negotiable Obligations of MetroGAS will accrue an annual nominal interest rate of 8.875%. The Class B New Negotiable obligations of MetroGAS maturing on 2018 will only accrue interest if there is a triggering event (which includes the anticipated maturity in case of an event of default under the terms of the new issued negotiable obligations) occurs before the Deadline, and in the case no triggering event occurs, the Class B New Negotiable obligations of MetroGAS will be automatically canceled and will no longer constitute an enforceable obligation for MetroGAS. Interest on the Series AL and AU will be paid every six months on June 30 and December 31 of each year, although MetroGAS has exercised the option to capitalize 100% of the interest accrued between the date of issuance and June 30, 2013 and 50% of the interest accrued between July 1, 2013 and June 30, 2014.

Additionally, in accordance with the terms and conditions of issuance of the New Negotiable obligations of MetroGAS, it and its subsidiaries, must comply with certain restrictions relating to indebtedness, restricted payments (including dividends) and liens, among others.

• GASA:

In compliance with the preventive agreement between GASA and its creditors, in relation with the voluntary reorganization petition of GASA, on March 15, 2013 GASA proceeded to exchange the existing negotiable obligations held by its financial creditors and the credits of nonfinancial creditors verified and declared acceptable by the New Negotiable obligations.

GASA issued new negotiable obligations (the “new negotiable obligations of GASA”) to be delivered in exchange for previous existing negotiable obligations:

• Series A-L for an amount of US$ 50,760,000.

• Series B-L for an amount of US$ 67,510,800.

and in exchange for the financial debt of the Company’s Previous Negotiable Obligations:

• Series A-U for an amount of US$ 1,306,528.

• Series B-U for an amount of US$ 1,737,690.

The issuance of the new negotiable obligations of GASA AL and BL series were approved by the CNV on February 5, 2013.

From the date of issuance, all GASA obligations under the terms of the previous negotiable obligations and the previous financial debt were terminated and all rights, interests and benefits stipulated therein were annulled and canceled. Consequently, the Previous Negotiable obligations and the previous financial debt were extinguished and no longer constitute an enforceable obligation for GASA. The debt exchange was accounted for as an extinguishment of debt following the guidelines of IFRS 9. The result before tax effect of the debt restructuring of GASA was recognized in the statement of income during the three months period ended on March 31, 2013. Since this result was recognized by GASA prior to YPF’s acquisition, the effect arising thereof has been considered in the initial accounting of the acquisition of GASA (see Note 13).

The principal value of the Class A new negotiable obligations of GASA will be fully redeemed at its maturity on December 31, 2015 in a single payment. If GASA pays the total accrued non-capitalized interest to that date and the capital corresponding that would have been capitalized in accordance with the terms of issuance up to that date, then the maturity of the new negotiable obligations of GASA will be on December 31, 2016. The Class A new negotiable obligations of GASA will accrue an annual nominal interest of 8.875%. The Class B new negotiable obligations of GASA, maturing on 2015, will only accrue interest if there is a triggering event (which includes the anticipated maturity in case of an event of default under the terms of the negotiable obligations issued) occurs before the Deadline, and if the triggering event has not occur, the Class B new negotiable obligations of GASA will be automatically canceled and will no longer constitute enforceable obligations for GASA. Interest will be paid every six months on June 15 and December 15 of each year, GASA will have the option to capitalize 100% of the interest accrued between the date of issuance and December 15, 2015. GASA has exercised this option for the accrued interest from the date of issuance to June 15, 2014.

Additionally, in accordance with the terms and conditions of issuance of the new negotiable obligations, GASA and its subsidiaries, must comply with certain restrictions relating to indebtedness, restricted payments (including dividends) and liens, among others.

2.j) Provisions:

	Provision for pensions		Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2013	168	22	5,020	159	764	926	13,220	289
Increases charged to expenses	8	-	910	9	630	-	992	2
Decreases charged to income	-	-	(160)	(35)	(4)	-	-	-
Increases from subsidiary acquisition	-	-	20	-	21	2	724	14
Amounts incurred	-	(11)	(16)	(985)	-	(425)	(43)	(100)
Translation differences	55	6	876	18	159	78	2,160	47
Increase from joint operation interest acquisition	-	-	-	-	-	-	339	153
Reclassifications and others	(11)	11	(984)	984	(458)	458	-	-
Amount as of September 30, 2014	220	28	5,666	150	1,112[1]	1,039[2]	17,392	405

	Provision for pensions		Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2012	136	16	2,892	122	677	489	6,958	193
Increases charged to expenses	4	-	1,588	18	176	-	526	-
Decreases charged to income	-	-	(7)	(24)	-	-	-	-
Amounts incurred	-	(9)	(54)	(60)	-	(318)	-	(75)
Translation differences	30	3	376	4	74	35	720	21
Reclassifications and others	(9)	9	(128)	82	(295)	295	69[3]	75
Amount as of September 30, 2013	161	19	4,667	142	632[1]	501[2]	8,273	214

(1) Includes provisions for environmental liabilities of YPF Holdings Inc. for 776 and 468, as of September 30, 2014 and 2013, respectively.
(2) Includes provisions for environmental liabilities of YPF Holdings Inc. for 346 and 277, as of September 30, 2014 and 2013, respectively.
(3) Includes 124 from abandonment obligation costs which has counterpart in fixed asset, for the nine-month period ended on September 30, 2013.

2.k) Revenues, cost of sales and expenses

For the nine-month and three-month periods ended September 30, 2014 and 2013

Revenues

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2014	2013	2014	2013
Sales[1]	107,746	66,867	39,294	24,997
Revenues from construction contracts	414	251	345	72
Turnover tax	(3,957)	(2,299)	(1,430)	(825)
	104,203	64,819	38,209	24,244

(1) Includes revenues related to the Natural Gas Additional Injection Stimulus Program created by Resolution 1/2013 of the Planning and Strategic Coordination Commission of the National Plan of Hydrocarbons Investment (see Note 11.c).

Cost of sales

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2014	2013	2014	2013
Inventories at beginning of year	9,881	6,922	11,977	8,336
Purchases for the period	25,515	18,945	7,820	6,595
Production costs	49,116	29,727	18,525	10,798
Translation effect	2,657	1,194	404	548
Inventories at end of period	(12,361)	(8,402)	(12,361)	(8,402)
Cost of sales	74,808	48,386	26,365	17,875

Expenses

	For the nine-month period ended September 30,					
	2014					2013
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	3,745	1,128[2]	645	147	5,665	4,240
Fees and compensation for services	584	795[2]	148	8	1,535	870
Other personnel expenses	1,146	180	60	20	1,406	970
Taxes, charges and contributions	1,652	97	2,511	2	4,262[1]	2,654[1]
Royalties and easements	6,724	-	13	18	6,755	4,069
Insurance	482	15	42	1	540	394
Rental of real estate and equipment	1,904	20	214	1	2,139	1,377
Survey expenses	-	-	-	194	194	19
Depreciation of fixed assets	13,115	209	336	-	13,660	7,789
Amortization of intangible assets	107	101	11	31	250	142
Industrial inputs, consumable materials and supplies	2,310	30	122	4	2,466	1,494
Operation services and other service contracts	4,372	83	297	1	4,753	2,174
Preservation, repair and maintenance	7,760	139	178	10	8,087	5,344
Contractual commitments	69	-	-	-	69	144
Unproductive exploratory drillings	-	-	-	687	687	325
Transportation, products and charges	2,987	10	2,084	-	5,081	3,504
Provision for doubtful trade receivables and other doubtful accounts	-	-	116	-	116	3
Publicity and advertising expenses	-	220	110	-	330	139
Fuel, gas, energy and miscellaneous	2,159	89	400	106	2,754	2,045
Total 2014	49,116	3,116	7,287	1,230	60,749	
Total 2013	29,727	1,889	5,555	525		37,696

(1) Include approximately 1,394 and 1,427 corresponding to hydrocarbon export withholdings for the nine-month period ended September 30, 2014 and 2013, respectively.

(2) Includes 88 of Directors and Statutory Auditor's fees. On April 30, 2014, the general ordinary and extraordinary shareholders' meeting of YPF decided to approve as honorary in advance for such fees the sum of approximately 123 for the year 2014.

	For the three-month period ended September 30,					
	2014					2013
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	1,197	431	238	64	1,930	1,516
Fees and compensation for services	198	306	58	3	565	319
Other personnel expenses	421	70	23	5	519	372
Taxes, charges and contributions	773	19	833	-	1,625(1)	877(1)
Royalties and easements	2,404	-	4	12	2,420	1,404
Insurance	196	6	17	-	219	209
Rental of real estate and equipment	677	4	81	-	762	476
Survey expenses	-	-	-	45	45	5
Depreciation of fixed assets	5,146	81	116	-	5,343	3,088
Amortization of intangible assets	38	34	3	2	77	49
Industrial inputs, consumable materials and supplies	812	5	48	3	868	468
Operation services and other service contracts	1,664	29	121	-	1,814	676
Preservation, repair and maintenance	2,940	58	90	5	3,093	1,965
Contractual commitments	31	-	-	-	31	46
Unproductive exploratory drillings	-	-	-	139	139	209
Transportation, products and charges	1,043	5	798	-	1,846	1,244
Provision for doubtful trade receivables and other doubtful accounts	-	-	89	-	89	6
Publicity and advertising expenses	-	48	70	-	118	59
Fuel, gas, energy and miscellaneous	985	23	177	28	1,213	729
Total 2014	18,525	1,119	2,766	306	22,716	
Total 2013	10,798	654	1,986	279		13,717

(1) Include approximately 450 and 463 corresponding to hydrocarbon export withholdings for the three-month period ended September 30, 2014 and 2013, respectively.

The expense recognized in the statement of comprehensive income related to research and development activities during the nine-month periods ended September 30, 2014 and 2013 amounted to 137 and 20, respectively.

Other income (expense), net

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2014	2013	2014	2013
Lawsuits and contingencies	(276)	(1,078)	(86)	(88)
Revenue extension of concession “La Ventana” (Note 5)	359	-	359	-
Miscellaneous	533	(46)	118	82
	616	(1,124)	391	(6)

3. PROVISIONS FOR PENDING LAWSUITS, CLAIMS AND ENVIRONMENTAL LIABILITIES

The Company is party to a number of labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely against it, result in the imposition of material costs, fines, judgments or other losses. While the Company believes that such risks have been provisioned appropriately based on the opinions and advice of our external legal advisors and in accordance with applicable accounting standards, certain loss contingencies, are subject to change as new information develops and results of the presented evidence is obtain, among others. It is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to the Company, could significantly exceed the recorded provisions.

As of September 30, 2014, the Company has accrued pending lawsuits, claims and contingencies which are probable and can be reasonably estimated, amounting to 5,816. The most significant pending lawsuits and contingencies accrued are described in the following paragraphs.

Additionally, YPF is subject to various provincial and national laws and regulations relating to the protection of the environment. These laws and regulations may, among other things, impose liability on companies for the cost of pollution clean-up and environmental damages resulting from operations. YPF’s Management believes that the Company’s operations are in substantial compliance with Argentine laws and regulations currently in force relating to the protection of the environment as such laws have historically been interpreted and enforced.

However, the Company is periodically conducting new studies to increase its knowledge concerning the environmental situation in certain geographic areas where the Company operates in order to establish their status, causes and necessary remediation and, based on the aging of the environmental issue, to analyze the possible responsibility of Argentine Government, in accordance with the contingencies assumed by the Argentine Government for liabilities existing as of December 31, 1990. Until these studies are completed and evaluated, the Company cannot estimate what additional costs, if any, will be required. However, it is possible that other works, including provisional remedial measures, may be required.

Pending lawsuits: In the normal course of its business, the Company has been sued in numerous labor, civil and commercial actions and lawsuits. Management, in consultation with the external legal advisors, has recorded a provision considering its best estimation, based on the information available as of the date of issuance of these consolidated financial statements, including counsel fees and judicial expenses.

Liabilities and contingencies assumed by the Argentine Government: The YPF Privatization Law provided for the assumption by the Argentine Government of certain liabilities of the predecessor as of December 31, 1990. In certain lawsuits related to events or acts that took place before December 31, 1990, YPF has been required to advance the payment established in certain judicial decisions. YPF has the right to be reimbursed for these payments by the Argentine Government pursuant to the above-mentioned indemnity.

Natural gas market: Pursuant to Resolution No. 265/2004 of the Secretariat of Energy, the Argentine Government created a program of useful curtailment of natural gas exports and their associated transportation service. Such program was initially implemented by means of Regulation No. 27/2004 of the Under-Secretariat of Fuels, which was subsequently substituted by the Program of Rationalization of Gas Exports and Use of Transportation Capacity (the "Program") approved by Resolution No. 659/2004 of the Secretariat of Energy. Additionally, Resolution No. 752/2005 of the Secretariat of Energy provided that industrial users and thermal generators (which according to this resolution will have to request volumes of gas directly from the producers) could also acquire the natural gas from the cutbacks on natural gas exports through the Permanent Additional Injections mechanism created by this Resolution. By means of the Program and/or the Permanent Additional Injection, the Argentine Government requires natural gas exporting producers to deliver additional volumes to the domestic market in order to satisfy natural gas demand of certain consumers of the Argentine market ("Additional Injection Requirements"). Such additional volumes are not contractually committed by YPF, who is thus forced to affect natural gas exports, which execution has been conditioned. The mechanisms established by the Resolutions No. 659/2004 and 752/2005 have been adapted by the Secretariat of Energy Resolution No. 599/2007, modifying the conditions for the imposition of the requirements, depending on whether the producers have signed or not the proposed agreement, ratified by such resolution, between the Secretariat of Energy and the Producers. Also, through Resolution No. 1410/2010 of the National Gas Regulatory Authority ("ENARGAS") approved the procedure which sets new rules for natural gas dispatch applicable to all participants in the natural gas industry, imposing new and more severe regulations to the producers' availability of natural gas ("Procedimiento para Solicitudes, Confirmaciones y Control de Gas"). Additionally, the Argentine Government, through instructions made using different procedures, has ordered limitations over natural gas exports (in conjunction with the Program and the Permanent Additional Injection, named the "Export Administration"). On January 5, 2012, the Official Gazette published Resolution of the Secretariat of Energy No. 172 which temporarily extends the rules and criteria established by Resolution No. 599/07, until new legislation replaces the Resolution previously mentioned. This Resolution was appealed on February 17, 2012 by filing a motion for reconsideration with the Secretariat of Energy.

As a result of the resolution mentioned before, in several occasions since 2004, YPF has been forced to suspend, either totally or partially, its natural gas deliveries to some of its export clients, with whom YPF has undertaken firm commitments to deliver natural gas.

YPF has challenged the Program, the Permanent Additional Injection and the Additional Injection Requirements, established by Resolution of the Secretariat of Energy No. 599/2007, 172/2011 and Resolution ENARGAS No. 1410/2010, as arbitrary and illegitimate, and has invoked vis-à-vis the relevant clients that the Export Administration constitute a fortuitous case or force majeure event (act of authority) that releases YPF from any liability and/or penalty for the failure to deliver the contractual volumes. These clients have rejected the force majeure argument invoked by YPF, and some of them have demanded the payment of indemnifications and/or penalties for the failure to comply with firm supply commitments, and/or reserved their rights to future claims in such respect (the "Claims").

Among them, on June 25, 2008, AES Uruguaiana Emprendimientos S.A. (“AESU”) claimed damages in a total amount of US$ 28.1 million for natural gas “deliver or pay” penalties for cutbacks accumulated from September 16, 2007 through June 25, 2008, and also claimed an additional amount of US$ 2.7 million for natural gas “deliver or pay” penalties for cutbacks accumulated from January 18, 2006 until December 1, 2006. YPF has rejected both claims. On September 15, 2008, AESU notified YPF the interruption of the fulfillment of its commitments alleging delay and breach of YPF obligations. YPF has rejected the arguments of this notification. On December 4, 2008, YPF notified that having ceased the force majeure conditions, pursuant to the contract in force, it would suspend its delivery commitments, due to the repeated breaches of AESU obligations. AESU has rejected this notification. On December 30, 2008, AESU rejected YPF’s right to suspend its natural gas deliveries. On March 20, 2009 AESU formally notified the termination of the contract. On April 6, 2009, YPF promoted an arbitration process at the International Chamber of Commerce (“ICC”) against AESU, Companhía do Gas do Estado do Río Grande do Sul (“Sulgás”) and Transportadora de Gas del Mercosur S.A. (“TGM”). On the same date YPF was notified by the ICC of an arbitration process initiated by AESU and Sulgás against YPF in which they claim, among other matters considered inadmissible by YPF, consequential loss, AESU’s plant dismantling costs and the payment of “deliver or pay” penalties mentioned above, all of which totaled approximately US$ 1,057 million.

Additionally, YPF was notified of the arbitration process brought by TGM at the ICC, claiming YPF the payment of approximately US$ 10 million plus interest up to the date of effective payment, in connection with the payment of invoices related to the Transportation Gas Contract entered into in September 1998 between YPF and TGM, associated with the aforementioned exportation of natural gas contract signed with AESU. On April 8, 2009 YPF requested that this claim be rejected and counterclaimed for the termination of the natural gas transportation contract based on its termination rights upon the termination by AESU and Sulgás of the related natural gas export contract. In turn, YPF had initiated an arbitration process at the ICC against TGM, among others. YPF received the reply to the complaint from TGM, who requested the full rejection of YPF claims and deduced counterclaim against YPF asking the Arbitration Tribunal to condemn YPF to compensate TGM for all present and future damages suffered by TGM due to the extinction of the Transportation Gas Contract and the Memorandum of Agreement dated on October 2, 1998 by which YPF undertook to pay irrevocable non-capital contributions to TGM in return for the Uruguayana Project pipeline expansion; and to condemn AESU-Sulgás -in the case the Arbitration Tribunal finds that the termination of the Gas Contract occurred due to the failure of AESU or Sulgás- jointly and severally to indemnify all damages caused by such termination to TGM. Additionally, on July 10, 2009 TGM increased the amount of its claim to US$ 17 million and claimed an additional amount of approximately US$ 366 million for loss of profits, both considered inappropriate by YPF, and thus, rejected in its answer to such additional claim.

On April 6, 2011, the Arbitration Tribunal appointed in “YPF vs. AESU” arbitration decided to sustain YPF’s motion, and determined the consolidation of all the related arbitrations (“AESU vs. YPF”, “TGM vs. YPF” and “YPF vs. AESU”) in “YPF vs. AESU” arbitration. Consequently, AESU and TGM desisted from and abandoned their respective arbitrations, and all the matters claimed in the three proceedings are to be solved in “YPF vs. AESU” arbitration. On April 19 and 24, 2012, AESU and Sulgás presented new evidence claiming their admission in the arbitration process. YPF and TGM made their observations about the evidence on April 27, 2012. On May 1, 2012, the Arbitration Tribunal denied the admission of such evidence and ruled that the evidence would be accepted if the Tribunal considered it necessary.

On May 24, 2013, YPF was notified of the partial award decreed by a majority in the ICC Arbitration “YPF vs. AESU and TGM” whereby YPF was deemed responsible for the termination in 2009 of natural gas export and transportation contracts signed with AESU and TGM. Such award only decides on the liability of the parties, leaving the determination of the damages that could exist subject to the subsequent proceedings before the same Tribunal. Moreover, the Tribunal rejected the admissibility of “deliver or pay” claims asserted by Sulgás and AESU for the years 2007 and 2008 for a value of US$ 28 million and for the year 2006 for US$ 2.4 million.

On May 31, 2013, YPF filed with the Arbitration Tribunal a writ of Nullity, in addition to making several presentations in order to safeguard its rights. Against the rejection of the writ of nullity, on August 5, 2013 YPF filed a complaint appeal with the Argentinian Court in Commercial matters. On October 24, 2013, the Argentinian Court in Commercial matters declared its incompetency and submitted the file to the Federal Contentious Administrative Court. On December 16, the acting prosecutor issued an opinion supporting the jurisdiction of the Court.

Besides on October 17, 2013, the Arbitration Tribunal decided to resume the arbitration and set a procedural schedule for the damages stage, which shall be developed along 2014.

On December 27, 2013, the Federal Court of Appeals hearing Administrative Litigation matters was moved to grant the reconsideration motion from denial on appeal, then sustaining the appeal for procedural violations and declaring that the grant thereof shall have stay effects in connection with the arbitration process. In addition, the court was moved to grant, until the appeal for procedural violations is finally admitted, a restrictive injunction to prevent the development of the arbitration process while a decision on the reconsideration motion from denial on appeal and on the appeal for procedural violations filed by YPF is pending. On October 7, 2014, the Federal Court of Appeals hearing Administrative Litigation matters ordered the suspension of the court calendar related to the second stage of Arbitration process until a final court decision was rendered on the writ of nullity filed by YPF against the arbitral award on adjudication of liability. On October 8, 2014, the Arbitration Tribunal was served with notice of the decision rendered by the said Federal Court of Appeals. No action has been adopted as of this date by the Arbitration Tribunal. On October 31, 2014, the Arbitration Board determined the suspension of the Arbitration Process until February 2, 2015.

On January 10, 2014, YPF was served with the complaint for damages filed by AESU with the Arbitration Board claiming a total amount of US$ 815.5 million and also with the complaint for damages filed by TGM with the Arbitration Board claiming a total amount of US$ 362.6 million. On April 25, 2014, YPF filed a reply to the complaint for damages with the Arbitration Board rejecting the alleged sums claimed by TGM and AESU based on the fact that the said amounts are disproportionate due to errors in the technical valuations attached. On July 8, 2014, TGM filed an answer to the reply with the Arbitration Tribunal Arbitral, which was in turn replied by YPF on September 23, 2014 by filing a second answer thereto.

Despite having brought the action above mentioned, considering the information available to date, the estimated time remaining until the end of the proceedings, the outcomes of the additional evidence presented in the continuation of the dispute and the provisions of the arbitration award, the Company has accrued its best estimate with respect to the amount of the claims.

Furthermore, there are certain claims in relation with payments of natural gas transportation contracts associated with exports of such hydrocarbon. Consequently, one of the parties, Transportadora de Gas del Norte S.A. (“TGN”), commenced mediation proceedings in order to determine the merits of such claims. The mediation proceedings did not result in an agreement and YPF was notified of the lawsuit filed against it, in which TGN is claiming the payment of unpaid invoices, according to their arguments, while reserving the right to claim for damages, which were claimed in a note addressed to YPF during November 2011. Additionally, the plaintiff notified YPF that it was terminating the contract invoking YPF’s fault, basing its decision on the alleged lack of payment of transportation fees, reserving the right to claim for damages. After that, TGN filed the lawsuit claiming for damages mentioned above. The total amount claimed by TGN amounts to approximately US$ 207 million as of the date of these consolidated financial statements. YPF has answered the mentioned claims, rejecting them based in the legal impossibility for TGN to render the transportation service and in the termination of the transportation contract determined by YPF and notified with a complaint initiated before ENARGAS. On the trial for the collection of bills, on September 2011, YPF was notified of the resolution of the Court of Appeals rejecting YPF’s claims and declaring that ENARGAS is not the appropriate forum to decide on the matter and giving jurisdiction to the Civil and Commercial Federal courts to decide on the claim for the payment of unpaid invoices mentioned above.

Regarding the previously mentioned issue, on April 8, 2009, YPF had filed a complaint against TGN with ENARGAS, seeking the termination of the natural gas transportation contract with TGN in connection with the natural gas export contract entered with AESU and other parties. The termination of the contract with that company is based on: (a) the impossibility for YPF to receive the service and for TGN to render the transportation service, due to (i) the termination of the natural gas contract with Sulgás/AESU and (ii) the legal impossibility of assigning the transportation contract to other shippers because of the regulations in effect, (b) the legal impossibility for TGN to render the transportation service on a firm basis because of certain changes in law in effect since 2004, and (c) the “Teoría de la Imprevisión” available under Argentine law, when extraordinary events render a party’s obligations excessively burdensome.

On April 3, 2013 the complaint for damages brought by TGN was notified whereby TGN claimed YPF the amount of US$ 142 million, plus interests and legal fees for the termination of the transportation contract,

and notified that YPF shall have 30 days to file and answer thereto. On May 31, 2013 YPF answered the claim requesting the dismissal thereof. On April 3, 2014 the evidence production period commenced for a 40-days lapse, and the court notified the parties that they shall submit a copy of evidence offered by them to create exhibit binder. As of the date of issuance of these consolidated financial statements, evidence offered by the parties is being produced.

In addition, Nación Fideicomisos S.A. (NAFISA) had initiated a claim against YPF in relation to payments of applicable fees for natural gas transportation services to Uruguaiana corresponding to the transportation invoices claimed by TGN. A mediation hearing finished without arriving to an agreement, concluding the pre-trial stage. Additionally, on January 12, 2012 and following a mediation process which ended without any agreement, NAFISA filed a complaint against YPF, under article 66 of Law No. 24,076, before ENARGAS, claiming the payment of certain transportation charges in an approximate amount of 339. On February 8, 2012, YPF answered the claim raising ENARGAS' lack of jurisdiction (as the Company did in the proceeding against TGN), the accumulation in the "TGN vs. YPF" trial and rejecting the claim based on the theory of legal impossibility. On the same date, was also submitted in the trial "TGN vs. YPF" similar order of accumulation. On April 12, 2012, ENARGAS resolved in favor of NAFISA. On May 12, 2012 YPF filed an appeal against such resolution to the National Court of Appeals in the Federal Contentious Administrative. On November 11, 2013, such court dismissed the direct appeal filed by YPF. In turn, on November 19, 2013, YPF submitted an ordinary appeal before the National Supreme Court of Justice and on November 27, an extraordinary appeal was lodged, also before the Supreme Court. The ordinary appeal was granted and timely supported by YPF. In the opinion of YPF's Management, the matters referred to above, will not have a material adverse effect on the Company's results of operations.

As of September 30, 2014, the Company has accrued costs for penalties associated with the failure to deliver the contractual volumes of natural gas in the export and domestic markets which are probable and can be reasonably estimated.

La Plata and Quilmes environmental claims:

La Plata: In relation with the operation of the refinery that YPF has in La Plata, there are certain claims for compensation of individual damages purportedly caused by the operation of the La Plata refinery and the environmental remediation of the channels adjacent to the mentioned refinery. During 2006, YPF submitted a presentation before the Environmental Secretariat of the Province of Buenos Aires which put forward for consideration the performance of a study for the characterization of environmental associated risks. As previously mentioned, YPF has the right of indemnity for events and claims prior to January 1, 1991, according to Law No. 24,145 and Decree No. 546/1993. Besides, there are certain claims that could result in the requirement to make additional investments connected with the operations of La Plata refinery.

On January 25, 2011, YPF entered into an agreement with the environmental agency of the Government of the Province of Buenos Aires (Organismo Provincial para el Desarrollo Sostenible ("OPDS")), within the scope of the Remediation, Liability and Environmental Risk Control Program, created by Resolution No. 88/10 of the OPDS. Pursuant to the agreement, the parties agreed to jointly perform an eight-year work program in the channels adjacent to the La Plata refinery, including characterization and risk assessment studies of the sediments. The agreement provides that, in the case that a required remediation action is identified as a result of the risk assessment studies, the different alternatives and available techniques will be considered, as well as the steps needed for the implementation. Dating studies will also be performed pursuant to the agreement, in order to determine responsibilities of the Argentine Government in accordance with its obligation to hold YPF harmless in accordance with the article 9 of the Privatization Law No. 24,145. YPF has provisioned the estimated cost of the characterization and risk assessment studies mentioned above. The cost of the remediation actions, if required, will be recorded in those situations where the loss is probable and can be reasonably estimated.

Quilmes: Citizens which allege to be residents of Quilmes, Province of Buenos Aires, have filed a lawsuit in which they have requested remediation of environmental damages and also the payment of 47 plus interests as a compensation for supposedly personal damages. They base their claim mainly on a fuel leak in the pipeline running from La Plata to Dock Sud, currently operated by YPF, which occurred in 1988 as a result of an illicit detected at that time, being at that moment YPF a state-owned company. Fuel would have emerged and became perceptible on November 2002, which resulted in remediation works that are being performed by the Company in the affected area, supervised by the environmental authority of the Province of Buenos Aires. The Argentine Government has denied any responsibility to indemnify YPF for this matter, and the Company has sued the Argentine Government to obtain a declaration of invalidity of such decision. The suit is still pending. On November 25, 2009, the proceedings were transferred to the

Federal Court on Civil and Commercial Matters No. 3, Secretariat No. 6 in Buenos Aires City and on March 4, 2010, YPF answered the complaint and requested the citation of the Argentine Government. In addition to the aforementioned, the Company has other 26 judicial claims against it with total claims amounting to approximately 19. Additionally, YPF is aware of the existence of other out of court claims which are based on similar allegations.

Other claims and environmental liabilities:

In relation to environmental obligations, and in addition to the hydrocarbon wells abandonment legal obligations for 17,797 as of September 30, 2014, the Company has accrued 2,151 corresponding to environmental remediation, which evaluations and/or remediation works are probable and can also be reasonably estimated, based on the Company's existing remediation program. Legislative changes, on individual costs and/or technologies may cause a re-evaluation of the estimates. The Company cannot predict what environmental legislation or regulation will be enacted in the future or how future laws or regulations will be administered. In the long-term, this potential changes and ongoing studies could materially affect future results of operations.

In addition to what has been mentioned in the preceding paragraphs, laws and regulations relating to health and environmental quality in the United States of America affect nearly all the operations of YPF Holdings Inc. (hereinafter mentioned as "YPF Holdings Inc." or "YPF Holdings"). These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish in certain circumstances remedial obligations.

YPF Holdings Inc. believes that its policies and procedures in the area of pollution control, product safety and occupational health are adequate to prevent reasonable risk of environmental and other damage, and of resulting financial liability, in connection with its business. Some risk of environmental and other damage is, however, inherent in particular operations of YPF Holdings Inc. and, as discussed below, Maxus Energy Corporation ("Maxus") and Tierra Solutions Inc. ("Tierra"), both controlled by YPF Holdings Inc., could have certain potential liabilities associated with operations of Maxus' former chemical subsidiary.

YPF Holdings Inc. cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent law regulations, as well as more vigorous enforcement policies of the regulatory agencies, could in the future require material expenditures by YPF Holdings Inc. for the installation and operation of systems and equipment for remedial measures, possible dredging requirements, among other things. Also, certain laws allow for recovery of natural resource damages from responsible parties and ordering the implementation of interim remedies to abate an imminent and substantial endangerment to the environment. Potential expenditures for any such actions cannot be reasonably estimated.

In the following discussion, references to YPF Holdings Inc. include, as appropriate and solely for the purpose of this information, references to Maxus and Tierra.

In connection with the sale of Maxus' former chemical subsidiary, Diamond Shamrock Chemicals Company ("Chemicals") to Occidental Petroleum Corporation ("Occidental") in 1986, Maxus agreed to indemnify Chemicals and Occidental from and against certain liabilities relating to the business or activities of Chemicals prior to September 4, 1986 (the "selling date"), including environmental liabilities relating to chemical plants and waste disposal sites used by Chemicals prior to the selling date.

As of September 30, 2014, the total provision for environmental contingencies and other claims accrued by YPF Holdings Inc. amounts approximately to 1,222. YPF Holdings Inc.'s management believes it has adequately provisioned for all environmental contingencies, which are probable and can be reasonably estimated; however, changes in circumstances, including new information or new requirements of governmental entities, could result in changes, including additions, to such provisions in the future. The most significant contingencies are described in the following paragraphs:

Newark, New Jersey. A consent decree, previously agreed upon by the U.S. Environmental Protection Agency ("EPA"), the New Jersey Department of Environmental Protection and Energy ("DEP") and Occidental, as successor to Chemicals, was entered in 1990 by the United States District Court of New Jersey and requires implementation of a remedial action plan at Chemical's former Newark, New Jersey agricultural chemicals plant. The interim remedial plan has been completed and paid for by Tierra. This project is in the operation and maintenance phase. YPF Holdings Inc. has accrued approximately 126 in connection with such activities.

Passaic River, New Jersey. Maxus, complying with its contractual obligation to act on behalf of Occidental, negotiated an agreement with the EPA (the "1994 AOC") under which Tierra has conducted testing and studies near the Newark plant site, adjacent to the Passaic River. While some work remains, the work under the 1994 AOC was substantially subsumed by reason of an administrative arrangement dated 2007 (the "2007 AOC") with about 70 companies (including Occidental and Tierra). Under the 2007 AOC, the 17 miles of the lower Passaic River, from the mouth at Newark Bay to Dundee Dam, should be subjected to a Remedial Investigation / Feasibility Study ("RI/FS"). Participants of the 2007 AOC are discussing the possibility of conducting additional remedial works with the EPA. The entities that have agreed to fund the RI/FS have negotiated an interim allocation of RI/FS costs among themselves based on a number of considerations. This group is called the Cooperative Parties Group (the "CPG"). The 2007 AOC is being coordinated with a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project ("PRRP"). On May 29, 2012, Occidental, Maxus and Tierra withdrew from the CPG under protest and reserving all their rights. A description of the circumstances of such decision can be found below in the paragraph titled "Passaic River - Mile 10.9 - Removal Action". However, Occidental continues to be a member of the 2007 AOC and its withdrawal from the CPG does not change its obligations under the 2007 AOC. The RI/FS concerning the 2007 AOC is expected to be completed by the first or second quarter of 2015 together with the filing with the EPA by the CPG of a preliminary report containing its recommendation as to preferred remediation. EPA will have to assess such recommendation and then render an opinion in this connection. This process may take from 12 to 18 months. After an agreement is reached by the CPG and the EPA on preferred remediation, the report will be published for public opinion, which will be considered for the purpose of issuing a Record of Decision or final decision on remediation.

The EPA's findings of fact in the 2007 AOC (which amended the 1994 AOC) indicate that combined sewer overflow/storm water outfall discharges are an ongoing source of hazardous substances to the Lower Passaic River Study Area. For this reason, during the first semester of 2011, Maxus and Tierra signed with the EPA, on behalf of Occidental, an Administrative Settlement Agreement and Order on Consent for Combined Sewer Overflow/Storm Water Outfall Investigation ("CSO AOC"), which became effective in September 2011. Besides providing for a study of combined sewer overflows in the Passaic River, the CSO AOC confirms that there will be no further obligations to be performed under the 1994 AOC. Tierra estimates that the total cost to implement the CSO AOC is approximately US$ 5 million and will take approximately 2 years to complete.

In 2003, the DEP issued Directive No. 1 to Occidental and Maxus and certain of their respective related entities as well as other third parties. Directive No. 1 seeks to address natural resource damages allegedly resulting from almost 200 years of historic industrial and commercial development along a portion of the Passaic River and a part of its watershed. Directive No. 1 asserts that the named entities are jointly and severally liable for the alleged natural resource damages without regard to fault. The DEP has asserted jurisdiction in this matter even though all or part of the lower Passaic River is subject to the PRRP. Directive No. 1 calls for the following actions: interim compensatory restoration, injury identification, injury quantification and value determination. Maxus and Tierra responded to Directive No. 1 setting forth good faith defenses. Settlement discussions between the DEP and the named entities have been held; however, no agreement has been reached or is assured.

In 2004, the EPA and Occidental entered into an administrative order on consent (the "2004 AOC") pursuant to which Tierra (on behalf of Occidental) has agreed to conduct testing and studies to characterize contaminated sediment and biota and evaluate remedial alternatives in the Newark Bay and a portion of the Hackensack, the Arthur Kill and Kill van Kull rivers. The initial field work on this study, which includes testing in the Newark Bay, has been substantially completed. Discussions with the EPA regarding additional work that might be required are underway. EPA has issued General Notice Letters to a series of additional parties concerning the contamination of Newark Bay and the work being performed by Tierra under the 2004 AOC. Tierra proposed to the other parties that, for the third stage of the RI/FS undertaken in Newark Bay, the costs be allocated on a per capita basis. The parties have not agreed to Tierra's proposal. However, YPF Holdings lacks sufficient information to determine additional costs, if any, it might have with respect to this matter once the final scope of the third stage is approved, as well as the proposed distribution mentioned above.

In December 2005, the DEP issued a directive to Tierra, Maxus and Occidental directing said parties to pay the State of New Jersey's cost of developing a Source Control Dredge Plan focused on allegedly dioxin-contaminated sediment in the lower six-mile portion of the Passaic River. The development of this plan was estimated by the DEP to cost approximately US$ 2 million. The DEP has advised the recipients that (a) it is engaged in discussions with the EPA regarding the subject matter of the directive, and (b) they are not required to respond to the directive until otherwise notified.

In August 2007, the National Oceanic Atmospheric Administration (“NOAA”) sent a letter to a number of entities which according to the NOAA have a liability for natural resources damages, including Tierra and Occidental, requesting that the group enters into an agreement to conduct a cooperative assessment of natural resources damages in the Passaic River and Newark Bay. In November 2008, Tierra and Occidental entered into an agreement with the NOAA to fund a portion of the costs it has incurred and to conduct certain assessment activities during 2009. Approximately 20 other PRRP members have also entered into similar agreements. In November 2009, Tierra declined to extend this agreement.

During June 2008, the EPA, Occidental, and Tierra entered into an AOC (“Removal AOC from 2008”), pursuant to which Tierra (on behalf of Occidental) will undertake a removal action of sediment from the Passaic River in the vicinity of the former Diamond Alkali facility. This action results in the removal of approximately 200,000 cubic yards of sediment, which will be carried out in two different phases. The first phase, which commenced in July 2011, encompasses the removal of 40,000 cubic yards (30,600 cubic meters) of sediments and was substantially completed in the fourth quarter of 2012. The EPA conducted a site inspection in January 2013, and Tierra received written confirmation of completion in March 2013. The second phase involves the removal of approximately 160,000 cubic yards (122,400 cubic meters) of sediment. This second phase will start after according with EPA certain development’s aspects related to it. Pursuant to the Removal AOC from 2008, the EPA has required the provision of financial assurance for the execution of the removal work which could increase or decrease over time if the anticipated cost of completing the removal work contemplated by the Removal AOC from 2008 changes. During the sediment removal action, contaminants which may have come from sources other than the former Diamond Alkali plant will necessarily be removed.

In addition, in June 2007, EPA released a draft Focused Feasibility Study (the “FFS”) that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These alternatives range from no action, which would result in comparatively little cost, to extensive dredging and capping, which according to the draft FFS, EPA estimated could cost from US$ 900 million to US$ 2,300 million and are all described by EPA as involving proven technologies that could be carried out in the near term, without extensive research. Tierra, in conjunction with the other parties working under the CPG, submitted comments on the legal and technical defects of the draft FFS to EPA. On September 18, 2012, at a Community Advisory Group (“CAG”) meeting, the EPA described the alternatives considered in the Focused Feasibility Study. The EPA stated that the FFS will set forth four alternatives: (i) no action (cost: US$8.6 million); (ii) deep dredging of 9.6 million cubic yards over 11 years (cost: US$ 1.3 billion to US$ 3.4 billion, depending in part on whether the dredged sediment is disposed of in a contained aquatic disposal facility on the floor of Newark Bay (“CAD”) or at an off-site disposal facility); (iii) capping and dredging of 4.3 million cubic yards over 6 years (cost: US$ 1 billion to US$ 1.9 billion, depending in part on whether there is a CAD or off-site disposal; (iv) focused capping and dredging of 0.9 million cubic yards over 3 years (the alternative proposed by the CPG). The EPA indicated that it had discarded alternative (iv) and that is currently in favor of alternative (iii).

On April 11, 2014, the EPA published the final FFS. Among the various measures considered in the FFS, the EPA recommended as the preferred measure for this area that the 4.3 million cubic yards of contaminated sediments be removed through bank-to-bank dredging, which sediments would then be dehydrated locally and transported by train for their incineration or disposal at an off-site disposal facility. An engineering cap (a physical barrier mainly consisting of sand and stone) would then be placed over the bank-to-bank dredged area in order to provide protection against erosion and other physical alterations. In its FFS, the EPA estimates the cost of the preferred measure for the lower 8 miles of Passaic River amounts to US$ 1,731 million (present value estimated with a 7% discount rate).

The FFS and a range of potential measures are now subject to public comments and to the agency’s reply before the EPA make its final decision regarding the remedial action to be undertaken in this area in a Decision Report that will probably be published in 2015.

Maxus, like the other parties, has submitted its comments to the EPA.

Based on the information available to the Company as of the issuance date of these financial statements, considering the final proposal, the results of the studies and discoveries to be produced, the several potential responsible parties involved in the matter, with its consequent potential allocation of removal costs, and also considering the opinion of external counsels, it is not possible to reasonably estimate a loss or range of losses on these outstanding matters. Therefore, no amount has been accrued for this matter by YPF Holdings Inc.

On the other hand, and in relation to the alleged contamination related to dioxin and other "hazardous substances" discharged from Chemicals' former Newark plant and the contamination of the lower stretch of the Passaic River, Newark Bay, other nearby waterways and surrounding areas in December 2005 the DEP sued YPF Holdings, Tierra, Maxus and several companies, besides Occidental. The DEP seeks remediation of natural resources damaged and punitive damages and other matters. The defendants have made responsive pleadings and filings. In March 2008, the Court denied motions to dismiss by Occidental, Tierra and Maxus. The DEP filed its Second Amended Complaint in April 2008. YPF filed a motion to dismiss for lack of personal jurisdiction. The motion mentioned previously was denied in August 2008, and the denial was confirmed by the Court of Appeal. Notwithstanding, the Court denied to plaintiffs' motion to bar third party practice and allowed defendants to file third-party complaints. Third-party claims against approximately 300 companies and governmental entities (including certain municipalities) which could have responsibility in connection with the claim were filed in February 2009. DEP filed its Third Amended Complaint in August 2010, adding Maxus International Energy Company and YPF International S.A. as additional named defendants. Anticipating this considerable expansion of the number of parties in the litigation, the Court appointed a judge in charge to assist the court in the administration of discovery. In September 2010, Governmental entities of the State of New Jersey and a number of third-party defendants filed their dismissal motions and Maxus and Tierra filed their responses. In October 2010, a number of public third-party defendants filed a motion to sever and stay and the DEP joined their motion, which would allow the DEP to proceed against the direct defendants. However, the judge has ruled against this motion in November 2010. Third-party defendants have also brought motions to dismiss, which have been rejected by the assistant judge in January 2011. Some of the mentioned third-parties appealed the decision, but the judge denied such appeal in March 2011. In May 2011, the judge issued Case Management Order No. XVII (CMO XVII), which contains the Trial Plan for the case. This Trial Plan divides the case into two phases, each with its own mini-trials. Phase One will determine liability and Phase Two will determine damages. Following the issuance of CMO XVII, the State of New Jersey and Occidental filed motions for partial summary judgment. The State filed two motions: the first one against Occidental and Maxus on liability under the Spill Act, and against Tierra on liability under the Spill Act. In addition, Occidental filed a motion for partial summary judgment that Maxus owes a duty of contractual indemnity to Occidental for liabilities under the Spill Act. In July and August 2011, the judge ruled that, although the discharge of hazardous substances by Chemicals has been proved, liability allegation cannot be made if the nexus between any discharge and the alleged damage is not established. Additionally, the Court ruled that Tierra has Spill Act liability to the State based merely on its current ownership of the Lister Avenue site; and that Maxus has an obligation under the 1986 Stock Purchase Agreement to indemnify Occidental for any Spill Act liability arising from contaminants discharged on the Lister Avenue site. The judge in charge called for and held a settlement conference in November 2011 between the State of New Jersey, on the one hand, and Repsol S.A., YPF and Maxus, on the other hand to discuss the parties' respective positions, but no agreement was reached.

In February 2012, plaintiffs and Occidental filed motions for partial summary judgment, seeking summary adjudication that Maxus has liability under the Spill Act of New Jersey. In the first quarter of 2012 Maxus, Occidental and plaintiffs submitted their respective briefs. Oral arguments were heard on May 15 and 16, 2012. The Judge held that Maxus and Tierra have direct liability for the contamination generated into the Passaic River. However, volume, toxicity and cost of the contamination were not verified (these issues will be determined in a later phase of the trial). Maxus and Tierra have the right to appeal such decision.

On September 11, 2012 the Court issued the track VIII order. The track VIII order governs the process by which the Court will conduct the discovery and trial of the State's damages against Occidental, Maxus and Tierra (caused by the Diamond Alkali Lister Avenue plant). Under the order, the trial for the first phase of track VIII was scheduled to commence in July 2013. However, this schedule has been changed by the following occurrence.

On September 21, 2012, Judge Lombardi (trial judge) granted the State's application for an Order to Show Cause to Stay all proceedings against third party defendants who entered into a Memorandum of Understanding ("MOU") with the State to discuss settlement of the claims against the third party defendants.

On September 27, 2012, Occidental filed its Amended Cross-Claims and the following day, the State filed its fourth Amended Complaint. The principal changes to the State's pleading concern the State's

allegations against YPF and Repsol, all of which Occidental has adopted in its cross-claims. In particular, there are three new allegations against Repsol involving asset stripping from Maxus and also from YPF based on the Argentine Government's Mosconi Report. On October 25, 2012, the parties to the litigation agreed to a Consent Order, subject to approval by Judge Lombardi, which, in part, extended the deadline for YPF to respond to the State's and Occidental's new pleadings by December 31, 2012, extends fact deposition discovery until April 26, 2013, extends expert discovery until September 30, 2013, and sets trial on the merits for certain allegations for February 24, 2014, date on which it lost effectiveness as it was replaced by subsequent court orders.

During the fourth quarter of 2012 and the first quarter of 2013, YPF, YPF Holdings, Maxus and Tierra together with certain other direct defendants in the litigation, have engaged in on-going mediation and negotiation seeking the possibility of a settlement with the State of New Jersey. During this time, the Court has stayed the litigation. On March 26, 2013, the State informed the Court that a proposed settlement between the State and certain third party defendants had been approved by the requisite threshold number of private and public third party defendants. YPF, YPF Holdings, Maxus and Tierra approved in Boards of Directors the authorization to sign the settlement agreement (the "Agreement") above mentioned. The proposal of the Agreement, which does not imply endorsement of facts or rights and that it is presented only with conciliatory purposes, was subject to an approval process, publication, comment period and court approval. According to the terms of the Agreement, the state of New Jersey would agree to solve certain claims related with environmental liabilities within a geographic area of the Passaic River, New Jersey, United States of America, initiated against YPF and certain subsidiaries, recognizing to YPF and other participants in the litigation, a limited liability of US$ 400 million, if they are found responsible. In return, YPF would make cash payment of US$ 65 million at the time of approval of the Agreement.

In September 2013, Judge Lombardi published its Case Management order XVIII ("CMO 18"), which provides a schedule for approval of the settlement agreement. Pursuant to the CMO 18, the court heard oral arguments on December 12, 2013, after which, Judge Lombardi ruled the rejection of Occidental's claims and approved the settlement agreement. On January 24, 2014, Occidental appealed the approval of the settlement agreement. Notwithstanding, on February 10, 2014, in compliance with the settlement agreement, Maxus made a deposit of US$ 65 million in an escrow account. Occidental appealed Judge Lombardi's decision approving the settlement agreement, which was dismissed. Later, on April 11, 2014 Occidental notified the parties that it would seek an additional revision of Judge Lombardi's decision approving the settlement agreement.

Also, on June 23, 2014, lawyers of the State of New Jersey reported that Occidental and the State of New Jersey reached an understanding about the general terms and conditions for an agreement that would end the Track VIII proceedings.

On August 20, 2014, the State of New Jersey and Occidental reported that they had agreed on the general terms and conditions of a Settlement Agreement. Under such agreement, Occidental will pay the State of New Jersey US$190 million in three installments, the last maturing on June 2015. In addition, Occidental agreed to pay up to US$400 million as a contingency payment.

If the court approves the Settlement Agreement, the hearing on which is scheduled for December 16, 2014, Occidental could file a motion for summary judgment against Maxus and Tierra for indemnity for the amount under the Settlement Agreement. Maxus will raise all available defenses against indemnification for payment under the Settlement Agreement.

Furthermore, on July 31, 2014, Occidental filed its third amended complaint, replacing the second amended complaint filed in September 2012. YPF, Repsol and Maxus filed motions to strike the third amended complaint of Occidental on the ground that claims included in the third amended complaint were not present in the second amended complaint. Occidental replied that the third amended complaint includes new facts but no new claims. On October 28, 2014, Judge Lombardi struck the third amended complaint of Occidental, which may appeal such decision.

Upon the decision mentioned above, the special Judge will summon the parties to define a new Case Management Order including Track IV (related to the claims brought by Occidental under the alter ego doctrine between Maxus and its shareholders, with respect to fraudulent transfers of assets by YPF and Repsol), as a consequence which trial may commence between December 2015 and January 2016.

As of September 30, 2014, YPF Holdings has accrued 438 comprising the estimated costs for studies, YPF Holdings Inc.'s best estimate of the cash flows it could incur in connection with remediation activities considering the studies performed by Tierra, the estimated costs related to the Removal AOC of 2008

agreement, and in addition certain other matters related to Passaic River and the Newark Bay, also including certain related legal matters. However, it is possible that other works, including interim remedial measures or different from those considered, may be ordered. In addition, the development of new information, the imposition of penalties or remedial actions or the result of negotiations related to the referred matters differing from the scenarios that YPF Holdings Inc. has evaluated, could result in additional costs to the amount currently accrued.

Passaic River Mile 10.9 Removal Action. In February 2012, the EPA issued to the Cooperating Parties Group ("CPG"), of which Tierra then was a member, a draft Administrative Settlement Agreement and order on Consent ("AOC RM 10.9") for Removal Action and Pilot Studies to address high levels of contamination of 2, 3, 7, 8 - TCDD, PCBs, mercury and other contaminants of concern in the vicinity of the Passaic River's mile 10.9 ("RM 10.9"), comprised of a sediment formation ("mud flat") of approximately 8.9 acres. This proposed AOC RM 10.9 ordered that approximately 16,000 cubic yards of sediments be removed and that pilot scale studies be conducted to evaluate ex situ decontamination beneficial reuse technologies, innovative capping technologies, and in situ stabilization technologies for consideration and potential selection as components of the remedial action to be evaluated in the 2007 AOC and the FFS and selected in one or more subsequent records of decision. Occidental declined to execute this AOC formalized its resignation from the CPG, effective May 29, 2012, under protest and subject to a reservation of rights. On June 18, 2012, the EPA announced that it had signed an AOC for RM 10.9 with 70 Settling Parties, all members of the CPG, which contained, among other requirements, an obligation to provide to the EPA financial assurance, in the amount of US$ 20 million, for the completion of such works. Occidental sent to the CPG and EPA its notice of intent to comply with such order on July 23, 2012 followed by its good faith offer on July 27, 2012 to provide the use of Tierra's dewatering facility. On August 10, 2012, the CPG rejected Occidental's good faith offer and, on September 7, 2012, the CPG stated that it has alternative plans for handling sediment to be excavated at RM 10.9 and, therefore, has no use for the existing dewatering facility. The EPA, by letter of September 26, 2012, advised that it will be necessary for EPA and Occidental to discuss other options for Occidental to participate and cooperate in the RM 10.9 removal action, as required by its Unilateral Administrative Order. On September 18, 2012, the EPA advised the Passaic River CAG that the bench scale studies of the treatment technologies did not sufficiently lower concentrations of the chemicals to justify the cost, so the RM 10.9 sediments will be removed offsite for disposal. Therefore, the EPA notified OCC, Maxus and Tierra that other options would be discussed in order to determine how to comply with the Unilateral Administrative Order. Tierra, on behalf of Occidental, worked during the first four-month period in 2014 to prepare a proposal for the EPA in connection with RM 10.9. In March 2014, Tierra sent a work schedule to conduct certain studies, which were conditionally accepted by the EPA. Based on the information available to the Company as of the issuance date of this report, considering the results of the studies and discovery process as well as the potential responsibility of the other parties involved in this matter and the potential allocation of removal costs, based on the advice of our external and internal legal counsel, it is not possible to reasonably estimate a loss or range of losses related to these outstanding matters. Therefore, no amount has been accrued in respect of these claims.

Hudson County, New Jersey. Until 1972, Chemicals operated a chromite ore processing plant at Kearny, New Jersey ("Kearny Plant"). According to the DEP, wastes from these ore processing operations were used as fill material at a number of sites in and near Hudson County. DEP has identified over 200 sites in Hudson and Essex Counties alleged to contain chromite ore processing residue either from the Kearny Plant or from plants operated by two other chromium manufacturers.

The DEP, Tierra and Occidental, as successor to Chemicals, signed an administrative consent order with the DEP in 1990 for investigation and remediation work at 40 chromite ore sites in Hudson and Essex Counties alleged to be impacted by the Kearny Plant operations.

Tierra, on behalf of Occidental, is presently performing the work and funding Occidental's share of the cost of investigation and remediation of these sites. In addition, financial assurance has been provided in the amount of US$ 20 million for performance of the work. The ultimate cost of remediation is uncertain. Tierra submitted its remedial investigation reports to the DEP in 2001, and the DEP continues to review the report.

Additionally, in May 2005, the DEP took two actions in connection with the chrome sites in Hudson and Essex Counties. First, the DEP issued a directive to Maxus, Occidental and two other chromium manufacturers directing them to arrange for the cleanup of chromite ore residue at three sites in New Jersey City and the conduct of a study by paying the DEP a total of US$ 20 million. While YPF Holdings Inc. believes that Maxus is improperly named and there is little or no evidence that Chemicals' chromite ore

residue was sent to any of these sites, the DEP claims these companies are jointly and severally liable without regard to fault. Second, the State of New Jersey filed a lawsuit against Occidental and two other entities seeking, among other things, cleanup of various sites where chromite ore processing residue is allegedly located, recovery of past costs incurred by the state at such sites (including in excess of US$ 2 million allegedly spent for investigations and studies) and, with respect to certain costs at 18 sites, treble damages. The DEP claims that the defendants are jointly and severally liable, without regard to fault, for much of the damages alleged. In February 2008, the parties reached an agreement in principle, for which Tierra, on behalf of Occidental, agreed to pay US$ 5 million and perform remediation works in three sites, with a total cost of approximately US$ 2 million, subject to the terms of a Consent Judgment between and among DEP, Occidental and two other parties, which was published in the New Jersey Register in June 2011, and became final and effective as of September 2011. Pursuant to the Consent Judgment, the US$ 5 million payment was made in October 2011 and a master schedule was delivered to DEP for the remediation during a ten-year period, of the three orphan sites plus the remaining chromite ore sites (approximately 28 sites) under the Kearny ACO. DEP indicated that it could not approve a ten-year term; consequently, Maxus submitted a revised eight-year schedule which was approved by DEP on March 24, 2013.

In November 2005, several environmental groups sent a notice of intent to sue the owners of the properties adjacent to the former Kearny Plant (the “adjacent property”), including among others Tierra, under the Resource Conservation and Recovery Act. The stated purpose of the lawsuit, if filed, would be to require the noticed parties to carry out measures to abate alleged endangerments to health and the environment emanating from the Adjacent Property. The parties have entered into an agreement that addresses the concerns of the environmental groups, and these groups have agreed, not to file suit. After the original agreement expired, the parties entered into a new Standstill Agreement, effective since March 7, 2013.

In March 2008, the DEP approved an interim response action plan for work to be performed at the Kearny Plant by Tierra and the adjacent property by Tierra in conjunction with other parties. As of the date of issuance of these consolidated financial statements, work on the interim response action has begun. This adjacent property was listed by EPA on the National Priority List in 2007. In July 2010, EPA notified Tierra, along with three other parties, which are considered potentially responsible for this adjacent property and requested to conduct a RI/FS for the site. The parties have agreed to coordinate remedial efforts, forming the “Peninsula Restoration Group” or “PRG.” In the fourth quarter 2011, the PRG reached an agreement in principle with a new party, whereby would join the PRG. The PRG is in active negotiations with the EPA for an RI/FS AOC for the Standard Chlorine Chemical Company, which was jointly signed with another three potentially responsible parties during May 2013. On-site work began during the fourth quarter of 2013, once EPA approved the work plan.

Pursuant to a request of the DEP, in the second half of 2006, the PRG tested the sediments in a portion of the Hackensack River near the former Kearny Plant. A report of those test results was submitted to the DEP. DEP requested additional sampling, and the PRG submitted to DEP work plans for additional sampling in January 2009. In March 2012, the PRG received a Notice of Deficiency (“NOD”) letter from DEP. In the NOD, DEP seeks to expand the scope of work that would be required in the Hackensack River under the SRIWP to add both additional sample locations/core segments and parameters. While the PRG acknowledges that it is required to investigate and prevent chrome releases from certain upland sites into the river, the PRG contends that it is has no obligation under the governing ACOs and Consent Judgment to investigate chrome contamination in the river generally. Negotiations between the PRG and the DEP are ongoing.

As of September 30, 2014, there are approximately 284 accrued in connection with the foregoing chrome-related matters. The study of the levels of chromium has not been finalized, and the DEP is still reviewing the proposed actions. The cost of addressing these chrome-related matters could increase depending upon the final soil actions, the DEP’s response to Tierra’s reports and other developments.

Painesville, Ohio. In connection with the Chemical’s operation until 1976 of one chromite ore processing plant (“Chrome Plant”), the Ohio Environmental Protection Agency (“OEPA”) ordered to conduct a RI/FS at the former Painesville’s Plant area. OEPA has divided the Painesville Work Site into 20 operable units, including operable units related to groundwater. Tierra has agreed to participate in the RI/FS as required by the OEPA. Tierra submitted the remedial investigation report to the OEPA, which was finalized in 2003. Tierra will submit required feasibility reports separately. In addition, the OEPA has approved certain work, including the remediation of specific operable units within the former Painesville Works area and work

associated with the development plans discussed below (the “Remediation Work”). The Remediation Work has begun. As the OEPA approves additional projects related to investigation, remediation, or operation and maintenance activities for each operable unit within the site, additional amounts will need to be provisioned.

Over fifteen years ago, the former Painesville Works Site was proposed for listing on the national Priority List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”); however, the EPA has stated that the site will not be listed so long as it is satisfactorily addressed pursuant to the Director’s Order and OEPA’s programs. As of the date of issuance of these consolidated financial statements, the site has not been listed. As of September 30, 2014, YPF Holdings Inc. has accrued a total of 140 for its estimated share of the cost to perform the RI/FS, the remediation work and other operation and maintenance activities at this site. The scope and nature of any further investigation or remediation that may be required cannot be determined at this time; however, as the RI/FS progresses, YPF Holdings Inc. will continuously assess the condition of the Painesville’s plants works site and make any required changes, including additions, to its provision as may be necessary.

Other Sites. Pursuant to settlement agreements with the Port of Houston Authority and other parties, Tierra and Maxus are participating (on behalf of Chemicals) in the remediation of property required Chemicals’ former Greens Bayou facility where DDT and certain other chemicals were manufactured. Additionally, in 2007 the parties have reached an agreement with the Federal and State Natural Resources Trustees concerning natural resources damages. In 2008, the Final Damage Assessment and Restoration Plan/Environmental Assessment were approved, specifying the restoration projects to be implemented. During the first semester of 2011, Tierra negotiated, on behalf of Occidental, a draft Consent Decree with governmental agencies of the United States and Texas addressing natural resource damages at the Greens Bayou Site. The Consent Decree was signed by the parties in January 2013 through which it is agreed to reimburse certain costs incurred by the aforementioned governmental agencies and conducting two restoration projects for a total amount of US$ 0.8 million. Although the primary work was largely finished in 2009, some follow-up activities and operation and maintenance remain pending. As of September 30, 2014, YPF Holdings Inc. has accrued 25 for its estimated share of remediation activities associated with Greens Bayou facility.

In June 2005, the EPA designated Maxus as PRP (Potential Responsible Party) at the Milwaukee Solvay Coke & Gas site in Milwaukee, Wisconsin. The basis for this designation is Maxus alleged status as the successor to Pickands Mather & Co. and Milwaukee Solvay Coke Co., companies that the EPA has asserted are former owners or operators of such site.

In 2007, Maxus signed with four other parties potentially involved, an AOC to conduct RI/FS about contamination in the soil, groundwater, as well as in the Kinnickinnic River sediments. Exposure of Maxus at the site appears linked to the period 1966-1973, although there is some controversy about it.

Preliminary Works in connection with the RI/FS of this site commenced in the second half of 2006.

On June 6, 2012 the PPR Group submitted a proposed Field Sampling Plan (“FSP”) that included detailed plans for the remaining upland investigation and a phased approach to the sediment investigation. In July 2012, EPA responded to the FSP requiring expanded sediment sampling as part of the next phase of the investigation and additional evaluation for the possible presence of distinct coal and coke layers on parts of the upland portion of the Site. In December 2012, EPA approved the PRP Group’s revised FSP, and the PRP Group commenced upland and sediment investigation activities. The estimated cost of implementing the field work associated with the FSP is approximately US$ 0.8 million.

YPF Holdings Inc. has accrued 1 as of September 30, 2014, for its estimated share of the costs of the RI/FS. The main outstanding issue lies in determining the extent of the studies of sediments in the river that may be required. YPF Holdings Inc. lacks sufficient information to determine additional costs, if any; it might have in respect of this site.

Maxus has agreed to defend Occidental, as successor to Chemicals, in respect of the Malone Services Company Superfund site in Galveston County, Texas. This site is a former waste disposal site where Chemicals is alleged to have sent waste products prior to September 1986. The potentially responsible parties, including Maxus on behalf of Occidental, formed a PRP Group to finance and perform an AOC RI/FS. The RI/FS has been completed and the EPA has selected a Final Remedy, the EPA Superfund Division Director signed the Record of Decision on September 20, 2009. The PRP Group signed a Consent Decree in the second quarter of 2012 which became effective in July, 2012. During the fourth quarter of 2013 the PRP Group completed the design and planning phase, and the remedial actions will take place in 2014. As of September 30, 2014, YPF Holdings has accrued 7 in connection with its obligations for this matter.

Chemicals has also been designated as a PRP with respect to a number of third party sites where hazardous substances from Chemicals' plant operations allegedly were disposed or have come to be located. At several of these, Chemicals has no known relationship. Although PRPs are typically jointly and severally liable for the cost of investigations, cleanups and other response costs, each has the right of contribution from other PRPs and, as a practical matter, cost sharing by PRPs is usually effected by agreement among them. As of September 30, 2014, YPF Holdings Inc. has accrued approximately 29 in connection with its estimated share of costs related to certain sites and the ultimate cost of other sites cannot be estimated at the present time.

Black Lung Benefits Act Liabilities. The Black Lung Benefits Act provides monetary and medical benefits to miners disabled with a lung disease, and also provides benefits to the dependents of deceased miners if black lung disease caused or contributed to the miner's death. As a result of the operations of its coal-mining subsidiaries, YPF Holdings Inc. is required to provide insurance of this benefit to former employees and their dependents. As of September 30, 2014, YPF Holdings Inc. has accrued 29 in connection with its estimate of these obligations.

Legal Proceedings. In 2001, the Texas State Controller assessed Maxus approximately US$ 1 million in Texas state sales taxes for the period of September 1, 1995 through December 31, 1998, plus penalty and interest.

In August 2004, the administrative law judge issued a decision affirming approximately US$ 1 million of such assessment, plus penalty and interest. YPF Holdings Inc. believes the decision is erroneous, but has paid the revised tax assessment, penalty and interest (a total of approximately US$ 2 million) under protest. Maxus filed a suit in Texas state court in December 2004 challenging the administrative decision. The matter will be reviewed by a trial de novo in the court action, additionally, settlement negotiations are ongoing.

In 2002, Occidental sued Maxus and Tierra in state court in Dallas, Texas seeking a declaration that Maxus and Tierra have the obligation under the agreement pursuant to which Maxus sold Chemicals to Occidental to defend and indemnify Occidental from and against certain historical obligations of Chemicals, notwithstanding the fact that said agreement contains a twelve-year cut-off for defense and indemnity obligations with respect to most litigation. Tierra was dismissed as a party, and the matter was tried in May 2006. The trial court decided that the twelve-year cut-off period did not apply and entered judgment against Maxus. This decision was affirmed by the Court of Appeals in February 2008. Maxus has petitioned the Supreme Court of Texas for review. This lawsuit was denied. This decision will require Maxus to accept responsibility of various matters which it has refused indemnification since 1998 which could result in the incurrence of costs in addition to YPF Holdings Inc.'s current provisions for this matter. Maxus has paid approximately US$ 17 million to Occidental. In March 2012, Maxus paid to OCC US$ 0.6 million covering OCC's costs for 2010 and 2011, and in September 2012 Maxus paid to OCC an additional US$ 31 thousand for OCC's costs for the first semester of 2012. Maxus anticipates that OCC's costs in the future under the Dallas case will not exceed those incurred in the first semester of 2012. Most of the claims that had been rejected by Maxus based on the twelve-year cut-off period, were related to "Agent Orange". All pending Agent Orange litigation was dismissed in December 2009, and although it is possible that further claims may be filed by unknown parties in the future, no further significant liability is anticipated. Additionally, the remaining claims received and refused consist primarily of claims of potential personal injury from exposure to vinyl chloride monomer ("VCM"), and other chemicals, although they are not expected to result in significant liability. However, the declaratory judgment includes liability for claims arising in the future, if any, related to this matters, which are currently unknown as of the date of issuance of these consolidated financial statements, and if such claims arise, they could result in additional liabilities for Maxus. As of September 30, 2014, YPF Holdings Inc. has accrued approximately 3 in respect to these matters.

In March 2005, Maxus agreed to defend Occidental, as successor to Chemicals, in respect of an action seeking the contribution of costs incurred in connection with the remediation of the Turtle Bayou waste disposal site in Liberty County, Texas. The plaintiffs alleged that certain wastes attributable to Chemicals found their way to the Turtle Bayou site. Trial for this matter was bifurcated, and in the liability phase Occidental and other parties were found severally, and not jointly, liable for waste products disposed of at this site. Trial in the allocation phase of this matter was completed in the second quarter of 2007, and following post judgment motions, the court entered a decision setting Occidental's liability at 15.96% of the

past and future costs to be incurred by one of the plaintiffs. Maxus appealed this matter. In June 2010, the Court of Appeals ruled that the District Court had committed errors in the admission of certain documents, and remanded the case to the District Court for further proceedings. Maxus took the position that the exclusion of the evidence should reduce Occidental's allocation by as much as 50%. The District Court issued its Amended Findings of Fact and Conclusions of Law in January 2011, requiring Maxus to pay, on behalf of Occidental, 15.86% of the past and future costs to be incurred by one of the plaintiffs. On behalf of Occidental, Maxus presented an appeal in the first semester of 2011. The U.S. Court of Appeals for the Fifth Circuit affirmed the District Court's ruling in March 2012. Maxus paid to the plaintiff, on behalf of Occidental, US$ 2 million in June 2012 covering past costs. The obligation to pay some future costs is still pending. As of September 30, 2014, YPF Holdings Inc. has accrued 7 in respect of this matter.

In May 2008, Ruby Mhire and others ("Mhire") brought suit against Maxus and other third parties, alleging that various parties including a predecessor of Maxus had contaminated certain property in Cameron Parish, Louisiana, during oil and gas activities on the property. Maxus' predecessor operated on the property from 1969 to 1989. The Mhire plaintiffs have demanded remediation and other compensation from US$ 159 million to US$ 210 million basing themselves on plaintiff's experts study. During June 2012, the parties in the case held a court-ordered mediation. Plaintiff sought US$ 30 million from Maxus and two parties which was rejected by the defendants. YPF Holdings presently believes that relatively little remediation activity is merited and intends to vigorously defend the case. Maxus has made appropriate responsive pleadings in the matter, also has requested a change of venue for the treatment of the matter. On June 2013, Maxus signed an agreement with its plaintiffs, in which Maxus has to make installment payments over three years, and by which also forced itself to remediate the site. As of September 30, 2014, YPF Holdings Inc. has accrued approximately 59 in respect to these matters.

YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits and environmental situations, the outcomes of which are not expected to have a material adverse effect on YPF's financial condition or its future results of operations. YPF Holdings Inc. provisioned legal contingences and environmental situations that are probable and can be reasonably estimated.

Tax claims:

The Company has received several claims from the Administración Federal de Ingresos Públicos ("AFIP") and from provincial and municipal fiscal authorities, which are not individually significant, and which have been provisioned based on the best information available as of the date of the issuance of these financial statements.

4. CAPITAL STOCK

The Company's subscribed capital as of September 30, 2014, is 3,933 and is represented by 393,312,793 shares of common stock and divided into four classes of shares (A, B, C and D), with a par value of Argentine pesos 10 and one vote per share. These shares are fully subscribed, paid-in and authorized for stock exchange listing.

As of September 30, 2014, there are 3,764 Class A outstanding shares. As long as any Class A share remains outstanding, the affirmative vote of Argentine Government is required for: 1) mergers, 2) acquisitions of more than 50% of YPF shares in an agreed or hostile bid, 3) transfers of all the YPF's production and exploration rights, 4) the voluntary dissolution of YPF or 5) change of corporate and/or tax address outside the Argentine Republic. Items 3) and 4) will also require prior approval by the Argentine Congress.

Until the enforcement of Law No. 26,741 detailed in the next paragraphs, Repsol S.A. ("Repsol") had a participation in YPF, directly and indirectly, of approximately 57.43% shareholding while Petersen Energía S.A. ("PESA") and its affiliates exercised significant influence through a 25.46% shareholding.

Law No. 26,741 enacted on May 4, 2012, changed YPF's shareholding structure. The mentioned Law declared as national public interest and subject to expropriation the Class D Shares of YPF owned by Repsol, its controlled or controlling entities, representing the 51% of YPF's equity. According to Law 26,741, achieving self-sufficiency in the supply of hydrocarbons as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, is thereby declared of national public interest and a priority for Argentina, with the goal of guaranteeing socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the provinces and regions. The shares subject to expropriation will be distributed as follows: 51% for the Argentine federal government and 49% for certain Argentine Provinces.

As reported by Repsol to the Buenos Aires Stock Exchange of dated May 7, 2014, Repsol sold to Morgan Stanley & Co. LLC an 11.86% of the YPF's equity, represented by 46,648,538 Class D ordinary shares. Repsol has ceased to be a shareholder of the Company after such operation.

On April 30, 2014, the General Ordinary and Extraordinary Shareholders' meeting was held, which has approved the financial statements of YPF for the year ended December 31, 2013 and additionally decided the following in relation with the distribution of earnings of fiscal year ended as of December 31, 2013: (i) to appropriate 200 to a reserve for future acquisition of YPF shares under the "performance and bonus program" mentioned in the Director's report of the financial statements for the year ended December 31, 2013, giving to the Board of Directors the opportunity to acquire shares when it considers it convenient and to comply with the commitments assumed and to be assumed in relation with the mentioned program; (ii) to appropriate the amount of 4,460 to constitute a reserve for investment in accordance with the article 70, third paragraph of the Law No. 19,550 of Argentine Corporations as amended; and (iii) to appropriate 465 to a reserve for future dividends, empowering the Board of Directors to determine the opportunity of payment in a period which should not exceed the ending of the present fiscal year. On June 11, 2014, the Board of Directors of YPF decided to pay a dividend of $ 1.18 per share, for an amount of 464, which was available to shareholders' on July 10, 2014.

During the nine-month periods ended on September 30, 2014 and 2013, YPF has purchased 617,527 and 1,047,513 shares issued for an amount of 198 and 93, respectively, to fulfill with the obligations of the share-based benefit plan mentioned in Note 1.b.10.iii). The cost of such purchases is accounted in equity in the "Acquisition cost of treasury shares" account, while the nominal value and the adjustment due to the monetary restatement effect pursuant Previous Argentine GAAP have been reclassified from "Suscribed Capital" and "Adjustment to contributions" accounts to "Treasury shares" and "Adjustment to treasury shares", respectively.

5. INVESTMENTS IN COMPANIES AND JOINT VENTURES AND OTHER AGREEMENTS

The following table shows in aggregate, considering that none of the companies are individually material, the amount of investments in affiliated companies and joint ventures as of September 30, 2014 and December 31, 2013:

	September 30, 2014	December 31, 2013
Amount of investments in affiliated companies accounted for using the equity method	277	213
Amount of investments valued at cost	9	14
Sub-Total participations in affiliated companies and others	286	227
Amount of investments in joint ventures accounted for using the equity method	2,278	1,909
Sub-Total participations in joint ventures	2,278	1,909
Provision for reduction in value of holdings in companies	(12)	(12)
	2,552	2,124

As mentioned in note 1.b.5 and Exhibit I, investments in companies with negative shareholders' equity are disclosed as "Accounts payable" to the extent that it is YPF's intention, as of the date of these financial statements, to provide the appropriate financial support in relation to that amount.

The main changes that affected the carrying amount of the investments previously mentioned, during the nine-month periods ended on September 30, 2014 and 2013, are the following:

	For the nine-month period ended on September 30,	
	2014	2013
Amount at the beginning of year	2,124	1,914
Acquisitions and contributions	94	11
Loss from investments accounted for using the equity method	61	77
Dividends declared	(293)	(136)
Translation differences	434	283
Other	132	(591)[1]
Amount at the end of period	2,552	1,558

(1) Primarily includes the movements generated in relation with the spin-off of Pluspetrol Energy S.A.

Exhibit I.b) provides information of investments in companies.

The following table shows the main magnitudes of income/(loss) from the investments in companies, calculated according to the equity method, for the nine-month periods ended on September 30, 2014 and

2013 (see Exhibit I). YPF has made adjustments, where applicable, to the amounts reported by such companies in order to conform with the accounting principles used by such companies to those used by the Company:

	Affiliated companies		Joint ventures	
	2014	2013	2014	2013
Net income (loss)	(148)	103(1)	209	(26)
Other comprehensive income	17	119	417	164
Comprehensive income for the period	(131)	222	626	138

(1) Includes 156 corresponding to the income arising from the business combination of GASA and YPF Energía Eléctrica (see Note 13).

Additionally, as mentioned in Note 1.a), the Company participates as of September 30, 2014, in Joint Operations which give to the Company a percentage contractually established over the rights of the assets and obligations that emerge from the contracts. Interest in such Joint Operations have been consolidated line by line on the basis of the mentioned interest over the assets, liabilities, income and expenses related to each contract. Interest in Joint Operations have been calculated based upon the latest available financial statements as of the end of each period or year, taking into consideration significant subsequent events and transactions as well as information available to the Company's Management. Exhibit II includes a detail of the most significant Joint Operations in which the Company participates, indicating the nature of its operations.

The exploration and production joint operations and other agreements in which YPF participates allocate the hydrocarbon production to each partner based on the ownership interest, consequently such hydrocarbons are commercialized directly by the partners recognizing each of them the corresponding economic effects.

The assets and liabilities as of September 30, 2014 and December 31, 2013, and expense for the nine-month periods ended on September 30, 2014 and 2013, of the Joint Operations and other agreements are as follows:

	As of September 30, 2014	As of December 31, 2013
Noncurrent assets	18,500	9,472
Current assets	2,506	661
Total assets	21,006	10,133
Noncurrent liabilities	2,327	2,342
Current liabilities	4,490	1,247
Total liabilities	6,817	3,589

	For the nine-month periods ended on	
	September 30, 2014	September 30, 2013
Production cost	5,369	3,315
Exploration expenses	474	41

Transactions in joint operation contracts:

– On January 31, 2014, YPF acquired Petrobras Argentina S.A.'s 38.45% interest in the joint operation contract Puesto Hernández signed between both companies for the exploitation of the Puesto Hernández area (the "Area"). The Area is an exploitation concession located in the Provinces of Neuquén and Mendoza. YPF is the holder of the concession until 2027, which is operated under the aforementioned joint operation contract which expires on June 30, 2016 and will be early terminated. Now YPF owns 100% interest in the Area, and has become the operator. Puesto Hernández currently produces over 10,000 barrels per day of light crude oil (Medanito quality). The transaction was completed for the amount of US$ 40.7 million. By becoming the operator of the Area, YPF will be able to accelerate its investments plans to optimize the Area's production potential until 2027. The amount paid was mainly classified as fixed assets.

– On February 7, 2014, YPF acquired Potasio Rio Colorado S.A.'s 50% interest in the joint operation contract, Segment 5 Loma La Lata – Sierra Barrosa (known as "Lajas" formation) signed by YPF and Potasio Rio Colorado S.A. for the exploitation of the Lajas formation concession area (the "Area"). The

Area is an exploitation concession, located in the Province of Neuquén. YPF is the holder of the concession which expires in 2027. Exploitation of the Area was conducted under the aforementioned joint operation contract. The terms of the joint operation contract provided that it would expire upon the earlier of the expiration of the concession or the early termination of any agreement or contract that granted the right to continue exploiting the Area. As a result of the termination of the joint operation contract YPF will own 100% interest in the Area. The consideration for the transaction was US$ 25 million. The amount paid was mainly classified as fixed assets.

– YPF and Sinopec Argentina Exploration and Production, Inc., Sucursal Argentina ("SINOPEC"), are part in a Joint Operating Agreement ("JOA") in the area "La Ventana", located in the basin of Cuyo in the Province of Mendoza, whose original due date was December 31, 2016. YPF is the exclusive owner of such exploitation concession whose due date was November 14, 2017, and through executive order of the Province of Mendoza No. 1,465/2011 the original due date was extended for 10 years more, to November 14, 2027, the new concession due date. On September 1, 2014 ("effective date") YPF and SINOPEC extended the JOA's due date in relation with the Concession for the Exploitation of Hydrocarbons in the area "La Ventana", until December 31, 2026. The extension of the Concession and the JOA involve the continuity of the participation of the parties in the rights and commitments that emerge from the Concession and that, as of the effective date, YPF's percentage of participation increased by an additional 10%, reaching 70%. The consideration for the transaction was US$ 44 million, an amount that SINOPEC will pay to YPF for the extension of the Concession. Additionally, the transaction generated an income of 359, which has been charged to "Other income (expense), net" in the statement of comprehensive income.

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Company enters into operations and transactions with related parties according to general market conditions, which are part of the normal operation of the Company with respect to their purpose and conditions.

The information detailed in the tables below shows the balances with joint ventures and affiliated companies as of September 30, 2014 and December 31, 2013 and transactions with the said parties for the nine-month periods ended September 30, 2014 and 2013.

	September 30, 2014				December 31, 2013			
	Trade receivables	Other receivables		Accounts payable	Trade receivables	Other receivables		Accounts payable
	Current	Current	Non Current	Current	Current	Current	Non Current	Current
Joint ventures:								
Profertil S.A.	64	5	-	97	23	2	-	34
Compañía Mega S.A. ("Mega")	493	16	-	27	489	7	-	28
Refinería del Norte S.A. ("Refinor")	172	75	-	2	79	15	-	4
Bizoy S.A.	10	1	-	-	-	12	-	-
	739	97	-	126	591	36	-	66
Affiliated companies:								
Central Dock Sud S.A.	38	7	625	-	109	5	484	2
Oleoductos del Valle S.A.	-	-	-	32	-	-	-	8
Terminales Marítimas Patagónicas S.A.	-	-	-	30	-	-	-	19
Oleoducto Trasandino (Argentina) S.A.	-	-	-	5	-	-	-	1
Gasoducto del Pacífico (Argentina) S.A.	-	-	-	15	-	-	-	13
Oiltanking Ebytem S.A.	-	-	-	23	-	-	-	20
	38	7	625	105	109	5	484	63
	777	104	625	231	700	41	484	129

	For the nine-month period ended on September 30, 2014			For the nine-month period ended on September 30, 2013		
	Revenues	Purchases and Services	Interest and fees gained (lost), net	Revenues	Purchases and Services	Interest and fees gained (lost), net
Joint ventures:						
Profertil S.A.	230	275	-	90	172	-
Mega	1,800	130	-	1,195	206	-
Refinor	664	51	-	410	50	-
Bizoy S.A.	13	-	-	16	-	-
	2,707	456	-	1,711	428	-
Affiliated companies:						
Central Dock Sud S.A.	183	-	6	94	57	12
Pluspetrol Energy S.A.(1)	-	-	-	142	54	-
Oleoductos del Valle S.A.	-	135	-	-	44	-
Terminales Marítimas Patagónicas S.A.	1	140	-	1	71	-
Oleoducto Trasandino (Argentina) S.A.	-	13	-	-	9	-
Gasoducto del Pacífico (Argentina) S.A.	-	62	-	-	41	-
Oiltanking Ebytem S.A.	-	106	-	-	73	-
	184	456	6	237	349	12
	2,891	912	6	1,948	777	12

(1) Balances and operations are disclosed up to the corresponding business combination (see Note 13).

Additionally, in the normal course of business, and taking into consideration that YPF is the largest oil and gas company in Argentina, its client/suppliers' portfolio encompasses both private sector entities as well as national, provincial and municipal public sector entities. As required by IAS 24 "Related Party Disclosures", among the major transactions referred to above the most important are the provision of fuel oil to CAMMESA, to be used in thermal power plants, and the purchases of energy from CAMMESA by YPF, and the provision of electricity to CAMMESA and purchases of fuel oil by YPF Energía Eléctrica (revenues and purchases for the nine-month periods ended on September 30, 2014, amounted to 5,372 and 918, respectively, and on September 30, 2013 amounted to 1,698 and 580, while the net balance as of September 30, 2014 and December 31, 2013 was a receivable of 128 and 455, respectively); the regasification service provided to ENARSA in the regasification projects of GNL in Escobar and Bahía Blanca and the purchase of natural gas from ENARSA, which ENARSA imports from Bolivia and crude oil (the operations for the nine-month periods ended on September 30, 2014 amounted to 1,150 and 414, respectively, and on September 30, 2013 amounted to 896 and 477, respectively, while the net balance as of September 30, 2014 and December 31, 2013, was a receivable of 343 and 430, respectively); the provision of jet fuel to Aerolíneas Argentinas S.A. and Austral Líneas Aéreas Cielos del Sur S.A. (the operations for the nine-month periods ended on September 30, 2014 and 2013 amounted to 1,945 and 1,088, respectively, while the net balance as of September 30, 2014 and December 31, 2013, was a receivable of 220 and 104, respectively); the benefits of the incentive scheme for the Additional Injection of natural gas (see "Gas agreement" in Note 11.c) with the Department of Federal Planning Investment and Services (the operations for the nine-month period ended on September 30, 2014 and 2013 amounted to 5,848 and 3,295, while the net balance as of September 30, 2014, and December 31, 2013, was a receivable of 3,923 and 1,787, respectively) and the compensation for providing gas oil to public transport of passengers at a differential price with the Argentine Secretariat of Domestic Commerce (the operations for the nine-month period ended on September 30, 2014 and 2013 amounted to 2,641 and 1,561, respectively, while the net balance as of September 30, 2014 and December 31, 2013 was a receivable of 383 and 116, respectively). Such transactions are generally based on medium-term agreements and are provided according to general market or regulatory conditions, as applicable. Additionally, the Company has entered into certain financing and insurance transactions with entities related to the national public sector, as defined in IAS 24. Such transactions consist of certain financial transactions that are described in Note 2.i) of these consolidated financial statements, and transactions with Nación Seguros S.A. related to certain insurance policies contracts, and in connection therewith, to the reimbursement from the insurance coverage for the incident occurred in Refinería La Plata in April, 2013 (for further detail see Note 11.b).

Furthermore, in relation to the investment agreement signed between YPF and Chevron subsidiaries, YPF has an indirect non-controlling interest in Compañía de Hidrocarburo No Convencional S.R.L. ("CHNC") with which YPF carries out transactions in connection with the above mentioned investment agreement (for further detail see Note 11.c).

The table below discloses the compensation for the Company's key management personnel, including members of the Board of Directors and vice-presidents (managers with executive functions appointed by the Board of Directors), for the nine-month periods ended September 30, 2014 and 2013:

	2014[1]	2013[1]
Employee benefits (short-term)	99	60
Shared-based benefits	33	22
Post-retirement benefits	3	2
Other long-term benefits	-	-
	135	84

(1) Includes the compensation for YPF's key management personnel which developed their functions during the mentioned periods.

7. BENEFIT PLANS AND OTHER OBLIGATIONS

Following is disclosed the information about pension plans and other obligations of YPF Holdings Inc. The last actuarial evaluation for the plans mentioned above was made as of December 31, 2013.

Defined-benefit obligations

	As of September 30, 2014	As of December 31, 2013
Net present value of obligations	248	190
Fair value of assets	-	-
Deferred actuarial losses	-	-
Recognized net liabilities	248	190

Changes in the fair value of the defined-benefit obligations

	For the nine-month period ended September 30,	
	2014	2013
Liabilities at the beginning of the year	190	152
Translation differences	61	33
Interest costs	8	4
Benefits paid, settlements and amendments	(11)	(9)
Liabilities at the end of the period	248	180

Changes in the fair value of the plan assets

	For the nine-month period ended September 30,	
	2014	2013
Fair value of assets at the beginning of the year	-	-
Employer and employees contributions	11	9
Benefits paid and settlements	(11)	(9)
Fair value of assets at the end of the period	-	-

Amounts recognized in the Statement of Income

	For the nine-month period ended September 30,	
	2014	2013
Service costs	-	-
Interest costs	(8)	(4)
Gains (Losses) on settlements and amendments	-	-
Total recognized as expense of the period	(8)	(4)

Actuarial assumptions

	2014	2013
Discount rate	3.25-3.9%	2.5-3.0%
Expected return on assets	N/A	N/A
Expected increase on salaries	N/A	N/A

Expected employer's contributions and estimated future benefit payments for the outstanding plans are:

Expected employer's contributions during 2014	18
Estimated future benefit payments are as follows:	
2014	18
2015	17
2016	16
2017	15
2018 – 2075	57

The weighted average duration used in the estimation of future payments was between 6.5 and 7.5.

The Company has performed a sensitivity analysis related to variations of 1% in the discount rate and in the trend of medical costs for the mentioned plans, without having, such changes, a significant effect in the liability recognized or net income for the period.

For additional information about other existing benefit plans, see Note 1.b.10).

8. OPERATING LEASES

As of September 30, 2014, the principal contracts related to operating leases include:

- Leasing of production equipment used in fields and equipment for natural gas compression, whose contracts have an average duration of 3 years with an option to renew for an additional year and for which contingent payments are calculated based on a rate per unit of use (pesos per hour/day of use).
- Leasing of vessels and barges for the transportation of hydrocarbons, whose contracts have an average duration of 5 years and for which contingent payments are calculated based on a rate per unit of use (pesos per hour/day of use).
- Leasing of land for the installation and operation of service stations, whose contracts have an average duration of approximately 10 years and for which contingent payments are calculated based on a rate per unit of estimated sales of fuel.

Expenses recognized for the nine-month periods ended September 30, 2014 and 2013, related to operating leases amounted to approximately 3,892 and 2,623, respectively, comprising of 1,217 and 1,237 of minimum payments, and 2,675 and 1,386 to contingent payments, which have been recorded in the "Rental of real estate and equipment" and "Operation Services and other Service Contracts" accounts.

As of September 30, 2014, the estimated future payments related to these contracts are:

	Within 1 year	From 1 to 5 years	Over 6 years
Estimated future payments	4,981	4,338	213

9. EARNINGS PER SHARE

As of the date of issuance of these financial statements, YPF has not issued equity instruments that give rise to potential ordinary shares (considering the Company's intention of settling the share-based benefit plans through treasury shares purchases). As a result, the calculation of diluted earnings per share coincides with the basic earnings per share.

The following table shows the net income and the number of shares that have been used for the calculation of the basic earnings per share:

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2014	2013	2014	2013
Net income	7,619	3,207	3,212	1,414
Average number of shares outstanding	392,193,525	392,970,651	391,850,581	392,434,877
Basic and diluted earnings per share (pesos)	19.43	8.16	8.19	3.60

Basic and diluted earnings per share are calculated as shown in Note 1.b.14.

10. INCOME TAX

The calculation of the income tax expense accrued for the nine-month and three-month periods ended September 30, 2014 and 2013 is as follows:

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2014	2013	2014	2013
Current income tax	5,961	3,041	2,931	1,038
Deferred income tax	8,377	2,141	1,879	1,473
	14,338	5,182	4,810	2,511

The reconciliation of pre-tax income included in the consolidated statement of comprehensive income, at the statutory tax rate, to the income tax as disclosed in the consolidated statements of comprehensive income for the nine-months periods ended September 30, 2014 and 2013, respectively, is as follows:

	2014	2013
Net income before income tax	21,887	8,383
Statutory tax rate	35%	35%
Statutory tax rate applied to net income before income tax	(7,660)	(2,934)
Effect of the valuation of fixed assets and intangible assets measured in functional currency	(10,573)	(3,759)
Exchange differences	5,396	2,087
Effect of the valuation of inventories measured in functional currency	(1,203)	(433)
Loss from investments in companies	21	27
Non-taxable income - Law No. 19,640 (Tierra del Fuego)	10	5
Miscellaneous	(329)	(175)
Income tax expense	(14,338)	(5,182)

The Company did not recognize deferred income tax assets amounting to 3,342 and 978 as of September 30, 2014 and December 31, 2013, respectively, from which 1,615 and 559 correspond to taxable temporary differences not recoverable, and 1,727 and 419 correspond to tax loss carry forwards from certain subsidiaries, since they do not meet the recognition criteria set forth under IFRS. From the tax loss carry forwards above mentioned, as of September 30, 2014 1,694 will expire between the years 2017 and 2031 and 33 have an indefinite carry forward.

The composition of the Company's deferred income tax assets and liabilities as of September 30, 2014, and December 31, 2013, is as follows:

	September 30, 2014	December 31, 2013
Deferred tax assets		
Nondeductible provisions and other liabilities	2,126	1,723
Tax loss and other tax credits	14	45
Miscellaneous	72	115
Total deferred tax assets	2,212	1,883
Deferred tax liabilities		
Fixed assets	(21,627)	(11,659)
Miscellaneous	(1,773)	(1,649)
Total deferred tax liabilities	(23,400)	(13,308)
Net deferred tax liability	(21,188)[1]	(11,425)

(1) Includes 1,241 arising from the business combinations as detailed in Note 13 and 145 corresponding to translation effect.

As of September 30, 2014 and December 31, 2013, 97 and 34, respectively, had been classified as deferred income tax assets and 21,285 and 11,459, respectively, as deferred income tax liabilities arising from the deferred income tax net balance of each individual company that take part in these consolidated financial statements.

As of September 30, 2014 and December 31, 2013, the reasons that generated charges into the "Other Comprehensive Income" did not generate temporary differences.

11. CONTINGENT LIABILITIES, CONTINGENT ASSETS, CONTRACTUAL COMMITMENTS, MAIN REGULATIONS AND OTHERS

a) Contingent liabilities

The Company has the following contingencies and claims, individually significant, that the Company's management, in consultation with its external counsels, believes have possible outcome. Based on the information available to the Company, including the amount of time remaining before trial among others, the results of discovery and the judgment of internal and external counsel, the Company is unable to estimate the reasonably possible loss or range of loss on certain matters referred to below:

– *Asociación Superficiarios de la Patagonia ("ASSUPA"):* In August 2003, ASSUPA sued 18 companies operating exploitation concessions and exploration permits in the Neuquén Basin, YPF being one of them, claiming the remediation of the general environmental damage purportedly caused in the execution of such activities, and subsidiary constitution of an environmental restoration fund and the implementation of measures to prevent environmental damages in the future. The plaintiff requested that the Argentine Government, the Federal Environmental Council ("Consejo Federal de Medio Ambiente"), the provinces of Buenos Aires, La Pampa, Neuquén, Río Negro and Mendoza and the Ombudsman of the Nation be summoned. It requested, as a preliminary injunction, that the defendants refrain from carrying out activities affecting the environment. Both the Ombudsman's summon as well as the requested preliminary injunction were rejected by the CSJN. YPF has answered the demand requesting its rejection, opposing failure of the plaintiff and requiring the summon of the Argentine Government, due to its obligation to indemnify YPF for events and claims previous to January 1, 1991, according to Law No. 24,145 and Decree No. 546/1993. The CSJN gave the plaintiffs a term to correct the defects of the complaint. On August 26, 2008, the CSJN decided that such defects had already been corrected and on February 23, 2009, ordered that certain provinces, the Argentine Government and the Federal Environmental Council be summoned. Therefore, pending issues were deferred until all third parties impleaded appear before the court. As of the date of issuance of these consolidated financial statements, the provinces of Río Negro, Buenos Aires, Neuquén, Mendoza, and the Argentine government have made their presentations, which are not available to the Company yet. The provinces of Neuquén and La Pampa have claimed lack of jurisdiction, which has been answered by the plaintiff, and the claim is pending resolution. On December 13, 2011, the Supreme Court suspended the proceeding for 60 days and ordered YPF and the plaintiff to present a schedule of the meetings that would take place during such suspension, authorizing the participation of the remaining parties and third parties. ASSUPA reported the interruption of the negotiations in the claim and the CSJN declared finalize the 60 days period of suspension property ordered.

  Additionally it should be noted that the Company has become aware, however it had not been notified, of three other legal claims brought by ASSUPA against: i) concessionaires of the areas of Golfo San Jorge Basin, ii) concessionaires of the areas of Austral basin and iii) concessionaries of the areas of Noroeste basin. The Company, in case of being notified, expects to answer according to legal terms and the arguments of defence that may correspond to the case.

– *Dock Sud environmental claims:* A group of neighbours of Dock Sud, Province of Buenos Aires, have sued 44 companies, among which YPF is included, the Argentine Government, the Province of Buenos Aires, the City of Buenos Aires and 14 municipalities, before the CSJN, seeking the remediation and the indemnification of the environmental collective damage produced in the basin of the Matanza and Riachuelo rivers. Additionally, another group of neighbours of the Dock Sud area, have filed two other environmental lawsuits, one of them desisted in relation to YPF, claiming several companies located in that area, among which YPF is included, the Province of Buenos Aires and several municipalities, for the remediation and the indemnification of the environmental collective damage of the Dock Sud area and for the individual damage they claim to have suffered. At the moment, it is not possible to reasonably estimate the outcome of these claims, as long as, if applicable, the corresponding legal fees and expenses that might result. YPF has the right of indemnity by the Argentine Government for events and claims previous to January 1, 1991, according to Law No. 24,145 and Decree No. 546/1993.

By means of sentence dated July 8, 2008, the CSJN:

(i) Determined that the Basin Authority (Law No. 26,168) ("ACUMAR") should be in charge of the execution of the program of environmental remediation of the basin, being the Argentine Government, the Province of Buenos Aires and the City of Buenos Aires responsible of its development; delegated in the Federal Court of First Instance of Quilmes the knowledge of all the matters concerning the execution of the remediation and reparation; declared that all the litigations related to the execution of the remediation plan will accumulate and will proceed before this court and established that this process produces that other collective actions that have for object the environmental remediation of the basin be dismissed ("littispendentia"). YPF has been notified of certain resolutions issued by ACUMAR, by virtue of which YPF has been requested to present an Industrial Reconversion Program, in connection with certain installations of YPF. The Program has been presented although the Resolutions had been appealed by the Company;

(ii) Decided that the proceedings related to the determination of the responsibilities derived from past behaviours for the reparation of the environmental damage will continue before the CSJN.

– *Environmental claims in La Plata:* YPF is aware of an action that has not been served yet, in which the plaintiff requests the clean-up of the channel adjacent to the La Plata refinery, the Río Santiago, and other sectors near the coast line, and, if such remediation is not possible, an indemnification of 500 or an amount to be determined from the evidence produced in discovery. The claim partially overlaps with the requests made by a group of neighbours of La Plata refinery on June 29, 1999, described in Note 3 of "La Plata and Quilmes environmental claims". Accordingly, YPF considers that if it is served in this proceeding or any other proceeding related to the same subject matters, the cases should be consolidated to the extent that the claims overlap.

  With respect to claims not consolidated, for the time being, it is not possible to reasonably estimate the monetary outcome, as long as, if applicable, estimate the corresponding legal fees and expenses that might result. Additionally, YPF believes that most damages alleged by the plaintiff, if proved, might be attributable to events that occurred prior to YPF's privatization and would therefore be the responsibility of the Argentine Government in accordance with the Privatization Law concerning YPF.

  In addition to the information mentioned above, YPF has entered into an agreement with the OPDS in connection with the claims of the channels adjacent to the La Plata refinery, which is described in Note 3 - "La Plata and Quilmes environmental claims".

– *Other environmental claims in Quilmes*: YPF has been notified of a complaint filed by neighbours of Quilmes city, province of Buenos Aires, claiming approximately 353 for compensation for personal damages. Considering the phase of the trial, the evidence available to the date, and the preliminary judgment of internal and external legal advisors, YPF is unable to reasonably estimate the possible loss or range of loss related to this complaint.

– *National Antitrust Protection Board:* On November 17, 2003, Antitrust Board requested explanations, within the framework of an official investigation pursuant to Article 29 of Law No. 25,156 of Antitrust Protection, from a group of almost thirty natural gas production companies, YPF among them, with respect to the following items: (i) the inclusion of clauses purportedly restraining trade in natural gas purchase/sale contracts; and (ii) observations on gas imports from Bolivia, in particular (a) old expired contract signed by YPF, when it was state-owned, and YPFB (the Bolivian state-owned oil company), under which YPF allegedly sold Bolivian gas in Argentina at prices below the purchase price; and (b) the unsuccessful attempts in 2001 by Duke and Distribuidora de Gas del Centro to import gas into Argentina from Bolivia. On January 12, 2004, YPF submitted explanations in accordance with article 29 of the Antitrust Law, contending that no antitrust violations had been committed and that there had been no price discrimination between natural gas sales in the Argentine market and the export market. On January 20, 2006, YPF received a notification of resolution dated December 2, 2005, whereby the Antitrust Board (i) rejected the "non bis in idem" petition filed by YPF, on the grounds that ENARGAS was not empowered to resolve the issue when ENARGAS Resolution No. 1,289 was enacted; and (ii) ordered that the opening of the proceedings be undertaken pursuant to the provisions of Section 30 of the Antitrust Law. On January 15, 2007, the Antitrust Board charged YPF and eight other producers with violations of the Antitrust Law. YPF has contested the complaint on the basis that no violation of the law took place and that the charges are barred by the applicable statute of limitations and has presented evidence in support of its

position. On June 22, 2007, YPF presented to the Antitrust Board, without acknowledging any conduct in violation of the Antitrust Law, a commitment consistent with article 36 of the Antitrust Law, requiring to the Antitrust Board to approve the commitment, to suspend the investigation and to file the proceedings. On December 14, 2007, the Antitrust Board decided to transfer the motion to the Court of Appeals as a consequence of the appeal presented by YPF against the rejection of the application of the statute of limitations.

In addition, on January 11, 2012, the Argentine Secretariat of Transportation filed with the CNDC a complaint against five oil companies (including YPF), for alleged abuse of a dominant position regarding bulk sales of diesel fuel to public bus transportation companies. The alleged conduct consists of selling bulk diesel fuel to public bus transportation companies at prices higher than the price charged in service stations. According to the provisions of Article 29 of the Antitrust Law, YPF has submitted appropriate explanations to the CNDC, questioning certain formal aspects of the complaint, and arguing that YPF has adjusted its behaviour at all times with current regulations and that it did not set any discrimination or abuse in determining prices.

In addition, the Company is subject to other claims before the Antitrust Board which are related to alleged price discrimination in sale of fuels. Upon the opinion of Management and its legal advisors, such claims have been considered as possible contingencies.

– *Users and Consumers' Association claim:* The "Users and Consumers Association" (Unión de Usuarios y Consumidores) claimed originally against Repsol YPF (then extending its claim to YPF) the reimbursement of the overprice allegedly charged to bottled LPG consumers between 1993 and 2001. The claim is for an unspecified sum, amounting to 91 in the period 1993 to 1997 (this sum, brought up-to-date would be approximately 555), together with an undetermined amount for the period 1997 to 2001. The Company claimed the application of the statute of limitations (as well as other defences) since, at the date of the extension of the claim, the two-year limit had already elapsed. On August 6, 2009, the evidence production period commenced and the evidence is now produced. Once certified that fact by the Court, a decision will be issued.

– *Agreement with Repsol S.A. and others:*

Law No. 26,741 of Hydrocarbon Sovereignty, declared of public utility and subject to expropriation the 51% of the shares of YPF, owned directly or indirectly by Repsol S.A., its main shareholders and its subsidiaries. Further, the mentioned law established the temporary occupation of the shares reached by it, following the procedures set forth in Law No. 21,499. On February 25, 2014, the Government of the Argentine Republic and Repsol S.A. ("Repsol") achieved an agreement (here in after, the "Agreement") in relation to the expropriation compensation of 200,589,525 YPF's Class "D" shares in conformity with Law No. 26,741, under the framework of Law No. 21,499 of Expropriation. In conformity with such law the Ministry of the Economy and Finance of the Nation signed the document whereby Repsol agrees to accept a payment of US$ 5,000 million in sovereign bonds as compensation for the expropriation. The Agreement involves the withdrawal of judicial and arbitral claims filed by Repsol – including the ones against YPF – and a waiver for further claims. On February 27, 2014, the Argentine Republic and Repsol signed the Agreement. Additionally, on February 27, 2014, YPF and Repsol executed an arrangement (the "Arrangement") whereby, mainly, the parties reciprocally withdraw, subject to certain exclusions, all present and future actions and/or claims based on causes occurring prior to the Arrangement derived from the declaration of public interest and subjection to expropriation of the YPF's shares, owned by Repsol, pursuant to Law No. 26,741, the intervention, temporary takeover of public utility declared shares and management of YPF.

Likewise, the parties have agreed to withdraw reciprocal actions and claims with respect to third parties and/or pursued by them, and to grant a series of mutual indemnities subject to certain conditions.

The Arrangement will be enforced on the day following to the date on which Repsol notifies YPF that the Agreement signed between Repsol and the Government of the Argentine Republic has been enforced.

On March 28, 2014 the Stockholders' general meeting of Repsol approved the Agreement.

Meanwhile, through the enactment of Law No. 26,932 was declared fulfilled the objective of Articles 7, 11 and 12 of Law No. 26,741, and Article 12 of Law No. 21,499, and consequently, it was confirmed the Agreement.

Law No. 26,932 was enacted by the National Executive Branch, through the issuance of Decree No. 600/2014 (BO 04/28/2014).

Finally, on May 8, 2014, YPF has been notified of the enforcement of the Agreement.

Additionally, the Company has received other labour, civil and commercial claims and several claims from the AFIP and from provincial and municipal fiscal authorities, not individually significant, which have not been accrued since Management, based on the evidence available as of the date of issuance of these consolidated financial statements, has assessed them to be possible contingencies.

b) Contingent assets

– On April 2, 2013, the facilities of YPF in the La Plata refinery were hit by a severe and unprecedented storm, which caused a fire and consequently affected the Coke A and Topping C units in the refinery. These incidents temporarily affected the crude processing capacity of the refinery, which had to be stopped entirely. Seven days after the event, the processing capacity was restored to about 100 mbbl/d through the commissioning of two distillation units (Topping IV and Topping D). Coke A unit is out of service permanently and Topping C unit was launched back in late May, after a technical and human effort of great relevance. As a consequence, YPF continues with the settlement process of the incident with the insurance company.

  Based on the documentation provided to the insurance adjuster appointed by reinsurers, and after their analysis, in November 2013 YPF requested an advanced payment on account of the total compensation that will result from this process of US$ 300 million. This advance was accepted, recognized and paid by the reinsurers and, consequently, was recorded in YPF's statement of comprehensive income for the year ended on December, 31, 2013. Likewise, YPF continues with the settlement process of the claim. For some subsequent periods, presentations to the insurers had been submitted. Consequently a second partial payment of US$ 130 million has been request, this payment was received during the third quarter of 2014. The loss of profit coverage period for this incident will be extent until January 16, 2015.

  During the nine-month period ended on September 30, 2014, complying with accounting standards, the Company has accounted an income of 1,632, that were recorded in the statement of Comprehensive income, under the captions "revenues" and "Cost of sales", depending on the nature of the claimed concept.

– Cerro Divisadero: On March 21, 2014 a fire incident damaged the facilities of Oil Treatment Plant of Cerro Divisadero in Mendoza, belonging to the North Mendoza business, located 59 kilometres south from Malargüe city. In the mentioned facilities crude oil production from the fixed assets located in North Malargüe and South Malargüe was treated. As a consequence of the incident the facilities were almost completely unusable with the corresponding production loss.

  The incident was reported to the corresponding insurers and reinsurers and at the present time YPF is in the process of evaluation of the costs of rebuilding the Oil Treatment Plant as well as the loss of production.

c) Contractual commitments, main regulations and others:

– *Contractual commitments:* The Company has signed contracts by means of which it has committed to buy certain products and services, and to sell natural gas, liquefied petroleum gas and other products. Some of the mentioned contracts include penalty clauses that stipulate compensations for a breach of the obligation to receive, deliver or transport the product object of the contract. The anticipated estimated losses for contracts in progress, if any, considering the compensations mentioned above, have been charged to the income of the year in which they were identified.

  In this order, the Company has renegotiated certain natural gas export contracts, and has agreed, between others, to limit compensations only in case of interruptions and/or suspension of deliveries from any cause, except physical force majeure. Also, the Company has agreed to make investments and export gas to temporarily import certain final products. As of the date of issuance of these financial statements, the Company is fulfilling the agreed commitments mentioned above. To the extent that the Company does not comply with such agreements, we could be subject to significant claims, subject to the defences that the Company might have.

– The Company is committed with third parties under commercial contracts to purchase services and goods (such as LPG, electricity, gas, oil and steam), which as of December 31, 2013 amounted to 14,008. Additionally, there are commitments to carry out exploration activities and to make certain investments and expenditures until the expiration of some of the Company's concessions that amounted to 101,189 as of December 31, 2013, which includes the commitments for concessions extensions mentioned in the paragraphs above.

– *Natural gas regulatory requirements:* In addition to the regulations that affect the natural gas market mentioned in "Natural gas market" (Note 3), on June 14, 2007, Resolution No. 599/2007 of the Secretariat of Energy was published in the Official Gazette (the "Resolution"). This Resolution approved an agreement with natural gas producers regarding the natural gas supply to the domestic market during the period 2007 through 2011 (the "Agreement 2007-2011"). The purpose of this Agreement 2007-2011 is to guarantee the normal supply of the natural gas domestic market during the period 2007 through 2011, considering the domestic market demand registered during 2006 plus the growth of residential and small commercial customer's consumption (the "Priority Demand"). According to the Resolution, the producers that have signed the Agreement 2007-2011 commit to supply a part of the Priority Demand according to certain percentage determined for each producer based upon its share of production for the 36 months period prior to April 2004. In case of shortage to supply Priority Demand, natural gas exports of producers that did not sign the Agreement 2007-2011 will be the first to be called upon in order to satisfy such mentioned shortage. The Agreement 2007-2011 also establishes terms of effectiveness and pricing provisions for the Priority Demand consumption. Considering that the Resolution anticipates the continuity of the regulatory mechanisms that affect the exports, YPF has appealed the Resolution and has expressly stated that the execution of the Agreement 2007-2011 does not mean any recognition by YPF of the validity of that Resolution. On June 22, 2007, the National Direction of Hydrocarbons notified that the Agreement 2007-2011 reached the sufficient level of subscription. On January 5, 2012, the Official Gazette published Resolution of the Secretariat of Energy No. 172 which temporarily extends the rules and criteria established by Resolution No. 599/07, until new legislation replaces the Resolution previously mentioned. This Resolution was appealed on February 17, 2012 by filing a motion for reconsideration with the Secretariat of Energy.

  Additionally, on October 4, 2010, the Official Gazette published ENARGAS Resolution No. 1,410/2010 that approves the procedure which sets new rules for natural gas dispatch applicable to all participants in the natural gas industry, imposing new and more severe regulations to the producers' availability of natural gas ("Procedimiento para Solicitudes, Confirmaciones y Control de Gas"). By virtue of these procedures, distributors remain able to request all the natural gas necessary to cover the Priority Demand even in the case of natural gas volumes that exceed those that the Secretariat of Energy would have allocated by virtue of the Agreement ratified by the Resolution No. 599/07. Producers are obligated to confirm all the natural gas requested by distributors to supply the Priority Demand. The producers' shares in such volumes follow the allocation criterion established by the Agreement 2007-2011. It is not possible to predict the estimated demand of the Argentine market that must be satisfied by the producers, whether or not the producer signed the Agreement 2007-2011. Once the Priority Demand has been supplied, the volumes requested by the rest of the segments must be confirmed, leaving the exports last in order of priority. In case the programming do not yield sustainable results, with respect to the objective of maintaining the equilibrium and preserving the operation of the transportation and distribution systems, the necessary reprogramming and redirections will take place. In case the producer's confirmations are of a lower volume than requested, the transporters will be in charge of making confirmations adequate by redirecting natural gas until the volume required by distributors according to Priority Demand is completed. This greater volume will have to be withdrawn from the confirmations made by that producer to other clients. If the producer would not have confirmed natural gas to other clients from the same basin, the lacking volume will be requested to the rest of the natural gas producers. Therefore, this procedure imposes a supply obligation that is jointly liable for all producers in case any producer supplies natural gas in a deficient way. YPF has challenged the validity of Resolution No. 1,410/2010.

  On November 8, 2011, ENARGAS published Resolution No. 1,982, which supplements Decree No. 2,067 of November 27, 2008, which had created a fiduciary fund to finance natural gas and other imports necessary to complement the natural gas injection required to satisfy the internal demand. This Resolution adjusts the tariff charges established by Executive Decree No. 2,067/08 and

extends the type of users reached by the tariff adjustment, including users in the residential segment and gas processing and electric generation companies, among others, which has impacted on the operations of the Company and, very significantly in some companies under joint control, all of which have appealed against such resolution. In particular, the impact that the application of the tariff charge mentioned has on the operations of Mega is so significant that, if the situation is not solved in favour of Mega, it could have serious difficulties in the future to continue its activity. These consolidated financial statements do not include any adjustments related to the recoverability of the assets of Mega which could be accrued on the assumption that it would cease its activity. This measure applies to consumptions that were made since December 1, 2011. On November 24, 2011, ENARGAS issued Resolution No. 1,991, which extends the type of users that will be required to pay tariff charges. YPF has challenged the validity of such resolutions. YPF has appealed these rulings. On April 13, 2012, a preliminary induction was granted in relation with the processing plant El Portón, suspending the effects of such resolutions with respect to the mentioned plant. On April 7, 2014 SE Resolution No. 226/2014 was issued, this resolution established a new wellhead crude oil price, for each basin, aimed for the sales of natural gas to the residential and commercial business segments of the complete service and GNC that in a two-month/one-month period: (i) make a natural gas consumption with a higher saving than a 20% in respect of the same two-month/one month period from the prior year; (ii) make a natural gas consumption saving between 5% and 20% % in respect of the same two-month/one month period from the prior year. Also, new prices per basin are established for the complete service users from Camuzzi Gas del Sur area, attending to the climatic implications that arise in the south area of the country.

– *Liquid hydrocarbons regulatory requirements:* Resolution No. 1,679/04 of the Secretariat of Energy reinstalled the registry of diesel and crude oil export transactions created by Executive Decree No. 645/02, and mandated that producers, sellers, refining companies and any other market agent that wishes to export diesel or crude oil to register such transaction and to demonstrate that domestic demand has been satisfied and that they have offered the product to be exported to the domestic market. In addition, Resolution No. 1,338/06 of the Secretariat of Energy added other petroleum products to the registration regime created by Executive Decree No. 645/02, including gasoline, fuel oil and its derivatives, diesel, aviation fuel, asphalts, certain petrochemicals, certain lubricants, coke and petrochemical derivatives. Resolution No. 715/07 of the Secretariat of Energy empowered the National Refining and Marketing Director to determine the amounts of diesel to be imported by each company, in specific periods of the year, to compensate exports of products included under the regime of Resolution No. 1,679/04; the fulfilment of this obligation to import diesel is necessary to obtain authorization to export the products included under Decree No. 645/02. In addition, certain regulations establish that exports are subordinated to the supply of the domestic market. In this way, Resolution No. 25/2006 of the Secretariat of Domestic Commerce, issued on October 11, 2006, imposes on each Argentine refining and/or retail company the obligation to supply all reasonable diesel fuel demand, by supplying certain minimum volumes (which at least should be volumes supplied the year before plus the positive correlation between diesel demand and GDP accumulated from the month reference). The mentioned commercialization should be done without altering or affecting the normal operation of the diesel market.

  Additionally, Rule No.168/04 requires companies intending to export LPG to first obtain an authorization from the Secretariat of Energy, by demonstrating that local demand was satisfied or that an offer to sell LPG to local demand has been made and rejected.

  In January 2008, the Secretariat of Domestic Commerce issued Resolution No.14/2008, whereby the refining companies were instructed to optimize their production in order to obtain maximum volumes according to their capacity.

  On January 26, 2012, the Secretariat of Domestic Commerce issued Resolution No. 6/2012 whereby (i) YPF and other four oil companies were required to sell diesel oil to public bus transportation companies at a price not higher than the retail price charged on its service station located, in general terms, nearest to the place of delivery of diesel fuel to each such transportation company, while maintaining both historic volumes and delivery conditions; and (ii) it created a price monitoring scheme of both the retail and the bulk markets to be implemented by the CNDC. YPF has appealed that resolution. On February 16, 2012, YPF filed with the CNDC an appeal against Resolution No. 6/2012, for submission to the Civil and Commercial Federal Court of Appeals of Buenos Aires city. Meanwhile, on March 2, 2012, YPF has challenged this Resolution and requested a preliminary injunction against its validity. YPF's preliminary injunction has been granted and the

effects of the Resolution No. 6/2012 have been temporarily suspended, until the appeal is judicially solved. Against that preliminary injection, the Argentinian Federal Government presented an extraordinary federal appeal, which has not yet been served to YPF.

On March 13, 2012, YPF was notified of Resolution No. 17/2012, issued by the Argentine Secretariat of Domestic Commerce, pursuant to which YPF, Shell Compañía Argentina de Petróleo, S.A. and ESSO Petrolera Argentina S.R.L were ordered to supply jet fuel for domestic and international air transport at a price net of taxes not to exceed 2.7% of the price net of taxes of medium octane gasoline (not premium) offered at its closest service station to the relevant airport, while maintaining its existing supply logistics and its usual supply quantities. The abovementioned resolution benefits companies owning aircraft that operate in the field of commercial passenger or commercial passenger and cargo aviation which are registered under the Argentine National Aircraft Registry. According to a later clarification from the Secretary of Domestic Commerce, the beneficiaries of the measure adopted by this resolution are the following companies: Aerolíneas Argentinas, Andes Líneas Aéreas S.A., Austral – Cielos del Sur, LAN Argentina S.A. and Sol S.A. Líneas Aéreas. In addition, in said resolution, the Argentine Secretariat of Domestic Commerce indicated that it considered convenient to implement a price surveillance system to be implemented by the CNDC. YPF has challenged such resolution, which will be reviewed by a court. The Civil and Commercial Federal Court granted the appeal filed by YPF with suspensive effect, consequently the effects of Resolution No. 17/2012 were suspended until the legality or illegality of the Resolution is solved. Subsequently, the Argentinian Federal Government filed a federal extraordinary appeal, and YPF answered it. To date, the court granted the extraordinary appeal but has not yet been submitted to the supreme court.

On August 31, 2012, YPF was notified of the judgment of the mentioned Court, which declared the nullity of Resolution No. 17/2012, based on the lack of jurisdiction of the Argentine Secretariat of Domestic Commerce to issue a measure of that nature.

Decree No. 1,189/2012 of the National Executive Power, dated July 17, 2012, established that the jurisdictions and entities of the National public Sector included in section 8, subsection a) of Law No. 24,156 (National Administration, formed by the central administration and the decentralized agencies including the social insurance institutions) must contract with YPF the provision of fuels and lubricants for the fleet of official cars, boats and aircrafts, except in those cases which have the prior authorization of the Chief of the Cabinet of Ministers.

– *Regulatory requirements established by Decree No. 1,277/2012:* On July 25, 2012, the executive decree of Law No. 26,741, Decree No. 1,277/2012, was published, creating the "Regulation of the Hydrocarbons Sovereignty Regime in the Argentine Republic". Among other matters, the mentioned decree establishes: the creation of the National Plan of Investment in Hydrocarbons; the creation of the Commission for Planning and Coordination of the Strategy for the National Plan of Investment in Hydrocarbons (the "Commission"), which will elaborate on an annual basis, within the framework of the National Hydrocarbon Policy, the National Plan of Investment in Hydrocarbons; the National Registry of Investments in Hydrocarbons in which the companies undertaking activities of exploration, exploitation, refining, transport and commercialization of hydrocarbons and fuels will have to register; and the obligation for the registered companies to provide their Plan of Investments every year before September 30, including a detail of quantitative information in relation to the activities of exploration, exploitation, refining, transport and commercialization of hydrocarbons and fuels according to each company. Additionally, the mentioned companies will have to provide their plans in relation to the maintenance and increase of hydrocarbons reserves, including: a) an investment in exploration plan; b) an investment plan in primary hydrocarbons reserves recovery techniques; and c) an investment plan in secondary hydrocarbons reserves recovery techniques, which will be analyzed by the Commission; the Commission will adopt the promotion and coordination measures that may consider necessary for the development of new refineries in the National Territory, that may allow the growth in the local processing capacity in accordance with the aims and requirements of the National Plan of Investment in Hydrocarbons; in relation to prices, and accordingly to the Decree, for the purpose of granting reasonable commercial prices, the Commission will determine the criteria that shall govern the operations in the domestic market. In addition, the Commission will publish reference prices of each of the components of the costs and the reference prices for the sale of hydrocarbons and fuels, which will allow to cover the production costs attributable to the activity and to reach a reasonable margin of profit. Not complying with the dispositions included in the Decree and supplementary rules may result in the following penalties:

fine, admonition, suspension or deregistration from the registry included in section 50 of Law No. 17,319; the nullity or expiration of the concessions or permits. Moreover, the mentioned Decree abrogates the dispositions of the Decrees No. 1,055/89, 1,212/89 and 1,589/89 (the "Deregulation Decrees") which set, among other matters, the right to the free disposition of hydrocarbon production.

– *Other regulatory requirements:* During 2005, the Secretariat of Energy by means of Resolution No. 785/2005 modified by Resolution No. 266/2008 of the Ministry of Federal Planning, Public Investment and Services, created the National Program of Hydrocarbons and its derivatives Warehousing Aerial Tank Loss Control, measure aimed at reducing and correcting environmental pollution caused by hydrocarbons and its derivatives warehousing-aerial tanks. The Company has begun to develop and implement a technical and environmental audit plan as required by the resolution.

– *Refining and Petroleum Plus Programs:* Decree No. 2,014/2008 of the Department of Federal Planning, Public Investment and Services of November 25, 2008, created the "Refining Plus" and the "Petroleum Plus" programs to encourage (a) the production of diesel fuel and gasoline and (b) the production of crude oil and the increase of reserves through new investments in exploration and production. The programs entitle refining companies that undertake the construction of a new refinery or the expansion of their refining and/or conversion capacity and production companies that increase their production and reserves within the scope of the program to receive export duty credits to be applied to exports withholdings. In order to be eligible for the benefits of both programs, companies' plans must be approved by the Argentine Secretariat of Energy.

  During February 2012, by Note No. 707/2012, supplemented by Note No. 800/2012, both issued by the Secretariat of Energy, YPF was notified that the benefits granted under the "Refining and Petroleum Plus" programs had been temporarily suspended. The effects of the suspension also apply to benefits accrued and not yet redeemed by YPF at the time of the issuance of the Notes. The reasons alleged for such suspension are that the programs had been created in a context where domestic prices were lower than prevailing prices and that the objectives of those programs had already been achieved. On March 16, 2012, YPF has challenged this temporary suspension.

– *Repatriation of foreign exchange:* During October, 2011, Decree No. 1,722/2011 was published and became effective as from such date. The mentioned decree provides that total export collections from operations by producers of crude oil or its derivatives, natural gas and liquefied gas, and companies which aim to develop mining projects, must be liquidated in the single and free-exchange market in accordance with the provisions of Article No. 1 of Decree No. 2,581 of April 10, 1964 (see Decree No. 929/2013 below).

– *Investment Promotion Regime for the Exploitation of Hydrocarbons - Decree No. 929/2013*: the Decree No. 929/2013 provides the creation of an Investment Promotion Regime for the Exploitation of Hydrocarbons (the "Promotional Regime"), both conventional and unconventional, which will apply throughout the territory of the Republic of Argentina. Companies submitting "Investment Projects for the Exploitation of Hydrocarbons" (the "Project") with the Commission, for its approval and inclusion in the Promotion Regime, must hold exploration permits and/or exploitation concessions granted by the Federal Government and/or the Provinces. If the company does not hold exploration permits and/or exploitation concessions, it must operate associated with a company that does hold such permit or concession rights, be duly registered at the "National Register of Hydrocarbons Investments" created by Federal Decree 1,277/2012, have submitted the "Annual Investment Plan" established by Federal Decree 1,277/2012 and the Project must involve the performance of a direct investment in foreign currency for an amount not lower than US$ 1 billion, calculated at the time of submission of the Project and to be invested during the first five years of the Project. The beneficiaries of the Promotion Regime shall enjoy in terms of Law N° 17,319 the following benefits: (i) from the 5th year of the start-up of their respective 'Investment Projects for the Exploitation of Hydrocarbons', the right to freely market abroad the 20% of the oil and gas produced in their Projects, at 0% export tax rate, (ii) the right to maintain abroad all the foreign currency proceeds of the aforementioned oil and gas exports, provided that, as a result of the relevant investment project, at least US$ 1 billion are transferred to the Argentine financial market; (iii) in periods in which domestic production of hydrocarbons is insufficient to cover domestic needs, the beneficiaries shall, from the 5th year of the start-up of their respective projects, be entitled to obtain, in relation to the 20% of oil and gas production that cannot be exported, a price not lower than the reference export price.

Additionally, the Decree creates the figure of the "Concession for the Unconventional Exploitation of Hydrocarbons", which involves the extraction of liquid and/or gaseous hydrocarbon by unconventional stimulation techniques applied in fields located in geological formations of shale or slate rocks (shale gas or shale oil), tight sands (tight sands, tight gas, tight oil), coal seams (coal bed methane) and/or characterized, in general, by the presence of low-permeability rocks. The Decree recognizes that, in accordance with the provisions of Law No. 17,319, the companies that holds exploration and/or exploitation concessions, which were included in the Promotional Regime, will have the right to request a "Concession for the Unconventional Exploitation of Hydrocarbons". Also the holders of a "Concession for the Unconventional Exploitation of Hydrocarbons", may request the consolidation of an adjacent area held by the same title holders as a single "Concession for the Unconventional Exploitation" insofar they can establish the geological continuity of the adjacent areas.

– *Natural Gas Agreement:* On December 2012, YPF and other gas producing companies of Argentina agreed with the Planning and Strategic Coordination Commission of the National Plan of Hydrocarbon Investments (the "Commission") to establish an incentive scheme for the Additional Injection (all gas injected by the companies above certain threshold) of natural gas. On February 14, 2013 Resolution 1/2013 of the Commission was published in the Official Gazette. This Resolution formally creates the "Natural Gas Additional Injection Stimulus Program". Under this regulation, gas producing companies were invited to file Projects for increasing Total Natural Gas Injection ("the projects") to the Commission, in order to receive an Increased Price of 7.5 US$/MBTU for all gas injected above certain threshold (Additional Injection). The Projects shall comply with minimum requirements established in Resolution 1/2013, and will be subject to approval consideration by the Commission. The Projects have a maximum term of five (5) years, renewable at the request of the beneficiary, and subject to the decision of the Commission. If the beneficiary company, for certain month, does not reach the compromised production increase of its project, approved by the Commission, it will have to compensate its failure to achieve the minimum total injection committed in such Project. A similar program is set out under Resolution 60/2013 implemented by Resolution 83/2013 in relation to companies that fail to meet the requirements established in Resolution 1/2013 and to companies that failed to register themselves under such Resolution. The price to be paid under the program set out in Resolution 60/2013 varies between 4 USD/MBtu and 7.5 USD/MBtu, depending on the curve of highest production reached by the beneficiary under the program.

– *Price Reporting Regime*: By Resolution No. 29/2014 the Secretary of Trade approved a "Price Reporting Regime" whereby all manufacturing companies of inputs and final goods with total annual sales in the domestic market above 183 in 2013 are bound to report, on a monthly basis, the current prices of all of their products to the said Secretariat.

  This obligation also applies to all companies distributing and commercializing inputs and final goods with total annual sales in the domestic market above 250 over a one year-term.

  Also, by Decision No. 6/2014 the Undersecretary of Domestic Trade created the IT System for the Price Reporting Regime ("SIRIP" pursuant to its initials in Spanish), which will be available at the http://www.mecon.gov.ar/comercio interior.

– *CNV new regulatory framework:* Through Resolution No. 622/2013, dated September 5, 2013, the CNV approved the Resolutions (N.T. 2013) applicable to the companies subject to its oversight, pursuant to the Capital Market Law No. 26,831, and regulatory Decree No. 1,023, dated August 1, 2013. Such Resolution abrogates CNVs' prior regulations (N.T. 2001 and amendments) and the general Resolutions No. 615/2013 and No. 621/2013, as from the effectiveness of Resolutions (N.T. 2013).

– *Agreements of extension of concessions*

  • *Neuquén:* On December 28, 2000, through Decree No. 1,252/2000, the Argentine Federal Executive Branch (the "Federal Executive") extended for an additional term of 10 years (until November 2027) the concession for the exploitation of Loma La Lata – Sierra Barrosa area granted to YPF. The extension was granted under the terms and conditions of the Extension Agreement executed between the Argentine Government, the Province of Neuquén and YPF on

December 5, 2000. Under this agreement, YPF paid US$ 300 million to the Argentine Government for the extension of the concession mentioned above, which were recorded in "Fixed Assets" on the balance sheet and committed, among other things, to define a disbursement and investment program of US$ 8,000 million in the Province of Neuquén from 2000 to 2017 and to pay to the Province of Neuquén 5% of the net cash flows arising out of the concession during each year of the extension term. The previously mentioned commitments have been affected by the changes in economic rules established by Public Emergency Law.

Additionally, in 2008 and 2009, YPF entered into a series of agreements with the Province of Neuquén, to extend for ten additional years the term of the production concessions on several areas located in that province, which, as result of the above mentioned agreement, will expire between 2026 and 2027. As a condition for the extension of these concessions YPF undertook the following commitments, among others, upon the execution of the agreements: i) to make to the Province total initial payments of US$ 204 million; ii) to pay in cash to the Province an "Extraordinary Production Royalty" of 3% of the production of the areas involved. In addition, the parties agreed to make adjustments of up to an additional 3% in the event of an extraordinary income according to the mechanisms and reference values established in each signed agreement and iii) to carry out exploration activities in the remaining exploration areas and make certain investments and expenditures in the production concessions that are the purpose of the agreements in a total amount of US$ 3,512 million until the expiring date of the concessions;

On July 24, 2013, in order to make feasible the implementation of a non-conventional hydrocarbons project, YPF and the Province of Neuquén signed an Agreement under which the Province of Neuquén agreed to (i) separate from the Loma La Lata – Sierra Barrosa exploitation concession a surface area of 327.5 km^2; (ii) incorporate such separated surface area into the surface area of the Loma Campana exploitation concession, forming a surface area of 395 km^2 and (iii) extend the Loma Campana exploitation concession for a term of 22 years starting from the date of its expiration (until November 11, 2048). The commitments made by the Company are as follows: i) payment of US$ 20 million in consideration for the effect that the separation of surface from the Area Loma La Lata - Loma Campana has on the conventional production, payable within 15 days of the legislative ratification of the Agreement; (ii) payment of US$ 45 million on the Corporate Social Responsibility concept, payable during the years 2013/2014/2015; (iii) payment of 5% on the investment project profits after taxes, applicable as from December 2027; (iv) 50% reduction, as from August 2012, of the subsidy applicable to the price of natural gas for the Methanol Plant according to the terms of the Commitment Act of 1998 signed between the Company and the Province of Neuquén; (v) the Company undertakes to make an investment of US$ 1 billion within a period of 18 months beginning on July 16, 2013; and vi) YPF commits to prioritize the recruitment of labor, suppliers and services based in Neuquén. The Province of Neuquén also agrees: i) not to apply Extraordinary Income (Windfall Profits) or Extraordinary Production Taxes and to maintain a 12% rate for hydrocarbon royalties; (ii) to apply a Turnover Tax rate not higher than 3% to the revenue generated in the Loma Campana concession; and (iii) to set the total sum of US$ 1,240 million as the tax base for Stamps Tax purposes. The Agreement was approved by Decree No. 1,208/13 and Law N° 2,867.

- *Mendoza:* In April 2011, YPF entered into an agreement with the province of Mendoza to extend for 10 years the term of certain exploitation concessions (among which is "La Ventana"), and the transportation concessions located in the province, from the expiration of the original terms of the grant.

  By signing the memorandum of agreement, YPF assumed certain commitments within which includes: (i) to make initial payments to the province of Mendoza in an aggregate amount of approximately US$ 135 million, on the date specified in the agreement; (ii) to pay the province of Mendoza an "Extraordinary Production Royalty" of 3% of the production of the areas included in the agreement. In addition, the parties agreed to make additional adjustments in the event of extraordinary income due to lower export duties or a higher monthly average price of crude oil and/or natural gas according to a mechanism and reference values established in the Memorandum of Agreement; (iii) to carry out exploration activities and make certain investments and expenditures in a total amount of US$ 4,113 million until the expiration of the extended term, as stipulated in the agreement; and; (iv) to make payments equal to 0.3% of the annual amount paid as "Extraordinary Production Royalty" in order to fund the purchase of equipment and finance training activities, logistics and operational expenses in certain government agencies of the province of Mendoza specified in the agreement, among others.

- *Santa Cruz*: During November, 2012, YPF entered into an agreement with the province of Santa Cruz to extend for 25 years the term of certain exploitation concessions, from the expiration of their original terms.

  By signing the memorandum of agreement, YPF assumed certain commitments within which include: (i) to make initial payments to the province of Santa Cruz in an aggregate amount of approximately of US$ 200 million, on the date specified in the agreement; (ii) to pay the province of Santa Cruz a Production Royalty of 12% plus an additional of 3% over the production of conventional hydrocarbons; (iii) to pay the province of Santa Cruz a Production Royalty of 10% over the production of unconventional hydrocarbons; (iv) make certain investments on the exploitation concessions, as stipulated in the agreement; (v) carry out exploration activities in the remaining exploration areas; (vi) to contribute with social infrastructure investments within the province of Santa Cruz in an amount equivalent to 20% of the amount of the extension royalty; (vii) define and prioritize a remediation plan of environmental liabilities with reasonable technical criteria and the extent of remediation tasks within the term of the concessions.

- *Salta*: On October 23, 2012, YPF entered into an agreement with the province of Salta to extend for 10 years the original term of certain exploitation concessions from the expiration of their original terms. YPF and associated signatory companies (Tecpetrol S.A., Petrobras Argentina S.A., Compañía General de Combustibles S.A. and Ledesma SAAI) by signing the Memorandum of Agreement took, among others, the following commitments: (i) conducting in area Aguaragüe, on the dates indicated in the agreement and during the first two years, the following investments: a minimum amount in development plans, involving the drilling of development wells (at least 3) and expansion of production facilities and treatment of hydrocarbons of US$ 36 million, (ii) YPF and each of the associated signatory companies will recognize for the province a special extraordinary contribution equal to 25% of the amount corresponding to royalties of 12% referred to in art. 59 and 62 of Law 17,319, (iii) YPF and each of the associated signatory companies will recognize for the province an additional payment to the special extraordinary contribution, only when conditions of extraordinary income are verified in the marketing of oil crude production and natural gas from the concessions, under price increase obtained by each party, from the sum of US$ 90/bbl in the case of crude oil production and the sum equivalent to 70% of import gas prices, (iv) YPF and each of the associated signatory companies will pay to the province, and in the proportion that corresponds to each one, a one-time sum of US$ 5 million in the concept of bonus extension, (v) YPF and the associated signatory companies undertake to make investments for a minimum amount of US$ 30 million in additional exploration work to be implemented in the concessions.

- *Chubut – Concessions El Tordillo – La Tapera and Puesto Quiroga*: On October 2, 2013, the Province of Chubut published the law for the approval of the Agreement to Extend the Exploitation Concessions El Tordillo, La Tapera and Puesto Quiroga, located in the Province of Chubut. YPF holds 12.196% of the concessions, while Petrobras Argentina S.A. holds 35.67% and TECPETROL S.A. holds the remaining 52.133%. The Concessions were extended for a 30 year period counted as from the year 2017. The main terms and conditions agreed by the Province of Chubut comprise the commitment of the companies belonging to the JV to make the following payments and contributions: (i) paying US$ 18 million as Historical Remediation Bonus (ii) paying a Compensation Bonus amounting to a fixed 4% over the production of gas and oil since 2013 (this is calculated as an additional royalty); (iii) covering expenses and investments related to the protection and conservation of the environment; (iv) maintaining a minimum amount of equipment for drilling and work-overs in operation; (v) after the first ten years of extension, PETROMINERA will acquire a 10% interest in the exploitation Concessions.

- *Chubut - Restinga Alí, Sarmiento, Campamento Central – Cañadón Perdido, Manantiales Behr and El Trébol – Escalante:* On December 26, 2013, YPF and the Province of Chubut signed an Agreement for the extension of the original term of the Concessions for the Exploitation of Restinga Alí, Sarmiento, Campamento Central – Cañadón Perdido, Manantiales Behr and El Trébol. The Extension Agreement was ratified by the Legislature of the Province of Chubut on January 17, 2014, and by the Company's Board on February 24, 2014; thus complying with the conditions precedent established in the Extension Agreement.

The following are the main terms and conditions agreed with the Province of Chubut: YPF holds 100% of the exploitation concessions, except for the concession Campamento Central – Cañadón Perdido, where ENAP SIPETROL S.A. holds 50%. A 30-year extension was established for the terms of the exploitation concessions that expire in the years 2017 (Campamento Central – Cañadón Perdido and El Trébol – Escalante), 2015 (Restinga Alí) and 2016 (Manantiales Behr).

YPF undertook, among others, the following obligations: (i) to pay a Historical Compensation Bonus of US$ 30 million; (ii) to pay to the Province of Chubut the Hydrocarbons Compensation Bonus amounting to 3% of the oil and gas production (calculated as an additional royalty); (iii) to meet a minimum level of investment; (iv) to maintain a minimum amount of equipment for drilling and work-over under hire and in operation; and (v) to assign to PETROMINERA S.E. 41% of YPF´s interest in the exploitation concessions of El Tordillo, La Tapera and Puesto Quiroga (amounting to 5% of the total concessions) and in the related Joint operations.

- *Tierra del Fuego:* the Company has negotiated with the Executive Office of the province of Tierra del Fuego the terms in order to extend their concessions in such province, having signed, on December 18, 2013, the Agreement of Extension of concessions of Tierra del Fuego (until November 14, 2027), Los Chorrillos (until April 18, 2026) and Lago Fuego (until November 6, 2027). On October 10, 2014, Act No. 998 and Act No. 997 approving the extension agreements were enacted.

– *Agreements of project investments*

- On July 16, 2013, the Company and subsidiaries of Chevron Corporation ("Chevron") signed an Investment Project Agreement ("the Agreement") with the objective of the joint exploitation of unconventional hydrocarbons in the province of Neuquén. The Agreement contemplates an expenditure, subject to certain conditions, of US$ 1,240 million by Chevron for the first phase of work to develop about 20 km^2 (the "pilot project") (4,942 acres) of the 395 km^2 (97,607 acres) corresponding to the area dedicated to the project, located in the aforementioned province and includes Loma La Lata Norte and Loma Campana area. This first pilot project includes the drilling of more than 100 wells.

  During September 2013, and upon the fulfillment of certain precedent conditions (among which is the granting of an extension of the Loma Campana concession maturity until 2048 and the unitization of that area with the sub-area Loma La Lata Norte), Chevron made the initial payment of US$ 300 million.

  On December 10, 2013, the Company and some of its subsidiaries and subsidiaries of Chevron Corporation successfully completed the pending documents for the closing of the Investment Project Agreement, which enables the disbursement by Chevron of US$ 940 million, in addition to the US$ 300 million that such company has already disbursed.

  For such purposes, the Company and Chevron made the necessary contracts for the assignment in favor of Compañía de Hidrocarburo No Convencional S.R.L. ("CHNC") of 50% of the exploitation concession Loma Campana ("LC"), and supplementary agreements including the contract for the organization of the Joint Operation ("JO") and the Joint Operating Agreement ("JOA") for the operation of LC, where YPF shall participate as area operator.

  The Company indirectly holds 100% of the capital stock of CHNC, but under the existing contractual arrangements, it does not make financial or operative decisions relevant to CHNC and does not fund its activities either. Therefore, the Company is not exposed to any risk or rewards due to its interest in CHNC. Thus, as required by IFRS, the Company has valued its interest in CHNC at cost, which is not significant, and has not recorded any profit or loss for such interest for the nine-month period ended September 30, 2014.

  During the nine-month period of the year, YPF and CHNC have made transactions, among which it is possible to highlight the purchases of gas and crude oil by YPF for 1,481. These transactions were completed under the general and regulatory market conditions. The net balance as of September 30, 2014, is a debt in favor of CHNC of 548.

  Considering the rights that Chevron could exercise in the future over CHNC -to access to the 50% of the concession and supplementary rights- and as a guarantee for such rights and other obligations under the Investment Project Agreement, a pledge over the shares of a YPF's affiliate, which is an indirect holder of YPF's interest in CHNC, has been made in favor of Chevron.

In this context, and considering that YPF is the LC Area Operator, the parties have made a Project Obligations, Indemnities and Guarantee Agreement, by virtue of which the Company makes certain representations and guarantees in relation to the Investment Project Agreement. This guarantee on the operation and management of the Project does not include the project's performance or return on investment, both at the exclusive risk of Chevron.

Finally, other supplementary agreements and documents related to the Investment Project Agreement have been signed, including: (a) the agreement for the allocation of certain benefits deriving from Executive Order No. 929/2013 from YPF to CHNC; (b) terms and conditions for YPF's acquisition of natural gas and crude oil pertaining to CHNC for 50% of the interest in the LC area; and (c) certain agreements for the technical assistance of Chevron to YPF.

During April 2014, YPF and certain of its subsidiaries and subsidiaries of Chevron, have successfully completed the second phase of the Project Investment Agreement and Chevron has confirmed its decision to continue with the investment project in unconventional hydrocarbons in the Loma Campana area, thereby commencing the third phase of such project. The duration of this third phase will encompass the life of the project, until the expiration of the Loma Campana concession. At the present time, there are 18 drilling equipments operating in the above mentioned area and more than 7 thousand daily barrels of oil equivalent to the percentage of participation extracted.

During April 2014, YPF and Chevron have signed a new Project Investment Agreement with the objective of the joint exploration of unconventional hydrocarbons in the province of Neuquén, within the area Chihuido de la Sierra Negra Sudeste – Narambuena. The investment will be undertaken exclusively by, and at the sole risk of, Chevron. The investment will be disbursed in two stages.

Depending on the results of the exploratory activities, both companies expect to continue with the implementation of a pilot project and the subsequent total development of the above mentioned area, with a disbursement in investments of 50 % each.

- On September 23, 2013, the Company, Dow Europe Holding B.V. and PBB Polisur S.A., (hereinafter, collectively, "Dow") signed an agreement (the "Agreement"), which contemplates an expenditure by both parties of up to US$ 188 million which will be directed towards the joint exploitation of an unconventional gas pilot project in the Province of Neuquén, of which Dow will provide up to US$ 120 million by means of a financing agreement convertible into a participation in the project, which contemplates a first phase of work during which 16 wells will be drilled. As of September 30, 2014, 9 wells have been drilled, 5 of which are concluded.

  If Dow exercises the conversion option, YPF would contribute 50% of its participation in the "El Orejano" area, which comprises a total area of 45 km^2 (11,090 acres) in the Province of Neuquén and a 50% interest in a joint venture to be formed for the exploitation of this area.

  If Dow does not exercise the option, the parties have agreed on the repayment conditions of the financing agreement, over a term of five years.

  As of September 30, 2014 the Company has received the first payment of the aforementioned transaction, amounting US$ 60 million, which has been recorded in the "Loans" account in the Company's Balance Sheet. On October 24, 2014, the Company has received an additional amount of US$ 30 million, totalling as of the date of issuance of these financial statements US$ 90 million.

- On November 6, 2013, the Company and Petrolera Pampa S.A. (hereinafter "Petrolera Pampa") signed an investment agreement under which Petrolera Pampa undertakes to invest US$ 151.5 million in exchange for 50% of the interest in the production of hydrocarbons in the area of Rincón del Mangrullo in the Province of Neuquén, pertaining to the formation "Formación Mulichinco" (hereinafter the "Area"), where YPF shall be area operator.

  During this first stage (which shall be completed in a 12-month term), Petrolera Pampa has undertaken to invest US$ 81.5 million for the drilling of 17 wells and the acquisition and analysis of about 40 km^2 of 3D seismic data. Moreover, the Company shall make an additional equal investment for the drilling of 17 more wells, from which it will be entitled to 100% of the production.

As of September 30, 2014, 16 wells have been drilled, 14 of which are concluded, in relation to the first stage of the undertaking assumed by Petrolera Pampa.

Once the first investment stage has concluded, Petrolera Pampa may choose to continue during the second investment stage (to be completed in a 12-month term), which envisages an investment of US$ 70 million for the drilling of 15 wells.

Once the two stages have been completed, the Parties may make the necessary investments for the future development of the Area, in accordance with their respective interest (50% each).

- On August 28, 2014, the Company executed a Term Sheet Agreement with Petronas (E&P) Overseas Ventures Sdn. Bhd, (hereinafter, "Petronas") whereby YPF and Petronas agreed on the main terms and conditions to jointly develop an oil shale pilot in three annual phases involving a jointly investment of up to US$550 million plus VAT in the La Amarga Chica area, province of Neuquén. Petronas will invest US$475 million and YPF will invest US$75 million.

  The pilot phase will commence upon execution of the final documents and upon compliance with certain conditions precedent. Once contributions of each annual phase are made, Petronas would be entitled to opt out of the joint development agreement upon surrender of its participation in the concession. Should Petronas exercise this opt-out option, Petronas would be entitled to 50% of the net production value of drilled wells until exercise of the opt-out options. Upon full compliance with the parties' commitments, each party will contribute 50% to the work schedule and cost budget based on project documentation. YPF will be the operator of the area and will assign a 50% participation to Petronas. The agreement sets out an exclusivity period to negotiate and execute a series of final contracts, the effectiveness whereof will be conditional upon compliance with a series of conditions precedent to be satisfied before December 31, 2014, and which conditions mainly refer to the ownership of the concession of the area, a 35-year term for the new title to exploitation concession and the taxation framework of the project, in order to commence the La Amarga Chica pilot during the first 2015 quarter.

  Finally, the agreement establishes that both companies will assess the strategic association with other exploration areas having potential for non-conventional resources.

– *Principal rules applicable to MetroGAS activities*: the natural gas distribution system is regulated by Law No. 24,076 (the "Gas Act") that, together with Decree No. 1,738/92, issued by the Executive Power, others regulatory decrees, the specific bidding rules ("Pliego"), the Transfer Agreement and the License, establishes the Regulatory Framework for MetroGAS' business. Under the License, MetroGAS is entitled to render the public service of gas distribution for a term of 35 years (for which MetroGAS may require- upon expiration - its extension for an additional 10-year term, subject to ENARGAS evaluation and approval).

The License, the Transfer Agreement and the regulations issued pursuant to the Gas Act establish requirements regarding the quality of service, capital investment, restrictions on transfer and encumbrance on assets, cross-ownership restrictions among producers, transporters and distributors, and MetroGAS stock transfer.

The Gas Act and the License created ENARGAS as regulatory entity to administer and enforce the Gas Act and the applicable regulations. In this order, the tariffs for the gas distribution service were established by the License and are regulated by ENARGAS. The Public Emergency Law enacted in 2002 decreed the suspension of the periodical revision of the tariff regime established in the License.

On March 26, 2014, within the framework of the process for renegotiating public services contracts provided by Law No. 25,561 and supplementary regulations, MetroGAS signed a temporary agreement with the Public Services Contracts Renegotiation and Analysis Unit (the "UNIREN") whereby a provisional tariff regime is established for the collection of higher revenues than those collected under ENARGAS Resolution No. I/2407 issued on December 27, 2012 which, in turn, had implemented a fixed amount per bill, differentiated by type of customer; such revenues had to be deposited in a trust created for the performance of the works. The new Temporary Agreement, ratified by National Executive Order No. 445/2014 establishes an interim tariff regime effective as from April 1, 2014, consisting in the readjustment of tariffs and prices and with due regard to the

necessary guidelines for service continuity and common criteria with the other distribution licensees. The aforementioned new Temporary Agreement also provides for a cost monitoring mechanism based on an exploitation cost and investment structure, as well as price indexes reflecting such costs which, under given premises, triggers a revision procedure whereby ENARGAS will evaluate the actual extent of variation in the Licensee's exploitation costs and investments, and decide if the distribution tariff needs to be adjusted.

On March 27, 2014, the National Government also announced a scheme for readjustment of subsidies. Thus, on March 31, 2014 the Secretary of Energy of the Nation issued Resolution SE No. 226/14 establishing the need to fix new prices for natural gas and a scheme seeking rational consumption, encouraging gas savings for a responsible use of this natural resource. Within this framework, new gas prices were established for residential users for each production basin and user category, and these new prices are to be applied based on the consumptions recorded in the same month/two-month period of the previous year.

In consideration of the above, the real impact on MetroGAS revenue levels and on costs will depend on a variable beyond its control: how users will reduce gas consumption, which will not only depend on the individual actions taken to achieve such reduction but also on the effects of changes in climate variables between the compared periods.

MetroGAS management is currently under a renegotiation process with the National Government to adapt certain terms of the License in order to counteract the economic and financial situation that affects at company. As of the date of issuance of these financial statements it is neither possible to predict the outcome of the aforementioned process of renegotiation nor the effect it will have on MetroGAS's economic and financial situation.

– *Regulatory Framework of the Electric Power Industry in the Argentine Republic:*

Legal Framework: Law No. 24,065, passed in 1992 and governed by Executive Order No. 1,398/92, has established the current basic regulatory framework for the electricity sector (the "Regulatory Framework"). This Regulatory Framework is supplemented by the regulations of the National Secretariat of Energy ("SE") for the generation and marketing of electric power, including the Resolution of the former Secretariat of Electric Energy No. 61/92, "Procedures for the Scheduling of Operations, Load Dispatch and Price Calculation", with its supplementary and amending regulations.

The National Electricity Regulation Agency ("Ente Nacional Regulador de la Electricidad", "ENRE") is the agency that regulates, oversees and controls the electric power industry and, in such capacity, it is responsible for the enforcement of Law No. 24,065.

The technical dispatch, operation and economic organization of the Argentine Interconnection System ("Sistema Argentino de Interconexión", "SADI") and the Wholesale Electricity Market ("Mercado Eléctrico Mayorista", "MEM") is under the responsibility of CAMMESA. CAMMESA also acts as a collection agency for all MEM agents.

It is possible to underscore the following main supplementary and amending resolutions of the sector, taking into consideration the power generation business of YPF Energía Eléctrica:

- SE Resolution No. 146/2003: this resolution established the framework within which generators may request funding for major or extraordinary maintenance works with the goal of maintaining their units available. This funding may be repaid with the future profits of the generation business, and it may also be repaid in advance. Against this backdrop, YPF Energía Eléctrica, as the successor of the operations of the Power Plants of Tucumán and San Miguel de Tucumán, has requested funding for its plan for the maintenance and availability improvement of the plants in Tucumán, and has offered its Sale Settlements with No Expiration Date to Define ("Liquidaciones de Venta sin Fecha de Vencimiento a Definir", "LVFVD") for the advanced repayment of the funded amounts.

- SE Resolution No. 406/2003: this resolution established the mechanism to set collection priorities among various remunerative items of the power generation plants. This set priorities for the collection of items related to variable costs and the collection of the power made available to the system, and finally, of amounts related to generation margins for the sales made in the Spot market as per the curve of contracts with Large Users registered between May and August 2004. LVFVDs were issued for the last ones and for such cases in which CAMMESA did not have a certain repayment date.

- 2008-2011 Generators Agreement: On November 25, 2010, the SE and the main electricity generator companies signed the “Agreement for the Management and Operation of Projects, Increase of Power Generation Availability and Adjustment of Remuneration for 2008-2011 Generation” (hereinafter, the “Generators Agreement”). This Generators Agreement was aimed at establishing the framework, conditions and undertakings that the parties should make to continue with the MEM adjustment process, to enable the entry of new generation to cover the increase in the demand for energy and power in such market, to determine a mechanism for the repayment of the consolidated debts of generators incurred between January 1, 2008, and December 31, 2011, and the acknowledgment of global remuneration for MEM Generator Agents adhering to the Generators Agreement. The Generators Agreement envisaged an increase in the remuneration for the “Power Made Available” by the adhering power generators and in the maximum values recognized for variable maintenance costs and other costs other than fuels. As per this agreement, YPF Energía Eléctrica, as the successor company in the operation of the plants in “Complejo de Generación El Bracho”, has credits with CAMMESA.

- SE Resolution No. 95/2013: this resolution establishes a new remuneration scheme based on the items described below and classified in terms of size and type of generation technology used. The defined remunerative items pertain to: a) remuneration for fixed costs; b) remuneration for variable costs other than fuel; c) direct additional remuneration; and d) indirect additional remuneration, which shall be allocated to a trust for the development of electric power infrastructure works. It is necessary to accept the terms and conditions of the resolution to access such remunerations. YPF Energía Eléctrica has adhered to this system in August 9, 2013, back-dated to February 1, 2013. Among other matters governed by this resolution, it shall be stressed that it established that until the SE decides otherwise, generators and large users shall refrain from making new contracts and/or renewing existing contracts (except for contracts under the framework of SE Resolution No. 1,281/2006 “Energy Plus” and SE Resolution No. 220/2007, among others) as of the entry into force of the resolution. Furthermore, it establishes that as from the date of termination of existing contracts, large users shall begin to make their power purchases through the agency in charge of dispatch (CAMMESA). Similarly, it establishes that fuel supply contracts shall only be acknowledged as long as they are in force, and no new contracts may be made and existing contracts may not be renewed as from their termination dates.
- SE Resolution No. 529/2014: this resolution replaces the remuneration scheme established by SE Resolution No. 95/2013, increasing the tariff schedule of the 4 remunerative concepts included by that resolution. In relation to the Fixed Costs establishes an increase related to the availability of each Generator Agent. Also incorporates a new remuneration scheme of the Non Recurrent Maintenance, which aims to the funding of mayor maintenance subject to the SE approval. This resolution will be applicable to economic transactions from February 2014 for generators that had adhered to SE Resolution No. 95/2013.

12. CONSOLIDATED BUSINESS SEGMENT INFORMATION

The different segments in which the Company is organized have in consideration on the different activities from which the Company obtains income and incurs expenses. The mentioned organizational structure is based on the way in which the highest authority in the operational decision-making process analyzes the main financial and operating magnitudes while making decisions about resource allocation and performance assessment, also considering the business strategy of the Company.

The reporting segment structure, taking into account the criteria established by IFRS 8, is as follows: the exploration and production, including contractual purchases of natural gas and purchase of crude oil arising from service contracts and concession obligations, as well as crude oil and natural gas intersegment sales (“Exploration and Production”); the refining, transport, purchase of crude oil and natural gas to third parties and intersegment sales, and marketing of crude oil, natural gas, refined products, petrochemicals, electric power generation and natural gas distribution (“Downstream”); and other activities, not falling into these categories, are classified under “Corporate and Other”, principally including corporate administrative expenses and assets, construction activities and the environmental remediation according to the controlled company YPF Holdings (see Note 3).

Sales between business segments were made at internal transfer prices established by the Company, which generally seek to approximate to market prices.

Operating income (loss) and assets for each segment have been determined after intersegment adjustments.

	Exploration and Production	Downstream	Corporate and Other	Consolidation Adjustments	Total
For the nine-month period ended on September 30, 2014					
Revenues	6,357	97,316	530	-	104,203
Revenues from intersegment sales	44,604	1,080	3,712	(49,396)(1)	-
Revenues	50,961	98,396	4,242	(49,396)	104,203
Operating income (loss)	10,781	9,238	(1,190)	(451)	18,378
(Loss) income on investments in companies	(7)	68	-	-	61
Depreciation of fixed assets	11,664	1,770	226	-	13,660
Acquisitions of fixed assets(2)	28,395	5,144	825	-	34,364
Assets	117,737	67,692	22,279	(2,696)	205,012

	Exploration and Production	Downstream	Corporate and Other	Consolidation Adjustments	Total
For the nine-month period ended on September 30, 2013					
Revenues	2,815	61,417	587	-	64,819
Revenues from intersegment sales	27,209	731	1,501	(29,441)(1)	-
Revenues	30,024	62,148	2,088	(29,441)	64,819
Operating income (loss)	4,595	3,954	(1,081)	(128)	7,340
(Loss) income on investments in companies	(12)	89	-	-	77
Depreciation of fixed assets	6,689	967	133	-	7,789
Acquisitions of fixed assets(3)	15,934	2,797	213	-	18,944
As of December 31, 2013					
Assets	70,775	51,336	15,161	(1,677)	135,595

(1) Correspond to the elimination of income between segments of YPF group.
(2) Investment in fixed assets net of increases corresponding to YSUR Group at acquisition date (see Note 13), Puesto Hernández, Lajas and La Ventana joint operations contract at acquisition date of the additional interest.
(3) Investments in fixed assets net of the increases corresponding to GASA as of the date of acquisition and to YPF Energía Eléctrica as of the date of the spin-off (See Note 13).

The distribution of revenues by geographic area for the nine-month periods ended September 30, 2014 and 2013, and fixed assets by geographic area as of September 30, 2014 and December 31, 2013, are as follows:

	Revenues		Fixed assets	
	2014	2013	2014	2013
Argentina	92,307	55,519	144,296	93,255
Mercosur and associated parties	6,421	5,037	26	20
Rest of America	3,556	3,110	353	221
Europe	1,919	1,153	-	-
Total	104,203	64,819	144,675	93,496

As of September 30, 2014, no external client represents 10% or more of the Company's revenue from its ordinary activities.

13. BUSINESS COMBINATIONS

– GASA

As mentioned in Note 1.a), during May 2013, the Company, through its subsidiary YPF Inversora Energética S.A. took control of GASA (controlling company of MetroGAS), by acquiring shares representing a 54.67% interest in GASA. Prior to this acquisition, the Company through its interest in YPF Inversora Energética S.A. owned 45.33% of the capital of GASA.

The main characteristics of the transaction, as well as information to enable users of the financial statements to assess the nature and financial effects of the business combination resulting from the aforementioned operation, as IFRS requires are described below.

Name and description of the acquired entity:

GASA is the parent company of MetroGAS, company awarded with the license for the distribution of natural gas in the City of Buenos Aires and southern suburbs of Buenos Aires Province.

GASA owns 70% equity interest of MetroGAS by holding all of the class “A” representing a stake of 51% in capital, and class “B” shares representing a stake of 19% in capital.

MetroGAS provides distribution services to approximately 2.2 million customers within its service area (city of Buenos Aires and eleven municipalities in the south of Buenos Aires).

The acquisition date, the percentage acquired and primary reasons for the acquisition:

The Company has fulfilled with the obligations arising from the purchase agreement, which corresponded to the payment of the balance of the purchase price, during May 2013. As a result of the transaction (which includes shares representing 54.67% stake in GASA), the Company controls 100% of GASA.

As described in Resolution 1/2566 D from Enargas, the operation is expected to result in a substantial benefit to customers of the distribution company as a consequence of applying to MetroGAS a responsible management, not only in economic and financial matters, but also taking social principles upon which the welfare of current and future generations.

The acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each main asset:

The price of the above operation (acquisition of shares representing 54.67% stake in GASA) was US$ 9.7 million, which implies a total value for the 100% of the participation in GASA of approximately US$ 17.7 million, which approximates the fair value of the net assets and liabilities of the acquired company.

Below are the fair values of the main assets and liabilities of the acquired company (values at 100% interest) at acquisition date, which have been incorporated into the Company’s balance sheet as of the acquisition date:

Cash and equivalents	143
Trade receivables	318
Other receivables and other assets	23
Fixed assets	1,788
Provisions	104
Loans	879
Accounts payables	461
Social security and other taxes payables	102
Deferred income tax liabilities	328
Income tax liability	12

Additionally, non-controlling interest amounted to 178 as of the date of acquisition, corresponding to the 30% interest in MetroGAS, which is a controlled company of GASA.

Prior to the transaction, the carrying value of the interest in GASA amounted to zero. As a consequence of the acquisition, remeasurement of shares in GASA to fair value generated a gain of approximately 136, which has been recorded under “Income on investments in companies” account in the comprehensive income statement of the Company in the second quarter of 2013.

Income and expense from ordinary activities of GASA since the acquisition date, included in financial statements of the Company for the nine-month period ended September 30, 2013:

Revenues	901
Cost of sales	(655)
Gross profits	246
Other operating expenses	(150)
Operating income	96
Financial income (expense), net	(159)
Income tax	2
Net loss for the period	(61)

Income and expense from ordinary activities of GASA from the beginning of 2013 until September 30, 2013:

Revenues	1,387
Cost of sales	(1,037)
Gross profits	350
Other operating expenses	(278)
Operating income	72
Financial income (expense), net	887[(1)]
Income tax	(274)
Net income for the period	685

(1) Includes the gain as a result of debt restructuring of GASA and MetroGAS prior to the acquisition date (see Note 2.i) for a total amount of 1,141.

– **YPF Energía Eléctrica S.A.:**

On June 4 2013, the Company, Pluspetrol Resources Corporation BV ("PPRC") and Pluspetrol Energy SA ("PPE") signed an agreement to carry out a spin off PPE, without dissolving it, and allocate part of their assets to create a new spun off company.

This spin off was done with effective date on August 1, 2013 and as a consequence, YPF Energía Eléctrica SA was created (spun off company), on which the Company directly or indirectly holds 100% interest and the Company withdrew its participation in PPE.

As a result of the spin off, YPF Energía Eléctrica SA maintained the electric generation business, previously operated by PPE, and a 27% interest in Ramos Consortium.

The main characteristics of the transaction, as well as information to enable users of the financial statements to assess the nature and financial effects of the business combination resulting from the aforementioned operation as IFRS requires, are described below.

Name and description of the parent company	Pluspetrol Energy SA. On July 31, 2013, the Company had 45% interest on its capital.
Name and description of the spun off company:	YPF Energía Eléctrica S.A. The main goal of this company is the electric generation business operating two power plants in the province of Tucuman, plus a 27% interest in the Ramos Consortium dedicated to the Exploration and Production of Hydrocarbons.
The spin off date:	July 31, 2013
Fair value of the consideration transferred and fair value of the main assets of the acquisition:	The fair value of the net assets and liabilities transferred to the company's spin off process, amounted to 485. Below are the main items:

Trade receivables	65
Fixed assets	638
Accounts payables	77
Loans	52
Social security and other taxes payables	50
Deferred income tax liabilities	35
Other Liabilities	4

Prior to the transaction, the carrying amount of the investment in PPE was 350 and the Company maintained a 115 translation difference reserve in relation with the mentioned investment. As a consequence of the spin-off, the fair value of the assets and liabilities emerging from the spin-off of Pluspetrol Energy S.A. generated a gain of approximately 20, that was recorded under the "Income on investments in companies" account in the comprehensive income statement of the Company in the second quarter of 2013.

Income and expenses from ordinary activities of YPF Energía Eléctrica since the acquisition date included in the financial statements of the Company for the nine-month period ended September 30, 2013:

Revenues	101
Cost of sales	(54)
Gross profit	47
Other operating expenses	4
Operating income	51
Financial income (expense), net	(2)
Income tax	(19)
Net income for the period	30

– **YSUR:**

As mentioned in Note 1.a), on February 12, 2014, YPF and its subsidiary YPF Europe BV ("YPF Europe", constituted in January, 2014) accepted the offer made by Apache Overseas Inc. and Apache International Finance II S.a.r.l. (collectively, "Apache Group") for the acquisition of 100% of its interest in parent companies of the Apache Group's assets in Argentina and the acquisition of certain intercompany loans owed by the acquired companies to the Apache Group companies. The price agreed upon by the parties was US$ 786 million, which was canceled through by an initial deposit of US$ 50 million held on February 12, 2014, and the remaining balance was paid on March 13, 2014, date from which the Company has taken control of the mentioned companies (the "acquisition date"). Together with the assets and liabilities incorporated by these companies, local market debt was assumed for US$ 31 million. The agreed price shall be subject to the review of the financial information of the companies acquired for a period of 150 days from the date of acquisition.

As of result of the previously described transaction, YPF acquired the following corporate shares: (i) 100% of the capital stock of Apache Canada Argentina Investment S.a.r.l. and 100% of the capital stock of Apache Canada Argentina Holdings S.a.r.l.; (ii) 100% of the capital stock of Apache Argentina Corporation, through which it will control 65.28% of Apache Petrolera Argentina S.A., and (iii) 34.72% of Apache Petrolera Argentina S.A. Since YPF has acquired 100% of the interest, there is no non-controlling interest recorded.

These companies control directly or indirectly assets in the provinces of Neuquen, Tierra del Fuego and Río Negro, with a total production of approximately 49,100 oil equivalent barrels per day, have an important infrastructure of pipelines and facilities and around 350 employees. In addition, certain assets have potential for exploration and development in the Vaca Muerta formation.

The fair value of the main identified assets and liabilities of the companies acquired (100% interest values and after consolidation adjustments), which have been incorporated in the Company´s balance sheet as of the date of acquisition is disclosed below:

Cash and equivalents	95
Assets held for sale	1,538
Inventories	55
Trade receivables	520
Other receivables and other assets	213
Intangible assets – Exploration rights	1,246
Fixed assets	5,469
Provisions	781
Deferred income tax liabilities	1,241
Loans	110
Accounts payables	639
Social security and other taxes payables	134
Income tax liability	24

Below is detailed the information related with revenues, costs and expenses of the acquired companies required by IFRS:

	Since the acquisition date up to the end of the nine-month period ended September 30, 2014	**Since the beginning of the year up to the end of the nine-month period ended September 30, 2014**
Revenues	2,227	2,942
Cost of sales	(1,918)	(2,534)
Gross profit	309	408
Other operating expenses	(139)	(184)
Operating income	170	224
Financial income (expense), net	(64)	(84)
Income tax	(59)	(78)
Net income for the period	47	62

Additionally, YPF has entered into a transfer of assets agreement with Pluspetrol S.A. (“Pluspetrol”) whereby it will transfer, in exchange for US$ 217 million, an interest that belongs to Apache Energía Argentina S.R.L. (a subsidiary of Apache Canada Argentina Holdings S.a.r.l.), in three concessions and four joint operation contracts, as well as an interest of YPF in a joint operation contract. The aforementioned interests correspond to assets located in the Province of Neuquén, with the objective of jointly exploring and developing the Vaca Muerta formation. The mentioned transaction is pending approval from the appropriate regulatory authorities. As of September 30, 2014, assets related to the mentioned operation were classified under “Assets held for sale”. Additionally, the amount of US$ 217 million collected from the transaction (1,818 as of September 30, 2014) has been charged to “Accounts payable – Advance from sale of fixed assets”.

During October, 2014, the registered names of some companies have changed as follows: Apache Energía Argentina S.R.L. to YSUR Energía Argentina S.R.L.; Apache Natural Resources Petrolera Argentina S.R.L. to YSUR Recursos Naturales S.R.L.; Apache Petrolera Argentina S.A. to YSUR Petrolera Argentina S.A.; Apache Argentina Corporation to YSUR Argentina Corporation; Apache Canada Argentina Investment S.à.r.l. to YSUR Argentina Investment S.à.r.l.; and Apache Canada Argentina Holdings S.à.r.l. to YSUR Argentina Holdings S.à.r.l. As of the date of issuance of these statements, the aforementioned changes are in process of registration in the General Inspectorate of Justice (“IGJ”).

14. REQUIRED INFORMATION BY GENERAL RESOLUTION NO. 629 OF THE CNV

Due to General Resolution No. 629 of the CNV, we inform that supporting documentation of Company's operations, which is not in Company's headquarters, is stored in the following companies:

- Adea S.A. located in Barn 3 – Route 36, Km. 31.5 – Florencio Varela – Province of Buenos Aires.
- File S.R.L., located in Panamericana and R.S. Peña – Blanco Escalada – Luján de Cuyo – Province of Mendoza.

15. SUBSEQUENT EVENTS

As of October 8, 2014, YPF Ecuador S.A. (company constituted as of July 15, 2014 and indirectly controlled by YPF through Eleran Inversiones 2011 S.A.U.) and Petroamazonas EP (Ecuadorian state-owned oil company) signed an Agreement for provision of specific integrated services, execution of activities for the optimization of production, activities of improved recovery and exploration activities in Campo Yuralpa, located in Block 21, on the Amazonic province of Napo, Ecuador. Additionally, YPF S.A. issued a corporate guarantee in favor of YPF Ecuador S.A., to guarantee compliance with the contract. The amount of the corporate guarantee increases to a maximum of US$ 172 million.

As of October 10, 2014, the Secretariat of Energy of the Province of Mendoza, within Resolution No 68/2014, authorized Energía Andina S.A. (controlled company) to assign YPF the entire rights and obligations emerging from the permits of exploration over Zampal Norte, Ñacuñan, Pampa del Sebo and San Rafael areas, equivalent to an 80% interest in such permits.

On October 31, 2014 the Official Gazette of the Argentine Republic published the text of law No. 27,007 that amends Hydrocarbons Law No. 17,319. The most relevant facts of the new law are the following:

- Regarding permits of explorations, it differentiates between those that have conventional and unconventional exploration objectives and explorations on the continental shelf and territorial sea, establishing terms for each one of the types.
- Regarding concessions, it stipulates three types of concessions: conventional exploitation, unconventional exploitation and exploitation on the continental shelf and territorial sea, establishing terms for each one of the types.
- It adapts the terms of hydrocarbons transport concessions to the terms of exploitation concessions.
- Regarding royalties, it establishes a maximum of a 12%, permitting an increase to an 18% in the case of granted extensions, for which the law also establishes the payment of an extension bonus, whose maximum amount will equal the amount resulting from multiplying the remaining proved reserves at the end of the relevant period of the concession by 2% of the basin average price applicable to the respective hydrocarbons during the prior 2 years at the moment of granting the extension.
- It establishes the extension to the Investment Promotion Regime for the Exploitation of Hydrocarbons (Decree No. 929/2013) for projects that represent a direct investment in currency no smaller than 250 million dollars, extending the benefits to other projects.
- It establishes the reversion and transfer of permits and hydrocarbons exploitation concessions of national offshore areas to the Secretariat of Energy in the cases that there are no subscribed association contracts with ENARSA.

These consolidated financial statements were approved by the Board of Directors' meeting and authorized to be issued on November 5, 2014.

As of the date of the issuance of these consolidated financial statements, there are no other significant events that require adjustments or disclosure, in the consolidated financial statements of the Company as of September 30, 2014, which are not already considered in such consolidated financial statements according to IFRS.

MIGUEL MATIAS GALUCCIO
President

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2014 AND DECEMBER 31, 2013

CONSOLIDATED COMPANIES, JOINT VENTURES AND AFFILIATED

(amounts expressed in millions of Argentine pesos, except where otherwise indicated – Note 1.b.1)

a) Consolidated companies[12]

	2014										
	Description of the Securities				Information of the issuer						
							Last Financial Statements Available				
Name and Issuer	Class	Face Value		Amount	Main Business	Registered Address	Date	Capital Stock	Income (Loss)	Equity	Ho Cap
Controlled companies:[12]											
YPF International S.A.[8]	Common	Bs.	100	2,512,290	Investment	Calle La Plata 19, Santa Cruz de la Sierra, República de Bolivia	06-30-14	292	(27)	645	
YPF Holdings Inc.[8]	Common	US$	0.01	810,614	Investment and finance	10333 Richmond Avenue I, Suite 1050, TX, U.S.A.	09-30-14	6,792	(141)	(992)	1
Operadora de Estaciones de Servicios S.A.	Common	$	1	163,701,747	Commercial management of YPF's gas stations	Macacha Güemes 515, Buenos Aires, Argentina	09-30-14	164	257	455	
A-Evangelista S.A.	Common	$	1	296,424,498	Engineering and construction services	Macacha Güemes 515, Buenos Aires, Argentina	09-30-14	297	133	525	1
YPF Servicios Petroleros S.A.	Common	$	1	47,500	Wells perforation and/or reparation services	Macacha Güemes 515, Buenos Aires, Argentina	12-31-11	- [10]	30	39	1
YPF Inversora Enérgetica S.A.[9]	Common	$	1	67,601,239	Investment	Macacha Güemes 515, Buenos Aires, Argentina	06-30-14	68	(444)	(317)	1
YPF Energía Eléctrica S.A.[13]	Common	$	1	28,506,213	Exploration, development, industrialization and marketing of hydrocarbons, and generation, transportation and marketing of electric power	Macacha Güemes 515, Buenos Aires, Argentina	09-30-14	30	289	654	1
YPF Chile S.A.[14]	Common	-	-	44,826,217	Lubricants and aviation fuels trading and hydrocarbons research and exploration	Villarica 322, Módulo B1, Quilicura, Santiago	06-30-14	399	(82)	431	1
YPF Tecnología S.A.	Common	$	1	98,991,000	Investigation, development, production and commercialization of technologies, knowledge, goods and services	Macacha Güemes 515, Buenos Aires, Argentina	09-30-14	194	65	271	
YPF Europe B.V.[8]	Common	US$	0.01	21,200,000,001	Investment and finance	Prins Bernardplein 200, 1097 JB, Amsterdam, Holanda	-[11]	- [11]	- [11]	- [11]	1
YSUR Argentina Investment S.à.r.l.[8]	Common	US$	1	20,000	Investment	13-15, Avenue de la Lierté, L-1931, Luxemburgo	09-30-14	- [10]	(1,605)	2,799	1

YSUR Argentina Corporation [8]	Common	US$	1	1,000,000	Investment	Boundary Hall, Cricket Square P.O. Box 1111 George Town, Grand Cayman, Cayman Islands KY1-1102	09-30-14	84	(376)	-	1
YSUR Petrolera Argentina S.A.[8]	Common	$	1	181,821,419	Exploration, production, operation, storage, transportation, processing and marketing of hydrocarbons as well as other transactions related to such purposes	Tucumán 1, P. 12, Buenos Aires, Argentina	09-30-14	251	(55)	(40)	

b) Companies valued using the equity method

	2014											
							Information of the issuer					
	Description of the Securities								Las Financial Statements Available			
Name and Issuer	Class	Face Value	Amount	Book Value[3]	Cost[2]	Main Business	Registered Address	Date	Capital Stock	Income (Loss)	Equity
Joint Ventures:											
Compañía Mega S.A.[6][8]	Common	$ 1	244,246,140	459	-	Separation, fractionation and transportation of natural gas liquids	San Martín 344, P. 10°, Buenos Aires, Argentina	09-30-14	643	172	1,028
Profertil S.A.[8]	Common	$ 1	391,291,320	1,302	-	Production and marketing of fertilizers	Alicia Moreau de Justo 740, P. 3°, Buenos Aires, Argentina	06-30-14	783	178	1,136
Refinería del Norte S.A.	Common	$ 1	45,803,655	517	-	Refining	Maipú 1, P. 2°, Buenos Aires, Argentina	06-30-14	92	287	1,015
				2,278	-						
Affiliated Companies:											
Oleoductos del Valle S.A.	Common	$ 10	4,072,749	92 [1]	-	Oil transportation by pipeline	Florida 1, P. 10°, Buenos Aires, Argentina	09-30-14	110	72	277
Terminales Marítimas Patagónicas S.A.	Common	$ 10	476,034	69	-	Oil storage and shipment	Av. Leandro N. Alem 1180, P.11°, Buenos Aires, Argentina	06-30-14	14	43	216
Oiltanking Ebytem S.A.[8]	Common	$ 10	351,167	77	-	Hydrocarbon transportation and storage	Terminal Marítima Puerto Rosales – Provincia de Buenos Aires, Argentina	09-30-14	12	68	99
Gasoducto del Pacífico (Argentina) S.A.	Preferred	$ 1	15,579,578	18	-	Gas transportation by pipeline	San Martín 323, P. 13°, Buenos Aires, Argentina	12-31-13	156	40	232
Central Dock Sud S.A.	Common	$ 0.01	2,825,170,991	- [7]	46	Electric power generation and bulk marketing	Pasaje Ingeniero Butty 220, P. 16°, Buenos Aires, Argentina	12-31-13	356	(473)	(382)
Inversora Dock Sud S.A.	Common	$ 1	103,501,823	- [7]	193	Investment and finance	Pasaje Ingeniero Butty 220, P. 16°, Buenos Aires, Argentina	12-31-13	241	(284)	(101)
Oleoducto Trasandino (Argentina) S.A.	Preferred	$ 1	12,135,167	21	-	Oil transportation by pipeline	Macacha Güemes 515, P. 3°, Buenos Aires, Argentina	06-30-14	34	10	59
Other companies:											
Others[4]	-	-	-	-	9	114	-	-	-	-	-	-
				286	353						
				2,564	353						

(1) Holding in shareholders' equity, net of intercompany profits.
(2) Cost net of cash dividends and stock redemption.
(3) Holding in shareholders' equity plus adjustments to conform to YPF accounting methods.
(4) Includes Gasoducto del Pacífico (Cayman) Ltd., A&C Pipeline Holding Company, Poligás Luján S.A.C.I.,Oleoducto Transandino (Chile) S.A., Bizoy S.A.
(5) Additionally, the Company has a 29.93% indirect holding in capital stock through Inversora Dock Sud S.A.
(6) As stipulated by shareholders' agreement, joint control is held in this company by shareholders.
(7) Holding in negative shareholders' equity as of September 30, 2014 and December 31, 2013, was disclosed in "Accounts payable" after adjustments in to YPF accounting methods.

(8) The U.S. dollar has been defined as the functional currency of this company.
(9) During 2013, YPF Inversora Energética S.A. took control of GASA. As of September 30, 2014 the Company owns directly and indirectly 100% of t
owns 70% of the capital stock of MetroGAS (see Note 13).
(10) No value is disclosed as the carrying value is less than 1.
(11) As of the issuance date of these financial statements there is no information available.
(12) Additionally, YPF Services USA Corp. Eleran Inversiones 2011 S.A.U, Energía Andina S.A., Compañía Minera Argentina S.A., YPF Perú SAC., Y
Petróleo Ltd., Wokler Investment S.A., YPF Colombia S.A., Lestery S.A., Miwen S.A. and YSUR Argentina Holdings S.à.r.l. have been consolidated.
(13) Company created as a consequence of the spin-off of Pluspetrol Energy S.A. (see note 13).
(14) The Chilean peso has been defined as functional currency for this company.
(15) In addition, the company has a 65.28% indirect holding in capital stock through YSUR Argentina Corporation.

Exhibit II

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

INTEREST IN JOINT OPERATIONS AND OTHER AGREEMENTS

As of September 30, 2014, the main exploration and production joint operations and other agreements in which the Company participates are the following:

Name and Location	Ownership Interest	Operator
Acambuco *Salta*	22.50%	Pan American Energy LLC
Aguada Pichana *Neuquén*	27.27%	Total Austral S.A.
Aguaragüe *Salta*	53.00%	Tecpetrol S.A.
CAM-2/A SUR *Tierra del Fuego*	50.00%	Enap Sipetrol Argentina S.A.
Campamento Central / Cañadón Perdido *Chubut*	50.00%	YPF S.A.
Consorcio CNQ 7/A *La Pampa and Mendoza*	50.00%	Pluspetrol Energy S.A.
El Tordillo *Chubut*	12.20%	Tecpetrol S.A.
La Tapera and Puesto Quiroga *Chubut*	12.20%	Tecpetrol S.A.
Llancanelo *Mendoza*	51.00%	YPF S.A.
Magallanes *Santa Cruz, Tierra del Fuego and National Continental Shelf*	50.00%	Enap Sipetrol Argentina S.A.
Palmar Largo *Formosa and Salta*	30.00%	Pluspetrol S.A.
Loma Campana *Neuquén*	50.00%	YPF S.A.
Ramos *Salta*	42.00%	Pluspetrol Energy S.A.
Rincón de Mangrullo *Neuquén*	50.00%	YPF S.A.
San Roque *Neuquén*	34.11%	Total Austral S.A.
Tierra del Fuego *Tierra del Fuego*	100.00%	Petrolera L.F. Company S.R.L.
Yacimiento La Ventana *Mendoza*	70.00%(1)	YPF S.A.
Yacimiento Río Tunuyán *Mendoza*	60.00%	YPF S.A.
Zampal Oeste *Mendoza*	70.00%	YPF S.A.
Neptune *EEUU*	15.00%	BHPB Pet (Deepwater) Inc.

(1) See Note 5.

MIGUEL MATIAS GALUCCIO
President

Exhibit III

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV").
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2014 AND DECEMBER 31, 2013
MONETARY ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN ARGENTINE PESOS
INFORMATION REQUIRED BY ARTICLE 63 OF LAW No. 19,550

(amount expressed in million)

Account	Foreign currency and amount				Exchange rate in pesos as of 09-30-14		Value in pesos as of 09-30-14
	12-31-2013		09-30-2014				
Noncurrent Assets							
Trade receivables	US$	-	US$	1	8.33	(1)	8
Other receivables and advances	US$	319	US$	148	8.33	(1)	1,232
	CLP	-	CLP	2,223	0.01	(1)	22
Total noncurrent assets							1,262
Current Assets							
Trade receivables	US$	263	US$	296	8.33	(1)	2,466
	CLP	8,688	CLP	11,612	0.01	(1)	116
	BRL	21	BRL	-	-	(1)	-
Other receivables and advances	US$	502	US$	414	8.33	(1)	3,448
	€	3	€	2	10.51	(1)	21
	UYU	34	UYU	-	-	(1)	-
	BOP	-	BOP	5	6.96	(1)	35
	CLP	1,087	CLP	3,084	0.01	(1)	31
	BRL	-	BRL	2	3.42	(1)	7
Cash and equivalents	US$	649	US$	608	8.33	(1)	5,065
	BOP	-	BOP	8	6.96	(1)	56
Total current assets							11,245
Total assets							12,507
Noncurrent Liabilities							
Provisions	US$	2,095	US$	1,775	8.43	(2)	14,963
Other taxes payable	US$	16	US$	-	-	(2)	-
Salaries and social security	US$	1	US$	-	-	(2)	-
Loans	US$	1,980	US$	2,903	8.43	(2)	24,472
Accounts payable	US$	60	US$	63	8.43	(2)	531
	UYU	8	UYU	-	-	(2)	-
Total noncurrent liabilities							39,966
Current Liabilities							
Provisions	US$	123	US$	83	8.43	(2)	700
Loans	US$	985	US$	1,152	8.43	(2)	9,711
	BRL	13	BRL	-	-	(2)	-
Salaries and social security	US$	2	US$	1	8.43	(2)	8
	UYU	10	UYU	-	-	(2)	-
	BRL	2	BRL	-	-	(2)	-
Accounts payable	US$	1,776	US$	1,785	8.43	(2)	15,047
	€	186	€	32	10.66	(2)	341
	UYU	27	UYU	-	-	(2)	-
	BOP	23	BOP	-	-	(2)	-
	CLP	6,629	CLP	-	-	(2)	-
	BRL	6	BRL	-	-	(2)	-
Taxes payable	CLP	-	CLP	1,338	0.01	(2)	13
Total current liabilities							25,820
Total liabilities							65,786

(1) Buying exchange rate.
(2) Selling exchange rate.

MIGUEL MATIAS GALUCCIO
President

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

YPF Sociedad Anónima

Date: November 13, 2014

By: /s/ Alejandro Cherñacov
Name: Alejandro Cherñacov
Title: Market Relations Officer

ISSUER

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República Argentina

ISSUER'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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República Argentina

YPF Sociedad Anónima

(incorporated in the Republic of Argentina)

U.S.$175,000,000 8.875% Senior Notes due 2018
U.S.$325,000,000 8.75% Senior Amortizing Notes due 2024

Citigroup **Itaú BBA** **J.P. Morgan**

February 4, 2015