



Investment opportunity in the Argentine power generation sector

Ensenada Barragán Thermal Power Plant - Brigadier López Thermal Power Plant

Notice to interested parties and Bidding process

Notice to interested parties:

This information has been prepared by Energía Argentina S.A. (Enarsa) exclusively for the benefit and internal use of those interested in the investment opportunity described herein (the Transaction), and for the sole purpose of being used for the analysis of certain matters relating to the Transaction.

This information should not be understood as indicative of the status of the financial situation of Enarsa Generation Plants (Ensenada Barragán and Brigadier López), nor of the results of its operations, its cash flow and prospects to date. Enarsa assumes no liability, nor does it make any representations or warranties with respect to the accuracy, adequacy or completeness of the information contained herein.

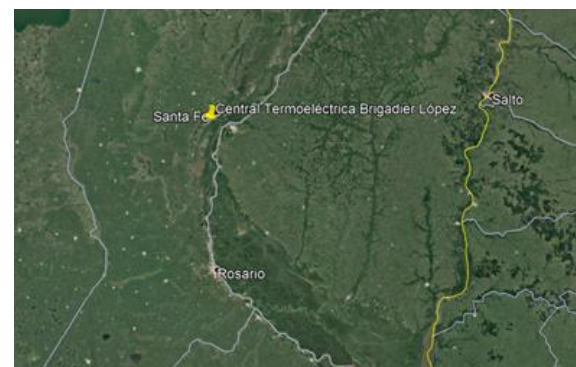
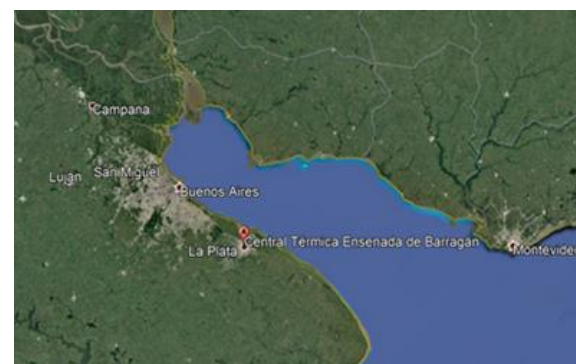
This document was prepared to assist those interested in carrying out their own evaluation of the business of Enarsa Generation Plants, and does not intend to be complete or contain all the information that a potential interested party may want. In any case, the interested parties must carry out their own independent investigations and analysis of the business of Enarsa Generation Plants. The interested parties can only rely on the results of their own investigations and on the statements and express guarantees to be provided by Enarsa in a final agreement to be entered into.

This document has no contractual value and it does not create any type of rights for interested parties, bidders, successful bidders or purchasers.

Bidding Process:

This document is provided to those interested in participating in the Transaction and is intended to facilitate a preliminary review of the business of Enarsa Generation Plants. Those interested in reviewing this investment opportunity in more detail and in investigating the Transaction, must acquire the Bidding Terms and Conditions. After the acquisition of the Bidding Terms and Conditions, Enarsa will provide an Information Memorandum, containing more detailed information on the operations and financial performance of the business of its Generation Plants, and will provide access to the corresponding data room.

The attached Bidding Process Letter contains the steps that interested parties must take to register and access Enarsa e-mail to receive comments, suggestions or concerns.



Transaction Description

ENARSA is the owner and operator of two thermal power plants (CT) in simple cycle: Ensenada Barragán with an installed capacity of 560 MW and Brigadier López with an installed capacity of 280 MW. The works for the conversion to the combined cycle are in a very advanced state of construction, and will increase the power to 840 MW and 420 MW, respectively. ENARSA will bid the sale of the businesses that include each of the plants, including the obligation to complete the combined cycle works.

An excellent platform for the development of new operations, diversification or consolidation.

The gas turbines (GT) and steam turbines (ST) have individual power purchase agreement with Cammesa (PPA). The GT contracts expire on 04/27/2022 for Ensenada Barragán and 08/30/2022 for Brigadier López. ST contracts have a duration of 10 years as from the start of their commercial operation.

The acquirer of each business will have the obligation to complete the combined cycle work and put it into commercial operation within 24 months (Ensenada Barragán) and 14 months (Brigadier López) subsequent to the transfer contract. The cumulative ST progress certification as of December 31, 2017 is 86.9% for Ensenada Barragán and 89.9% for Brigadier López. All the components are substantially in situ in the work (generator, turbine, condenser, etc.).

Each business includes the debt assumed by Enarsa for the construction of the GT, structured by means of two financial trusts (FF), whose balance as of December 31, 2017 is US \$ 401 million for Ensenada Barragán and US \$ 210 million for Brigadier López .

The transaction is an excellent opportunity to develop a relevant platform within the Argentine generation market, as well as diversification, vertical integration or consolidation of current players.

ENARSA will carry out this process through a public tender, whose procedures will be set forth in the corresponding Bidding Terms and Conditions.



ENSENADA BARRAGÁN PLANT

Commercial authorization: April 2012

- GT in operation 560 MW
- ST in construction 280 MW
- PPA with CAMMESA
- Structured debt

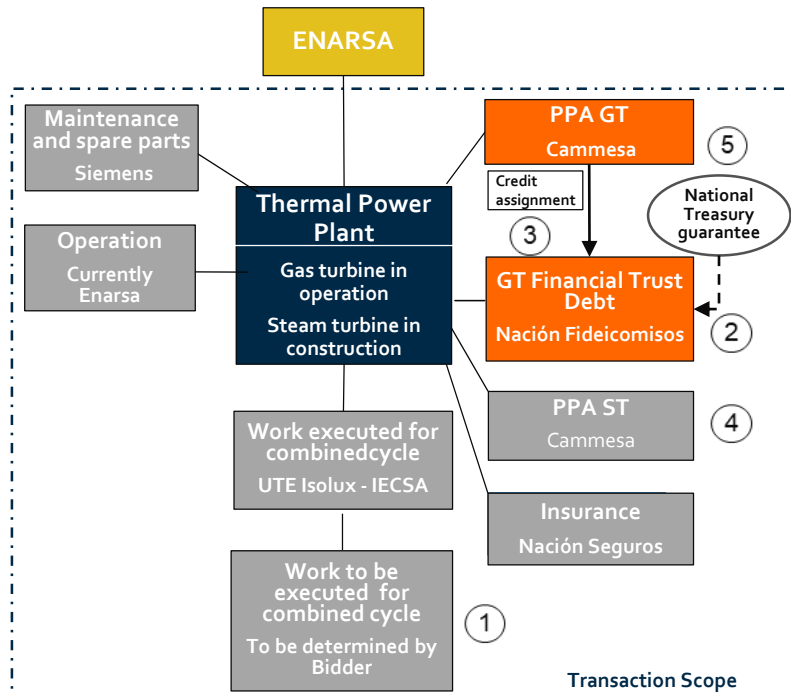


BRIGADIER LÓPEZ PLANT

Commercial authorization: August 2012

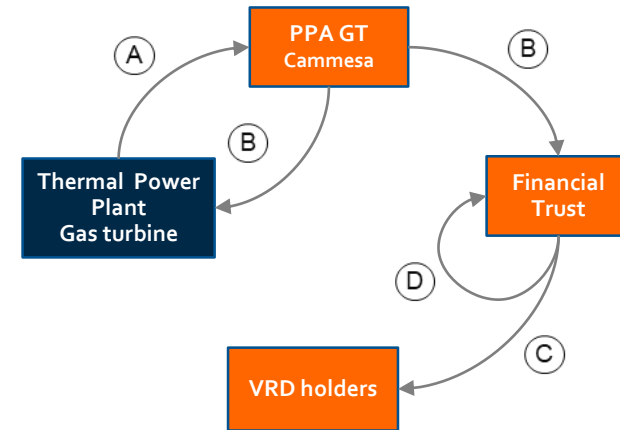
- GT in operation 280 MW
- ST in construction 140 MW
- PPA with CAMMESA
- Structured debt

Transaction scope - Financial Trust



- ① The bidder takes charge of the completion of combined cycle works.
- ② The structured financial trust only finances the GT plant
- ③ ENARSA has assigned to the financial trust a portion of its credits for power remuneration under the GT PPA equivalent to the amount of the debt services plus the expenses of the financial trust
- ④ The future credits under the ST PPA have not been assigned nor has any financial trust been structured
- ⑤ The payment of the debt is guaranteed by the National Treasury

Dynamics of each financial trust



- (A) CT make available power and deliver energy. Bill to Cammesa
- (B) Cammesa pays to the FF an amount equivalent to the debt services plus the expenses of the FF and the rest of the billing to the CT
- (C) The FF cancels the debt services at their maturity.
- (D) The FF pays the expenses of the FF and replenishes (if applicable) the reserve funds

Description of the assets and the PPA - Gas turbine in operation

A relevant operation in the generation market in Argentina

Gas turbine in operation

Ensenada Barragán

Ensenada,
Buenos Aires province



Brigadier López

Parque Industrial Sauce Viejo, Santa Fe province



The Assets

✓ Installed capacity	560 MW	280 MW
✓ Technology	Siemens 2 simple Cycle Gas Turbine (Turbogroups SGT5-4000F) 2 generators SGen 5-1000A Control system SPPA-T3000	Siemens 1 simple Cycle Gas Turbine (Turbogroups SGT5-4000F) 1 generator SGen 5-100A Control system SPPA-T3000
✓ Fuel	Natural gas/Gas oil, provided by Cammesa as per current regulation	Natural gas/Gas oil, provided by Cammesa as per current regulation
✓ Commercial operation date.	04/27/2012	8/30/2012
✓ Interconnections	AT 220 kV ET Hudson line AT 132 kv ET Dique line, AT 132 kv ET Tolosa line	AT 132 kV ET Pay Zumé line AT 132 kV ET Santo Tomé line
✓ Operation	Currently under Enarsa responsibility, after the transaction under the Bidder's responsibility	Currently under Enarsa responsibility, after the transaction under the Bidder's responsibility
✓ Maintenance and spare parts contract	Siemens	Siemens

The PPA

✓ Buyer, remaining duration	CAMMESA, until April/2022	CAMMESA, until August/2022
✓ Power Price	CARFIJZEN: US\$ 23,255 MW month CARFIJADI: US\$ 2,745.20 MW month CARGER: US\$ 706.60 MW month	CARFIJZEN: US\$ 24,083 MW month CARFIJADI: US\$ 4,299.40 MW month CARGER: US\$ 706.60 MW month
	Total: US\$ 26,706.80 MW month	Total: US\$ 29,089 MW month
✓ Energy Price	US\$ 10.50 MWH	US\$ 10.50 MWH

Description of the assets and the PPA - Steam turbine under construction

The highest quality of generation assets available for investment in Argentina

Steam turbine under construction

Ensenada Barragán

Ensenada,
Buenos Aires province



Brigadier López

Parque Industrial Sauce Viejo, Santa Fe province



The Assets

✓ Installed capacity	280 MW	140 MW
✓ Technology	Siemens 1 Steam turbine (SST5-5000), 2 heat recovery steam generators (HRSG) 1 generator SGen 5-1000A	Siemens 1 Steam turbine (SST5-900), 1 heat recovery steam generator (HRSG) 1 generator SGen 5-100A2P
✓ Fuel	GT steam	GT steam
✓ Commercial operation date.	To be determined	To be determined
✓ Operation	Currently under Enarsa responsibility, after the transaction under the Bidder's responsibility	Currently under Enarsa responsibility, after the transaction under the Bidder's responsibility
✓ Maintenance and spare parts contract	To be determined	To be determined
✓ EPC work contract	Intake and water pipeline work or alternative cooling system to be determined and contracted by the Bidder. Work in the Plant to be determined and hired by the Bidder	Intake and water pipeline work contracted and ongoing. Work in the Plant to be determined and hired by the Bidder

The PPA

✓ Buyer, remaining duration	CAMMESA, 10 years as from COD	
✓ Power Price	CARFIJCN: US\$ 23,255 MW month CARGER: US\$ 706.60 MW month	Total: US\$ 23,961.60 MW month
✓ Energy Price	US\$ 10.50 MWH	Total: US\$ 24,789.60 MW month

The obligation to complete the combined cycle works

- The combined cycle works were awarded to UTE Isolux - IECSA (the UTE) and began in December 2011, under a turnkey contract and under a lump sum adjustment.
- On 10/31/2016 the contracts were terminated by mutual agreement, having reached the following degrees of progress of the certification as of December 31, 2017:

The combined cycle work has significant progress, with its power island already provided.

Ensenada Barragán	
✓ Local component	75.8%
✓ Imported component	96.6%
✓ Total	86.9%

Brigadier López	
✓ Local component	79.0%
✓ Imported component	98.8%
✓ Total	89.9%

- The main components of the plant, i.e. the power island (turbine, generator, condenser) are deployed.
- The main work tasks necessary for the start-up of the combined cycles can be grouped into:

Work pending in the Plant	<ul style="list-style-type: none"> • Civil works • Mechanical equipment supply and assembly 	<ul style="list-style-type: none"> • Power electrical system • Precommissioning and Commissioning
Water intake and water pipeline work	<ul style="list-style-type: none"> • Civil works • Mechanical equipment supply and assembly 	<ul style="list-style-type: none"> • Precommissioning and Commissioning

Ensenada Barragán



Brigadier López



- To date, ENARSA has contracted the completion of the water intake and water pipeline work in Brigadier López, which is ongoing.
- The water intake and water pipeline work of the Ensenada Barragan plant is stalled and requires an environmental permit pending issuance to date. The bidder may decide on the cooling water system that he considers most appropriate at his discretion.
- The successful bidder will be obliged to complete, at its cost, all the construction works for conversion of the plant to combined cycle, until the start of its commercial operations.
- Enarsa estimates the following work times as from the respective construction start dates:

Ensenada Barragán	
✓ Work in the Plant	18 Months
✓ Water Intake and water pipeline work	15 Months
✓ Alternative Cooling tower work and intake and water pipeline work restoration	24 Months

Brigadier López	
✓ Work in the Plant	14 Months
✓ Water Intake and water pipeline work	12 Months

Financial debt of the Gas Turbine

Debt structured through Debt Securities (VRD) under two Financial Trusts, subject to the control of the National Securities Commission, is part of the transaction .

The financing to be transferred is optimal in terms of the market.

	Financial Trust Enarsa – Ensenada Barragán	Financial Trust Enarsa – Brigadier López
✓ Trustor	Currently Enarsa, after the transaction the Bidder	Currently Enarsa, after the transaction the Bidder
✓ Trustee	Nación Fideicomisos	Nación Fideicomisos
✓ Initial amount	US\$ 690 million	US\$ 350 million
✓ Outstanding principal and capitalized interests as of 12-31-2017	US\$ 401 MM	US\$ 210 MM
✓ Interest rate	Libor +5% or 6.25% the highest	Libor +5% or 6.25% the highest
✓ Principal amortization and interests payments	Monthly	Monthly
✓ Remaining months for repayment as of 12-31-2017	55 Months	56 Months
✓ Trustee's expenses	See prospectus	See prospectus
✓ Payment terms - Assets in trusts	By partial assignment of the collection rights of CARFIJEN monthly power charge of the Gas Turbine PPA	By partial assignment of the collection rights of CARFIJEN monthly power charge of the Gas Turbine PPA
✓ Guarantees	The VRD are guaranteed by the National Treasury	The VRD are guaranteed by the National Treasury
✓ Fix SCR Risk Rating	A+ sf (arg) Stable	A+ sf (arg) Stable

The prospectus for the issuance of the Debt Securities and the corresponding quarterly and annual financial statements of the financial trusts can be consulted in www.cnv.gov.ar/sitioWeb/FideicomisosFinancieros/Fideicomiso?Fideicomiso=1562 (Ensenada) and www.cnv.gov.ar/sitioWeb/FideicomisosFinancieros/Fideicomiso?Fideicomiso=1561 (Brigadier López)

Historical operational and financial information - Gas Turbine

Stable and predictable values and results.

GT Ensenada Barragán		Unit	2013	2014	2015	2016	2017					
Available commercial power		MW	541	527	552	521	552					
Delivered energy		GWh	1,941	1,780	1,552	2,087	1,795					
		Historical information as reported					Proforma historical information					
		Unit	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Revenues		US\$MM	193.4	194.9	201.3	181.0	196.8	193.4	194.9	201.3	181.0	196.8
Less: Transfers to CAMMESA		US\$MM	-26.8	-28.9	-45.9	-69.1	-49.1	-	-	-	-	-
Net revenues		US\$MM	166.6	166.0	155.4	111.9	147.7	193.4	194.9	201.3	181.0	196.8
Operating costs		US\$MM	-29.0	-34.5	-31.2	-29.7	-26.3	-29.8	-35.4	-32.6	-31.8	-27.8
EBITDA		US\$MM	137.5	131.5	124.2	82.2	121.4	163.6	159.5	168.7	149.2	169.0
Debt services		US\$MM	-107.6	-95.7	-100.3	-100.4	-98.5	-107.6	-95.7	-100.3	-100.4	-98.5
GT Brigadier López		Unit	2013	2014	2015	2016	2017					
Available commercial power		MW	268	259	273	276	276					
Delivered energy		GWh	909	655	676	828	696					
		Historical information as reported					Proforma historical information					
		Unit	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Revenues		US\$MM	91.0	103.4	109.0	102.9	106.7	91.0	103.4	109.0	102.9	106.7
Less: Transfers to CAMMESA		US\$MM	-	-12.2	-24.1	-40.9	-26.0	-	-	-	-	-
Net revenues		US\$MM	91.0	91.2	84.9	62.0	80.7	91.0	103.4	109.0	102.9	106.7
Operating costs		US\$MM	-17.2	-17.8	-20.0	-18.0	-18.7	-17.2	-18.1	-20.6	-19.1	-19.4
EBITDA		US\$MM	73.8	73.4	64.9	44.0	62.0	73.8	85.3	88.4	83.8	87.3
Debt services		US\$MM	-54.6	-49.2	-51.1	-49.4	-50.3	-54.6	-49.2	-51.1	-49.4	-50.3

Historical operational and financial information - Gas Turbine

The figures presented above correspond to certain relevant historical financial information corresponding to the Gas Turbine, for the five years within the 2013-2017 period, based on the following:

- **Historical information as reported:** corresponds to the figures according to Enarsa books, converted to US dollars (US \$) using the Banco Nación average selling exchange rate of each year.
- **Pro forma historical information:** corresponds to the historical information as reported after applying the necessary adjustments to reflect - retroactively - the effects that the following contractual modifications would have had on the historical information as reported, as if they had occurred on January 1, 2013:
 - a) Addendum to the PPA (dated 05/11/2018), which sets forth that Cammesa: 1) will pay monthly to the Financial Trust the amount necessary to cancel the debt services, the trustee's expenses and the replenishment of the reserve fund (if applicable), and 2) will pay to Enarsa all the remaining power charge and energy charge.
 - b) Financial Trust Agreement (in the process of modification), by which its parties agree that Enarsa will only assign from its CARFIJEN power remuneration, the amount necessary to cancel the debt services, the trustee's expenses and the replenishment of the reserve fund (if applicable).

Before these modifications, Enarsa assigned to the Financial Trust 90% of the CARFIJEN power charge plus VAT, with the monthly fund excess over the debt services, trust expenses and replenishment of the reserve fund definitively transferred to Cammesa (the "Transfers to Cammesa"). Therefore, in the Proforma financial information, the necessary adjustments were applied to reflect the elimination of the Transfers to Cammesa and their effect on direct tax expenses reported as Operating Costs.

Business - Organization - Human Resources

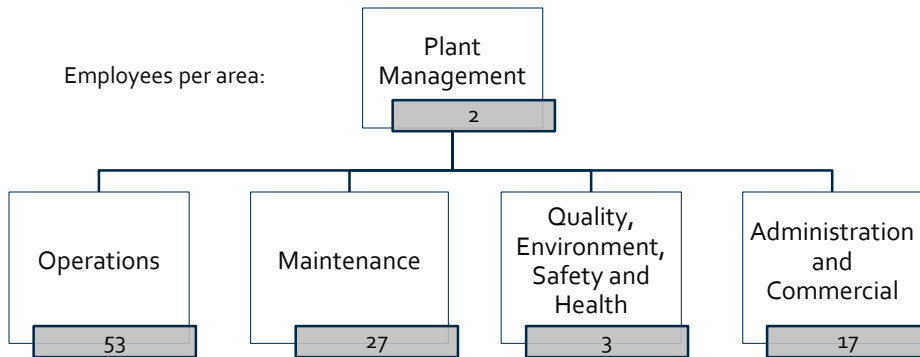
All Enarsa employees that currently operate both plants is part of the business to be transferred.

Proven track record in the GT operation.

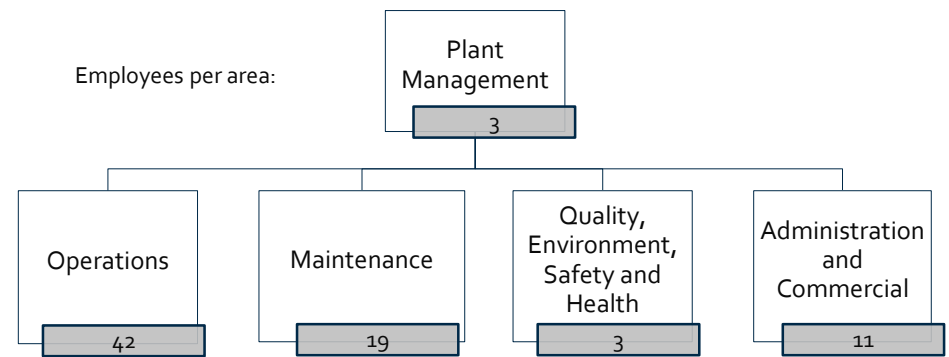
BUSINESSTO BE TRANSFERRED

Ensenada Barragán

Brigadier López



Total employees: 102



Total employees: 78



Investment Highlights - Bidding dates

<p>1</p> <p>Excellent quality assets</p>	<ul style="list-style-type: none"> •The Ensenada Barragán and Brigadier López power plants are the most modern within the country •Only other 5 plants with installed power greater than 250MW were put into operation in the last 10 years •Optimal location 	<p>4</p> <p>Financial debt (Project Finance) on GT in excellent conditions</p>	<ul style="list-style-type: none"> •Goodwill includes the project finance of the investment in GT •Optimal debt cost (Libor + 5%, or 6.25% the highest) •Debt services aligned with GT funds generation
<p>2</p> <p>Excellent opportunity for different strategies in the generation industry</p>	<ul style="list-style-type: none"> •Relevant platform to start operations in the industry in Argentina •Opportunity for diversification and immediate vertical integration for current players •Synergies for consolidation with existing generation operations 	<p>5</p> <p>Better EBITDA margins as from the combined cycle operation</p>	<ul style="list-style-type: none"> •Higher expected dispatch and higher efficiency after COD of the combined cycle •Shorter payout of capital investment compared to a green field project
<p>3</p> <p>Growing market and high investing interest</p>	<ul style="list-style-type: none"> •High expected growth of the energy matrix in the next 10 years (5% CAGR) •Ongoing normalization of the regulatory framework, with significant progress. Progressive elimination of imbalances within the industry •Interest for 35GW expressed in Res 420/16 	<p>6</p> <p>Strong contracted Cash Flow and greater leverage available</p>	<ul style="list-style-type: none"> •The GT provides 5 remaining years and ST 10 years of stable and predictable cash flow in US dollars •Remaining investment in ST eligible for repayable debt with the project's own resources

Preliminary dates of the bidding process

○ Pre-bid specifications publication	May 11, 2018	○ Opening of bid envelope N°2	September 3, 2018
○ Deadline for comments reception	May 24, 2018	○ Estimated award date	September 11-18, 2018
○ Final Bidding Terms and Conditions publication	June 8, 2018	○ Estimated date for Transfer Agreement signature and price payment	October 22, 2018 to November 5, 2018
○ Receipt and analysis of Bids	August 21, 2018		