ENANTA PHARMACEUTICALS INC
Form S-8
February 16, 2016

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 16, 2016

REGISTRATION NO. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ENANTA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of** **incorporation or organization)**	**04-3205099** **(I.R.S. Employer** **Identification No.)**
500 Arsenal Street, Watertown, MA	**02472**

(Address of Principal Executive Offices) **(Zip Code)**

2012 Equity Incentive Plan

(Full title of the plan)

Jay R. Luly

President and Chief Executive Officer

Enanta Pharmaceuticals, Inc.

500 Arsenal Street

Watertown, Massachusetts 02472

(Name and address of agent for service)

(617) 607-0800

(Telephone number, including area code, of agent for service)

Copy to:

Stacie S. Aarestad, Esq.

Locke Lord LLP

111 Huntington Avenue

Boston, Massachusetts 02199-7613

(617) 239-0100

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ¨	Accelerated filer x
Non-accelerated filer ¨	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock, $0.01 par value	561,505 shares	$24.50	$13,756,872.50	$1,385.32

(1) This Registration Statement covers an aggregate of 561,505 shares of the Registrant s Common Stock, par value $0.01 per share (the Common Stock), that may be issued pursuant to awards granted under the Registrant s 2012 Equity Incentive Plan. In addition, pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the Securities Act) this Registration Statement also covers such additional shares of Common Stock as may be issued to prevent dilution from stock splits, stock dividends and similar transactions.

(2) Pursuant to Rules 457(c) and 457(h)(1) under the Securities Act, the proposed maximum offering price per share and the maximum aggregate offering price for the shares have been calculated solely for the purpose of computing the registration fee on the basis of the average high and low prices of the Common Stock as reported by the Nasdaq Global Select Market on February 11, 2016 to be $25.97 and $23.03, respectively.

STATEMENT REGARDING INCORPORATION BY REFERENCE FROM EFFECTIVE

REGISTRATION STATEMENT

Pursuant to Instruction E to Form S-8, the Registrant incorporates by reference into this Registration Statement the entire contents of its Registration Statements on Form S-8 and filed with the Securities and Exchange Commission on June 10, 2013 (File No. 333-189217) , December 18, 2013 (File No. 333-192935) and February 24, 2015 (File No. 333- 202257).

The number of shares of Common Stock, $0.01 par value per share, of the Company available for issuance under the Plan is subject to an automatic annual increase on the first day of each fiscal year of the Company equal to the least of (i) 3% of the outstanding shares on such date, (ii) 2,088,167 shares of Common Stock, or (iii) an amount determined by the Board. This Registration Statement registers the 561,505 additional shares of Common Stock resulting from the automatic annual increase for the fiscal year beginning October 1, 2015.

Part II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 8. Exhibits.
See the Exhibit Index immediately following the signature page.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Watertown, Commonwealth of Massachusetts, as of February 16, 2016.

ENANTA PHARMACEUTICALS, INC.

By: /s/ Jay R. Luly, Ph.D.
Jay R. Luly, Ph.D.

President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned officers and directors of Enanta Pharmaceuticals, Inc., hereby severally constitute and appoint each of Jay R. Luly and Paul J. Mellett, our true and lawful attorneys-in-fact, with full power to them in any and all capacities, to sign any and all amendments to this Registration Statement on Form S-8 (including any post-effective amendments thereto), and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and as of the dates indicated.

Signature	Title	Date
/s/ Jay R. Luly, Ph.D. Jay R. Luly, Ph.D.	President and Chief Executive Officer and Director (Principal Executive Officer)	February 16, 2016
/s/ Paul J. Mellett Paul J. Mellett	Chief Financial Officer (Principal Financial and Accounting Officer)	February 16, 2016
/s/ Ernst-Günter Afting Ernst-Günter Afting	Director	February 16, 2016
/s/ Stephen Buckley, Jr. Stephen Buckley, Jr.	Director	February 16, 2016
/s/ Bruce L. A. Carter Bruce L. A. Carter	Director	February 16, 2016

/s/ George Golumbeski	Director	February 16, 2016
George Golumbeski		
/s/ Terry Vance	Director	February 16, 2016
Terry Vance		

EXHIBIT INDEX

Exhibit Number	Description
4.1	Restated Certificate of Incorporation of Enanta Pharmaceuticals, Inc. Previously filed as Exhibit 3.1 to the Registrant s Current Report on Form 8-K filed with the SEC on March 28, 2013 (File No. 001-35839) and incorporated herein by reference.
4.2	Amended and Restated Bylaws of Enanta Pharmaceuticals, Inc. (as amended and restated in August 2015). Previously filed as Exhibit 3.2 to the Registrant s Current Report on Form 8-K filed with the SEC on August 18, 2015 (File No. 001-35839) and incorporated herein by reference.
4.3	Specimen certificate evidencing shares of common stock of Enanta Pharmaceuticals, Inc. Previously filed as Exhibit 4.1 to the Registrant s Registration Statement on Form S-1/A filed with the SEC on February 5, 2013 (File No. 333-184779) and incorporated herein by reference.
5.1	Opinion of Locke Lord LLP. Filed herewith.
23.1	Consent of PricewaterhouseCoopers LLP. Filed herewith.
23.2	Consent of Locke Lord LLP. Included in the opinion filed as Exhibit 5.1.
24.1	Power of Attorney. Included on the signature page hereto.
99.1	2012 Equity Incentive Plan (As adjusted to reflect the application of the 1-for-4.31 reverse stock split of the Company s common stock effected on March 1, 2013). Previously filed as Exhibit 10.16 to the Registrant s Annual Report on Form 10-K filed with the SEC on December 18, 2013 (File No. 001-35839) and incorporated herein by reference.

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2009

Fernando Dasso

Director of Human Resources and Alternate Director

2008

2009

Carlos Jimenez

Director of Management Control and Alternate Director

2008

2009

Carlos Alfonsi

Alternate Director

2008

2009

Ezequiel Eskenazi Storey

Alternate Director

2008

2009

Mauro Renato José Dacomo

Alternate Director

2008

2009

Ignacio Cruz Morán

Alternate Director

2008

2009

Eduardo Ángel Garrote

Alternate Director

2008

2009

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* Representing our Class A shares.

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None of the members of the Board of Directors owns shares in YPF.

Directors' outside business interests and experience

Antonio Brufau Niubo

Mr. Brufau Niubo graduated with an economics degree from the University of Barcelona. From 1999 to 2004, he acted as managing director for the La Caixa Group. He served as a member of the Repsol YPF Board of Directors from 1996 until becoming chairman and CEO of Repsol YPF in October 2004, a position he currently occupies. He was appointed chairman of Gas Natural group in July 1997 and is now vice chairman of the group. From July 2002 to July 2005, he served as chairman of Barcelona's Círculo de Economía. Mr. Brufau has served on the boards of several other companies, including Suez; Enagás; Abertis; Aguas de Barcelona; Colonial and Caixa Holding; the CaixaBank France and CaixaBank Andorra. Until December 2005, he was the only Spanish member of the Executive Committee of the International Chamber of Commerce.

Antonio Gomis Sáez

Mr. Gomis Sáez graduated with a chemical engineering degree from the Complutense University of Madrid and a master's in business administration from IESE Business School – University of Navarra in Spain. He began his career in 1974 at the Repsol YPF Petróleo refinery in Puertollano, Ciudad Real and later went to work at the International Energy Agency in Paris founded by the Organization for Economic Cooperation and Development ("OECD"). He served as advisor to the General Secretary of Energy and Mineral Resources at the Spanish Ministry of Energy. In 1986 he joined the Instituto Nacional de Hidrocarburos, where he was appointed managing director of international and institutional relations of Repsol YPF. From 1997 to 2000, he was general director of energy at the Spanish Ministry of Industry and Energy. From September 2000 to November 2004, he was corporate director of external relations, overseeing investor and media relations. In January 2005 he was appointed CEO of Repsol YPF Química and managing director of Repsol YPF's Chemicals Europe and Rest of the World. In July 2007 he was appointed director of our company and in August 2007 he became our Chief Executive Officer and served in that capacity until March 2008. Since March 2008, he has served as our Chief Operating Officer.

Carlos Bruno

Mr. Bruno graduated with a degree in architecture from the University of Buenos Aires. He is president and co-founder of the Centro de Investigaciones para la Transformación. He has participated in the creation of the Center of International Economy while being a member of the Ministry of Foreign Relations. He was the Undersecretary of Economic Integration and Secretary of International Economy Relations from 1984 to 1989 and was appointed Ambassador V with the Senate's approval. His areas of expertise are international economic relations and international trade.

Santiago Carnero

Mr. Carnero graduated as a certified public accountant from the University of La Plata in Argentina. He has been a professional advisor in accounting, taxation and labor matters, and corporate organizational and constitutional matters. He has also served as an external auditor for public and private organizations. Since 2004, Mr. Carnero has served as

advisor to the Bicameral Commission of Expense Control and Intelligence Activities of the National Congress of Argentina.

Carlos de la Vega

Mr. de la Vega was director of La Caja ART from 1996 to 2004 and director of Luncheon Tickets from 1991 to 1998. Since April 2003 he has been president of the Argentine Chamber of Commerce, a position he also held from 1988 to 1993. He has been a member of our Board of Directors for Class D shares since 1993, and until 1996 he was director of Institutional Relations of Ciba-Geigy Argentina. He has been a member of our Audit Committee from 1993 to 1997 and from 2004 to the present.

Eduardo Elzstain

Mr. Elsztain has more than 20 years of experience in the real estate industry. In 1990, he founded Consultores Asset Management, a leading portfolio management firm that has been a pioneer investor in Latin America and in other emerging countries. He serves as the chairman of Cresud, a leading agricultural company in Latin America devoted to the operation and formation of a valuable portfolio of land and a producer of soybeans, corn, wheat, beef cattle and milk. In addition he is a board member of BrasilAgro – Companhia Brasileira de Propriedades Agrícolas, and chairman of IRSA, Argentina's largest and most diversified real estate company, with interests in office buildings, hotels and residential projects. He is also chairman of IRSA's subsidiary, Alto Palermo S.A., Argentina's leading shopping center company. Mr. Elsztain is vice-chairman of Banco Hipotecario S.A., Argentina's largest mortgage bank.

Mr. Elsztain studied economics at the University of Buenos Aires and is a member of the World Economic Forum, the Group of Fifty and Asociación Empresaria Argentina (Argentine Business Association), among associations. Moreover, Mr. Elsztain is president of Fundación IRSA, Endeavor Argentina, Hillel Argentina and Museo de los Niños Abasto, among others.

Federico Mañero

Mr. Mañero graduated with a law degree from the San Sebastián Faculty of Law. He is president of Comunicación y Gestión de Entornos, and has more than 25 years of experience in managerial and consulting positions for organizations and private, public and political projects. He is an expert in strategic positioning and corporate communications, and has an international profile with professional activities in more than 50 countries and strong relations in Latin America. He is the founder of various nonprofit projects and organizations like Solidaridad Internacional, Programa de Cooperación Iberoamericana en Temas de Juventud (Organismo Iberoamericano de Juventud) and Movimiento por la Paz, el Desarme y la Libertad and is a regular collaborator with the Fundación Salvador Allende, Fundación Progreso Global and UNICEF. Mr. Mañero is a native speaker of Spanish and French.

Fernando Ramírez Mazarredo

Mr. Ramírez Mazarredo received his degree in Economic and Business Sciences from the University of Madrid and is a certified public accountant. He was Chairman of the Spanish Financial Futures Market (Mercado Español de Futuros Financieros) from April 2004 to June 2005.

Luis Suárez de Lezo Mantilla

Mr. Suárez de Lezo Mantilla received his degree in Law from the Universidad Complutense of Madrid and is a State Attorney (on leave) specializing in Commercial and Administrative Law.

Javier Monzón

Mr. Monzón graduated with a degree in economics from the Complutense University of Madrid. He is chairman and CEO of Indra. He has a finance and management background. He has acted as corporate banking director of Caja Madrid, CFO and president of Telefónica International, executive vice president and member of the executive committee of Telefónica, worldwide partner of Arthur Andersen, managing partner of Corporate Finance Consulting Services and president of Alpha Corporate in Arthur Andersen Spain. He is a member of the boards of other companies, foundations and entrepreneurial organizations, such as our company, ACS and the American Chamber of Commerce.

Mario E. Vázquez

Mr. Vázquez graduated as a certified public accountant from the University of Buenos Aires. He has been a professor of auditing at the Economics School of the University of Buenos Aires. Mr. Vázquez has acted as CEO of Grupo Telefónica in Argentina and was a member of the Board of Telefónica, S.A. from 2000 to 2006. Mr. Vázquez is currently a member of the Board of Telefónica Internacional, S.A. (Spain) and of Telefónica Chile. He is also a member of the boards of directors or a statutory auditor of several companies (including Telefónica de Argentina S.A., Telefónica Holding de Argentina S.A., YPF S.A., Santander Río Seguros, Indra, Universia and Sheraton Hotels). He is a member of the board of F.I.E.L. (Latin American Foundation for Economic Investigation), Fundación Leer, the Argentine Chamber of Commerce, IDEA, CARI (Consejo Argentino para las Relaciones Internacionales) and Fundación Carolina. Mr. Vázquez was also partner and general director of Arthur Andersen (Pistrelli, Diaz y Asociados y Andersen Consulting – Accenture) for more than 20 years until his retirement in 1993.

Alejandro Quiroga López

Mr. Quiroga López graduated with a law degree from the University of Buenos Aires School of Law. Since 2001, he has been our general counsel and secretary of our Board of Directors. He was a partner at the law firm Nicholson & Cano from 1986 to 1997, a foreign associate at Davis Polk & Wardwell in 2000, and Undersecretary of Banking and Insurance at the Ministry of Economy of Argentina from 1997 to 1999. He was professor of banking and commercial law at the University of Cema. He was a member of the Executive Board of the University of Buenos Aires School of Law. He is also a graduate of the Wharton Advanced Management Program.

Gonzalo López Fanjul

Mr. López Fanjul graduated as a mining engineer from the University of Oviedo. He is a deputy director and director of certain companies in which we participate. He was previously our director of Exploration and Production.

Alfredo Pochintesta

Mr. Pochintesta has received degrees in public accounting and administration from the University of Buenos Aires. Mr. Pochintesta worked as a planning and administration manager in Pluspetrol S.A., planning manager in Petrosur S.A. and senior auditor at PriceWaterhouseCoopers. He worked for Astra for more than 18 years as CFO

and since 1990 as head of the Gas and Electricity Division. Mr. Pochintesta joined Repsol YPF in 1999 when Repsol YPF purchased Astra. He was in charge of the LPG business for Latin America from 1999 to January 2005, when he was appointed marketing director. He also serves as director of a number of other companies.

Rafael López Revuelta

Mr. López Revuelta graduated as a chemical engineer from the Complutense University of Madrid and earned a master's degree in business administration from IESE, Madrid. He has been a director in different areas of Repsol YPF since 1988.

Tomás García Blanco

Mr. García Blanco graduated with a degree in mining engineering from Oviedo University, a certificate in petroleum engineering from Oil & Gas Consultants International in Tulsa, Oklahoma and an IMD Managing Corporate Resources degree from Laussane University. He has developed his Exploration and Production career internationally in Spain, the United States, Egypt, Libya, Venezuela and Argentina. Mr. García Blanco has held several positions in Repsol YPF, including field engineer, reservoir engineer, production engineer, development manager, production manager, operations manager, business unit manager, director of technical staff and, since August 2006, he has been Director of Exploration and Production for Argentina and Bolivia.

Fabián Falco

Mr. Falco has been our Director of Communication and External Relations since 2001. He was director of external relations and corporate marketing of Aguas Argentinas and director of external communications and press of Bridas S.A.

Walter Forwood

Mr. Forwood graduated with a bachelor's degree in economics from the Universidad Argentina de la Empresa and a master of science in finance from Florida International University. He began his career at Bank of Boston and Continental Bank, Argentina. Mr. Forwood joined Industrias Metalúrgicas Pescarmona in 1993 and subsequently served as CFO of Corporación Impsa. In 1997, he joined Cisneros Television Group and held the positions of CFO of Cisneros Television Group and Ibero-American Media Partners, vice chairman of Imagen Satelital and COO of El Sitio Inc. In 2001, Mr. Forwood became CFO of Verizon Communications Inc., chairman and CEO of CTI, CFO of Telefónica de Puerto Rico, general manager of Verizon Wireless of Puerto Rico, and COO of Telefónica de Puerto Rico. Mr. Forwood is currently our Chief Financial Officer.

Fernando Dasso

Mr. Dasso graduated with a labor relations degree from the University of Buenos Aires. In 1993, he joined our company and has held several positions within our company ever since. In 2006, he was appointed Director of Human Resources in the Exploration and Production business unit for Argentina, Bolivia and Brazil. Since June 2007, he has been our Director of Human Resources.

Carlos Jiménez

Mr. Jiménez graduated with a degree in chemical engineering from the Complutense University of Madrid, Spain and received a master's degree in business administration and financial management from the Polytechnic University of Madrid. In addition, he completed the Program of Management Development (Programa de Desarrollo Directivo) at

the Institut Européen d'Administration des Affaires (INSEAD). Mr. Jiménez began his professional career as a Process and Startup Engineer in 1980 with a leading engineering and construction company, while also being employed as Professor at the Complutense University of Madrid. In 1986 he joined Petronor, S.A., part of the Repsol YPF group, as head of the Department of Technical Studies in the area of commercial planning and coordination. In 1999, he became Director of Refining in the area of strategic planning and development of Repsol YPF. During the period 2002 to 2004, he was Director of the Refining and Marketing business unit in Brazil. From 2004 to 2007, he was Technical Director of Refining and Logistics. In addition, Mr. Jiménez is a member of the boards of directors of Oiltanking-Ebytem S.A., Oldelval S.A. and OTA and OTC S.A. He is also the President of the Refinery Committee of ARPEL. Currently, Mr. Jimenez is our Director of Management Control.

Carlos Alfonsi

Mr. Carlos Alberto Alfonsi graduated with a chemistry degree from Universidad Tecnológica of Mendoza, Argentina, an IMD Managing Corporate Resources degree from Lausanne University and studied at the Massachusetts Institute of Technology. In 1987, he joined our company and has held several positions in our company and Repsol YPF, including operations manager, director of the La Plata refinery, operational planning director, trading and transport director for Latin America, refinery and marketing director in Peru, country manager for Peru, and R&M for Peru, Chile, Ecuador and Brazil. Since January 2008, he has been our company's Director of Refining and Logistic operations.

Board practices

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 bylaws 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 bylaws, 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 bylaws or other regulations.

The Audit Committee

The Transparency Decree and Resolutions No. 400/02 and No. 402/02 of the CNV, require that Argentine public companies appoint an audit committee (comité de auditoria) composed of at least three members of the Board of Directors. The bylaws or the regulations of the Board of Directors 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.

Our Audit Committee was created on May 6, 2004. The members of the Audit Committee currently are: president Mario Vázquez, members Mario Blejer, Carlos de la Vega, Federico Mañero and Carlos Bruno, and alternate members Javier Monzón and Eduardo Elsztain.

Mario Vázquez 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 meets as many times as needed and at least once every quarter, held ten meetings between April 2006 and March 2007.

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 Chief Financial Officer 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.

In addition, because our shares are traded on the NYSE, pursuant to U.S. law we must include our annual financial information in an annual report on Form 20-F, which must be filed with the SEC. The Audit Committee reviews such annual report before it is submitted to the SEC.

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.

We have aligned the internal control system for financial reporting 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. Our external auditor reported on our internal control system for financial reporting as of December 31, 2006.

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 December 31, 2006, and as a consequence of the evaluation process described in the paragraph above, the Audit Committee had no objections to the re-election of Deloitte & Co. S.R.L. as our external auditors. The shareholders at a meeting held on April 13, 2007 approved the re-election of Deloitte & Co. S.R.L. as external auditors of the financial statements for the year ending December 31, 2007.

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 35% 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, shareholders, 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.

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As of the date of this prospectus, we believe that Messrs. Carlos Bruno, Carlos de la Vega, Eduardo Elsztain, Federico Mañero, Javier Monzón, Mario Vázquez and Mario Blejer qualify as independent members of our Board of Directors under the above-described criteria.

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.

The Disclosure Committee is composed of certain of our executive officers, some of whom are also members of our Board of Directors.

The Disclosure Committee is currently composed of the following people:

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Name	Position
Sebastián Eskenazi	Chief Executive Officer
Carlos Alfonsi	Director Refining and Logistics
Fernando Dasso	Director of Human Resources
Fabián Falco	Director of Communication and External Relations
Walter Forwood	Chief Financial Officer
Tomás García Blanco	Director Exploration and Production
Carlos Jiménez .	Director Management Control
Gabriel Leiva	Director Accounting and Administration
Rafael López Revuelta	Director Chemicals
Alfredo Pochintesta	Director of Marketing
Alejandro Quiroga López	General Counsel
Aquiles Rattia	Director of Reserves Control
Juan Carlos Rodríguez González	Director of Internal Audit

Executive Officers

The President of the Board of Directors, who, according to our bylaws, must be a Class D director, is elected by the Board of Directors to serve for a two-year term, but not to exceed his term as director. All other officers serve at the discretion of the Board of Directors and may be terminated at any time without notice.

All of our current senior executive officers are either members or alternate members of the Board of Directors.

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Compliance with NYSE Listing Standards on Corporate Governance

On November 4, 2003, the SEC approved rules proposed by 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.

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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. Because more than 50% of our voting stock is held by another company, Repsol YPF, we would not be required to comply with the following NYSE corporate governance requirements even if we were a U.S. company: (i) having a majority of independent directors, (ii) corporate governance committee requirements, and (iii) compensation committee requirements.

Independence of the directors on the Board of Directors

In accordance with the NYSE corporate governance rules, a majority of the Board of Directors must be composed of independent directors, whose independence is determined in accordance with highly detailed rules promulgated by the NYSE. Other than as described under "—Independence of the Members of our Board of Directors and Audit Committee," Argentine law does not regulate the independence of directors nor criteria for determining independence.

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.

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.

Code of Ethics

We have adopted a code of ethics applicable to the Board of Directors and all employees.

Compensation of Directors and Officers

The Argentine Corporations Law provides that the aggregate annual compensation paid to the members of the Board of Directors (including those directors acting in an executive capacity) with respect to a fiscal year may not exceed 5% of net income for such year if we are not paying dividends in respect of such net income. The Argentine Corporations Law increases the annual limitation on directors' compensation up to 25% of net income if all of the net income for each year is distributed as dividends. Such percentage decreases proportionally based on the relation between the net income and the dividends distributed. In the case of directors that perform duties at special commissions or perform administrative or technical tasks, the aforesaid limits may be exceeded if a shareholders' meeting so approves and the issue is expressly included in the shareholders' meeting agenda. The compensation of the president and other directors acting in an executive capacity, together with the compensation of all other directors, must be approved by an ordinary general shareholders' meeting as provided by the Argentine Corporations Law.

For the period ended September 30, 2007, the aggregate compensation paid to the members of the Board of Directors and our executive officers for services in all capacities was Ps.27.8 million.

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During 2006, our performance-based compensation programs included a bonus plan for approximately 4,900 employees, including members of our senior management.

The bonus plan provides for cash to be paid to the participants based on a measurable and specific set of objectives under Repsol YPF's "Management by Objectives Program" and the results of reviews of individual performance. All of the participants are YPF employees included at a specific salary level. The additional compensation that may be payable to each eligible employee in the bonus plan ranges from 15% to 55% of such employee's annual base salary. Bonus percentages are fixed by the president of our Board of Directors with the approval of Repsol YPF's Compensation Committee at the beginning of each calendar year. The total amount of bonuses awarded under the bonus plan cannot exceed 90% of the individual's annual base salary and will be linked to the company's net cash flow. We cannot give any assurances that this plan will not be changed in the future.

In 2006, Ps.1,968 million was accrued for eligible members of the Board of Directors and officers pursuant to a deferred compensation plan.

Our directors who are not also executive officers do not have any service contracts with us.

Supervisory Committee

The Supervisory Committee is responsible for overseeing management's compliance with the Argentine Corporations Law, the bylaws 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 bylaws 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 bylaws, meetings of the Supervisory Committee may be called by any member. The meeting requires the presence of all members, and a majority vote among those 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 period ended September 30, 2007, the aggregate compensation paid to the members of the Supervisory Committee was Ps.551 thousand.

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	Member Since	Term Expires
Silvana Rosa Lagrosa	A	2007	2008
Juan A. Gelly y Obes	D	2005	2008
Israel Lipsich	D	2008	2009
Santiago C. Lazzati	D	2005	2008
Carlos María Tombeur	D	2008	2009
Orlando Pelaya	A	2006	2008
Arturo F. Alonso Peña	D	2007	2008
Oscar Oroná	D	2008	2009

Edgardo A. Sanguinetti	D	2008	2009
Rubén Laizerowitch	D	2008	2009

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Juan A. Gelly y Obes

Mr. Gelly y Obes graduated as a certified public accountant from the Belgrano University of Buenos Aires. He is a partner of the consulting firm Otero Cano & Asociados-Accountants, and he is a consulting accountant in legal matters to the board of directors of the Argentine Republic Central Bank. Previously, Mr. Gelly y Obes was a member of the statutory audit committees of Aerolineas Argentinas S.A. and Agritech Inversora S.A.

Silvana Rosa Lagrosa

Mrs. Lagrosa graduated as a certified public accountant from the University of Buenos Aires. She has been a member of the Sindicatura General de la Nación (SIGEN) since 2000, for which she acts as statutory auditor of our company, Lotería Nacional S.E., Ferrocarril General Belgrano S.A., Encotesa e.l. and LAFSA.

Santiago C. Lazzati

Mr. Lazzati graduated as a certified public accountant from the University of Buenos Aires. He was a partner of Arthur Andersen from 1974 until he retired in 1993 and was the head of the Audit and Business Advisory Division from 1975 to 1987 and Practice Director from 1987 until his retirement. He is currently an associate director in Deloitte, working in Argentina and other Latin American Countries Organization (LATCO) countries in consulting, especially in human capital services. He is a business consultant, specializing in topics related to management and human behavior. He is the author of fifteen books and many articles on accounting, auditing and business administration. Additionally, Mr. Lazzatti is assessor of the International Criminal Court in the Hague of all matters concerning the organization of the Office of the Prosecutor in charge, Dr. Luis Moreno Ocampo. Mr. Lazzati is the statutory auditor of Sheraton Hotels and Telefónica de Argentina and a full-time business administration professor of the Universidad Católica Argentina.

Arturo F. Alonso Peña

Mr. Peña received his law degree from the University of Buenos Aires School of Law in 1973. He was statutory auditor of Banco Hipotecario Nacional from 1995 to 2001. He was partner of M&M Bomchil law firm from 1980 to 1985, Chief of the trademark department of the National Intellectual Property Registry in 1979, and secretary of the Court of First Instance in commercial matters of the City of Buenos Aires from 1974 to 1978. He is currently an attorney with Severgnini, Robiola, Grinberg & Larrechea.

Orlando F. Pelaya

Mr. Pelaya graduated as a certified public accountant from the University of Lomas de Zamora in Argentina. He is a member of Sindicatura General de la Nación (SIGEN), for which he acts as statutory auditor of Educ.ar S.E., an educational web portal (a state company); INdeR S.E. (e.l.), the National Reinsurance Institute (a state company) and Interbaires S.A. In addition, he is an alternate statutory auditor of AySA S.A., an Argentine water company; CAMMESA, an electricity administration company; EDCADASSA S.A, a cargo airline; L.A.F.S.A., the Argentine federal airline; LT 10, administration radio company, and our company. He is also a control coordinator of other state companies.

Share Ownership of Executive Officers

None of our executive officers owns any of our shares.

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SELLING SHAREHOLDERS

We are registering 98,328,198 Class D shares, including in the form of ADSs, covered by this prospectus on behalf of the selling shareholders. The names of the selling shareholders and information about their holdings and the offering will be set forth in one or more supplements to this prospectus.

On February 21, 2008, Petersen Energía S.A. ("Petersen Energía") purchased 58,603,606 of our ADSs, representing 14.9% of our capital stock, from Repsol YPF for U.S.$2,235 million (the "Petersen Transaction"). In addition, Repsol YPF also granted certain members of the Eskenazi family, who are affiliates of Petersen Energía, options to purchase up to an additional 10.1% of our outstanding capital stock within four years (the "Petersen Options").

58,603,606 Class D shares, in the form of ADSs, registered hereunder are subject to a pledge in favor of certain lenders financing Petersen Energía's purchase of ADSs in connection with the Petersen Transaction. 39,724,592 of the Class D shares, including in the form of ADSs, registered hereunder evidence the securities that certain members of the Eskenazi family, affiliates of Petersen Energía, may acquire in connection with the Petersen Options using financing obtained from certain lenders to whom the securities purchased under the Petersen Options will be pledged as collateral. The purpose of this registration is to permit certain pledgees of the ADSs purchased in connection with the Petersen Transaction and certain pledgees of the securities purchased under the Petersen Options (if any), and their respective donees, transferees and other successors-in-interest that receive the resale securities covered by this prospectus as a gift, distribution or other transfer (including a purchase) after the date of this prospectus, to resell such securities when and as they deem appropriate, in each case in the event that such pledgees become entitled to exercise their pledges over such securities and become the beneficial owners of such securities. We do not know when or in what amounts the selling shareholders may offer securities for sale. The selling shareholders may not come into the possession of any securities or may elect not to sell any or all of the securities offered by this prospectus.

The following are summaries of certain material terms of the agreements entered into by Repsol YPF, Petersen Energía and certain of their respective affiliates in connection with the Petersen Transaction and the Peterson Options, as described in Repsol YPF's public filings.

Share Purchase Agreement and Related Financing Agreements

Pursuant to the share purchase agreement, Petersen Energía purchased 58,603,606 ADSs, representing 14.9% of our outstanding capital stock, from Repsol YPF for a total purchase price of U.S.$2,235 million, or U.S.$38.13758 per ADS. Such purchase and sale is subject to a post-closing condition of certain regulatory antitrust approvals, consents and authorizations being obtained within 12 months from the date of the share purchase agreement. In the event that such approvals, consents and authorizations are not obtained, Repsol YPF has agreed with Petersen Energía and the lenders under the senior secured term loan facility referred to below to unwind the Petersen Transaction.

Petersen Energía's purchase of our securities was financed by the drawdown of U.S.$1,026 million under a senior secured term loan facility provided by certain financial institutions, U.S.$1,015 million under a seller credit agreement entered into with Repsol YPF and equity provided by Peterson Energía's shareholders. The seller credit agreement matures on February 21, 2018 or the immediately preceding business day if such date is not a business day. Principal payments are required to be made at certain periodic intervals commencing in 2013 until the maturity date. The loan under the seller credit agreement bears interest at 8.12% per year through and including May 15, 2013, and thereafter at 7.0% per year and contains other customary terms and provisions.

Securities purchased by Petersen Energía are pledged as collateral under the senior secured term loan facility and the seller credit agreement. The seller credit agreement is subordinated to the senior secured term loan facility.

Option Agreements

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Repsol YPF granted certain members of the Eskenazi family, who are affiliates of Petersen Energía, an option to purchase the number of Class D shares or ADSs amounting to 0.1% of our capital stock, pursuant to the first option agreement, and an option to purchase an additional number of Class D shares or ADSs amounting to 10.0% of our capital stock (collectively, the "Option Shares"), pursuant to the second option agreement, subject to certain terms and conditions. The Petersen Options expire on February 21, 2012. The exercise price per Option Share shall be determined in accordance with the following formula: (i) U.S.$15 billion multiplied by the consumer price index published monthly by the United States Bureau of Labor Statistics for the period from the date of the option agreements through the exercise date, (ii) plus or minus our accumulated results from the date of the option agreements through the exercise date (with certain adjustments for taxes paid), determined based on our financial statements for the fiscal years ending after the date of the option agreements, (iii) minus dividends paid from the date of the option agreements through the exercise date, (iv) plus or minus any changes in our share capital, (v) divided by the number of shares outstanding on the exercise date.

The beneficiaries of the Petersen Options may only exercise their purchase rights under the first option agreement once and with respect to all of the Class D shares or ADSs subject to the agreement. The beneficiaries of the Petersen Options may exercise their purchase rights under the second option agreement on one or more occasions during the exercise period of such second option agreement.

Subject to certain terms and conditions contained in the Petersen Options, Repsol YPF has agreed to provide financing of up to 48% of the exercise price required to be paid for the Option Shares purchased by certain members of the Eskenazi family pursuant to the Petersen Options. Repsol YPF has also agreed to finance or guarantee the financing of up to 100% of the price that the members of the Eskenazi family would be required to pay to purchase shares from other shareholders through a mandatory tender offer as a result of Petersen Energía and its affiliates, including certain members of the Eskenazi family, acquiring an interest in our capital stock of greater than 15%. This commitment is limited to a maximum amount equivalent to the price necessary to purchase Class D shares or ADSs equal to 0.9% of our capital stock, which corresponds to the percentage of shares that were not owned by Repsol YPF prior to the Petersen Transaction.

The beneficiaries of the Petersen Options agreed that, if they exercise their option under the second option agreement, they will not transfer for a period of five years the 10% of our outstanding capital stock that is subject to that agreement, but have not made such an agreement as to the 0.1% of our outstanding capital stock that is subject to the first option agreement.

Shareholders' Agreement

Petersen Energía, Repsol YPF and certain affiliates of Repsol YPF entered into a shareholders' agreement on February 21, 2008 in connection with the Petersen Transaction establishing certain rights and obligations in connection with our governance and certain procedures for and limitations on transfers of our shares, among other matters. The following is a summary of certain material terms of the shareholders' agreement based on Repsol YPF's public filings.

Voting at Shareholders' Meetings

Repsol YPF and Petersen Energía have agreed to discuss and reach agreement on their voting with respect to proposals presented at shareholders' meetings involving certain matters, including certain increases or any reductions in our capital (except reductions that are legally required), the merger, divestiture or dissolution of our company or certain of our subsidiaries, the divestiture of material assets of our company or certain of our subsidiaries, the modification of our bylaws, and the designation or removal of our external auditors, among other matters. In the event that Repsol YPF and Petersen Energía cannot reach an agreement on any of these matters, they have agreed to vote against such matters.

Composition of our Board of Directors

Repsol YPF and Petersen Energía have agreed that the composition of our Board of Directors shall reflect a proportional representation of Repsol YPF's and Petersen Energía's interests in our capital stock, with (i) Repsol YPF retaining the right to appoint the majority of the members of our Board of Directors for so long as it holds the

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majority of our capital stock, and (ii) Petersen Energía having the right to appoint at least five members to our Board (or three members in the case that its interest in our outstanding capital stock falls below 10%).

Appointment of Directors and Officers and Certain Board Decisions

Repsol YPF and Petersen Energía have agreed that the Chairman of our Board of Directors and our Chief Operating Officer shall be designated by Repsol YPF while our Chief Executive Officer will be designated by Petersen Energía. They have agreed that initially Mr. Antonio Brufau will remain the Chairman of our Board of Directors, Mr. Sebastián Eskenazi will serve as our Chief Executive Officer, Mr. Antonio Gomis will serve as our Chief Operating Officer and Mr. Enrique Eskenazi will serve as a director and Non-Executive Vice President of the Board. When Mr. Enrique Eskenazi ceases to be a director, such non-executive vice presidency will remain vacant.

Certain decisions of our Board of Directors shall require the affirmative vote of the directors representing Repsol YPF and Petersen Energía, including any action that results in any of the specific matters discussed under "—Voting at Shareholders' Meetings" above, the reduction of our direct or indirect interest in certain of our subsidiaries, the contracting of debts, guarantees or investments that contractually limit the payment of dividends or cause our consolidated debt to EBITDA ratio to reach or exceed 3:1, undertake non-budgeted investments or acquisitions that individually exceed U.S.$250 million, and the requesting of the declaration of insolvency or bankruptcy, among other matters. In the event that Repsol YPF and Petersen Energía cannot reach an agreement on any of these specific matters, they have agreed to instruct their directors to vote against such matters.

Lock-Ups and Transfer Restrictions

Petersen Energía has agreed not to sell any shares of our capital stock for a period of five years, subject to certain exceptions, including the condition that Repsol YPF continues to hold at least 35% of our outstanding capital stock. In addition, if our dividend payments are insufficient for Petersen Energía to meet its obligations under the senior secured term loan facility, or if Petersen Energía repays the senior secured term loan facility in full, Petersen Energía may sell shares of our capital stock, so long as Petersen Energía maintains a minimum interest in our capital stock of between 10% and 15% (depending on whether the beneficiaries of the Petersen Options have fully exercised the Petersen Options and excluding certain dilution events in respect of capital increases).

Repsol YPF has agreed to hold at least 50.01% of our capital stock for a period of at least five years, unless Petersen Energía repays the senior secured term loan facility in full. Once the senior secured term loan facility has been repaid in full, Repsol YPF has agreed to hold at least 35% of our capital stock, so long as Petersen Energía maintains a minimum interest in our capital stock of between 10% and 15% (depending on whether its affiliates that are beneficiaries of the Petersen Options have fully exercised the Petersen Options and excluding certain dilution events in respect of capital increases), provided that Repsol YPF may sell shares to a purchaser that is a "first-tier" company in the oil and gas industry and agrees to be bound by the terms of the shareholders' agreement.

After five years: (i) Petersen Energía may transfer its shares without limitation; and (ii) so long as Petersen Energía maintains a minimum interest in our capital stock of between 10% and 15% (depending on whether its affiliates that are beneficiaries of the Petersen Options have fully exercised the Petersen Options and excluding certain dilution events in respect of capital increases), Repsol YPF must maintain an interest that, combined with Petersen Energía's holdings, amounts to 40% of our outstanding capital stock, subject to certain conditions, provided that Repsol YPF may sell shares to a purchaser that is a "first-tier" company in the oil and gas industry and agrees to be bound by the terms of the shareholders' agreement.

Public Offering

Repsol YPF and Petersen Energía have agreed that Repsol YPF may engage in a public stock offering of at least 10% of our outstanding capital stock and Repsol YPF has filed a registration statement covering 20% of our capital stock to be offered in such offering, which may occur before or after the sale of any securities covered by this prospectus.

Tag-Along Rights, Right to Participate in Public Offering and Right of First Refusal

If Petersen Energía has repaid the senior secured term loan facility in full, when Repsol YPF sells more than 5% of our outstanding capital stock, Petersen Energía shall have a pro rata tag-along right with respect to such sale by

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Repsol YPF. Petersen Energía also has rights to participate, on a pro rata basis, in any public offering of our outstanding capital stock conducted by Repsol YPF.

Additionally, when Repsol YPF or Petersen Energía sells a block of our shares representing greater than 10% of our capital stock, the other party shall have a right of first refusal to purchase such shares, subject to certain terms and conditions.

Acquisition of Certain of Repsol YPF's Latin American Assets

Repsol YPF and Petersen Energía have agreed to allow us to evaluate the possible acquisition, at market price, of certain specified Latin American assets of Repsol YPF in order to expand and diversify our business.

Dividends

Repsol YPF and Petersen Energía have 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. They have also agreed to vote in favor of requiring us to distribute an additional dividend of U.S.$850 million, of which half will be paid in 2008 and half will be paid in 2009.

Tender Offer by Petersen Energía

Repsol YPF has agreed not to participate in the tender offer for our shares that Petersen Energía or its affiliates will be required to make if they acquire 15% or more of our outstanding capital stock (as a result of its exercise of one of the options agreements, or otherwise).

Duration and Termination

The shareholders' agreement shall remain in effect during our existence, but is subject to immediate termination if Repsol YPF's holdings of our capital stock fall below 12.5% or Petersen Energía's holdings of our capital stock fall below 10%. The shareholders' agreement is also subject to termination if there are certain defaults under the shareholders' agreement, or if, within thirty days of the bankruptcy of either party, the bankrupt party cannot provide a sufficient guaranty to the other party.

Registration Rights and Related Agreements

Under the terms of the registration rights agreement between us, Repsol YPF and the financial institutions providing the senior secured term loan facility, we have agreed to file this resale shelf registration statement under the Securities Act with respect to the ADSs sold in the Petersen Transaction and keep it continuously effective until certain specified conditions have been met. Upon any acceleration of the senior secured term loan facility following the occurrence and continuation of an event of default under such facility, Credit Suisse, London Branch, the administrative agent acting on behalf of the lenders under the senior secured term loan facility as holders of such pledged securities, may sell such securities under this shelf registration statement after giving us notice, provided that we may suspend the use of this registration statement upon the occurrence of certain specified events. Such securities and the associated registration rights may be transferred by any holder.

In the event that we fail to keep this resale shelf registration statement continuously effective and an acceleration of the senior secured term loan facility following an occurrence and continuation of an event of default under such facility occurs, we are required to pay certain specified damages to the holders of the securities required to be registered hereby. The registration rights agreement provides that the selling shareholders and we will indemnify each

other and our and their respective directors, officers, agents, employees and controlling persons against specific liabilities in connection with the offer and sale of the ADSs, including liabilities under the Securities Act, or will be entitled to contribution in connection with those liabilities. In addition, Repsol YPF and Petersen Energía PTY Ltd., the parent holding company of Petersen Energía, S.A., have agreed in a separate agreement to indemnify us against certain specific losses resulting from our agreement to indemnify the selling shareholders and their directors, officers and controlling persons pursuant to the registration rights agreement (excluding losses resulting from a final judgment determining the existence of a material misstatement or omission of fact contained in our resale shelf registration statement or a prospectus included therein, or a settlement based on such claims). Repsol

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YPF or Petersen Energía will pay all of our expenses incidental to the registration, offering and sale of the ADSs to the public (subject to the caps and limitations set forth in the registration rights agreement), and each selling shareholder will be responsible for payment of commissions, concessions, fees and discounts of underwriters, broker-dealers and agents.

We also expect to enter into a separate registration rights agreement with respect to the Option Shares, with terms and conditions that are substantially similar to those contained in the registration rights agreement entered into with respect to the ADSs sold in the Petersen Transaction.

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RELATED PARTY TRANSACTIONS

All material transactions and balances with related parties are set forth in Note 7 to the Audited Consolidated Financial Statements and Note 6 to our individual financial statements included in the Unaudited Individual and Consolidated Interim Financial Statements. The principal such transactions are short-term intercompany loans granted by us at market rates of interest (which, net of loans collected, amounted to Ps.1,049 million for the nine months ended September 30, 2007), our sales of refined and other products to certain affiliates (which amounted to Ps.2,469 million in the nine months ended September 30, 2007), and our purchase of petroleum and other products that we do not produce ourselves from certain affiliates (which amounted to Ps.1,302 million in the nine months ended September 30, 2007). The prices of the transactions with related parties approximate the amounts charged by and/or to us by unrelated third parties.

In addition, Repsol YPF and Petersen Energía PTY Ltd., the parent holding company of Petersen Energía, have agreed to indemnify us against certain specific losses resulting from our agreement to indemnify the selling shareholders and their directors, officers and controlling persons pursuant to the registration rights agreement we have entered into in connection with the Petersen Transaction. Repsol YPF or Petersen Energía will pay all of our expenses incidental to the registration, offering and sale of the securities registered hereby to the public. See “Selling Shareholders—Registration Rights and Related Agreements.”

For an organizational chart demonstrating our organizational structure, including our interests in our principal affiliates, see “Business – Overview.”

Argentine Law Concerning Related Party Transactions

Section 73 of the Transparency Decree 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 73 of the Transparency Decree, as amended by Decree No. 1020/03, “significant amount” means an amount that exceeds 1% of the issuer’s net worth as reflected in the latest approved financial statements, provided this amount exceeds Ps.300,000. For purposes of the Transparency Decree, “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 (at least 35% of its capital stock, or a lesser amount when they have the right to appoint one or more directors, or have other shareholder agreements related to the management of the company or its controlling shareholder); (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.

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DESCRIPTION OF CAPITAL STOCK

Set forth below is certain information relating to our capital stock, including brief summaries of certain provisions of our bylaws, the Argentine Corporations Law and certain related laws and regulations of Argentina, all as in effect as at the date hereof. The following summary description of our capital stock does not purport to be complete and is qualified in its entirety by reference to our bylaws, the Argentine Corporations Law and the provisions of other applicable Argentine laws and regulations, including the CNV and the Buenos Aires Stock Exchange rules.

Overview

Our capital stock consists of Ps.3,933,127,930, fully subscribed and paid in shares, divided into 3,764 Class A shares, 7,624 Class B shares, 105,736 Class C shares and 393,195,669 Class D shares, 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 and Production, 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 28, 2007, 1,381,999 Class C shares had been converted into Class D shares. See "Business—History of YPF."

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, as of December 31, 2007, Repsol YPF owns 389,548,900 Class D shares and therefore controls us through a 99.04% ownership interest.

Memorandum and Articles of Association

Our bylaws 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,

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and registered at the Inspection Board of Legal Entities of the Republic of Argentina 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 held on April 13, 2007, our shareholders approved an amendment to our bylaws which broadens the scope of our permissible activities to include work with non-fossil fuels, bio-fuels, and their components, as well as the production, processing, transport, marketing and storage of grain and its derivatives. The amendment is currently in the process of being registered by the CNV.

For a detailed description of our object and purpose, see "Business." Our object is set forth in Section 4 of our bylaws. Copies of the bylaws, which have been filed as described in "Exhibit Index" in this prospectus, are also available at our offices.

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 laws and whenever they consider appropriate. Shareholders representing not less than 5% of our capital stock may also request that a shareholders' meeting be called.

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 close 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 Transparency Decree, 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 bylaws, 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.

Shareholders' meetings may be called by the Board of Directors or the members of the Supervisory Committee whenever required by law or whenever they deem it necessary. Also, the Board of Directors or the members of the Supervisory Committee are required to call shareholders' meetings upon the request of shareholders representing an aggregate of at least five percent of our outstanding share capital, in which case the meeting must take place within 40 days of such shareholders' request. If the board 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.

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 bylaws 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 bylaws, (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 bylaws also establish that in order to approve (i) certain amendments to our bylaws 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 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 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 bylaws may be held jointly and severally liable for damages to us or to other third parties, including shareholders.

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

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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 bylaws, 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 Securities Act 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 a 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 bylaws, 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

Under our bylaws, 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 bylaws, 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 the Company 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

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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 bylaws, 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 bylaws:

- 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.

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

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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 bylaws 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 bylaws, 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.

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;

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(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.

DIVIDENDS AND DIVIDEND POLICY

Under our bylaws, 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 bylaws 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.

We have distributed over 85% of our net income attributable to the years 2001 through 2006 in dividends to our shareholders. We have not adopted a formal dividend policy. Any dividend policy adopted will be subject to a number of factors, including our debt service requirements, capital expenditure and investment plans, other cash requirements and such other factors as may be deemed relevant at the time. In addition, Repsol YPF and Petersen Energía have agreed in the shareholders' agreement entered into by them in connection with the Petersen Transaction 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. They have also agreed to vote in favor of corporate resolutions requiring us to distribute a special dividend of U.S.$850 million, of which half will be paid in 2008 and half will be paid in 2009. See "Selling Shareholders—Shareholders' Agreement."

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
2002	—	—	—	4.00	4.00
2003	—	5.00	2.60	—	7.60
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	—	—	—	10.76

On March 6, 2007, the Board of Directors approved a dividend of Ps.6.00 per share or per ADS, to be paid out of the reserve for future dividends approved by the shareholders' meeting of April 28, 2006. The dividends were paid on March 21, 2007 and ratified by the shareholders' meeting of April 13, 2007. Our shareholders' meeting held on April 13, 2007, approved a reserve for future dividends of Ps.4,234 million.

On February 6, 2008, our Board of Directors approved a dividend of Ps.10.76 per share or per ADS, to be paid out of the reserve for future dividends approved by our shareholders' meeting held on April 13, 2007. The dividend was paid on February 29, 2008.

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 Argentine GAAP 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.

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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 bylaws, 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 “Management—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 dollars.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

The following is a summary of certain provisions of the deposit agreement among us, The Bank of New York, as depositary (the "Depositary"), and holders from time to time of our American Depositary Receipts (the "Deposit Agreement"), under which the American Depositary Receipts ("ADRs") evidencing the ADSs are to be issued.

This summary does not purport to be complete and is qualified in its entirety by reference to the Deposit Agreement, a copy of which has been filed as an exhibit to this registration statement. Additional copies of the Deposit Agreement are available for inspection at the Corporate Trust Office of the Depositary in New York, which is presently located at 101 Barclay Street, 21st Floor West, New York, New York 10286.

American Depositary Receipts

ADRs evidencing ADSs will be issuable by the Depositary under the Deposit Agreement. An ADR may evidence any number of ADSs. Each ADS represents one Class D share (or a right to receive one Class D share) deposited under the Deposit Agreement with the custodian, currently The Bank of New York, S.A., in Buenos Aires, or any of its successors (the "Custodian").

ADRs will be issued under the Deposit Agreement subject to the conditions and other provisions described under "Deposit and Withdrawal of Deposited Securities" below, upon deposit with the Custodian in Buenos Aires of Class D shares (or evidence of rights to receive Class D shares).

The Depositary is required to keep books at its Corporate Trust Office for the registration of ADRs and transfers of ADRs, which at all reasonable times shall be open for inspection by you, as an ADR holder, provided that such inspection shall not be for the purpose of communicating with other holders regarding matters other than our business or a matter related to the Deposit Agreement or the ADRs.

As an ADR holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Argentine law governs shareholder rights. As an ADR holder, you will have ADR holder rights. The Deposit Agreement sets out ADR holder rights as well as the rights and obligations of the Depositary. New York law governs the Deposit Agreement and the ADRs.

Current ADSs Outstanding

As of December 31, 2007, there were approximately 224.7 million ADSs outstanding and approximately 93 holders of record of ADSs. Such ADSs represented approximately 57.1% of the total number of issued and outstanding Class D shares as of December 2007. Excluding ADSs owned by Repsol YPF, outstanding ADSs represent 0.5% of the total number of outstanding Class D shares.

Deposited Securities

As used in this section, "Deposited Securities" means Class D shares (or evidence of rights to receive Class D shares) held under the Deposit Agreement and any cash, securities or other property received at any time by or on behalf of the Depositary with respect to those shares.

Deposit and Withdrawal of Deposited Securities

The Depositary has agreed that upon deposit with the Custodian in Buenos Aires of Class D shares or evidence of rights to receive Class D shares, and subject to the terms of the Deposit Agreement, it will execute and deliver through

its Corporate Trust Office to the persons specified by the depositor, ADRs registered in the name or names of such person or persons for the number of ADSs issuable in respect of such deposit, upon payment to the Depositary of the fee for execution and delivery of ADRs, the fee for deposit and transfer of Class D shares and taxes and governmental charges.

Upon surrender of ADRs at the Corporate Trust Office of the Depositary, upon payment of the fees and charges provided in the Deposit Agreement and subject to the provisions of the Deposit Agreement, our by-laws and the

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Class D shares, you, as an ADR holder, are entitled to delivery of appropriate evidence of title to the Class D shares, at the Corporate Trust Office of the Depositary or at the office of the Custodian in Buenos Aires, and to any other property at the time represented by the surrendered ADRs.

The forwarding of documents of title for such delivery at the Corporate Trust Office of the Depositary in New York City will be at your risk and expense as an ADR holder.

Subject to the Deposit Agreement, the Depositary may execute and deliver ADRs prior to the receipt of Class D shares ("Pre-Release"). The Depositary may deliver Class D shares upon the receipt and cancellation of ADRs which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such ADRs have been Pre-Released. The Depositary may receive ADRs in lieu of Class D shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation from the person to whom ADRs are to be delivered that such person, or its customer, owns the Class D shares or ADRs to be remitted, as the case may be, (b) at all times fully collateralized with cash or United States government securities until such Class D shares are deposited, (c) terminable by the Depositary on not more than five (5) business days notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. We will incur no liability to you, as an ADR holder, as a result of such transactions.

Dividends, Other Distributions, Rights and Changes Affecting Deposited Securities

The Depositary is required, to the extent that in its judgment it can convert Argentine pesos (or any other foreign currency) on a reasonable basis into dollars and transfer the resulting dollars to the United States, to convert all cash dividends and other cash distributions which it receives on the underlying Deposited Securities into dollars, and to distribute the amount it receives, net of any expenses it incurs in connection with conversion, to you, as an ADR holder, in proportion to the number of ADSs representing such Class D shares that you hold. The amount distributed will be reduced by any amounts required to be withheld by us or the Depositary on account of taxes. See "Material Tax Considerations." The Depositary converts pesos into dollars by selling pesos and purchasing dollars in the Argentine foreign exchange market. If the Depositary determines in its judgment that any foreign currency received by it cannot be converted on a reasonable basis and transferred to the United States, the Depositary may distribute the foreign currency it receives or, at its discretion, hold such foreign currency, uninvested and without liability for interest on it, for your account as an ADR holder.

If any distribution by us consists of a dividend in, or free distribution of, Class D shares, the Depositary may, and will, if we so request, reflect on its records such increase in the aggregate number of ADSs representing such Class D shares or distribute to you, as an ADR holder, in proportion to your holdings, additional ADRs evidencing an aggregate number of ADSs representing the number of Class D shares received as such dividend or free distribution, subject to the provisions of the Deposit Agreement, including the withholding of taxes and governmental charges and the payment of fees. If additional ADRs are not distributed in the case of such dividend or free distribution, each ADR will from that point forward also represent the additional number of Class D shares distributed with respect to the Class D shares represented by it prior to such distribution.

In the event that the Depositary determines that any distribution in property (including Class D shares or rights to subscribe for Class D shares) cannot be made proportionally, or if for any other reason (including any requirement that we or the Depositary withhold on account of taxes) the Depositary deems such distribution not to be feasible, the Depositary may dispose of all or a portion of such property in such amounts and in such manner, including by public or private sale, as the Depositary deems equitable and practicable, and the Depositary will distribute the net proceeds of any such sale or the balance of any such property, after deduction of the fees of the Depositary provided in the Deposit Agreement, to you, as an ADR holder, as in the case of a distribution received in cash.

If we offer, or cause to be offered, to you, as an ADR holder, any rights to subscribe for additional Class D shares or any rights of any other nature, the Depositary, after consultation with us, will have discretion as to the procedure to be followed in making such rights available to you or in disposing of such rights for your benefit, or if by the terms of such rights offering or for any other reason, the Depositary may not make the rights or net proceeds following the sale of rights available to you, then the Depositary will allow the rights to lapse. If at the time of the offering of any rights the Depositary determines in its discretion, after consultation with us, that it is lawful and feasible to make such rights available to all or certain ADR holders but not to other holders, the Depositary may,

after consultation with us, distribute such rights to any holder to whom it determines the distribution to be lawful and feasible. If making such rights available to all or certain ADR holders is not lawful or not feasible, the Depositary in its discretion may sell such rights, or warrants or other instruments and may allocate the proceeds of any such sale (net of the fees of the Depositary and all taxes and governmental charges incurred in connection with such rights) for your account, as an ADR holder, upon an averaged or other practicable basis without regard to any distinctions among ADR holders because of exchange restrictions, the date of delivery of any ADRs or otherwise.

We and the Depositary will not offer rights to you, as an ADR holder, unless a registration statement is in effect with respect to the securities represented by such rights under the Securities Act of 1933 or the offer and sale of such rights or securities to you are exempt from registration under the provisions of such act. The Depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to you. We have no obligation to register Class D shares, ADSs, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of Class D shares, ADSs, rights or anything else to you. This means that you may not receive the distributions we make on our Class D shares or any value for them if it is illegal or impractical for us or the Depositary to make them available to you.

Record Dates

Whenever any cash dividend or other cash distribution becomes payable or any distribution other than cash is made, whenever rights are issued with respect to the Deposited Securities, whenever for any reason the Depositary causes, at our election, a change in the number of Class D shares represented by each ADS, or whenever the Depositary receives notice of any meeting of holders of our Class D shares or of holders of other securities represented by the ADRs, the Depositary will fix a record date, after consultation with us, which date shall, to the extent practicable, be the same record date fixed by us, for the determination of ADR holders who are entitled to receive such dividend, distribution or rights, or the net proceeds of the sale thereof, to give instructions for the exercise of voting rights at any such meeting or for fixing the date on or after which each ADS will represent a changed number of Class D shares, subject to the provisions of the Deposit Agreement.

Voting of the Underlying Class D Shares

The Depositary has agreed that, as soon as practicable after receipt of a notice of any meeting of our shareholders, it will mail a notice to you, as an ADR holder, which will contain (a) a summary in English of the notice of such meeting, (b) a statement that at the close of business on a specified record date, you, as an ADR holder, will be entitled, subject to any applicable provisions of Argentine law, our bylaws and the Class D shares, to instruct the Depositary to exercise the voting rights, if any, pertaining to the Class D shares represented by your ADSs and (c) a statement as to the manner in which such instructions may be given to the Depositary.

The Depositary intends so far as practicable to vote or cause to be voted the amount of Class D shares represented by the ADSs in accordance with your written instructions. If no instructions are received, the Depositary will vote Class D shares in accordance with the recommendations of our management, unless prohibited from doing so by applicable Argentine law. In addition, the Depositary will deposit all Class D shares evidenced 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.

Amendment and Termination of the Deposit Agreement

The ADRs and the Deposit Agreement may at any time be amended by written agreement between the us and the Depositary. Any amendment which imposes or increases any fees or charges (other than taxes and governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or which

otherwise prejudices any substantial existing right of yours as an ADR holder, will not take effect as to outstanding ADRs until the expiration of 30 days after written notice of such amendment has been mailed to you. If you are an ADR holder at the time such amendment so becomes effective, you will be deemed, if such notice shall have been mailed to you, by continuing to hold such ADR, to consent to such amendment and to be bound by the Deposit Agreement or ADRs as amended thereby. In no event may any amendment impair your right as an ADR holder to surrender your ADR and receive in exchange the Class D shares and any property represented thereby, except in accordance with applicable law.

Whenever so directed by us, the Depositary has agreed to terminate the Deposit Agreement by mailing notice of such termination to the holders of all then outstanding ADRs registered on the books of the Depositary at least 30 days prior to the date fixed in such notice of such termination. The Depositary may likewise terminate the Deposit Agreement by mailing notice of such termination to us and the holders of outstanding ADRs registered on the books of the Depositary, if at any time 90 days after the Depositary shall have delivered to us such notice a successor Depositary shall not have been appointed and accepted its appointment as provided in the Deposit Agreement. If any ADRs remain outstanding after the date of termination, the Depositary thereafter will discontinue the registration of transfer of ADRs, will suspend the distribution of dividends to ADR holders, and will not give any further notices or perform any further acts under the Deposit Agreement, except that the Depositary will continue to collect dividends and other distributions pertaining to the Deposited Securities, will sell rights as provided in the Deposit Agreement, and will continue to deliver Deposited Securities, together with any dividends or other distributions received with respect thereto, and the net proceeds of the sale of any rights or other property, in exchange for surrendered ADRs, after deducting, in each case, fees and expenses of the Depositary for the surrender of ADRs, expenses for the account of the ADR holder in accordance with the provisions of the Deposit Agreement, and taxes and governmental charges. At any time after the expiration of one year from the date of termination, the Depositary may sell the Deposited Securities and hold uninvested the net proceeds, together with any other cash then held, unsegregated and without liability for interest, for the pro rata benefit of the holders of ADRs which have not yet been surrendered, with such holders becoming general creditors of the Depositary with respect to such proceeds.

Charges of Depositary

We will pay the fees and reasonable expenses of the Depositary in connection with the initial issuance of the ADRs evidencing the ADSs offered in connection with this registration statement and all other charges of the Depositary, except for the charges that are expressly provided in the Deposit Agreement to be at the expense of persons depositing Class D Shares or of ADR holders, as set forth below.

If ADRs are issued to you (including issuance pursuant to a stock dividend or stock split declared or an exchange of stock regarding ADRs or Deposited Securities or a distribution of rights pursuant to the Deposit Agreement), or if you surrender ADRs for delivery of Class D shares or other underlying securities, the Depositary will charge you a fee of up to $5.00 per 100 ADSs (or portion thereof) for the issuance or surrender, respectively, of an ADR. If you are an ADR holder, the Depositary will also charge you a fee for, and will deduct such fee from, the distribution of proceeds from the sale of securities or rights pursuant to the Deposit Agreement in an amount equal to the fee that would have been charged as a result of the deposit by holders of securities (treating for this purpose all securities as if they were Class D shares) or Class D shares received in exercise of rights distributed to them had such rights not been sold by the Depositary and the net proceeds from such sale distributed.

In addition, if you deposit or withdraw Class D shares, surrender ADRs or are issued ADRs (including issuance pursuant to a stock dividend or stock split or an exchange of stock regarding ADRs or Deposited Securities or a distribution of ADRs pursuant to the Deposit Agreement), you will incur the following charges:

(i) taxes and other governmental charges, (ii) any applicable registration fees for the registration of transfers of Class D shares generally on our share register or that of the Registrar and applicable to transfers of Class D Shares to the name of the Depositary or the Custodian on the making of deposits or withdrawals under the Deposit Agreement, (iii) certain cable, telex and facsimile charges provided in the Deposit Agreement and (iv) expenses incurred by the Depositary in the conversion of foreign currency pursuant to the Deposit Agreement.

Payment of Taxes

The Depositary may deduct the amount of any taxes owed from any payments to you. It may also sell Deposited Securities, by public or private sale, to pay any taxes owed. You will remain liable if the proceeds of the sale are not enough to pay the taxes. If the Depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any proceeds, or send to you any property, remaining after it has paid the taxes.

Transfer of American Depositary Receipts

The ADRs are transferable on the books of the Depositary, provided however that the Depositary may close the transfer books at our reasonable request or at any time it deems it necessary to perform its duties. As an ADR holder, you will have the right to inspect the transfer books, subject to certain conditions provided in the Deposit Agreement. Prior to the execution and delivery, registration of transfer, split-up, combination or surrender of any ADR or the withdrawal of Deposited Securities, the Depositary, the registrar of transfers of ADRs or the Custodian may require payment of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or related registration fee and payment of any applicable fees provided in the Deposit Agreement. The Depositary may refuse to deliver ADRs, register the transfer of any ADR or make any distribution of, or related to, Class D shares until it has received such proof of citizenship, residence, exchange control approval or other information as it or we may deem necessary. The delivery, transfer and registration of transfer of ADRs generally may be suspended during any period when the transfer books of the Depositary are closed, or if any such action is deemed necessary or advisable by the Depositary or us at any time, subject to the provisions of the Deposit Agreement. The surrender of outstanding ADRs and the withdrawal of Deposited Securities may not be suspended, subject only to (i) temporary delays caused by closing our transfer books or those of the Depositary for the deposit of Class D shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of the Deposited Securities.

Notices and Reports

On or before the first day on which we give notice, by publication or otherwise, of any meeting of holders of Class D shares or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash or other distributions or the offering of any rights, the Company shall transmit to the Depositary and the Custodian an English copy of such notice in the form given or to be given to the holders of Class D shares or other Deposited Securities.

The Depositary shall make available for inspection at its Corporate Trust Office any reports and communications, including any proxy soliciting material, received from us which are both (a) received by the Depositary as the holder of the Deposited Securities, and (b) made generally available to the holders of such Deposited Securities by the Company.

Upon your request, we intend to send to the Depositary for distribution to you, as an ADR holder, annual reports in English containing audited consolidated financial statements, quarterly reports in English containing certain unaudited summary financial information and summaries in English of notices of shareholders' meetings and other reports and communications that are made generally available by us to holders of Deposited Securities.

Liability

Neither we nor the Depositary will be liable to you if prevented or delayed by the applicable law of any country or by any governmental authority, any provision of our charter and by-laws or of our Class D shares or certain circumstances beyond our control in performing our respective obligations, including the performance or omission of acts which are provided by the Deposit Agreement to be within the discretion of the Depositary under the Deposit Agreement. Our obligations, and those of the Depositary, under the Deposit Agreement are expressly limited to performing without negligence or bad faith our respective obligations specifically set forth in the Deposit Agreement.

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MATERIAL TAX CONSIDERATIONS

The following summary contains a description of the material Argentine and U.S. federal income tax consequences of the acquisition, ownership and disposition of Class D shares or ADSs, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Class D shares or ADSs. The summary is based upon the tax laws of Argentina and regulations thereunder and on the tax laws of the United States and regulations thereunder as in effect on the date hereof, which are subject to change. Prospective purchasers of Class D shares or ADSs should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of Class D shares or ADSs.

Although there is at present no income tax treaty between Argentina and the United States, the tax authorities of the two countries have had discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a treaty will enter into force or how it will affect the U.S. holders of Class D shares or ADSs.

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 the 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.

Capital gains tax

Due to the amendments made to the Argentine Income Tax Law (the "AITL") by Law 25,414 and Decree 493/2001, and the abrogation of Law 25,414 by Law 25,556, it is not clear whether certain amendments concerning capital gains taxes are in effect or not. Although opinion No. 351 of the National Treasury General Attorney Office solved the most important matters related to capital gains taxes, other issues remain unclear.

Resident individuals

Under what we believe to be a reasonable interpretation of existing applicable tax laws and regulations: (i) income derived from the sale, exchange or other disposition of our Class D shares or ADSs by resident individuals who do not sell or dispose of Argentine shares on a regular basis would not be subject to Argentine income tax, and (ii) although there still exists uncertainty regarding this issue, income derived from the sale, exchange or other disposition of our Class D shares or ADSs by resident individuals who sell or dispose of Argentine shares on a regular basis should be exempt from Argentine income tax to the extent our Class D shares or ADSs are listed on stock exchanges or securities markets.

Foreign beneficiaries

Capital gains obtained by non resident individuals or entities from the sale, exchange or other disposition of our Class D shares or ADSs are exempt from income tax. Pursuant to a reasonable construction of the AITL, and although the matter is not completely free from doubt, such treatment should apply to those foreign beneficiaries that qualify as "offshore entities" for purposes of the AITL if the shares are not listed in Argentina or any other jurisdiction. For this

purpose, an "offshore entity" is any foreign legal entity if pursuant to its bylaws or to the applicable regulatory framework (i) its principal activity is to invest outside the jurisdiction of its incorporation and/or (ii) it cannot perform in such jurisdiction certain transactions. On the contrary, there is no doubt that such exemption is not available if the shares are publicly traded on a stock exchange.

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Local entities

Capital gains obtained by Argentine entities (in general, entities organized or incorporated under Argentine law, certain traders and intermediaries, local branches of non Argentine entities, sole proprietorships and individuals carrying on certain commercial activities in Argentina) derived from the sale, exchange or other disposition of our Class D shares or ADSs are subject to income tax at the rate of 35%. Losses arising from the sale of our Class D shares or ADSs can be applied only to offset capital gains arising from sales of shares or ADSs.

Personal assets tax

Argentine entities, such as us, have to pay the personal assets tax corresponding to (i) individuals and undivided estates; (ii) foreign individuals and undivided estates; and (iii) foreign entities, for the holding of our shares or ADSs at December 31 of each year. The applicable tax rate is 0.5% and is levied on the equity value (valor patrimonial proporcional), or the book value, of the shares arising from the latest financial statements at December 31 of each year. Pursuant to the Personal Assets Tax Law, we are entitled to seek reimbursement of such paid tax from the applicable shareholders, including by withholding, 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 an increased rate of 1.2% or a decreased rate may apply. The account holder may use up to 34% of the tax paid when the 0.6% rate is applicable, and up to 17% of the tax when the 1.2% rate is applicable, 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 in case 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.

Other taxes

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. A 3% surcharge calculated on the amount of the court tax

would also be imposed by the City of Buenos Aires Attorneys Social Security Association.

Tax treaties

Argentina has tax treaties for the avoidance of double taxation currently in force with Australia, Austria, Belgium, Bolivia, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom. 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.

United States Federal Income Tax Considerations

In the opinion of Davis Polk & Wardwell, the following are the material U.S. federal income tax consequences of purchasing, 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 acquire 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 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 foreign currencies;
- persons holding Class D shares or ADSs, as part of a hedge, "straddle," integrated transaction or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons liable for the alternative minimum tax;
- tax-exempt organizations; 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 tax purposes:

- a citizen or individual resident of the United States;

- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

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In general, if you hold ADSs, you will be treated as the holder 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 ADSs are pre-released, or intermediaries in the chain of ownership between U.S. Holders and the issuer of the security underlying the ADSs, may be taking actions that are inconsistent with the claiming of foreign tax credits by U.S. Holders of ADSs. 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 advisers concerning the U.S. federal, state, local and foreign tax consequences of purchasing, owning and disposing of Class D shares or ADSs in your particular circumstances.

This discussion assumes that the Company 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 a dividend to the extent paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does 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) and the discussion above regarding concerns expressed by the U.S. Treasury, certain dividends paid by qualified foreign corporations to certain non-corporate U.S. Holders in taxable years beginning before January 1, 2011, are taxable at a maximum rate of 15%. 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 New York Stock Exchange where our ADSs are traded. You should consult your own tax advisers to determine whether the favorable rate may apply to dividends you receive 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 taxes. The amount of the dividend will be treated as foreign-source dividend income to you and will not be eligible for the dividends-received deduction generally allowed to U.S. corporations under the Code.

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 should not be required to recognize foreign currency gain or loss in respect of the dividend income. You may have foreign currency gain or loss if you do not convert the amount of such dividend into U.S. dollars on the date of its receipt.

Subject to applicable limitations (including a minimum holding period requirement) that may vary depending upon your circumstances and subject to the discussion above regarding concerns expressed by the U.S. Treasury, Argentine income taxes withheld from dividends on Class D shares or ADSs will be creditable against your U.S. federal income tax liability. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisers regarding the availability of the foreign tax credit under your particular circumstances.

Sale and 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 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 equal the difference between the amount realized on the disposition and your tax basis in the Class D shares or ADSs disposed of. 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.

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Passive Foreign Investment Company Rules

The Company believes that it will not be considered a “passive foreign investment company” (“PFIC”) for U.S. federal income tax purposes for the taxable year of 2008, and does not expect to be considered one 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 the Company will not be considered a PFIC for any taxable year. If the Company 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 the Company is treated as a PFIC for any taxable year during which you held a Class D share or ADS, any gain you recognize 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 the Company 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 amount allocated to such taxable year. Further, any distribution in respect of ADSs or ordinary shares in excess of 125 percent of the average of the annual distributions on ADSs or ordinary shares received by you during the preceding three years or your holding period, whichever if shorter, would be subject to taxation as described above. Certain elections may be available to you (including a mark to market election) that may mitigate the adverse consequences resulting from PFIC status.

In addition, if the Company were to be treated as a PFIC in a taxable year in which it pays dividends or the prior taxable year, the 15% dividend rate discussed above with respect to dividends paid to non-corporate holders would not apply.

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 to backup withholding unless (i) you are a corporation or other 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.

PLAN OF DISTRIBUTION

The selling shareholders and their successors, which term includes their transferees, pledgees or donees or their successors may sell the ADSs directly to purchasers or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the selling shareholders or the purchasers. These discounts, concessions or commissions as to any particular underwriter, broker-dealer or agent may be in excess of those customary in the types of transactions involved.

The ADSs may be sold in one or more transactions at:

- fixed prices;
- prevailing market prices at the time of sale;
- prices related to the prevailing market prices;
- varying prices determined at the time of sale; or
- negotiated prices.

These sales may be effected in transactions:

- on any national securities exchange or quotation service on which the ADSs may be listed or quoted at the time of sale, including the NYSE;
- in the over-the-counter market;
- otherwise than on such exchanges or services or in the over-the-counter market;
- through the writing of options, whether the options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the ADSs as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- through the settlement of short sales;
- sales pursuant to Rule 144;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

As set out above, these transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as agent on both sides of the trade.

Brokers or dealers engaged by the selling shareholders may arrange for other broker-dealers to participate in selling ADSs. Broker-dealers may receive commissions or discounts from the selling shareholders (or, if any broker-dealer acts as agent for the purchases of ADSs, from the purchaser) in amounts to be negotiated.

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In connection with the sale of the ADSs or otherwise, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions. These broker-dealers or financial institutions may in turn engage in short sales of ADSs in the course of hedging the positions they assume with selling shareholders. The selling shareholders may also sell the ADSs short and deliver these securities to close out such short positions, or loan or pledge the ADSs to broker-dealers that in turn may sell these securities.

The aggregate proceeds to the selling shareholders from the sale of the ADSs offered by them hereby will be the purchase price of the ADSs less discounts and commissions, if any. Each of the selling shareholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of ADSs to be made directly or through agents. We will not receive any of the proceeds from the sale of the ADSs.

In order to comply with the securities laws of some states, if applicable, the ADSs may be sold in these jurisdictions only through registered or licensed brokers or dealers.

Profits on the sale of the ADSs by selling shareholders and any discounts, commissions or concessions received by any broker-dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act. Selling shareholders who are deemed to be “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act. To the extent the selling shareholders may be deemed to be “underwriters,” they may be subject to statutory liabilities, including, but not limited to, Sections 11, 12 and 17 of the Securities Act.

The selling shareholders and any other person participating in a distribution will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder. Regulation M of the Exchange Act may limit the timing of purchases and sales of any of the securities by the selling shareholders and any other person. In addition, Regulation M may restrict the ability of any person engaged in the distribution of the securities to engage in market-making activities with respect to the particular securities being distributed for a period of up to five business days before the distribution. The selling shareholders have acknowledged that they understand their obligations to comply with the provisions of the Exchange Act and the rules thereunder relating to stock manipulation, particularly Regulation M, and have agreed that they will not engage in any transaction in violation of such provisions.

To our knowledge, there are currently no plans, arrangements or understandings between any selling shareholder and any underwriter, broker-dealer or agent regarding the sale of the ADSs by the selling shareholders.

A selling shareholder may decide not to sell any ADSs described in this prospectus. Any securities covered by this prospectus which qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus. In addition, a selling shareholder may transfer, devise or gift the ADSs by other means not described in this prospectus.

With respect to a particular offering of the ADSs, to the extent required, an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement of which this prospectus is a part will be prepared and will set forth the following information:

- the specific ADSs to be offered and sold;
- the names of the selling shareholders;
- the respective purchase prices and public offering prices and other material terms of the offering;
- the names of any participating agents, broker-dealers or underwriters; and

- any applicable commissions, discounts, concessions and other items constituting, compensation from the selling shareholders.

We entered into the registration rights agreement to facilitate the sale by Repsol YPF of our securities pursuant to the Petersen Transaction and the Petersen Options described under "Selling Shareholders" and for the benefit of the pledgees of such securities to register such securities under applicable federal laws under certain circumstances

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and at certain times. See "Selling Shareholders". The registration rights agreement provides that the selling shareholders and we will indemnify each other and our and their respective directors, officers and controlling persons against specific liabilities in connection with the offer and sale of the ADSs, including liabilities under the Securities Act, or will be entitled to contribution in connection with those liabilities. In addition, Repsol YPF and Petersen Energía PTY Ltd., an affiliate of Petersen Energía, S.A., have agreed to indemnify us against certain specific losses resulting from our agreement to indemnify the selling shareholders and their directors, officers and controlling persons pursuant to the registration rights agreement. Repsol YPF or Peteren Energía will pay all of our expenses incidental to the registration, offering and sale of the ADSs to the public, and each selling shareholder will be responsible for payment of commissions, concessions, fees and discounts of underwriters, broker-dealers and agents.

VALIDITY OF SECURITIES

The validity of the ADSs will be passed upon for us by Davis Polk & Wardwell, New York, New York. The validity of the shares and other matters governed by Argentine law will be passed upon for us by Pérez Alati, Grondona, Benites, Arntsen, & Martínez de Hoz (h), Buenos Aires, Argentina.

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EXPERTS

The Audited Consolidated Financial Statements and management's report on the effectiveness of internal control over financial reporting incorporated in this registration statement by reference to YPF's Annual Report on Form 20-F for the year ended December 31, 2006 have been audited by Deloitte & Co. S.R.L., an independent registered public accounting firm, as stated in its reports, which are incorporated herein by reference (which reports (1) express an unqualified opinion on YPF's consolidated financial statements and include an explanatory paragraph stating that the accounting principles generally accepted in Argentina vary in certain significant respects from accounting principles generally accepted in the United States of America, that the information relating to the nature and effect of such differences is presented in Notes 13, 14, and 15 to YPF's Audited Consolidated Financial Statements, (2) express an unqualified opinion on management's assessment regarding the effectiveness of internal control over financial reporting, and (3) express an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so incorporated in reliance upon the reports of such firm given upon its authority as expert in accounting and auditing.

FORWARD-LOOKING STATEMENTS

This prospectus, 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, production volume and reserves, 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 described in this prospectus, in particular, those described in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We 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.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement (including amendments and exhibits to the registration statement) on Form F-3 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

We are subject to the informational requirements of the U.S. Securities Exchange Act of 1934, which is also known as the Exchange Act. Accordingly, we are required to file 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. Copies of the materials may be obtained from the Public Reference Room of the SEC at 100 F Street, N.E., Washington D.C. 20549 at prescribed rates. The public may obtain information on the operation of the SEC's Public Reference Room 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 the registration statement and its exhibits as well as our other 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 furnish to the SEC annual reports containing financial statements audited by our independent auditors and 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 six months from December 31, the end of our fiscal year, and will file on reports on Form 6-K containing an English language version of any quarterly reports we file with Argentine securities regulators or stock exchanges.

We will send the depositary a copy of all notices that we give relating to meetings of our shareholders or to distributions to shareholders or the offering of rights and a copy of any other report or communication that we make generally available to our shareholders. The depositary will make all these notices, reports and communications that it receives from us available for inspection by registered holders of ADSs at its office. The depositary will mail copies of those notices, reports and communications to you if we ask the depositary to do so and furnish sufficient copies of materials for that purpose.

We also file financial statements and other periodic reports with the CNV located at 25 de Mayo 175, Buenos Aires, Argentina.

INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information we submit to it, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus. Information contained in this prospectus and information that we submit to the SEC in the future and incorporate by reference will automatically update and supersede the previously submitted information. We incorporate herein by reference the documents listed below that we have submitted to the SEC:

- Annual Report on Form 20-F for the year ended December 31, 2006 filed with the SEC on June 27, 2007; and
- Item 2 of the Periodic Report on Form 6-K furnished to the SEC on July 30, 2007.

We incorporate by reference in this prospectus all subsequent annual reports filed with the SEC on Form 20-F under the Securities Exchange Act of 1934 and those of our reports submitted to the SEC on Form 6-K that we specifically identify in such form as being incorporated by reference until the offering of the securities registered under the registration statement is completed or terminated.

As you read the above documents, you may find inconsistencies in information from one document to another. If you find inconsistencies, you should rely on the statements made in this prospectus or in the most recent document incorporated by reference herein.

You may obtain a copy of these filings at no cost by writing or telephoning us at the following address: Avenida Pte. R. Sáenz Peña 777, C1035AAC Ciudad Autónoma de Buenos Aires, Argentina, Tel. (011-5411) 5071-5531.

We will send the depositary a copy of all notices that we give relating to meetings of our shareholders or to distributions to shareholders or the offering of rights and a copy of any other report or communication that we make generally available to our shareholders. The depositary will make all these notices, reports and communications that it receives from us available for inspection by registered holders of ADSs at its office. The depositary will mail copies of those notices, reports and communications to you if we ask the depositary to do so and furnish sufficient copies of materials for that purpose.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

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 all our officers and certain advisors named herein reside in Argentina. 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.

We have been advised by our Argentine counsel, Pérez Alati, Grondona, Benites, Arntsen, & Martínez de Hoz (h), 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. 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 (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 established in accordance with the requirements of 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, any Argentine selling shareholder 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, the selling shareholders and the advisors named in this prospectus; and

- the ability of a judgment creditor or the other persons named above to satisfy a judgment by attaching certain assets of ours or any of the selling shareholders, respectively, 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.

Repsol YPF is a limited liability company (sociedad anónima) organized under the laws of the Kingdom of Spain. All of the directors and executive officers of Repsol YPF are not residents of the United States. Such persons and a

substantial portion of Repsol YPF's assets are located outside the United States. As a result, it may be difficult for you to file a lawsuit against either Repsol YPF or such persons in the United States with respect to matters arising under the federal securities laws of the United States. It may also be difficult for you to enforce judgments obtained in U.S. courts against either Repsol YPF or such persons based on the civil liability provisions of such

laws. Provided that United States case law does not prevent the enforcement in the U.S. of Spanish judgments (as in such case, judgments obtained in the U.S. shall not be enforced in Spain), if a U.S. court grants a final judgment in an action based on the civil liability provisions of the federal securities laws of the United States, enforceability of such judgment in Spain will be subject to satisfaction of certain factors. Such factors include the absence of a conflicting judgment by a Spanish court or of an action pending in Spain among the same parties and arising from the same facts and circumstances, the Spanish courts' determination that the U.S. courts had jurisdiction, that process was appropriately served on the defendant, the regularity of the proceeding followed before the U.S. courts, the authenticity of the judgment and that enforcement would not violate Spanish public policy. In general, the enforceability in Spain of final judgments of U.S. courts does not require retrial in Spain. If an action is commenced before Spanish courts with respect to liabilities based on the U.S. federal securities laws, there is a doubt as to whether Spanish courts would have jurisdiction. Spanish courts may enter and enforce judgments in foreign currencies.

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
1000 acres = approximately 4 square kilometers

TECHNICAL OIL AND GAS TERMS USED IN THIS PROSPECTUS

The following terms have the meanings shown below unless the context indicates otherwise:

"acreage": The total area, expressed in acres or km2, over which we have interests in exploration or production. Net acreage is our interest in the relevant exploration or production area.

"concession": 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 exploration, development, production and sale of hydrocarbon . Typically, the concession is granted under a legislated fiscal system where the host country collects royalties on the estimated value at the wellhead of crude oil production and the natural gas volume commercialized and taxes or fees on profits earned.

"exploratory well": A well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir, or to extend a known reservoir.

"hydrocarbons": Crude oil and natural gas.

"natural gas liquids," or "NGL": The portions of gas from a reservoir that are liquefied at the surface in separators, field facilities, or gas processing plants. NGL from gas processing plants is also called liquefied petroleum gas, or "LPG."

"oil and gas producing activities":

(i) Such activities include:

A. The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations.

B. The acquisition of property rights or properties for the purpose of further exploration and/or for the purpose of removing the oil or gas from existing reservoirs on those properties.

C. The construction, drilling and production activities necessary to retrieve oil and gas from their natural reservoirs, and the acquisition, construction, installation, and maintenance of field gathering and storage systems – including lifting the oil and gas to the surface and gathering, treating, field processing (as in the case of processing gas to

extract liquid hydrocarbons) and field storage. For purposes of this section, the oil and gas production function shall normally be regarded as terminating at the outlet valve on the lease or field storage tank; if unusual physical or operational circumstances exist, it may be appropriate to regard the production function as terminating at the first point at which oil, gas or gas liquids are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal.

(ii) Oil and gas producing activities do not include:

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A. The transporting, refining and marketing of oil and gas;

B. Activities relating to the production of natural resources other than oil and gas;

C. The production of geothermal steam or the extraction of hydrocarbons as a by-product of the production of geothermal steam or associated geothermal resources as defined in the Geothermal Steam Act of 1970; or

D. The extraction of hydrocarbons from shale, tar sands or coal.

"proved oil and gas reserves": Proved oil and gas reserves are the estimated quantities of crude oil, natural gas, and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

i) Reservoirs are considered proved if economic productibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes:

A. that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any; and

B. the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir.

ii) Reserves that can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.

iii) Estimates of proved reserves do not include the following:

A. oil that may become available from known reservoirs but is classified separately as "indicated additional reserves";

B. crude oil, natural gas, and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics, or economic factors;

C. crude oil, natural gas, and natural gas liquids, that may occur in undrilled prospects; and

D. crude oil, natural gas, and natural gas liquids, that may be recovered from oil sales, coal, gilsonite and other such sources.

"proved developed reserves": Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing the natural forces and mechanisms of primary recovery should be included as "proved developed reserves" only after testing by a pilot project or after the operation of an installed program has confirmed through production response that increased recovery will be achieved.

"proved undeveloped reserves": Proved undeveloped oil and gas reserves are reserves 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. Reserves on undrilled acreage shall be limited to those drilling units offsetting productive units that are reasonably certain of production when drilled. Proved reserves for other undrilled units can be claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation. Under no circumstances should estimates for proved undeveloped reserves be attributable to any acreage

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for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual tests in the area and in the same reservoir.

"recovery factor": The recoverable amount of the original or residual estimated hydrocarbons in place in a reservoir, expressed as a percentage of total hydrocarbons in place.

"refining capacity": The crude oil processing capacity of refineries, expressed as an average over a period of time for the quality of oil and under conditions for which the facility was designed. Such capacity could be improved through the application of updated operation and maintenance techniques, increased availability, equipment revamps, de-bottlenecking, and the use of higher qualities of crude oil than those for which the refinery was originally designed, among other improvements.

"reserves audit": A reserves audit is the process of reviewing certain factual matters and assumptions on which an estimate of reserves and/or reserves information prepared by others has been based and the rendering of an opinion about (1) the appropriateness of the methodologies employed, (2) the adequacy and quality of the data relied upon, (3) the depth and thoroughness of the reserves estimation process, (4) the classification of reserves appropriate to the relevant definitions used, and (5) the reasonableness of the estimated reserves quantities and/or the reserves information, and is, therefore, free of material misstatement. The term "reasonableness" cannot be defined with precision but reflects a quantity and/or value difference as contemplated under "Internal Control on Reserves and Reserves Audits." Often a reserves audit includes a detailed review of certain critical assumptions and independent assessments with acceptance of other information less critical to the reserves estimation. Typically, a reserves audit letter should be of sufficient rigor to determine the appropriate reserves classification for all reserves in the property set evaluated and to clearly state the reserves classification system being utilized. In contrast to the term "audit" as used in a financial sense, a reserves audit is generally less rigorous than a reserves report.

The estimation of reserves and other reserves information is an imprecise science due to the many unknown geological and reservoir factors that can only be estimated through sampling techniques. Since reserves are therefore only estimates, they cannot be audited for the purpose of verifying exactness. Instead, reserves information is audited for the purpose of reviewing in sufficient detail the policies, procedures, methods and data used by us in estimating our reserves information so that the reserves auditors may express an opinion as to whether, in the aggregate, the reserves information furnished by us is reasonable within established and predetermined tolerances and has been estimated and presented in conformity with generally accepted petroleum engineering and evaluation principles and within the rules and regulations of the SEC.

In some cases, the auditing procedure may require independent estimates of reserves information for some or all properties. The desirability of such re-estimation will be determined by the reserves auditor exercising his or her professional judgment in arriving at an opinion as to the reasonableness of our reserves information. In those cases, an external reservoir engineer makes an independent comprehensive evaluation of reserves by interpreting and assessing all the pertinent data to generate such engineer's own cash flow analysis and proved reserves estimate. The degree of assurance of such independent estimates cannot usually be provided with numeric precision.

The main product of these external engineering evaluations is a report that includes the engineer's actual proved reserves estimates and economic evaluation. This report may also, at our request, include maps, logs, or other technical backup used by the external reservoir engineer, with an opinion letter that includes the reserves auditor's findings, conformance or not with the applicable principles, definitions and procedures for estimating reserves. This opinion may also, at our request, include conclusions and recommendations. In the aforementioned case where the auditor performs an independent estimate of reserves information, we will call it an external reserves certification.

In all cases, in the opinion letter or report issued by the auditor, the reserves auditor states his or her professional standing and professional affiliation as a registered or certified professional from an appropriate governmental authority or professional organization.

A reserves auditor is a professional who has sufficient educational background, professional training and professional experience to enable him or her to exercise prudent professional judgment while in charge of the conduct of an audit of reserves information estimated by others. The determination of whether a reserves auditor is professionally qualified is made on an individual-by-individual basis with reference to the recognition and respect of

his or her peers. A reserves auditor would normally be considered by us to be qualified if he or she (i) has a minimum of 10 years' practical experience in petroleum engineering or petroleum production geology, with at least five years of such experience in charge of the estimations and evaluation of reserves information; and (ii) either (A) has obtained, from a college or university of recognized stature, a bachelor's or advanced degree in petroleum engineering, geology or other discipline of engineering or physical science, or (B) has 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.

Our standard of independence for reserves auditors is that he or she must not have any financial interest in the properties under evaluation. This is in order that there is no incentive for his or her reports to be outcome-oriented because there is no direct economic benefit for him or her as a consequence of the results of his or her work. An independent reserves auditor's compensation is based only on professional services carried out to deliver an unbiased analysis suitable for the public and financial communities. We also require that a statement of such independence is included in the auditor's report.

The meaning of the terms "reserves audit," "reserves report," "external reserves certification" among others may not be comparable to other similar terms used by other companies in respect of proved reserves.

"reserves estimate": The process whereby a qualified reserves estimator performs a comprehensive evaluation by interpreting and assessing all the pertinent data to generate such proved reserves estimates and cash flow analysis. The main product of this evaluation results in a report that includes: (i) the actual reserve estimate quantities, (ii) the future producing rates from such reserves, (iii) the future net revenues from such reserves, and (iv) the present value of such future net revenue. This report may also include maps, logs or other technical backup used by the estimator.

"reserves review": The process whereby a qualified reserves professional reviewer conducts a high-level assessment of reserves information to determine if it is plausible. The steps consist primarily of:

inquiry;
analytical procedures;
analysis;
review of historical reserves performance; and
discussions with reserves management staff.

"plausible" means the reserves data appearing to be worthy of belief based on the information obtained by a reserves estimator or by an independent qualified reserves auditor in carrying out the aforementioned steps. It may result in a statement like "Nothing came to my attention that would indicate the reserves information has not been prepared and presented in accordance with the applicable principles and definitions."

Our standard for an "Independent Qualified Reserves Auditor" is that an Independent Qualified Reserves Auditor is a professional who has sufficient educational background, professional training and professional experience to enable him or her to exercise prudent professional judgment while in charge of the conduct of an audit of reserves information estimated by others. The determination of whether a Reserves Auditor is professionally qualified is made on an individual-by-individual basis with reference to the recognition and respect of his or her peers. A Reserves Auditor would normally be considered by us to be qualified if he or she (i) has a minimum of 10 years' practical experience in petroleum engineering or petroleum production geology, with at least 5 years of such experience in charge of the estimations and evaluation of reserves information; and (ii) either (A) has obtained, from a college or university of recognized stature, a bachelor's or advanced degree in petroleum engineering, geology or other discipline of engineering or physical science, or (B) has 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.

Our standard of independence for Consulting Reserves Auditors is that he or she must not have any financial interest in the properties under evaluation. This is in order that there is no incentive for his or her reports to be outcome-oriented because there is no direct economic benefit for him or her as a consequence of the results of his or her

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work. The Independent Qualified Reserves Auditor's compensation is based only on professional services carried out to deliver an unbiased analysis suitable for the public and financial communities. We also require that a statement of such independence be included in the auditor's report.

Reviews do not require examination of the detailed documentation that supports the reserves information, unless this information does not appear to be plausible. A reserves review, due to the limited nature of the investigation involved, does not provide the level of assurance provided by a reserves estimate or a reserves audit. Though reserves reviews can be done for specific applications, they are not a substitute for an audit or an estimate.

Abbreviations and miscellaneous terms:

"bbl"	Barrels
"Bcf"	Billion cubic feet 109 cubic feet
"Bcm"	Billion cubic meters 109 cubic meters
"boe"	Barrels of oil equivalent
"boe/d"	Barrels of oil equivalent per day
"Condensate"	Mixture of hydrocarbons that exist in the gaseous phase at original temperature and pressure of the reservoir, but when produced condense into liquid phase at temperature and pressure associated with surface production equipment
"Gas"	Natural gas
"GWh"	Gigawatt hours
"HP"	Horse Power
"km"	Kilometers
"km2"	Square kilometers
"m"	Thousand
"m3"	Cubic meter
"mbbl/d"	Thousand barrels per day
"mboe/d"	Thousand barrels of oil equivalent per day
"mcf"	Thousand cubic feet
"mcm"	Thousand cubic meters
"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

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"mmcf/d"	Million cubic feet per day
"mmcm"	Million cubic meters
"mmcm/d"	Million cubic meters per day
"mtn"	Thousand tons
"MW"	Megawatts
"Oil"	Crude oil, condensate and natural gas liquids
"WTI"	West Texas Intermediate
"USA"	United States

Oil and gas reserves definitions used in this prospectus are in accordance with the reserves definitions of Rule 4-10(a) (1)-(17) of Regulation S-X of the SEC.

The definitions of reserves estimate, reserves audit and reserves review as given below and used hereunder are not terms defined under SEC Rules or Regulations and are terms used by us in this prospectus as defined herein and consequently such terms may be defined and used differently by other companies.

For the purpose of this prospectus, any reserves estimate, or any independent reserves audit or any reserves review invoked hereunder, are in accordance with the oil and gas reserves definitions of Rule 4-10(a) (1)-(17) of Regulation S-X of the SEC.

YPF SOCIEDAD ANONIMA

UNAUDITED CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION

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YPF SOCIEDAD ANONIMA
Avenida Presidente Roque Sáenz Peña 777 – Ciudad Autónoma de Buenos Aires, Argentina

FISCAL YEARS NUMBER 31 AND 30
BEGINNING ON JANUARY 1, 2007 AND 2006
UNAUDITED CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION
(the consolidated and individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

Principal business of the Company: exploration, development and production of oil and 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, generation of electric power from hydrocarbons, rendering telecommunications services, as well as the production, industrialization, processing, marketing, preparation services, transportation and storage of grain 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: July 11, 2007.

Optional Statutory Regime related to Compulsory Tender Offer provided by Decree No. 677/2001 art. 24: not incorporated.

Capital structure as of September 30, 2007
(expressed in Argentine pesos)

	Subscribed, paid-in and authorized for stock exchange listing (Note 4 to individual financial statements)
- Shares of Common Stock, Argentine pesos 10 par value, 1 vote per share	3,933,127,930

ANTONIO GOMIS SÁEZ
Director

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND DECEMBER 31, 2006
(amounts expressed in millions of Argentine pesos - Note 1 to the individual financial statements)
(the consolidated financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Current Assets		
Cash	106	118
Investments (Note 2.a)	310	971
Trade receivables (Note 2.b)	2,893	2,242
Other receivables (Note 2.c)	4,302	5,033
Inventories (Note 2.d)	2,494	1,697
Other assets	-	1,128
Total current assets	10,105	11,189
Noncurrent Assets		
Trade receivables (Note 2.b)	37	44
Other receivables (Note 2.c)	792	852
Investments (Note 2.a)	769	788
Fixed assets (Note 2.e)	24,435	22,513
Intangible assets	8	8
Total noncurrent assets	26,041	24,205
Total assets	36,146	35,394
Current Liabilities		
Accounts payable (Note 2.f)	3,455	3,495
Loans (Note 2.g)	551	915
Salaries and social security	196	207
Taxes payable	1,370	1,298
Net advances from crude oil purchasers	32	96
Reserves	354	273
Total current liabilities	5,958	6,284
Noncurrent Liabilities		
Accounts payable (Note 2.f)	2,852	2,448
Loans (Note 2.g)	523	510
Salaries and social security	164	202
Taxes payable	23	20
Net advances from crude oil purchasers	-	7
Reserves	1,671	1,578
Total noncurrent liabilities	5,233	4,765
Total liabilities	11,191	11,049
Shareholders' Equity	24,955	24,345
Total liabilities and shareholders' equity	36,146	35,394

The accompanying Notes and the individual financial statements of YPF,
are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ
Director

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
(amounts expressed in millions of Argentine pesos, except for per share amounts in Argentine pesos - Note 1 to the individual financial statements)
(the consolidated financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Net sales (Note 4)	20,869	19,172
Cost of sales	(13,917)	(11,528)
Gross profit	6,952	7,644
Administrative expenses (Exhibit H)	(561)	(490)
Selling expenses (Exhibit H)	(1,541)	(1,356)
Exploration expenses (Exhibit H)	(356)	(318)
Operating income	4,494	5,480
Income on long-term investments (Note 4)	38	27
Other expense, net (Note 2.h)	(171)	(33)
Financial income (expense), net and holding gains:		
Gains on assets		
Interests	259	250
Exchange differences	100	80
Holding gains on inventories	313	442
Losses on liabilities		
Interests	(216)	(151)
Exchange differences	(57)	(96)
Reversal of impairment of other current assets	69	-
Net income before income tax	4,829	5,999
Income tax	(1,849)	(2,264)
Net income	2,980	3,735
Earnings per share	7.58	9.50

The accompanying Notes and the individual financial statements of YPF, are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ
Director

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
(amounts expressed in millions of Argentine pesos - Note 1 to the individual financial statements)
(the consolidated financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Cash Flows from Operating Activities		
Net income	2,980	3,735
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Income on long-term investments	(38)	(27)
Dividends from long-term investments	52	34
Reversal of impairment of other current assets	(69)	-
Depreciation of fixed assets	3,105	2,628
Consumption of materials and fixed assets retired, net of allowances	158	224
Increase in allowances for fixed assets	99	126
Income tax	1,849	2,264
Income tax payments	(1,654)	(2,311)
Increase in reserves	570	609
Changes in assets and liabilities:		
Trade receivables	(644)	(101)
Other receivables	904	(484)
Inventories	(797)	(589)
Accounts payable	200	230
Salaries and social security	(42)	(50)
Taxes payable	(101)	(336)
Net advances from crude oil purchasers	(69)	(71)
Decrease in reserves	(396)	(158)
Interests, exchange differences and others	35	186
Net cash flows provided by operating activities	6,142(1)	5,909(1)
Cash Flows from Investing Activities		
Acquisitions of fixed assets	(4,076)	(3,460)
Investments (non cash and equivalents)	(13)	(111)
Net cash flows used in investing activities	(4,089)	(3,571)
Cash Flows from Financing Activities		
Payment of loans	(1,413)	(666)
Proceeds from loans	1,026	687
Dividends paid	(2,360)	(2,360)
Net cash flows used in financing activities	(2,747)	(2,339)
Net decrease in Cash and Equivalents	(694)	(1)
Cash and equivalents at the beginning of year	1,087	515
Cash and equivalents at the end of period	393	514

For supplemental information on cash and equivalents, see Note 2.a.

(1) Includes (98) and (90) corresponding to interest payments for the nine-month periods ended September 30, 2007 and 2006, respectively.

The accompanying Notes and the individual financial statements of YPF,
are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ
Director

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos - Note 1 to the individual financial statements, except where otherwise indicated)
(the consolidated financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS

YPF Sociedad Anónima (the "Company" or "YPF") has prepared its consolidated financial statements in accordance with generally accepted accounting principles in Argentina ("Argentine GAAP"), considering the regulation of the Argentine Securities Commission ("CNV"). The Company includes supplemental individual financial statements to the consolidated financial statements. Consolidated financial statements should be read in conjunction with the accompanying individual financial statements.

The consolidated financial statements for the nine-month periods ended September 30, 2007 and 2006 are unaudited, but reflect all adjustments which, in the opinion of the Management, are necessary to present the consolidated financial statements for such periods on a consistent basis with the audited annual consolidated financial statements.

a) Consolidation policies:

Following the methodology established by Technical Resolution No. 21 of the Argentine Federation of Professional Councils in Economic Sciences ("F.A.C.P.C.E."), the Company has consolidated its balance sheets and the related statements of income and cash flows as follows:

– Investments and income (loss) related to controlled companies in which YPF has the number of votes necessary to control corporate decisions are substituted for such companies' assets, liabilities, net revenues, cost and expenses, which are aggregated to the Company's balances after the elimination of intercompany profits, transactions, balances and other consolidation adjustments.

– Investments and income (loss) related to companies in which YPF holds joint control are consolidated line by line on the basis of the Company's proportionate share in their assets, liabilities, net revenues, cost and expenses, considering intercompany profits, transactions, balances and other consolidation adjustments.

Investments in companies under control and joint control are detailed in Exhibit C to the individual financial statements.

b) Financial statements used for consolidation:

The consolidated financial statements are based upon the last available financial statements of those companies in which YPF holds control or joint control, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between YPF and the related companies which could have produced changes to their shareholders' equity.

c) Valuation criteria:

In addition to the valuation criteria disclosed in the notes to YPF individual financial statements, the following additional valuation criteria have been applied in the preparation of the consolidated financial statements:

Fixed assets

Properties on foreign unproved reserves have been valued at cost and translated into pesos as detailed in Note 2.e to the individual financial statements. Capitalized costs related to unproved properties are reviewed periodically by Management to ensure the carrying value does not exceed their estimated recoverable value.

As of September 30, 2007, YPF Holdings Inc. has approximately 28 of exploratory drilling costs that have been capitalized for a period greater than one year, representing one project and one well. The project is pending the results of drilling on an adjacent block.

Salaries and Social Security – Pensions and other Postretirement and Postemployment Benefits

YPF Holdings Inc., which has operations in the United States of America, has a number of trustee defined-benefits pension plans and postretirement and postemployment benefits.

The funding policy related to trustee pension plans is to contribute amounts to the plans sufficient to meet the minimum funding requirements under governmental regulations, plus such additional amounts as Management may determine to be appropriate. The benefits related to the plans were valued at net present value and accrued based on the years of active service of employees. The net liability for defined-benefits plans is disclosed as non-current liabilities in the “Salaries and social security” account and is the amount resulting from the sum of: the present value of the obligations, net of the fair value of the plan assets and net of the unrecognized actuarial losses generated since December 31, 2003. The unrecognized actuarial losses and gains are recognized as expense during the expected average remaining work of the employees participating in the plans and the life expectancy of the retired employees. The Company updates the actuarial assumptions at the end of each year. As of December 31, 2006, the unrecognized actuarial losses amounted to 52.

YPF Holdings Inc. also has a noncontributory supplemental retirement plan for executive officers and other selected key employees.

YPF Holdings Inc. provides certain health care and life insurance benefits for eligible retired employees, and also certain insurance, and other postemployment benefits for eligible individuals in case employment is terminated by YPF Holdings Inc. before their normal retirement. YPF Holdings Inc. accrues the estimated cost of retiree benefit payments during employees’ active service periods.

Employees become eligible for these benefits if they meet minimum age and years of service requirements. YPF Holdings Inc. accounts for benefits provided when the minimum service period is met, payment of the benefit is probable and the amount of the benefit can be reasonably estimated. Other postretirement and postemployment benefits are recorded as claims are incurred.

Recognition of revenues and costs of construction activities

Revenues and costs related to construction activities are accounted by the percentage of completion method. When adjustments in contract values or estimated costs are determined, any change from prior estimates is reflected in earnings in the current year. Anticipated losses on contracts in progress are expensed as soon as they become evident.

2. ANALYSIS OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details regarding the significant accounts included in the accompanying consolidated financial statements are as follows:

Consolidated Balance Sheets Accounts as of September 30, 2007 and December 31, 2006

a) Investments:	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Short-term investments and government securities	310(1)	148(3)	971(1)	156(3)
Long-term investments	-	834(2)	-	843(2)
Allowance for reduction in value of holdings in long-term investments	-	(213)(2)	-	(211)(2)
	310	769	971	788

(1) Includes 287 and 969 as of September 30, 2007 and December 31, 2006, respectively, with an original maturity of less than three months.
(2) In addition to the amounts detailed in Exhibit C to the individual financial statements, includes interest in Gas Argentino S.A. (“GASA”). As of September 30, 2007, the shareholders and creditors of GASA have signed a debt reestructuring agreement whose approval is pending by the National Antitrust Protection Board.
(3) Restricted cash.

b) Trade receivables:	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Accounts receivable	2,936	37	2,280	44
Related parties	428	-	391	-
	3,364	37	2,671	44
Allowance for doubtful trade receivables	(471)	-	(429)	-
	2,893	37	2,242	44

c) Other receivables

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Deferred income tax	-	491	-	510
Tax credits and export rebates	876	16	692	18
Trade	97	-	71	-
Prepaid expenses	146	63	130	73
Concessions charges	17	77	17	88
Related parties	2,606(1)	-	3,883(1)	-
Loans to clients	11	91	12	69
Advances to suppliers	108	-	65	-
From joint ventures and other agreements	90	-	46	-
Miscellaneous	466	105	254	146
	4,417	843	5,170	904
Allowance for other doubtful accounts	(115)	-	(137)	-
Allowance for valuation of other receivables to their estimated realizable value	-	(51)	-	(52)
	4,302	792	5,033	852

(1) In addition to the amounts detailed in Note 3.c to the individual financial statements, mainly includes 198 with Repsol Netherlands Finance B.V. as of September 30, 2007, which accrue interest at 5.36 %, and 48 and 218 with Repsol Netherlands Finance B.V. and Repsol International Finance B.V., respectively, as of December 31, 2006.

d) Inventories:

	2007	2006
Refined products	1,580	1,047
Crude oil and natural gas	623	441
Products in process	33	47
Raw materials, packaging materials and others	258	162
	2,494	1,697

e) Fixed assets:

	2007	2006
Net book value of fixed assets (Exhibit A)	24,484	22,562
Allowance for unproductive exploratory drilling	(3)	(3)
Allowance for obsolescence of material and equipment	(46)	(46)
	24,435	22,513

f) Accounts payable:

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Trade	2,825	26	2,617	27
Hydrocarbon wells abandonment obligations	-	2,607	233	2,210
Related parties	164	-	238	-
From joint ventures and other agreements	331	-	256	-
Environmental liabilities	93	164	93	164
Miscellaneous	42	55	58	47
	3,455	2,852	3,495	2,448

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g) Loans:

	Interest rates (1)	Principal maturity	2007 Current	2007 Noncurrent	2006 Current	2006 Noncurrent
Negotiable Obligations – YPF	9.13–10.00%	2009 - 2028	11	523	559	509
Other bank loans and other creditors	1.25–18.25%	2007 - 2008	540	-	356	1
			551	523	915	510

(1) Annual fixed interest rates as of September 30, 2007.

Consolidated Statements of Income as of September 30, 2007 and 2006

h) Other expense, net:

	Income (Expense) 2007	2006
Reserve for pending lawsuits and other claims	(140)	(54)
Environmental remediation - YPF Holdings Inc.	(113)	(61)
Defined-benefits pension plans and other postretirement benefits	(12)	(17)
Miscellaneous	94	99
	(171)	(33)

3. COMMITMENTS AND CONTINGENCIES IN CONTROLLED COMPANIES

Laws and regulations relating to health and environmental quality in the United States of America affect nearly the operations of YPF Holdings Inc. 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 unreasonable 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”) 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 laws or 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 and in certain other respects. 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 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, including environmental liabilities relating to chemical plants and waste disposal sites used by Chemicals prior to the selling date. Tierra has agreed to assume essentially all of Maxus’ aforesaid indemnity obligations to Occidental in respect of Chemicals.

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As of September 30, 2007, reserves for the environmental contingencies and other claims totaled approximately 353. YPF Holdings Inc.'s Management believes it has adequately reserved for all environmental contingencies, which are probable and can be reasonably estimated as of such time; however, changes in circumstances could result in changes, including additions, to such reserves in the future. The most significant contingencies are described in the following paragraphs:

In the following discussion concerning plant sites and third party sites, references to YPF Holdings Inc. 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 Inc. and has assumed certain of Maxus' obligations.

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 Chemicals' former Newark, New Jersey agricultural chemicals plant. The approved remedy has been completed and paid for by Tierra. This project is in the operation and maintenance phase. YPF Holdings Inc. has reserved approximately 50 as of September 30, 2007, in connection with such activities.

Passaic River, New Jersey. Studies have indicated that sediments of the Newark Bay watershed, including the Passaic River adjacent to the former Newark plant, are contaminated with hazardous chemicals from many sources. Maxus, forced to act on behalf of Occidental, negotiated an agreement with the EPA under which Tierra has conducted further testing and studies near the plant site. While some work remains, these studies were substantially completed in 2005. In addition:

– The EPA and other agencies are addressing the lower Passaic River in a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project ("PRRP"). Tierra, along with approximately seventy two other entities, participated in an initial remedial investigation and feasibility study ("RIFS") in connection with the PRRP. The parties are discussing the possibility of further work with the EPA. The entities that have agreed to fund the RIFS have negotiated allocations of responsibility among themselves based on a number of considerations.

– In 2003, the DEP issued Directive No. 1 to approximately 66 entities, including Occidental and Maxus and certain of their respective related entities. Directive No. 1 seeks to address natural resource damages allegedly resulting from almost 200 years of historic industrial and commercial development of the lower 17 miles 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 has been designated as a Superfund site and is a subject of 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 "AOC") pursuant to which Tierra (on behalf of Occidental) has agreed to conduct testing and studies to characterize contaminated sediment and biota in the Newark Bay. 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.

–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. The development of this plan is estimated by the DEP to cost approximately US$ 2 million. This directive was issued even though this portion of the lower Passaic River is a subject of the PRRP. 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 December 2005, the DEP sued YPF, YPF Holdings Inc., Tierra, Maxus and several affiliated entities, in addition to Occidental, in connection with dioxin contamination allegedly emanating from Chemicals' former Newark plant and contaminating the lower portion of the Passaic River, Newark Bay, other nearby waterways and surrounding areas. The DEP seeks unspecified and punitive damages and other matters. The defendants have made responsive pleadings and filings.

–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 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 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 the PRRP group, submitted comments on the draft FFS to EPA, as did other interested parties. In September 2007, EPA announced its intention to spend further time considering these comments, to issue a proposed plan for public comment by the middle of 2008 and to select a clean-up plan in the last quarter of 2008. Tierra will respond to any further EPA proposal as may be appropriate at that time.

–In August 2007, the National Oceanic Atmospheric Administration ("NOAA") sent a letter to the parties of the PRRP group, 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. The PRRP group has responded through its common counsel requesting that discussions relating to such agreement to be postponed until 2008, due in part to the pending FFS proposal by EPA. Tierra will continue to participate in the PRRP group with regard to this matter.

As of September 30, 2007, there is a total of approximately 50 reserved in connection with the foregoing matters related to the Passaic River, and surrounding area. This amount principally consists of estimated costs for studies and other work Maxus and Tierra have already agreed to undertake. During the last quarter of 2007, we have evaluated several remediation scenarios for the lower eight miles of the Passaic River, which result in an increase of approximately 79 in our reserve as of December 31, 2007. The development of new information or the imposition of remediation actions differing from the scenarios we have evaluated could result in Maxus and Tierra incurring material costs in addition to the amount currently reserved.

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. The DEP and Occidental, as successor to Chemicals, signed an administrative consent order with the DEP in 1990 for investigation and remediation work at certain chromite ore residue sites in Kearny and Secaucus, New Jersey.

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 and is providing financial assurance 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 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 in state court in Hudson County seeking, among other things, cleanup of various sites where chromite ore 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. During mediation, the parties have engaged in discussion regarding possible settlement; however, there is no assurance that these discussions will be successful.

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, at least for now, not to file suit.

Pursuant to a request of the DEP, in the second half of 2006, Tierra and other parties tested the sediments in a portion of the Hackensack River near the former Kearny Plant. Whether additional work will be required, is expected to be determined once the results of this testing have been analyzed.

As of September 30, 2007, there is a total of approximately 63 reserved in connection with the foregoing chrome-related matters. The study of the levels of chromium in New Jersey has not been finalized, and the DEP is still reviewing the proposed action levels. The cost of addressing these chrome-related matters could increase depending upon the final soil action levels, the DEP's response to Tierra's reports and other developments.

Painesville, Ohio. In connection with the operation until 1976 of one chromite ore processing plant ("Chrome Plant"), from Chemicals, the Ohio Environmental Protection Agency ("OEPA") ordered to conduct a Remedial Investigation and Feasibility Study ("RIFS") at the former Painesville's Plant area. Tierra has agreed to participate in the RIFS as required by the OEPA. Tierra submitted the remedial investigation report to the OEPA, which report was finalized in 2003. Tierra is submitting required feasibility reports separately. In addition, the OEPA has approved certain work, including the remediation of specific sites 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 for the site of the former Painesville Works, additional amounts may need to be reserved.

Over ten 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 financial statements, the site has not been listed. YPF Holdings Inc. has reserved a total of 35 as of September 30, 2007 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 changes, including additions, to its reserve as may be required.

Third Party 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 adjoining Chemicals' former Greens Bayou facility where DDT and certain other chemicals were manufactured. As of September 30, 2007, YPF Holdings Inc. has reserved 68 for its estimated share of future remediation activities associated with the Greens Bayou facility. Additionally, efforts have been initiated in connection with claims for natural resources damages. The amount of natural resources damages and the party's obligations in respect thereof are unknown at the present time.

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. Preliminarily work in connection with the RIFS of this site commenced in the second half of 2006. Maxus has reserved 1 as of September 30, 2007 for its estimated share of the costs of the RIFS. Maxus lacks sufficient information to determine additional exposure or 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. It is the subject of enforcement activities by the EPA. Although Occidental is one of many PRPs that have been identified and have agreed to an Administrative Order on Consent, Tierra (which is handling this matter on behalf of Maxus) presently believes the degree of Occidental's alleged involvement as successor to Chemicals is relatively small.

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 exposure. 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. At a number of these sites, the ultimate response cost and Chemicals' share of such costs cannot be estimated at this time. As of September 30, 2007, YPF Holdings Inc. has reserved 7 in connection with its estimated share of costs related to these sites.

Black Lung Benefits Act Liabilities. The Black Lung Benefits Act provides monetary and medical benefits to miners disabled with black 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, 2007, YPF Holdings Inc. has reserved 30 in connection with its estimate of these obligations.

Legal Proceedings. In 1998, a subsidiary of Occidental filed a lawsuit in state court in Ohio seeking a declaration of the parties' rights with respect to obligations for certain costs allegedly related to Chemicals' Ashtabula, Ohio facility, as well as certain other costs. A settlement of this matter was reached in March 2007, with those activities required by the settlement document completed in the second quarter of 2007.

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, has paid the revised tax assessment, penalty and interest (a total of approximately US$ 2 million under protest). Maxus filed 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.

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, including claims related to "Agent Orange" and vinyl chloride monomer (VCM), 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. This decision will require Maxus to accept responsibility for various matters for which it has refused indemnification since 1998. This could result in the incurrence of material costs in addition to Maxus' current reserves for this matter. This decision will require Maxus to reimburse Occidental for past costs on these matters; Maxus believes that its current reserves are adequate for these past costs. Maxus is currently evaluating the decision of the Court of Appeals. The judgment awarded Occidental declaratory relief, approximately US$ 2, and attorney's fees and costs. The judgment will accrue post judgment interest at the rate of 8% per annum in the event Maxus does not prevail on appeal. In December 2006, the trial court set the amount of Maxus obligation in an amount of approximately 47, which have been entirely reserved.

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 the court has entered a decision setting Occidental's liability at 18.73 % of those costs incurred by one of the plaintiffs. Occidental's motion for reconsideration of a portion of this decision has been filed with the court, and the parties are awaiting the court's decision on this and other post-judgment motions. As of September 30, 2007, YPF Holdings Inc. has reserved 2 in respect of this matter.

In 2005, Skidmore Energy Company and others ("Skidmore") have sued Maxus (U.S.) Exploration Company ("Maxus US"), a subsidiary of YPF Holdings Inc., in state court in Texas. Skidmore claims it was entitled to an assignment of approximately five oil and gas leases in the US Gulf of Mexico. Maxus US denies Skidmore's claims. Maxus US and Skidmore have entered an agreement to submit this matter to binding arbitration; the arbitration hearing was held from October 29 to November 1, 2007, with briefs submitted to the arbitration panel on November 6, 2007. The decision of the arbitration panel, holding that Skidmore should take nothing, was rendered on November 29, 2007.

YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits, the outcomes of which are not expected to have a material adverse affect on YPF's financial condition. The Company has established reserves for legal contingencies in situations where a loss is probable and can be reasonably estimated.

YPF Holdings Inc. has entered into various operating agreements and capital commitments associated with the exploration and development of its oil and gas properties which are not material except those for the Neptune Prospect. Total commitments related to the development of the Neptune Prospect located in the vicinity of the Atwater Valley Area, Blocks 573, 574, 575, 617 and 618 are US$ 75 million for 2007 and US$ 17 million for 2008.

4. CONSOLIDATED BUSINESS SEGMENT INFORMATION

The Company organizes its business into four segments which comprise: the exploration and production, including contractual purchases of natural gas and crude oil purchases arising from service contracts and concession obligations, as well as crude oil intersegment sales, natural gas and its derivatives sales and electric power generation ("Exploration and Production"); the refining, transport and marketing of crude oil to unrelated parties and refined products ("Refining and Marketing"); the petrochemical operations ("Chemical"); and other activities, not falling into these categories, are classified under "Corporate and Other", which principally includes corporate administration costs and assets,

construction activities and environmental remediation activities related to YPF Holdings Inc. preceding operations (Note 3).

Operating income (loss) and assets for each segment have been determined after intersegment adjustments. Sales between business segments are made at internal transfer prices established by YPF, which approximate market prices.

	Exploration and Production	Refining and Marketing	Chemical	Corporate and Other	Consolidation Adjustments	Total
Nine-month period ended September 30, 2007						
Net sales to unrelated parties	2,310	14,599	1,855	99	-	18,863
Net sales to related parties	495	1,511	-	-	-	2,006
Net intersegment sales	9,770	1,405	599	262	(12,036)	-
Net sales	12,575	17,515	2,454	361	(12,036)	20,869
Operating income (loss)	3,550	1,008	379	(480)	37	4,494
Income on long-term investments	25	13	-	-	-	38
Depreciation	2,714	281	67	43	-	3,105
Acquisitions of fixed assets	3,299	528	79	170	-	4,076
Assets	19,374	11,077	1,996	4,795	(1,096)	36,146
Nine-month period ended September 30, 2006						
Net sales to unrelated parties	2,311	13,248	1,704	85	-	17,348
Net sales to related parties	584	1,240	-	-	-	1,824
Net intersegment sales	10,812	1,177	494	201	(12,684)	-
Net sales	13,707	15,665	2,198	286	(12,684)	19,172
Operating income (loss)	5,449	53	340	(391)	29	5,480
Income on long-term investments	18	9	-	-	-	27
Depreciation	2,298	238	62	30	-	2,628
Acquisitions of fixed assets	2,800	471	84	112	-	3,467
Year ended December 31, 2006						
Assets	18,987	9,349	1,876	6,049	(867)	35,394

Export sales for the nine-month periods ended September 30, 2007 and 2006 were 6,176 and 6,716, respectively. Export sales were mainly to the United States of America, Brazil and Chile.

5. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE COMPANY AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with Argentine GAAP, which differs in certain respects from generally accepted accounting principles in the United States of America ("U.S. GAAP").
The differences between Argentine GAAP and U.S. GAAP are reflected in the amounts provided in Note 6 and Note 7, and principally relate to the items discussed in the following paragraphs.

a) Functional and reporting currency

Under Argentine GAAP, financial statements are presented in constant Argentine pesos ("reporting currency"), as mentioned in Note 1 to the individual financial statements. Foreign currency transactions are recorded in Argentine pesos by applying to the foreign currency amount the exchange rate between the reporting and the foreign currency at the date of the transaction. Exchange rate differences arising on monetary items in foreign currency are recognized in the income statement of each period.

Under U.S. GAAP, a definition of the functional currency is required, which may differ from the reporting currency. Management has determined for YPF and certain of its subsidiaries and investees the U.S. dollar as its functional currency in accordance with the Statement of Financial Accounting Standards ("SFAS") No. 52. Therefore, YPF has remeasured into U.S. dollars its financial statements and the financial statements of the mentioned subsidiaries and investees as of September 30, 2007 and 2006, and December 31, 2006, prepared in accordance with Argentine GAAP by applying the procedures specified in SFAS No. 52. The objective of the remeasurement process is to produce the same results that would have been reported if the accounting records had been kept in the functional currency. Accordingly, monetary assets and liabilities are remeasured at the balance sheet date (current) exchange rate. Amounts carried at prices in past transactions are remeasured at the exchange rates in effect when the transactions occurred. Revenues and expenses are remeasured on a monthly basis at the average rates of exchange in effect during the period, except for consumption of nonmonetary assets, which are remeasured at the rates of exchange in effect when the respective assets were acquired. Translation gains and losses on monetary assets and liabilities arising from the remeasurement are included in the determination of net income (loss) in the period such gains and losses arise. For certain YPF's subsidiary and investees, Management has determined the Argentine peso as its functional currency. Translation adjustments resulting from the process of translating the financial statements of the mentioned subsidiary and investees into U.S. dollars are not included in determining net income and are reported in other comprehensive income ("OCI") as a component of shareholders' equity.

The amounts obtained from the process referred to above are translated into Argentine pesos following the provisions of SFAS No. 52. Assets and liabilities were translated at the current selling exchange rate of Argentine pesos 3.15 and 3.06 to US$ 1, as of September 30, 2007 and December 31, 2006, respectively. Revenues, expenses, gains and losses reported in the income statement are translated at the exchange rate existing at the time of each transaction or, if appropriate, at the weighted average of the exchange rates during the period. Translation effects of exchange rate changes are included in OCI as a component of shareholders' equity.

b) Proportional consolidation

As discussed in Note 1.a to the consolidated financial statements, YPF has proportionally consolidated, net of intercompany transactions, assets, liabilities, net revenues, cost and expenses of investees in which joint control is held, which is not allowed for U.S. GAAP purposes. The mentioned proportional consolidation generated an increase of 339 and 446 in total assets and total liabilities as of September 30, 2007 and December 31, 2006, respectively, and an increase of 999 and 1,053 in net sales and 511 and 541 in operating income for the nine-month periods ended September 30, 2007 and 2006, respectively.

c) Valuation of inventories

As described in Note 2.c to the individual financial statements, the Company values its inventories of refined products for sale, products in process of refining and separation, crude oil and natural gas at replacement cost. Under U.S. GAAP, these inventories should be valued at cost or market, which is defined as replacement cost, provided that it does not exceed net realizable value or is not less than net realizable value reduced by a normal profit margin. As the rotation of inventories is high, there have been no significant differences between inventories valued at replacement cost and at historical cost using first in first out ("FIFO") method for the periods presented.

d) Impairment of long-lived assets

Under Argentine GAAP, in order to perform the recoverability test, long-lived assets are grouped with other assets at business segment level. With respect to long-lived assets that were held as pending sale or disposal, the Company's policy was to record these assets at amounts that did not exceed net realizable value.

Under U.S. GAAP, for proved oil and gas properties, the Company performs the impairment test on an individual field basis. Other long-lived assets are aggregated so that the discrete cash flows produced by each group of assets may be separately analyzed. Each asset is tested following the guidelines of SFAS No. 144, "Accounting for the Impairment of Long-Lived Assets", by comparing the net book value of such an asset with the expected undiscounted cash flows. Impairment losses are measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. When market values are not available, the Company estimates them using the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the assets.

Impairment charges to reconcile to U.S. GAAP amounted to 100 for the nine-month period ended September 30, 2007 and was included as operating income from continuing operations. The impairment recorded in the nine-month period ended September 30, 2007 was mainly the result of a decrease in oil and gas reserves affecting certain long-lived assets of the YPF's Exploration and Production Business Segment.

The impairment adjustment for the nine-month period ended September 30, 2007, also included 69 for the elimination of the income recorded due to the reversal of impairment under Argentine GAAP of the assets held for sale, as discussed in Note 2.d. to the individual financial statements.

The adjusted basis after impairment results in lower depreciation under U.S. GAAP of 100 and 96 for the nine-month periods ended September 30, 2007 and 2006, respectively.

e) Start-up and organization costs

Under Argentine GAAP, start-up and organization costs can be capitalized subject to recoverability through future revenues. These costs were fully amortized during 2006 based on a five-year estimated useful life.

Under U.S. GAAP, start-up costs were expensed as incurred.

f) Reorganization of entities under common control

Under Argentine GAAP, results on sales of noncurrent assets and the corresponding accounts receivable are recognized in the statement of income and the balance sheet, respectively. Under U.S. GAAP, results related with reorganization of entities under common control are eliminated and the corresponding accounts receivable are considered as a capital (dividend) transaction.

g) Pension Plans

As displayed in Note 1.c, YPF Holdings Inc. has non-contributory defined-benefit pension plans and postretirement and postemployment benefits.

Under Argentine GAAP, the net liability for defined-benefits plans is the amount resulting from the sum of the present value of the obligations, net of the fair value of the plan assets and net of the unrecognized actuarial losses. These unrecognized actuarial losses are recorded in the statement of income during the expected average remaining working lives of the employees participating in the plans and the life expectancy of retired employees.

Under U.S. GAAP the Company adopted SFAS No. 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans-an amendment of FASB Statements No. 87, 88, 106, and 132 (R). Under provisions of SFAS No. 158 the Company fully recognized the underfunded status of defined-benefit pension and postretirement plans as a liability in the financial statements reducing the Company's shareholders' equity through accumulated OCI account. Unrecognized actuarial losses and gains are recognized in the statement of income during the expected average remaining working lives of the employees participating in the plans and the life expectancy of retired

employees. The effect of the adoption of SFAS No. 158 did not have a material effect.

h) Accounting for asset retirement obligations

SFAS No. 143, Accounting for Asset Retirement Obligations, addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement cost. The standard applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and normal use of the asset. SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period or year in which it is incurred, if a reasonable estimate of fair value can be made. The asset retirement obligations liability is built up in cash flow layers, with each layer being discounted using the discount rate as of the date that the layer was created. Remeasurement of the entire obligation using current discount rates is not permitted. Each cash flow layer is added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the life of the asset. The liability is increased due to the passage of time based on the time value of money ("accretion expense") until the obligation is settled.

Argentine GAAP is similar to SFAS No. 143, except for a change in the discount rate is treated as a change in estimates, so the entire liability must be recalculated using the current discount rate, being the change added or reduced from the related asset.

i) Consolidation of variable interest entities - Interpretation of ARB No. 51

Under Argentine GAAP consolidation is based on having the votes necessary to control corporate decisions (Note 1). FIN No. 46R, Consolidation of Variable Interest Entities, ("FIN 46R"), clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The interpretations explain how to identify variable interest entities and how an enterprise assesses its interests in a variable interest entity to decide whether to consolidate that entity. They require existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved.

As of September 30, 2007, YPF has operations with one variable interest entity ("VIE") which has been created in order to structure YPF's future deliveries of oil ("FOS transaction").

YPF entered into a forward oil sale agreement that calls for the future delivery of oil for the life of the contract. YPF was paid in advance for the future delivery of oil. The price of the oil to be delivered was calculated using various factors, including the expected future price and quality of the crude oil being delivered. The counterparty or assignee to the oil supply agreement is a VIE incorporated in the Cayman Islands, which finance itself through the issuance of notes. The oil to be delivered under the supply agreement is subsequently sold in the open market.

YPF is exposed to any change in the price of the crude oil it will deliver in the future under the outstanding FOS transaction. YPF's exposure derives from crude oil swap agreements under which YPF pays a fixed price with respect to the nominal amount of the crude oil sold, and receives the variable market price of such crude oil (Note 2.j to the individual financial statements).
The effect before taxes of such consolidation was an increase in the "Loans" account of 100 and 186, an increase of current assets of 21 and 19, the elimination of "Net advances from crude oil purchasers" of 32 and 103 and a decrease in shareholders' equity of 47 and 65 as of September 30, 2007 and December 31, 2006, respectively.

j) Capitalization of financial expenses

Under Argentine GAAP, for those qualifying assets that necessarily take a substantial period of time to get ready for its intended use, borrowing costs (including interest and exchange differences) should be capitalized. Accordingly, borrowing costs for those assets whose construction period exceeds one year have been capitalized, provided that such

capitalization does not exceed the amount of financial expense recorded in that year.

Under US GAAP, only interest expense on qualifying assets must be capitalized, regardless of the asset's construction period.

The effect on net income and shareholders' equity as of September 30, 2007 and 2006 and December 31, 2006 is included in "Capitalization of financial expenses" in the reconciliation in Note 6.

k) SFAS Interpretation No. 48, Accounting for uncertainty in income taxes – an interpretation of FASB Statement No. 109 ("FIN 48")

FIN 48 defines the criteria an individual tax position must meet for any part of the benefit of such position to be recognized in the financial statements. FIN 48 establishes "a more-likely-than-not" recognition threshold that must be met before a tax benefit can be recognized in the financial statements. FIN 48 also provides guidance, among other things, on the measurement of the income tax benefit associated with uncertain tax positions, de-recognition, classification, interest and penalties and financial statement disclosures.

The Company implemented FIN 48 on January, 2007. As it is defined in this interpretation, the Company has reassessed whether the "more-likely-than-not" recognition threshold has been met before a tax benefit can be recognized and how much of a tax benefits to recognize in the financial statements. The adoption of FIN 48 did not have an impact on YPF's financial position. There were no unrecognized tax benefits as of the date of adoption and as of September 30, 2007.

Under Argentine tax regime, as of September 30, 2007, fiscal years 2001 through 2006 remain subject to examination by the Federal Administration of Public Revenues ("AFIP").

l) SFAS No. 157, Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"), which clarifies the definition of fair value, establishes guidelines for measuring fair value, and expands disclosures regarding fair value measurements. SFAS No. 157 does not require any new fair value measurements and eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS No. 157 will be effective for the Company on January 1, 2008. The Company is currently evaluating the impact of adopting SFAS No. 157 but does not believe the adoption of SFAS 157 will have a material impact on its financial position.

m) SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities—including an amendment of FASB Statement No. 115." SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. SFAS No. 159 is effective for the Company on January 1, 2008. The Company is evaluating the impact that the adoption of SFAS No. 159 will have on the financial statements, but does not believe the adoption of SFAS 159 will have a material impact on its financial position.

n) SFAS No.141(R), "Business Combinations" and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51"

In December 2007, the FASB issued SFAS No. 141 (Revised 2007) ("SFAS No. 141(R)"), "Business Combinations", which requires the recognition of assets acquired, liabilities assumed, and any noncontrolling interest in an acquiree at the acquisition date fair value with limited exceptions. SFAS No. 141(R) will change the accounting treatment for certain specific items and includes a substantial number of new disclosure requirements. SFAS No. 141(R) applies

prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — An Amendment of ARB No. 51", which establishes new accounting and reporting standards for noncontrolling interest (minority interest) and for the deconsolidation of a subsidiary. SFAS No. 160 also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008.

6. RECONCILIATION OF NET INCOME AND SHAREHOLDERS' EQUITY TO UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The following is a summary of the significant adjustments to net income for the nine-month periods ended September 30, 2007 and 2006, and to shareholders' equity as of September 30, 2007 and December 31, 2006, which would have been required if U.S. GAAP had been applied instead of Argentine GAAP in the consolidated financial statements. Amounts are expressed in millions of Argentine pesos.

	For the nine-month periods ended	
	2007	2006
Net income according to Argentine GAAP	2,980	3,735
Increase (decrease) due to:		
Elimination of the inflation adjustment into Argentine constant pesos (Note 1 to the individual financial statements and 5.a)	612	751
Remeasurement into functional currency and translation into reporting currency (Note 5.a)	(1,181)	(1,300)
Reorganization of entities under common control - Interest from accounts receivable (Note 5.f)	(15)	(50)
Start-up and organization costs amortization (Note 5.e)	-	8
Impairment of long-lived assets (Note 5.d)	(69)	96
Consolidation of VIEs (Note 5.i)	20	39
Capitalization of financial expenses (Note 5.j)	28	36
Asset retirement obligations (Note 5.h)	7	-
Pension plans (Note 5.g)	(7)	(19)
Deferred income tax (1)	(19)	(43)
Net income in accordance with U.S. GAAP	2,356	3,253
Earnings per share, basic and diluted	5.99	8.27

	As of	
	September 30, 2007	December 31, 2006
Shareholders' equity according to Argentine GAAP	24,955	24,345
Increase (decrease) due to:		
Elimination of the inflation adjustment into Argentine constant pesos (Note 1 to the individual financial statements and 5.a)	(4,396)	(5,008)
Remeasurement into functional currency and translation into reporting currency (Note 5.a)	7,971	8,333

Reorganization of entities under common control - Accounts receivable (Note 5.f)	-	(954)
Impairment of long-lived assets (Note 5.d)	(574)	(491)
Consolidation of VIEs (Note 5.i)	(47)	(65)
Capitalization of financial expenses (Note 5.j)	245	211
Asset retirement obligations (Note 5.h)	(29)	(35)
Pension plans (Note 5.g)	(65)	(56)
Deferred income tax (1)	(60)	(39)
Shareholders' equity in accordance with U.S. GAAP	28,000	26,241

(1) Corresponds to the effect of Deferred Income Tax, if applicable, to U.S. GAAP adjustments.

7. ADDITIONAL U.S. GAAP DISCLOSURES

a) Consolidated operating income (loss)

Under U.S. GAAP, costs charged to income for environmental remediation, holding gains on inventories, impairment of long-lived assets, the elimination of operating results of jointly controlled companies proportionally consolidated, pending lawsuits and other claims costs and other items which are not individually significant, would have been deducted from or added to operating income.

b) Comprehensive income

Net income under U.S. GAAP as determined in Note 6 is approximately the same as comprehensive income as defined by SFAS No. 130 for the periods presented, except for the effect in the nine-month period ended September 30, 2007 and the year ended December 31, 2006 of the following items, that should be included in comprehensive income for U.S. GAAP purposes but are excluded from net income for U.S. GAAP purposes:

	As of	
	September 30, 2007	December 31, 2006
Effect arising from the translation into reporting currency	15,401(1)	14,582(1)
Pension plans	(223)(2)	(217)(2)
Comprehensive income at the end of periods	15,178	14,365

(1) Has no tax effect.
(2) Valuation allowance has been recorded to offset the recognized income tax effect.

c) Hydrocarbon well abandonment obligations

Under Argentine regulations, the Company has the obligation to incur in costs related to the abandonment of hydrocarbon wells. The Company does not have assets legally restricted for purposes of settling the obligation.

The reconciliation of the beginning and ending aggregate carrying amounts of hydrocarbon well abandonment obligations, translated into Argentine pesos at the outstanding selling exchange rate as of September 30, 2007 and December 31, 2006 and under US GAAP, is as follows:

	As of	
	September 30, 2007	December 31, 2006
Aggregate hydrocarbon well abandonment obligation, beginning of year	2,441	1,457
Translation effect	82	12
Revision in estimated cash flows	-	840
Obligations incurred	-	55
Accretion expense	146	117
Obligations settled	(49)	(40)
Aggregate hydrocarbon well abandonment obligation, end of periods	2,620	2,441

d) Cash and equivalents

	As of	
	September 30, 2007	December 31, 2006
Cash	100	111
Cash and equivalents (1)	203	710
Cash and equivalents at the end of the periods (2)	303	821

(1) Included in short-term investments in the consolidated balance sheets.
(2) Cash and equivalents from jointly controlled companies which are proportionally consolidated for Argentine GAAP purposes are not included.

The principal transactions not affecting cash consisted in increases in assets related to hydrocarbon well abandonment costs and consumption of fixed assets allowances for the nine-month period ended September 30, 2007 and for the year ended December 31, 2006.

ANTONIO GOMIS SÁEZ
Director

Exhibit A

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION
FIXED ASSETS EVOLUTION
(amounts expressed in millions of Argentine pesos - Note 1 to the individual financial statements)
(the consolidated financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007 Cost				
Main account	Amounts at beginning of year	Translation net effect (5)	Increases	Net decreases, transfers and reclassifications	Amounts at end of period
Land and buildings	2,326	-	-	63	2,389
Mineral property, wells and related equipment	42,534	10	-	7,791	50,335
Refinery equipment and petrochemical plants	8,650	-	8	373	9,031
Transportation equipment	1,850	-	-	14	1,864
Materials and equipment in warehouse	611	-	791	(656)	746
Drilling and work in progress	3,569	(2)	3,164	(2,591)	4,140
Exploratory drilling in progress	135	2	88	(92)	133
Furniture, fixtures and installations	556	-	4	59	619
Selling equipment	1,341	-	-	66	1,407
Other property	367	1	21	(16)	373
Total 2007	61,939	11	4,076	5,011(1)(6)	71,037
Total 2006	61,812	4	3,467(2)	(396)(1)	64,887

	2007 Depreciation						2006	
Main account	Accumulated at beginning of year	Net decreases, transfers and reclassifications	Depreciation rate	Increases	Accumulated at end of period	Net book value as of 09-30-07	Net book value as of 09-30-06	Net book value as of 12-31-06
Land and buildings	1,053	(1)	2%	44	1,096	1,293	1,264	1,273
Mineral property, wells and related equipment	29,496	4,075	(4)	2,676	36,247	14,088(3)	12,760(3)	13,038(3)
Refinery equipment and petrochemical plants	5,793	(1)	4-10%	256	6,048	2,983	2,836	2,857
Transportation equipment	1,273	(3)	4-5%	41	1,311	553	564	577
	-	-	-	-	-	746	549	611

Materials and equipment in warehouse								
Drilling and work in progress	-	-	-	-	-	4,140	3,883	3,569
Exploratory drilling in progress	-	-	-	-	-	133	156	135
Furniture, fixtures and installations	479	1	10%	33	513	106	83	77
Selling equipment	1,001	-	10%	43	1,044	363	323	340
Other property	282	-	10%	12	294	79	82	85
Total 2007	39,377	4,071(1)(6)		3,105	46,553	24,484		
Total 2006	39,803	(44)(1)		2,628	42,387		22,500	22,562

(1) Includes 99 and 128 of net book value charged to fixed assets allowances for the nine-month periods ended September 30, 2007 and 2006, respectively.

(2) Includes 7 corresponding to the cost of hydrocarbon wells abandonment obligations for the nine-month period ended September 30, 2006.

(3) Includes 901, 1,097 and 1,014 of mineral property as of September 30, 2007 and 2006 and December 31, 2006, respectively.

(4) Depreciation has been calculated according to the unit of production method.

(5) Includes the net effect of the exchange differences arising from the translation of net book values at beginning of the year of fixed assets in foreign companies.

(6) Includes 5,291 of acquisition cost and 4,094 of accumulated depreciation corresponding to oil and gas exploration and producing areas, which were disposed by sale as of December 31, 2006 (Note 2.d to the individual financial statements).

ANTONIO GOMIS SÁEZ
Director

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Exhibit H

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
EXPENSES INCURRED
(amounts expressed in millions of Argentine pesos – Note 1 to the individual financial statements)
(the consolidated financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007					2006
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	617	137	128	35	917	718
Fees and compensation for services	117	199	28	3	347	270
Other personnel expenses	199	55	18	15	287	235
Taxes, charges and contributions	165	13	216	-	394	325
Royalties and easements	1,465	-	4	5	1,474	1,607
Insurance	78	2	10	3	93	76
Rental of real estate and equipment	243	3	43	1	290	234
Survey expenses	-	-	-	136	136	86
Depreciation of fixed assets	2,992	36	77	-	3,105	2,628
Industrial inputs, consumable materials and supplies	408	6	29	5	448	411
Operation services and other service contracts	428	11	57	38	534	436
Preservation, repair and maintenance	1,201	14	41	2	1,258	950
Contractual commitments	478	-	-	-	478	433
Unproductive exploratory drillings	-	-	-	100	100	133
Transportation, products and charges	579	-	748	-	1,327	1,116
Allowance for doubtful trade receivables	-	-	42	-	42	79
Publicity and advertising expenses	-	38	58	-	96	109
Fuel, gas, energy and miscellaneous	529	47	42	13	631	623
Total 2007	9,499	561	1,541	356	11,957	
Total 2006	8,305	490	1,356	318		10,469

ANTONIO GOMIS SÁEZ
Director

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YPF SOCIEDAD ANONIMA

BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND DECEMBER 31, 2006
(amounts expressed in millions of Argentine pesos – Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Current Assets		
Cash	59	88
Investments (Note 3.a)	59	552
Trade receivables (Note 3.b)	2,738	2,138
Other receivables (Note 3.c)	4,726	5,116
Inventories (Note 3.d)	2,272	1,522
Other assets (Note 2.d)	-	1,128
Total current assets	9,854	10,544
Noncurrent Assets		
Trade receivables (Note 3.b)	36	44
Other receivables (Note 3.c)	769	826
Investments (Note 3.a)	2,613	2,634
Fixed assets (Note 3.e)	22,608	20,893
Total noncurrent assets	26,026	24,397
Total assets	35,880	34,941
Current Liabilities		
Accounts payable (Note 3.f)	4,136	3,968
Loans (Note 3.g)	355	813
Salaries and social security	145	162
Taxes payable	1,257	1,173
Net advances from crude oil purchasers (Note 3.h)	32	96
Reserves (Exhibit E)	228	206
Total current liabilities	6,153	6,418
Noncurrent Liabilities		
Accounts payable (Note 3.f)	2,829	2,425
Loans (Note 3.g)	523	510
Taxes payable	8	10
Net advances from crude oil purchasers (Note 3.h)	-	7
Reserves (Exhibit E)	1,412	1,226
Total noncurrent liabilities	4,772	4,178
Total liabilities	10,925	10,596
Shareholders’ Equity (per corresponding statements)	24,955	24,345
Total liabilities and shareholders’ equity	35,880	34,941

Notes 1 to 11, the accompanying Exhibits A, C, E, F, G and H and the consolidated financial statements are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ
Director

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YPF SOCIEDAD ANONIMA

STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
(amounts expressed in millions of Argentine pesos, except for per share amounts in Argentine pesos – Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Net sales (Note 3.i)	19,448	17,770
Cost of sales (Exhibit F)	(13,215)	(10,857)
Gross profit	6,233	6,913
Administrative expenses (Exhibit H)	(487)	(426)
Selling expenses (Exhibit H)	(1,458)	(1,286)
Exploration expenses (Exhibit H)	(332)	(262)
Operating income	3,956	4,939
Income on long-term investments	273	307
Other (expense) income, net (Note 3.j)	(76)	43
Financial income, net and holding gains:		
Gains on assets		
Interests	257	219
Exchange differences	90	63
Holding gains on inventories	302	428
Losses on liabilities		
Interests	(205)	(146)
Exchange differences	(56)	(87)
Reversal of impairment of other current assets (Note 2.d)	69	-
Net income before income tax	4,610	5,766
Income tax (Note 3.k)	(1,630)	(2,031)
Net income	2,980	3,735
Earnings per share (Note 1)	7.58	9.50

Notes 1 to 11, the accompanying Exhibits A, C, E, F, G and H and the consolidated financial statements are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ
Director

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YPF SOCIEDAD ANONIMA

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
(amounts expressed in millions of Argentine pesos except for per share amounts in Argentine pesos – Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007			
	Shareholders' Contributions			
	Subscribed Capital	Adjustment to Contributions	Issuance Premiums	Total
Balances at the beginning of year	3,933	7,281	640	11,854
As decided by the Ordinary Shareholders' meeting of April 28, 2006:				
- Cash dividends (6 per share)	-	-	-	-
As decided by the Board of Directors' meeting of March 6, 2007:				
- Cash dividends (6 per share)	-	-	-	-
As decided by the Ordinary Shareholders' meeting of April 13, 2007:				
- Appropriation to Legal Reserve	-	-	-	-
- Appropriation to Reserve for Future Dividends	-	-	-	-
Net (decrease) increase in deferred earnings (Note 2.k)	-	-	-	-
Net income	-	-	-	-
Balances at the end of period	3,933	7,281	640	11,854

	2007					2006
	Legal Reserve	Deferred Earnings	Reserve for Future Dividends	Unappropriated Retained Earnings	Total Shareholders' Equity	Total Shareholders' Equity
Balances at the beginning of year	1,797	(124)	2,710	8,108	24,345	22,249
As decided by the Ordinary Shareholders' meeting of April 28, 2006:						
- Cash dividends (6 per share)	-	-	-	-	-	(2,360)
As decided by the Board of Directors' meeting of March 6, 2007:						
- Cash dividends (6 per share)	-	-	(2,360)	-	(2,360)	-
As decided by the Ordinary Shareholders' meeting of April 13, 2007:						
- Appropriation to Legal Reserve	223	-	-	(223)	-	-
- Appropriation to Reserve for	-	-	4,234	(4,234)	-	-

Future Dividends						
Net (decrease) increase in deferred earnings (Note 2.k)	-	(10)	-	-	(10)	1
Net income	-	-	-	2,980	2,980	3,735
Balances at the end of period	2,020	(134)	4,584	6,631	24,955	23,625

Notes 1 to 11, the accompanying Exhibits A, C, E, F, G and H and the consolidated financial statements are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ
Director

YPF SOCIEDAD ANONIMA

STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
(amounts expressed in millions of Argentine pesos – Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Cash Flows from Operating Activities		
Net income	2,980	3,735
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Income on long-term investments	(273)	(307)
Dividends from long-term investments	424	340
Reversal of impairment of other current assets	(69)	-
Depreciation of fixed assets	3,024	2,550
Consumption of materials and fixed assets retired, net of allowances	146	212
Increase in allowances for fixed assets	99	126
Income tax	1,630	2,031
Income tax payments	(1,435)	(2,170)
Increase in reserves	567	560
Changes in assets and liabilities:		
Trade receivables	(592)	(83)
Other receivables	566	(680)
Inventories	(750)	(529)
Accounts payable	270	306
Salaries and social security	(17)	(11)
Taxes payable	(96)	(231)
Net advances from crude oil purchasers	(69)	(71)
Decrease in reserves	(359)	(148)
Interests, exchange differences and others	96	8
Net cash flows provided by operating activities	6,142(1)	5,638(1)
Cash Flows from Investing Activities		
Acquisitions of fixed assets	(3,787)	(3,281)
Capital contributions on long-term investments	(45)	(1)
Investments (non cash and equivalents)	(3)	(1)
Net cash flows used in investing activities	(3,835)	(3,283)
Cash Flows from Financing Activities		
Payment of loans	(1,340)	(634)
Proceeds from loans	868	605
Dividends paid	(2,360)	(2,360)
Net cash flows used in financing activities	(2,832)	(2,389)
Net decrease in Cash and Equivalents	(525)	(34)
Cash and equivalents at the beginning of year	638	214
Cash and equivalents at the end of period	113	180

For supplemental information on cash and equivalents, see Note 3.a.

(1) Includes (93) and (88) corresponding to interest payments for the nine-month periods ended September 30, 2007 and 2006, respectively.

Notes 1 to 11, the accompanying Exhibits A, C, E, F, G and H and the consolidated financial statements are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ
Director

YPF SOCIEDAD ANONIMA

NOTES TO FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos, except where otherwise indicated – Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

The individual financial statements of YPF Sociedad Anónima have been prepared in accordance with generally accepted accounting principles in Argentina and the regulations of the CNV.

The individual financial statements for the nine-month periods ended September 30, 2007 and 2006 are unaudited, but reflect all adjustments which, in the opinion of the Management, are necessary to present the individual financial statements for such periods on a consistent basis with the audited annual individual financial statements.

Presentation of financial statements in constant Argentine pesos

The financial statements reflect the effect of changes in the purchasing power of money by the application of the method for restatement in constant Argentine pesos set forth in Technical Resolution No. 6 of the F.A.C.P.C.E. and taking into consideration General Resolution No. 441 of the CNV, which established the discontinuation of the restatement of financial statements in constant Argentine pesos as from March 1, 2003.

Cash and equivalents

In the statements of cash flows, the Company considers cash and all highly liquid investments with an original maturity of less than three months to be cash and equivalents.

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.

Joint ventures and other agreements

The Company's interests in oil and gas related joint ventures and other agreements involved in oil and gas exploration and production, have been consolidated line by line on the basis of the Company's proportional share in their assets, liabilities, revenues, costs and expenses (Note 6).

Production concessions and exploration permits

According to Argentine Law No. 24,145 issued in November 1992, YPF's areas were converted into production concessions and exploration permits under Law No. 17,319, which has been currently amended by Law No. 26,197. Pursuant to these laws, the hydrocarbon reservoirs located in argentine onshore territories and offshore continental shelf, belong to national or provincial governments, depending on the location. Exploration permits may have a term of up to 17 years and production concessions have a term of 25 years, which may be extended for an additional ten-year term.

Fair value of financial instruments and concentration of credit risk

The carrying value of cash, current investments and trade receivables approximates its fair value due to the short maturity of these instruments. Furthermore, the fair value of loans receivable, which has been estimated based on current interest rates offered to the Company at the end of each period or year, for

investments with the same remaining maturity, approximates its carrying value. As of September 30, 2007 and December 31, 2006 the fair value of loans payable estimated based on market prices or current interest rates at the end of the period or year amounted to 928 and 1,392, respectively.

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash, current investments, accounts receivable and other receivables. The Company invests cash excess primarily in high liquid investments in financial institutions both in Argentina and abroad with strong credit rating and providing credit to foreign related parties. 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 based on specific information of its clients. Credit risk on trade receivables is limited, as a result of the Company's large customer base.

Since counterparties to the Company's derivative transactions are major financial institutions with strong credit rating, exposure to credit losses in the event of nonperformance by such counterparties is minimal.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect reported assets, liabilities, revenues and expenses and disclosure of contingencies. Future results could differ from the estimations made by Management.

Earnings per share

Earnings per share have been calculated based on the 393,312,793 shares outstanding during the nine-month periods ended as of September 30, 2007 and 2006.

2. VALUATION CRITERIA

The principal valuation criteria used in the preparation of the financial statements are as follows:

a) Cash:

- Amounts in Argentine pesos have been stated at face value.
- Amounts in foreign currencies have been valued at the relevant exchange rates as of the end of each period or year, as applicable. Exchange differences have been credited (charged) to current income. Additional information on assets denominated in foreign currency is disclosed in Exhibit G.

b) Current investments, trade and other receivables and payables:

- Amounts in Argentine pesos have been stated at face value, which includes accrued interest through the end of each period or year, if applicable. Mutual funds have been valued at fair value as of the end of each period or year. When required by generally accepted accounting principles, discounted value does not differ significantly from their face value as of the end of each period or year.

- Amounts in foreign currency have been valued at face value at the relevant exchange rates in effect as of the end of each period or year, including accrued interest, if applicable. Exchange differences have been credited (charged) to current income. Mutual funds have been valued at fair valued at the relevant exchange rate in effect as of the end of each period or year. Investments in government securities have been valued at its fair value as of the end of each period or year. Additional information on assets and liabilities denominated in foreign currency is disclosed in

Exhibit G.

If applicable, allowances have been made to reduce receivables to their estimated realizable value.

c) Inventories:

- Refined products, products in process, crude oil and natural gas have been valued at replacement cost as of the end of each period or year.

- Raw materials and packaging materials have been valued at cost, which does not differ significantly from its replacement cost as of the end of each period or year.

Valuation of inventories does not exceed their estimated realizable value.

d) Other assets:

As of December 31, 2006, included oil and gas exploration and producing fields classified as to be disposed by sale, which had been valued at the lower of their carrying amount and fair value less cost to sell. In April, 2007, the Company decided to suspend the selling process of those assets and disclosed their book value again as fixed assets held for use.

e) Noncurrent investments:

These include the Company's investments in companies under control, joint control or significant influence and holdings in other companies. These investments are detailed in Exhibit C and have been valued using the equity method, except for holdings in other companies, which have been valued at its acquisition cost restated as detailed in Note 1.

Investments in Gasoducto del Pacífico (Argentina) S.A., Gasoducto del Pacífico (Cayman) Ltd., Oleoducto Trasandino (Argentina) S.A., A&C Pipeline Holding Company and Petróleos Trasandinos YPF S.A., where less than 20% direct or indirect interest is held, are accounted by the equity method since YPF exercises significant influence over these companies in making operation and financial decisions based on its representation on the Boards of Directors and/or the significant transactions between YPF and such companies.

If applicable, allowances have been made to reduce investments to their estimated recoverable value. The main factors for the recognized impairment were the devaluation of the Argentine peso, certain events of debt default and the de-dollarization and freezing of utility rates.

Foreign subsidiaries in which YPF participates have been defined as non-integrated companies as they collect cash and other monetary items, incur expenses and generate income. Corresponding assets and liabilities have been translated into Argentine pesos at the exchange rate prevailing as of the end of each period or year. Income statements have been translated using the relevant exchange rate at the date of each transaction. Exchange differences arising from the translation process have been included as a component of shareholder’s equity in the account “Deferred Earnings”, which will be maintained until the sale or complete or partial reimbursement of capital of the related investment occur.

Holdings in preferred shares have been valued as defined in the respective bylaws.

Investments in companies with negative shareholders’ equity were disclosed in the “Accounts payable” account in the balance sheet provided that the Company has the intention to provide the corresponding financial support.

If necessary, adjustments have been made to conform the accounting principles used by controlled, jointly controlled or under significant influence companies to those of the Company. Main adjustments are related to the application of the general accepted accounting principles in Argentina to foreign related companies’ financial statements.

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The investments in companies under control, joint control or significant influence, have been valued based upon the last 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.

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 taxable income that these companies carry upon distribution shall be subject to a 35% income tax withholding as a sole and final payment. YPF has not recorded any charge for this tax since it has estimated that dividends from earnings recorded by the equity method would not be subject to such tax.

f) Fixed assets:

Fixed assets have been valued at acquisition cost restated as detailed in Note 1, less related accumulated depreciation. Depreciation rates, representative of the useful life assigned, applicable to each class of asset, are disclosed in Exhibit A. For those assets whose construction requires an extended period of time, financial costs corresponding to third parties' financing have been capitalized during the assets' construction period.

Oil and gas producing activities

- The Company follows the "successful effort" method of accounting for its oil and gas exploration and production operations. Accordingly, exploratory costs, excluding the costs of exploratory wells, have been charged to expense as incurred. Costs of drilling exploratory wells, including stratigraphic test wells, have been capitalized pending determination as to whether the wells have found proved reserves that justify commercial development. If such reserves were 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 when drilling is completed. 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 enterprise is making sufficient progress assessing the reserves and the economic and operating viability of the project. If any of the mentioned conditions is not met, cost of drilling exploratory wells is charged to expense.

- 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 related to producing activities have been depreciated by field on the unit-of-production basis by applying the ratio of produced oil and gas to estimate recoverable proved and developed oil and gas reserves.

- The capitalized costs related to acquisitions of properties with proved reserves have been depreciated by field on the unit-of-production basis by applying the ratio of produced oil and gas to proved oil and gas reserves.

- Revisions of crude oil and natural gas proved reserves are considered prospectively in the calculation of depreciation. Revisions in estimates of reserves are performed at least once a year. During the nine-month period ended September 30, 2007, there have been no significant extensions, discoveries or revisions of previous estimates. Additionally, estimates of reserves are audited by independent petroleum engineers on a three-year rotation plan.

– Costs related to hydrocarbon wells abandonment obligations are capitalized 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 at the end of each fiscal year 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 the wells in operation and/or not abandoned and likewise the complexity with respect to different geographic areas where the wells are located, the current costs incurred in plugging are extrapolated to the wells pending abandonment. Current costs incurred are the best source of information at the end of each fiscal year in order to make the best estimate of asset retirement obligations.

Other fixed assets

– The Company's other fixed assets are depreciated using the straight-line method, with depreciation rates based on the estimated useful life of each class of property.

Maintenance and major repairs to the fixed assets have been charged to expense as incurred.

Renewals and betterments that materially extend the useful life and/or increase the productive capacity of properties are capitalized. As fixed assets are retired, the related cost and accumulated depreciation are eliminated from the balance sheet.

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 asset); (b) the expenditure prevents or limits environmental pollution at operating facilities; or (c) the expenditures are incurred to prepare assets for sale and do not raise the assets' carrying value above their estimated recoverable value.

The carrying value of the fixed asset of each business segment, as defined in Note 4 to the consolidated financial statements, does not exceed their estimated recoverable value.

g) 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 carryforwards and other tax credits, which may be used to offset future taxable income, at the current statutory rate of 35%.

In deferred income tax computations, the difference between the book value of fixed assets restated into constant Argentine pesos and their corresponding historical cost used for tax purposes is a temporary difference to be considered in deferred income tax computations. However, generally accepted accounting principles in Argentina allow the option to disclose the mentioned effect in a note to the financial statements. The Company adopted this latter criterion (Note 3.k).

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.

The Company expects that the amount to be determined as income tax for the current year will be higher than tax on minimum presumed income, consequently, the Company has not recorded any charge for this latter tax.

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 natural gas volumes commercialized. 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. Royalty expense is accounted for as a production cost.

Law No. 25,561 on Public Emergency and Exchange System Reform, issued in January 2002, established new 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” region. On July 25, 2006, Resolution No. 534/2006 of the Ministry of Economy and Production entered in force, raising the natural gas withholding rate from 20% to 45% and establishing the natural gas import price from Bolivia as the basis for its determination. YPF is negotiating with its export clients the effect of the above mentioned increase and the transfer of a significant part of these incremental costs to them. On November 16, the Ministry of Economy and Production published Resolution 394/2007, modifying the withholding regime on exports of crude oil and other crude oil derivative products. The new regime provides the reference prices and floor prices, which in conjunction with the West Texas Intermediate price (“WTI”), determine the export rate for each product. In case of crude oil, when the WTI exceeds the reference price, which is fixed at US$ 60.9 per barrel, the producer shall be allowed to collect the floor price of US$ 42 per barrel, depending on the quality of the crude oil sold, with the remainder being withheld by the Argentine government. If the WTI is under the reference price but over US$ 45 per barrel, a 45% withholding rate will apply. 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 for crude oil, also currently applies to diesel, gasoline products and other crude oil derivative products. In addition, the calculation procedure above mentioned also applies to other petroleum products and lubricants, considering different reference and floor prices.

Hydrocarbon export withholdings are charged to the “Net sales” account of the statement of income.

h) Allowances and reserves:

- Allowances: amounts have been provided in order to reduce the valuation of trade receivables, other receivables, noncurrent investments and fixed assets based on analysis of doubtful accounts and on the estimated recoverable value of these assets.

- Reserves for losses: amounts have been provided for various contingencies which are probable and can be reasonably estimated, based on Management's expectations and in consultation with legal counsels. Reserves for losses are required to be accounted for at the discounted value as of the end of each period or year by Argentine GAAP, however, as their face value does not differ significantly from discounted values, they are recorded at face value.

The activity in the allowances and reserves accounts is set forth in Exhibit E.

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i) Environmental liabilities:

Environmental liabilities are recorded when environmental assessments and/or remediation are probable and can be reasonably estimated. Such estimates are based on either detailed feasibility studies of remediation approach and cost for individual sites or on the Company's estimate of costs to be incurred based on historical experience and available information based on the stage of assessment and/or remediation of each site. As additional information becomes available regarding each site or as environmental standards change, the Company revises its estimate of costs to be incurred in environmental assessment and/or remediation matters.

j) Derivative instruments:

Although YPF does not use derivative instruments to hedge the effects of fluctuations in market prices, as of September 30, 2007, the Company maintains a price swap agreement that hedges the fair value of the crude oil future committed deliveries under the forward crude oil sale agreement mentioned in Note 9.c (“hedged item”). Under this price swap agreement the Company will receive variable selling prices, which will depend upon market prices, and will pay fixed prices. As of September 30, 2007, approximately 1.6 million of barrels of crude oil are hedged under this agreement.

This fair value hedge is carried at fair value and is disclosed in the “Net advances from crude oil purchasers” account in the balance sheet. Changes in fair value are recognized in earnings together with the offsetting loss or gain from changes in the fair value of the hedged item caused by the risk being hedged. As hedge relationship is effective, changes in the fair value of this derivative instrument and of the hedged item do not have effect on net income.

k) Shareholders' equity accounts:

These accounts have been stated in Argentine pesos as detailed in Note 1, except for “Subscribed Capital” account, which is stated at its historical value. The adjustment required to state this account in constant Argentine pesos is disclosed in the “Adjustment to Contributions” account.

The account “Deferred Earnings” includes exchange differences generated by the translation into pesos of investments in foreign companies.

l) Statements of income accounts:

The amounts included in the income statement accounts have been recorded by applying the following criteria:

– Accounts which accumulate monetary transactions at their face value.

– Cost of sales has been calculated by computing units sold in each month at the replacement cost of that month.

– Depreciation of nonmonetary assets, valued at acquisition cost, has been recorded based on the restated cost of such assets as detailed in Note 1.

– Holding gains (losses) on inventories valued at replacement cost have been included in the “Holding gains on inventories” account.

– Income (Loss) on long-term investments in which control, joint control or significant influence is held, has been calculated on the basis of the income (loss) of those companies and was included in the “Income on long-term investments” account.

3. ANALYSIS OF THE MAIN ACCOUNTS OF THE FINANCIAL STATEMENTS

Details regarding significant accounts included in the accompanying financial statements are as follows:

Balance Sheets Accounts as of September 30, 2007 and December 31, 2006

a) Investments:

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Short-term investments and government securities	59(1)(2)	-	552(1)	-
Long-term investments (Exhibit C)	-	2,638	-	2,659
Allowance for reduction in value of holdings in long-term investments (Exhibit E)	-	(25)	-	(25)
	59	2,613	552	2,634

(1) Includes 54 and 550 as of September 30, 2007 and December 31, 2006, respectively, with an original maturity of less than three months.

(2) Accrues interest at annual fixed rates between 2.73 % and 5.34 %.

b) Trade receivables:

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Accounts receivable	2,610	36	2,061	44
Related parties (Note 7)	591	-	496	-
	3,201(1)	36	2,557	44
Allowance for doubtful trade receivables (Exhibit E)	(463)	-	(419)	-
	2,738	36	2,138	44

(1) Includes 306 in litigation, 12 of less than three months past due, 187 in excess of three months past due, 2,671 due within three months and 25 due after three months.

c) Other receivables:

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Deferred income tax (Note 3.k)	-	483	-	500
Tax credits and export rebates	759	15	588	16
Trade	96	-	70	-
Prepaid expenses	129	56	76	64
Concessions charges	17	77	17	88
Related parties (Note 7)	3,224(3)	-	4,199	-
Loans to clients	11	91	12	69
Advances to suppliers	98	-	62	-
From joint ventures and other agreements	90	-	46	-
Miscellaneous	411	97	162	140
	4,835(1)	819(2)	5,232	877
Allowance for other doubtful accounts (Exhibit E)	(109)	-	(116)	-
Allowance for valuation of other receivables to their estimated realizable value (Exhibit E)	-	(50)	-	(51)
	4,726	769	5,116	826

(1) Includes 60 of less than three months past due, 189 in excess of three months past due and 4,586 due as follows: 3,905 from one to three months, 495 from three to six months, 45 from six to nine months and 141 from nine to twelve months.

(2) Includes 720 due from one to two years, 4 due from two to three years and 95 due after three years.

(3) Includes 1,232 with Repsol International Finance B.V. that accrues variable interest at LIBOR plus 0.2%, 1,107 with Repsol YPF Brasil S.A., which accrues variable interest at LIBOR plus 1.5% and 854 with YPF Holdings Inc. that accrues variable interest at LIBOR plus 0.4%.

d) Inventories:	2007	2006
Refined products	1,466	946
Crude oil and natural gas	611	430
Products in process	33	47
Raw materials and packaging materials	162	99
	2,272	1,522

e) Fixed assets:	2007	2006
Net book value of fixed assets (Exhibit A)	22,657	20,942
Allowance for unproductive exploratory drilling (Exhibit E)	(3)	(3)
Allowance for obsolescence of materials and equipment (Exhibit E)	(46)	(46)
	22,608	20,893

f) Accounts payable:	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Trade	2,590	16	2,425	17
Hydrocarbon wells abandonment obligations	-	2,595	233(3)	2,198
Related parties (Note 7)	275	-	247	-
Investment in controlled company – YPF Holdings Inc.	844	-	705	-
From joint ventures and other agreements	331	-	256	-
Environmental liabilities (Note 9.b)	93	164	93	164
Miscellaneous	3	54	9	46
	4,136(1)	2,829(2)	3,968	2,425

(1) Includes 4,071 due within three months, 19 due from three to six months and 46 due after six months.
(2) Includes 681 due from one to two years and 2,148 due after two years.
(3) Corresponds to the hydrocarbon wells abandonment obligations associated with other current assets (Note 2.d).

g) Loans:			2007		2006	
	Interest Rates(1)	Principal Maturity	Current	Noncurrent	Current	Noncurrent
Negotiable Obligations(2)	9.13–10.00%	2009 - 2028	11	523	559	509
Other bank loans and other creditors	1.25–6.00%	2007 - 2008	344	-	254	1
			355	523	813	510

(1) Annual fixed interest rates as of September 30, 2007.
(2) Disclosed net of 500 and 873, corresponding to YPF outstanding negotiable obligations repurchased through open market transactions as of September 30, 2007 and December 31, 2006, respectively.

The maturities of the Company's current and noncurrent loans, as of September 30, 2007, are as follows:

	From 1 to 3 months	From 3 to 6 months	From 6 to 9 months	Total
Current loans	162	138	55	355

	From 1 to 2 years	Over 5 years	Total
Noncurrent loans	318	205	523

Details regarding the Negotiable Obligations of the Company are as follows:

M.T.N. Program	Issuance (in millions)		Fixed Interest Rates	Principal Maturity	Book Value			
					2007		2006	
	Year	Principal Value			Current	Noncurrent	Current	Noncurrent
US$1,000	1997	US$ 300	-	-	-	-	546	-
US$1,000	1998	US$ 100	10.00%	2028	8	205	3	199
US$1,000	1999	US$ 225	9.13%	2009	3	318	10	310
					11	523	559	509

In connection with the issuance of the Negotiable Obligations, the Company has agreed for itself and its controlled companies to certain covenants, including among others, to pay all liabilities at their maturity and not to create other encumbrances that exceed 15% of total consolidated assets. If the Company does not comply with any covenant, the trustee or the holders of not less than 25% in aggregate principal amount of each outstanding Negotiable Obligations may declare the principal and accrued interest immediately due and payable.

Financial debt contains customary covenants for contracts of this nature, including negative pledge, material adverse change and cross-default clauses. Almost all of YPF's total outstanding debt is subject to cross-default provisions, which may be triggered if an event of default occurs with respect to the payment of principal or interest on indebtedness equal to or exceeding US$ 20 million.

The Shareholder's Meeting held on January 8, 2008, approved a Notes Program for an amount up to US$ 1,000 million. The proceeds of these offerings shall be used exclusively to invest in fixed assets and in working capital in Argentina.

h) Net advances from crude oil purchasers:	2007	2006	
	Current	Current	Noncurrent
Advances from crude oil purchasers	322	412	152
Derivative instrument - Crude oil price swap	(290)	(316)	(145)
	32	96	7

Statements of Income Accounts as of September 30, 2007 and 2006

	Income (Expense)	
i) Net sales:	2007	2006
Sales	20,291	18,596
Turnover tax	(373)	(323)
Hydrocarbon export withholdings	(470)	(503)
	19,448	17,770
j) Other (expense) income, net:		
Reserve for pending lawsuits and other claims	(140)	(39)
Miscellaneous	64	82
	(76)	43
k) Income tax:		
Current income tax	(1,613)	(2,054)
Deferred income tax	(17)	23
	(1,630)	(2,031)

The reconciliation of pre-tax income at the statutory tax rate, to the income tax as disclosed in the income statements for the nine-month periods ended September 30, 2007 and 2006 is as follows:

	2007	2006
Net income before income tax	4,610	5,766
Statutory tax rate	35%	35%
Statutory tax rate applied to net income before income tax	(1,614)	(2,018)
Effect of the restatement into constant Argentine pesos	(200)	(260)
Income on long-term investments	96	107
Tax free income – Law No. 19,640 (Tierra del Fuego)	64	42
Non-taxable foreign source income	33	24
Miscellaneous	(9)	74
	(1,630)	(2,031)

The breakdown of the net deferred tax asset as of September 30, 2007 and December 31, 2006, is as follows:

	2007	2006
Deferred tax assets		
Non deductible allowances and reserves	741	707
Tax return credit	42	42
Miscellaneous	8	5
Total deferred tax assets	791	754
Deferred tax liabilities		
Fixed assets	(294)	(238)
Miscellaneous	(14)	(16)
Total deferred tax liabilities	(308)	(254)
Net deferred tax asset	483	500

As explained in Note 2.g, the difference between the book value of fixed assets restated into constant Argentine pesos and their corresponding historical cost used for tax purposes, at the current tax rate, is a deferred tax liability of 1,403 and 1,603 as of September 30, 2007 and December 31, 2006, respectively. Had this deferred tax liability been recorded, the amount charged to income for the nine-month period ended September 30, 2007 would have been 200. The Company estimates that the difference will be reversed as follows:

	2007	2008 - 2009	2010 Thereafter	Total
Deferred income tax	85	476	842	1,403

4. CAPITAL STOCK

The Company's subscribed capital, as of September 30, 2007, 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, 2007, Repsol YPF, S.A. ("Repsol YPF") controls the Company, directly and indirectly, through a 99.04% shareholding. Repsol YPF's legal address is Paseo de la Castellana 278, 28046 Madrid, Spain. On February 21, 2008, Repsol YPF entered into a share purchase agreement with Petersen Energía S.A. ("PESA") pursuant to which Repsol YPF sold to PESA shares of YPF representing 14.9% of YPF's capital stock for US$2,235 million (the "Transaction"). The Transaction is subject to the approval of certain Argentine regulatory agencies. Simultaneously with the execution of such share purchase agreement, Repsol YPF granted certain affiliates of PESA an option to purchase from Repsol YPF up to an additional 10.1% of YPF's outstanding capital stock within four years after the consummation of the Transaction. Additionally, Repsol YPF and PESA have agreed in the shareholders' agreement entered into by them in connection with the Transaction, among other things, to effect the adoption of a dividend policy under which YPF would distribute 90% of the annual profits as dividends. They have also agreed to vote for the payment of a special dividend of US$850 million, half of which shall be paid in 2008 and half of which shall be paid in 2009.

Repsol YPF's principal business is the exploration, development and production of crude oil and natural gas, transportation of petroleum products, liquefied petroleum gas and natural gas, petroleum refining, production of a wide range of petrochemicals and marketing of petroleum products, petroleum derivatives, petrochemicals, liquefied petroleum gas and natural gas.

As of September 30, 2007, the Argentine Government holds 1,000 Class A shares. So long as any Class A share remains outstanding, the affirmative vote of such shares is required for: 1) mergers, 2) acquisitions of more than 50% of the Company's shares in an agreed or hostile bid, 3) transfers of all the Company'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.

5. RESTRICTED ASSETS AND GUARANTEES GIVEN

As of September 30, 2007, YPF has signed guarantees in relation to the financing activities of Pluspetrol Energy S.A., Central Dock Sud S.A. and Inversora Dock Sud S.A. in an amount of approximately US$ 24 million, US$ 91 million and 5, respectively. The corresponding loans have final maturity in 2011, 2013 and 2009, respectively.

6. PARTICIPATION IN JOINT VENTURES AND OTHER AGREEMENTS

As of September 30, 2007, the exploration and production joint ventures and the main other agreements in which the Company participates are the following:

Name and Location	Ownership Interest	Operator	Activity
Acambuco Salta	22.50%	Pan American Energy LLC	Exploration and production
Aguada Pichana Neuquén	27.27%	Total Austral S.A.	Exploration and production
Aguaragüe Salta	30.00%	Tecpetrol S.A.	Exploration and production
Bandurria Neuquén	27.27%	YPF S.A.	Exploration
CAM-2/A SUR Tierra del Fuego	50.00%	Sipetrol S.A.	Exploration and production
CAM-3 National Continental Shelf	50.00%	Sipetrol S.A.	Exploration
Campamento Central / Cañadón Perdido Chubut	50.00%	YPF S.A.	Exploration and production
CCA-1 GAN GAN Chubut	50.00%	Wintershall Energía S.A.	Exploration
CGSJ - V/A Chubut	50.00%	Wintershall Energía S.A.	Exploration
El Tordillo Chubut	12.20%	Tecpetrol S.A.	Exploration and production
La Tapera y Puesto Quiroga Chubut	12.20%	Tecpetrol S.A.	Exploration and production
Llancanelo Mendoza	51.00%	YPF S.A.	Exploration and production
Magallanes Santa Cruz, Tierra del Fuego and National Continental Shelf	50.00%	Sipetrol S.A.	Exploration and production
Palmar Largo Formosa	30.00%	Pluspetrol S.A.	Exploration and production
Puesto Hernández Neuquén and Mendoza	61.55%	Petrobras Energía S.A.	Exploration and production
Ramos Salta	15.00%(1)	Pluspetrol Energy S.A.	Production
San Roque Neuquén	34.11%	Total Austral S.A.	Exploration and production
Tierra del Fuego Tierra del Fuego	30.00%	Petrolera L.F. Company S.R.L.	Production
Yacimiento La Ventana – Río Tunuyán Mendoza	60.00%	YPF S.A.	Exploration and production
Zampal Oeste Mendoza	70.00%	YPF S.A.	Exploration and production

(1) Additionally, YPF has a 27% indirect ownership interest through Pluspetrol Energy S.A.

As of September 30, 2007, the Company has been awarded the bids on its own or with other partners and received exploration permits in several areas.

The assets and liabilities as of September 30, 2007 and December 31, 2006 and production costs of the joint ventures and other agreements for the nine-month periods ended September 30, 2007 and 2006 included in the financial statements are as follows:

	2007	2006
Current assets	199	537
Noncurrent assets	2,917	2,199
Total assets	3,116	2,736
Current liabilities	416	404
Noncurrent liabilities	414	343
Total liabilities	830	747
Production costs	1,034	822

Participation in joint ventures and other agreements have been calculated based upon the last available financial statements as of the end of each period or year, taking into account significant subsequent events and transactions as well as available management information.

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The principal outstanding balances as of September 30, 2007 and December 31, 2006 from transactions with controlled companies, jointly controlled companies, companies under significant influence, the parent company and other related parties under common control are as follows:

		2007			2006	
	Trade receivables Current	Other receivables Current	Accounts payable Current	Trade receivables Current	Other receivables Current	Accounts payable Current
Controlled companies:						
Operadora de Estaciones de Servicios S.A.	22	11	13	18	8	17
A - Evangelista S.A.	-	-	72	-	-	42
YPF Holdings Inc.	-	854	2	-	577	6
Argentina Private Development Company Limited	-	-	-	-	-	44
	22	865	87	18	585	109
Jointly controlled companies:						
Profertil S.A.	11	-	23	10	-	4
Compañía Mega S.A. ("Mega")	231	1	-	170	1	-
Refinería del Norte S.A. (“Refinor”)	75	-	27	94	18	13
	317	1	50	274	19	17
Companies under significant influence:	28	4	30	43	-	33
Parent company and other related parties under common control:						
Repsol YPF	-	6	27	-	979	22
Repsol YPF Transporte y Trading S.A.	96	-	47	72	-	34
Repsol YPF Gas S.A.	45	2	1	34	5	2
Repsol YPF Brasil S.A.	29	1,107	-	12	1,305	-
Repsol International Finance B.V.	-	1,232	-	-	1,302	-

Others	54	7	33	43	4	30
	224	2,354	108	161	3,595	88
	591	3,224	275	496	4,199	247

The Company maintains purchase, sale and financing transactions with related parties. The prices and rates of these transactions approximate the amounts charged to unrelated third parties. The principal purchase, sale and financing transactions with these companies for the nine-month periods ended September 30, 2007 and 2006 include the following:

	2007				2006			
	Sales	Purchases and services	Loans (granted) collected	Interest gains (losses)	Sales	Purchases and services	Loans (granted) collected	Interest gains (losses)
Controlled companies:								
Operadora de Estaciones de Servicios S.A.	18	131	-	-	17	112	-	-
A - Evangelista S.A.	4	262	-	-	3	201	-	-
YPF Holdings Inc.	-	-	(244)	26	-	-	(403)	14
	22	393	(244)	26	20	313	(403)	14
Jointly controlled companies:								
Profertil S.A.	53	57	-	-	46	71	-	-
Mega	724	-	-	-	792	1	-	-
Refinor	278	97	-	-	289	127	-	-
	1,055	154	-	-	1,127	199	-	-
Companies under significant influence:	73	112	-	-	122	158	-	-
Parent company and other related parties under common control:								
Repsol YPF	-	5	926	15	-	5	350	50
Repsol YPF Transporte y Trading S.A.	939	631	-	-	713	563	-	-
Repsol YPF Brasil S.A.	93	-	225	69	69	-	(996)	46
Repsol YPF Gas S.A.	183	4	-	-	166	3	-	-
Repsol International Finance B.V.	-	-	142	74	-	-	489	33
Repsol YPF E&P de Bolivia S.A.	-	-	-	-	-	424	-	-
Others	104	3	-	-	96	6	-	-
	1,319	643	1,293	158	1,044	1,001	(157)	129
	2,469	1,302	1,049	184	2,313	1,671	(560)	143

8. SOCIAL AND OTHER EMPLOYEE BENEFITS

a) 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 will be paid in cash.

The amount charged to expense related to the Performance Bonus Programs was 30 and 33 for the nine-month periods ended September 30, 2007 and 2006, respectively.

b) Retirement Plan:

Effective March 1, 1995, the Company 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 the Company will pay an amount equal to that contributed by each member.

The plan members will receive the Company's contributed funds before retirement only in the case of voluntary termination under certain circumstances or dismissal without cause and additionally in the case of death or incapacity. YPF has the right to discontinue this plan at any time, without incurring termination costs.

The total charges recognized under the Retirement Plan amounted to approximately 7 and 6 for the nine-month periods ended September 30, 2007 and 2006, respectively.

9. COMMITMENTS AND CONTINGENCIES

a) Pending lawsuits and contingencies:

As of September 30, 2007, the Company has recorded the pending lawsuits, claims and contingencies which are probable and can be reasonably estimated. The most significant pending lawsuits and contingencies reserved are described in the following paragraphs.

- Pending lawsuits: In the normal course of its business, the Company has been demanded in numerous labor, civil and commercial actions and lawsuits. Management, in consultation with the external counsels, has reserved an allowance considering its best estimation, based on the information available as of the date of the issuance of these financial statements, including counsel fees and judicial expenses.

- Liquefied petroleum gas market: On March 22, 1999, YPF was notified of Resolution No. 189/1999 from the former Department of Industry, Commerce and Mining of Argentina, which imposed a fine on the Company of 109, stated in Argentine pesos as of that date, based on the interpretation that YPF had purportly abused of its dominant position in the bulk liquefied petroleum gas (“LPG”) market due to the existence of different prices between the exports of LPG and the sales to the domestic market from 1993 through 1997. In July 2002, the Argentine Supreme Court confirmed the fine and YPF carried out the claimed payment.

Additionally, Resolution No. 189/1999 provided the beginning of an investigation in order to prove whether the penalized behavior continued from October 1997 to March 1999. On December 19, 2003, the National Antitrust Protection Board (the “Antitrust Board”) imputed the behavior of abuse of dominant position during the previously mentioned period to the Company. On January 20, 2004, the Company answered the notification: (i) opposing the preliminary defense claiming the application of the statutes of limitation and alleging the existence of defects in the imputation procedure (absence of majority in the resolution that decided the imputation and pre-judgment by its signers); (ii) arguing the absence of abuse of dominant position; and (iii) offering the corresponding evidence.

The request of invalidity by defects in the imputation procedure mentioned above was rejected by the Antitrust Board. This resolution of the Antitrust Board was confirmed by the Economic Penal Appellate Court, and it was confirmed, on September 27, 2005, pursuant to the Argentine Supreme Court's rejection of the complaint made by YPF due to the extraordinary appeal denial.

Additionally, on August 31, 2004, YPF filed an appeal with the Antitrust Board in relation to the resolution that denied the claim of statutes of limitation. The Antitrust Board conceded the appeal and remitted proceedings for its resolution by the Appeal Court. However, in March 2006, YPF was notified that the proceedings were opened for the production of evidence. During August and September 2007, testimonial hearings given by YPF’s witnesses were celebrated.

Despite the solid arguments expressed by YPF, the mentioned circumstances make evident that, preliminarily, the Antitrust Board denies the defenses filed by the Company and that it is reluctant to modify the doctrine provided by the Resolution No. 189/1999 and, furthermore, the Court of Appeals decisions tend to confirm the decisions made by the Antitrust Board.

- Tax claims: On January 31, 2003, the Company received a claim from the Federal Administration of Public Revenue ("AFIP"), stating that the sales corresponding to forward oil sale agreements entered into by the Company, should have been subject to an income tax withholding. On March 8, 2004, the AFIP formally communicated to YPF the claim for approximately 45 plus interests and fines. Additionally, on June 24, 2004, YPF received a new formal claim from the AFIP, considering that the services related to these contracts should have been taxed with the value added tax. Consequently, during 2004, YPF presented its defense to the AFIP rejecting the claims and arguing its position. However, on December 28, 2004, the Company was formally communicated of a resolution from the AFIP confirming its original position in both claims for the period 1997 to 2001. The Company has appealed such resolution in the National Fiscal Court. YPF conditionally paid the amounts corresponding to periods that followed those included in the claim by the AFIP (2002 and subsequent periods) and filed reimbursement summary proceedings so as to avoid facing interest payment or a fine.

In addition, the Company has received several claims from the AFIP and from the provincial and municipal fiscal authorities, which are not individually significant.

- Liabilities and contingencies assumed by the Argentine Government: 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:

Export sales: 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 export 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 domestic 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. Pursuant to Resolution No. 1,886/2006 of the Secretariat of Energy the program was extended until December 31, 2016. As a result of the Program and the mentioned resolutions, in several occasions since 2004, YPF has been forced to reduce, either totally or partially, its natural gas deliveries to some of its export clients, with whom YPF has undertaken long-term firm commitments to deliver natural gas.

The Company has challenged the Program, the Permanent Additional Injection and the Additional Injection Requirements, as arbitrary and illegitimate, and has invoked vis-à-vis the relevant clients that such measures of the Argentine Government constitute a force majeure event (act of authority) that releases the Company from any liability and/or penalty for the failure to deliver the contractual volumes. A large number of clients have rejected the force majeure argument invoked by the Company, demanding the payment of indemnifications and/or penalties for the failure to comply with firm supply commitments, and/or reserving their rights to future claims in such respect.

Electroandina S.A. and Empresa Eléctrica del Norte Grande S.A. ("Edelnor") have rejected the force majeure argument invoked by the Company and have invoiced the penalty stipulated under the "deliver of pay" clause of the contract as of November, 2006, for a total amount of US$ 41 million and, from December 2006 through September 2007, for an additional total amount of US$ 52. The invoices have been rejected by the Company. Furthermore the above-mentioned companies have notified the formal start-up period of negotiations previous to any arbitration demand. In addition, YPF has been notified of an arbitration demand from Innergy Soluciones Energéticas ("Innergy").

The Company has answered the arbitration complaint, and has filed a counterclaim based on the hardship provisions ("teoría de la imprevisión") of the Argentine Civil Code. The Arbitral Court has already been nominated and has issued a court order with respect to the proceedings and terms of the arbitration, and the parties have exchanged documentation requirements. Innergy has presented its appellate brief with the documental evidence and witnesses' declaration. In due time, YPF will also have to present its appellate brief. The damages claimed by Innergy amount to US$ 88 million plus interests, according to the invoice presented in the Innergy's appellate brief, on September 17, 2007. Such amount might be increased if Innergy incorporates to the demand the invoices for penalties received for the subsequent periods to the above-mentioned date.

Additionally, in January, 2005, YPF was notified of a request made by Empresa Nacional de Electricidad ("ENDESA") for an arbitration to resolve a dispute relating to an alleged breach of a contractual clause in an export contract signed in June, 2000. The clause was related to the increase of natural gas deliveries and ENDESA has requested payment and damages. The parties arrived to an agreement which amends the export contract ("the Amendment") which was approved on August 31, 2007 by the Secretariat of Energy. As a result of the Amendment, the parties finished the arbitration and that decision was communicated to the Arbitral Court. Besides, YPF will have to pay US$ 8 million to ENDESA for the termination of the arbitration and ENDESA will have to resign to claim about the past. Finally, the Amendment adjusted the maximum half-yearly compensations that YPF would have to pay in connection with deficiencies in the natural gas deliveries.

Domestic sales: Central Puerto S.A. has claimed YPF for cutbacks in natural gas supply pursuant to their respective contracts. The Company has formally denied such breach, based on the fact that, pending the restructuring of such contracts, is not obliged to confirm nominations of natural gas to those clients during certain periods of the year. On March 15, 2007, Central Puerto S.A. notified YPF of the beginning of pre-arbitral negotiations in relation to the agreements for the supply of its plants located in Buenos Aires and Loma La Lata, Province of Neuquén. On May 29, 2007, the parties arrived to a termination agreement in order to solve their disputes related to the Loma La Lata natural gas supply contract. Additionally, on June 6, 2007, Central Puerto S.A. notified its decision to submit to arbitration under the rules of the International Chamber of Commerce the controversy related to natural gas supply to its combined-cycle plant located in the city of Buenos Aires. Central Puerto S.A. nominated its arbiter and notified YPF the commencement of an arbitration proceeding in that Chamber. On June 21, 2007, YPF nominated its arbiter and notified its decision to submit the

controversy related to certain amounts claimed to Central Puerto S.A., also related to the natural gas supply to its combined-cycle located in the city of Buenos Aires to an arbitration proceeding. On July 23, 2007, YPF received the arbitration demand which was answered on September 24, 2007, rejecting the claims of Central Puerto S.A. Besides, the Company has filed a counterclaim requesting, among other things, the termination of the contract or, in absence of this, the revision based on the hardship provision and the "both-parties-effort". On December 3, 2007, Central Puerto S.A. submitted a presentation requesting that the tribunal rejects all of YPF's claims.

As of September 30, 2007, the Company has reserved 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 environmental claims: There are certain claims that require a compensation for 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, the Company submitted a presentation before the Environmental Ministry of the Province of Buenos Aires which put forward for consideration the performance of a study for the characterization of environmental associated risks. As mentioned previously, YPF has the right of indemnity for events and claims previous to January 1, 1991, according to Law No. 22,145 and Decree No. 546/1993. Besides, there associated risks. As mentioned previously, YPF has the right of indemnity for events and claims previous to January 1, 1991, according to Law No. 22,145 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 and claims for the compensation to the neighbours of La Plata Refinery.

- EDF International S.A. ("EDF"): EDF has initiated an international arbitration proceeding under the Arbitration Regulations of the International Chamber of Commerce against Endesa Internacional S.A. and YPF. EDF claimed from YPF the payment of US$ 69 million, which were subsequently increased to US$ 103 million plus interests without existing real arguments, in connection with the sale of Electricidad Argentina S.A., parent company of Edenor S.A. EDF claims an adjustment in the purchase price it paid arguing that under the stock purchase agreement, the price it paid would be reviewed if changes in the exchange rate of Argentine peso occurred prior to December 31, 2001. EDF considers that this had happened. On October 22, 2007, the Arbitral Court issued an arbitral final award in which EDF's claim and the defendants' counterclaim are partially accepted. Consequently, the arbitral final award imposed on YPF the payment of US$ 28.9 million plus interests. The Company and EDF are both currently challenging the arbitral decision.

Additionally, YPF's Management, in consultation with its external counsels, believes that the following contingencies and claims, individually significant, have possible outcome:

- Availability of foreign currency deriving from exports: Decree Nº 1,589/1989 of the Federal Executive provides that, producers enjoying free availability of crude oil, natural gas and/or liquefied gas under Law No. 17,319 and its supplemented Decrees and producers that may agree so in the future will have free availability of the percentage of foreign currency coming from the exports of crude oil, petroleum derivatives, natural gas and/or liquefied gas of free availability established in biddings and/or renegotiations, or agreed-upon in the respective contracts. In no cases will the maximum freely available percentage be allowed to exceed 70% of each transaction.

During year 2002, several government organizations considered that free availability of foreign currency provided by Decree No. 1,589/1989 was implicitly abolished by Decree No. 1,606/2001.

On December 31, 2002, Decree No. 2,703/2002 was enforced, ratifying such date the 70% limit as the maximum freely available percentage of foreign currency deriving from the exports of crude oil and petroleum derivatives, without providing a conclusion in regards to the exports performed during the year 2002, after the issuance of Decree No. 1,606/2001.

The Central Bank has indicted YPF on charges allegedly related to certain exports performed during 2002, once the executive order 1,606/2001 was no longer in force and before the executive order 2,703/2002 came into effect. Therefore, YPF will file an answer to the charges and will offer evidence in this regard. In case YPF is indicted on charges involving other exports during the said period, YPF has the right to challenge the decision as well as to request the issuance of precautionary measures.

There is a recently confirmed sentence, connected with proceeding to another hydrocarbon exporter, where the claim was the same and the company and its directors were acquitted of all charges because it was considered that the company was exempt from the liquidation and negotiation of the 70% of the foreign currency deriving from the hydrocarbon exports.

- Asociación Superficiarios de la Patagonia (“ASSUPA”): In August 2003, ASSUPA sued 18 companies operating exploitation concessions and exploration permits in the Neuquina 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 National 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 Supreme Court of Justice of Argentina. YPF has answered the demand and has required the summon of the National Government, due to it’s obligation to indemnify YPF for events and claims previous to January 1, 1991, according to Law No. 22,145 and Decree No. 546/1993.

- 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 National Government, the Province of Buenos Aires, the City of Buenos Aires and 14 municipalities, before the Supreme Court of Justice of Argentina, 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 has not been notified 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. YPF has the right of indemnity by the Argentine Government for events and claims previous to January 1, 1991, according to Law No. 22,145 and Decree No. 546/1993.

- Quilmes environmental claims: Citizens which allege that are residents living near Quilmes, province of Buenos Aires, have filed a lawsuit in which they have requested remediation of environmental damages and also the payment of US$ 14.5 million as a compensation for supposedly personal damages. They base their claim mainly on a fuel leak in an own operated poliduct running from La Plata to Dock Sud, currently operated by YPF, which occurred in 1988 as a result of an illicit detected by then, being YPF at that moment a state-owned company. Fuel would have emerged and became perceptible on November 2002, which resulted in remediations which are being performed by us in the affected area, supervised by the environmental authority of the province of Buenos Aires. YPF has requested suspension of the term to answer the lawsuit, until we obtain the document filed by the plaintiffs. We have also notified the Argentine government that it will receive a citation, due to its obligation to indemnify us against any liability and hold us harmless according to Law No. 24,145, prior to asking this citation before the court, when we file the answer to the complaint. In this case, we believe that the Argentine government will contest this citation by sustaining that the problem was not caused by the 1988 leakage.

- National Antitrust Protection Board: On November 17, 2003, Antitrust Board requested explanations, within the framework of an official investigation pursuant to Art. 29 of the Antitrust Act, from a group of almost thirty natural

gas production companies, among them YPF, 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) old 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, YPF submitted explanations in accordance with Art. 29 of the Antitrust Act, 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 preliminary opening of the proceedings be undertaken pursuant to the provisions of Section 30 of Act 25,156. On January 15, 2007, Antitrust Board charged YPF and eight other producers with violations of Act 25,156. YPF has contested the complaint on the basis that no violation of the Act 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 Act, a commitment consistent with Article 36 of the Antitrust Act, requiring to the Antitrust Board to approve the commitment, to suspend the investigation and to file the proceedings.

The Antitrust Board has started proceedings to investigate YPF for including a clause in bulk LPG (Liquid Petroleum Gas) supply contracts that it believes prevents the buyer from reselling the product to a third party and therefore restricts competition in a manner detrimental to the general economic interest. YPF has asserted that the contracts do not contain a prohibition against resale to third parties and has offered evidence in support of its position. On April 12, 2007, YPF presented to the Antitrust Board, without acknowledging any conduct in violation of the Antitrust Act, a commitment consistent with Article 36 of the Antitrust Act, in which it commits, among other things, to refrain from including a clause with the destiny of the product in future bulk LPG supply contracts.

- Other environmental claims in La Plata: On June 6, 2007, YPF was served with a new complaint in which 9 residents of the vicinity of Refinería La Plata request i) the cease of contamination and other harms they claim are attributable to the refinery; ii) the clean-up of the adjacent channels, Río Santiago and Río de la Plata (soil, water and acquiferous) or, if clean-up is impossible, indemnification for environmental and personal damages. The plaintiff has quantified damages as 51, or an amount to be determined from evidence produced during the proceeding. YPF believes that most damages that are alleged by the plaintiff, might be attributable to events that occurred prior to YPF's privatization and would therefore be covered to that extent by the indemnity granted by the Argentine Government in accordance with the Privatization Law of YPF. Notwithstanding the foresaid, the possibility of YPF being asked to afford these liabilities is not discarded, in which case the Argentine State must be asked to reimburse the remediation expenses for liabilities existing prior to January 1, 1991. In addition, the claim partially overlaps with the request made by a group of neighbours of the La Plata Refinery on June 29, 1999, mentioned in ”La Plata environmental claims”. Accordingly, YPF considers that the cases should be partially consolidated to the extent that the claims overlap. Regarding claims not consolidated, for the time being information and documents in order to answer the claim are being collected, and it is not possible to reasonably estimate the outcome, as long as, if applicable, estimate the corresponding legal fees and expenses that might result. The contamination that may exist could derive from countless sources, including from disposal of waste over many years by other industrial facilities and ships.

Additionally, YPF is aware of an action in which it has not yet been served, in which the plaintiff requests the clean-up of the channels adjacent to the La Plata Refinery, in Río Santiago, and other sectors near the coast line, and, if such remediation is not possible, an indemnification of 500 (approximately US$ 161 million) or an amount to be determined from evidence produced in discovery. The claim partially overlaps with the requests made by a group of neighbours of the La Plata Refinery on June 29, 1999, previously mentioned in ”La Plata environmental claims”, and with the complaint served on June 6, 2007, mentioned in the previous paragraph. 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 that would be alleged by the plaintiff, if proven, may 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.

- Other claims into natural gas market: Compañía Mega has claimed YPF for cutbacks in natural gas supply pursuant to their respective sales contract. YPF affirmed that the deliveries of natural gas to Mega were affected by the interference of the Government. Besides, YPF wouldn't have any responsibility based on the events of force majeure, fortuitous case and frustration of the contractual purpose. Despite the Company has material arguments of defense, taking into account the characteristics of the claims, they have been considered as possible contingences.

- Additionally, the Company has received labor, civil and commercial claims and several claims from the AFIP and from provincial and municipal fiscal authorities, which have not been reserved since Management, based on the evidence available to date and upon the opinion of its external counsels, has considered them to be possible contingencies.

b) Environmental liabilities:

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. 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 solutions 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 prior 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.

In addition to the hydrocarbon wells abandonment legal obligations for 2,595 as of September 30, 2007, the Company has reserved 257 corresponding to environmental remediations, which evaluations and/or remediation works are probable, significant and can also be reasonably estimated, based on the Company's existing remediation program. Future legislative and technological changes 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.

Additionally, certain environmental contingencies related to Chemicals' operations in the United States of America were assumed by Tierra and Maxus ("the Parties"), indirect subsidiaries through YPF Holdings Inc. YPF committed to contribute capital ("Contribution Agreement") up to a maximum amount that will enable to satisfy certain assumed environmental obligations and to meet its operating expenses (Note 3 to the consolidated financial statements). On October 8, 2007, YPF and the Parties have signed an agreement which, after making the corresponding contributions and under the fulfillment of certain conditions (not accomplished as of the issuance of these financial statements), establishes, among other things, the end of YPF's obligations under the Contribution Agreement.

c) Other matters:

Contractual commitments: In June 1998, YPF has received an advanced payment for a crude oil future delivery commitment for approximately US$ 315 million. Under the terms of this agreement, the Company has agreed to sell and deliver approximately 23.9 million crude oil barrels during the term of ten years. To satisfy the contract deliveries, the Company may deliver crude oil from different sources, including its own produced crude oil and crude oil acquired from third parties. This payment has been classified as "Net advances from crude oil purchasers" on the

balance sheet and is being reduced as crude oil is delivered to the purchaser under the term of the contract. As of September 30, 2007, approximately 1.6 million crude oil barrels are pending of delivery.

Additionally, the Company has signed other 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. In particular, the Company has renegotiated certain natural gas export contracts, and has agreed to certain limited compensations in case of any delivery disruption or suspension, for any reason, except for physical "force majeure".

On June 14, 2007, Resolution No. 599/2007 of the Secretariat of Energy was published (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"), giving such producers a five business-day term to enter into 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 customers 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 and that it is currently in an implementation stage.

- Regulatory requirements: YPF is subject to certain regulations requiring the domestic hydrocarbon market demand supply. On October 11, 2006, Secretariat of Domestic Commerce issued Resolution No. 25/2006 which requires refiners and/or wholesale and/or retail sellers to meet domestic market diesel demand. The resolution requires, at least, to supply volumes equivalent to those of previous year corresponding month, plus the positive correlation between the rise in diesel demand and the rise of the Gross Domestic Product, accrued from the reference month. The mentioned commercialization should be performed with no distortion nor damage to the diesel market normal operation.

In connection with certain natural gas exportation contracts from the Noroeste basin in Argentina, YPF presented to the Secretariat of Energy the accreditation of the existence of natural gas reserves of that basin in adherence to exports permits. If The Secretariat of Energy considers that the natural gas reserves are insufficient, it could resolve the partial or total suspension of one or several export permits.

During 2005, the Secretariat of Energy by means of Resolution No. 785/2005, created the National Program of Hydrocarbons Warehousing Aerial Tank Loss Control, measure aimed at reducing and correcting environmental pollution caused by hydrocarbons warehousing-aerial tanks. The Company has begun to develop and implement a technical and environmental audit plan as required by the resolution.

- Operating leases: As of September 30, 2007, the main lease contracts correspond to the rental of oil and gas production equipment, ships, natural gas compression equipment and real estate for service stations. Charges recognized under these contracts for the nine-month periods ended September 30, 2007 and 2006, amounted to 266 and 210, respectively.

As of September 30, 2007, estimated future payments related to these contracts are as follows:

Within 1

	year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	More than 5 years
Estimated future payments	253	195	174	153	111	171

- Agreement with the Federal Government and the 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 Federal Government, the Province of Neuquén and YPF on December 5, 2000. Under this agreement, YPF paid US$ 300 million to the Federal 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 an 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 and Exchange System Reform Law No. 25,561.

d) Changes in Argentine economic rules:

During year 2002, a deep change was implemented in the economic model of the country to overcome the economic crisis in the medium-term. Therefore, the Argentine Federal Government abandoned the parity between the Argentine peso and the US dollar, in place since March 1991, and adopted a set of economic, monetary, financial, fiscal and exchange measures. These financial statements include the effects derived from the new economic policies known to the release date thereof. The effects of any additional measures to be implemented by the Argentine Federal Government will be recognized in the financial statements once Management becomes aware of their existence.

10. MAIN CHANGES IN COMPANIES COMPRISING THE YPF GROUP

In December 2006, YPF International S.A., controlled by YPF, sold for an amount of US$ 10.6 million its interest in Greenstone Assurance Ltd., recording a gain of 11.

In December 2007, YPF acquired 18% interest in Oleoducto Trasandino (Argentina) S.A. and 18% interest in Oleoducto Trasandino (Chile) S.A., for an amount of US$ 5.3 million.

11. RESTRICTIONS ON UNAPPROPRIATED RETAINED EARNINGS

In accordance with the provisions of Law No. 19,550, 5% of net income for each fiscal year is to be appropriated to the legal reserve until such reserve reaches 20% of the Company's capital (subscribed capital plus adjustment to contributions).

On February 6, 2008, the Board of Directors approved a dividend of 10.76 Argentine pesos per share, from the Reserve for Future Dividends approved by the Ordinary Shareholders' Meeting of April 13, 2007, which was paid on February 29, 2008.

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 conventions for the avoidance of double taxation, which will be subject to a minor tax rate.

ANTONIO GOMIS SÁEZ
Director

Exhibit A

YPF SOCIEDAD ANONIMA

BALANCE SHEET AS OF SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION
FIXED ASSETS EVOLUTION
(amounts expressed in millions of Argentine pesos - Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007 Cost			
Main account	Amounts at beginning of year	Increases	Net decreases, transfers and reclassifications	Amounts at end of period
Land and buildings	1,977	-	53	2,030
Mineral property, wells and related equipment	42,156	-	7,581	49,737
Refinery equipment and petrochemical plants	7,325	-	316	7,641
Transportation equipment	1,766	-	13	1,779
Materials and equipment in warehouse	609	776	(639)	746
Drilling and work in progress	3,517	2,920	(2,323)	4,114
Exploratory drilling in progress(5)	108	88	(91)	105
Furniture, fixtures and installations	473	2	59	534
Selling equipment	1,341	-	66	1,407
Other property	295	1	9	305
Total 2007	59,567	3,787	5,044(1)(6)	68,398
Total 2006	59,695	3,288(3)	(380)(1)	62,603

	2007 Depreciation						2006	
Main account	Accumulated at beginning of year	Net decreases, transfers and reclassifications	Depreciation rate	Increases	Accumulated at end of period	Net book value as of 09-30-07	Net book value as of 09-30-06	Net book value as of 12-31-06
Land and buildings	876	(1)	2%	34	909	1,121	1,090	1,101
Mineral property, wells and related equipment	29,455	4,088	(2)	2,665	36,208	13,529(4)	12,480(4)	12,701(4)
Refinery equipment and petrochemical plants	5,408	-	4-5%	207	5,615	2,026	1,883	1,917
Transportation equipment	1,235	(1)	4-5%	36	1,270	509	519	531
Materials and equipment in warehouse	-	-	-	-	-	746	550	609

Drilling and work in progress	-	-	-	-	-	4,114	3,848	3,517
Exploratory drilling in progress(5)	-	-	-	-	-	105	128	108
Furniture, fixtures and installations	400	1	10%	31	432	102	79	73
Selling equipment	1,002	-	10%	43	1,045	362	322	339
Other property	249	5	10%	8	262	43	45	46
Total 2007	38,625	4,092(6)		3,024	45,741	22,657		
Total 2006	39,149	(40)(1)		2,550	41,659		20,944	20,942

(1) Includes 99 and 128 of net book value charged to fixed assets allowances for the nine-month periods ended September 30, 2007 and 2006, respectively.

(2) Depreciation has been calculated according to the unit of production method (Note 2.f).

(3) Includes 7 corresponding to the costs of hydrocarbon wells abandonment obligations for the nine-month periods ended September 30, 2006.

(4) Includes 847, 1,043 and 961 of mineral property as of September 30, 2007 and 2006 and December 31, 2006, respectively.

(5) At the end of the nine-month period ended September 30, 2007, there are 11 exploratory wells in progress. During that period 20 wells were drilled, 19 wells were charged to exploratory expenses and 1 well was transferred to proved properties which are included in the account mineral property, wells and related equipment.

(6) Includes 5,291 of acquisition cost and 4,094 of accumulated depreciation corresponding to oil and gas exploration and producing areas, which were disposed by sale as of December 31, 2006 (Note 2.d).

ANTONIO GOMIS SÁEZ
Director

Exhibit C

YPF SOCIEDAD ANONIMA

BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND DECEMBER 31, 2006
INVESTMENTS IN SHARES AND HOLDINGS IN OTHER COMPANIES
(amounts expressed in millions of Argentine pesos, except where otherwise indicated - Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

		2007									
							Information of the Issuer				
Description of the Securities								Last Financial Statements Issu			
Name and Issuer	Class	Face Value	Amount	Book Value	Cost (2)	Main Business	Registered Address	Date	Capital Stock	Income (Loss)	Equi
Controlled companies:											
YPF International S.A.	Common	Bs. 100	147,693	395	1,392	Investment	Av. José Estenssoro 100, Santa Cruz de la Sierra, República de Bolivia	09/30/07	6	16	3
YPF Holdings Inc.	Common	US$ 0.01	100	-(7)	466	Investment and finance	717 North Harwood Street, Dallas, Texas, U.S.A.	12/31/06	1,659	(258)	(75
Operadora de Estaciones de Servicios S.A.	Common	$ 1	243,700,940	296	185	Commercial management of YPF's gas stations	Av. Roque Sáenz Peña 777, Buenos Aires, Argentina	09/30/07	244	47	2
A-Evangelista S.A.	Common	$ 1	8,683,498	90	31	Engineering and construction services	Av. Roque Sáenz Peña 777, P. 7º, Buenos Aires, Argentina	09/30/07	9	2	
Argentina Private Development Company Limited (liquidated)	-	- -	-	-	-	Investment and finance	P.O. Box 1109, Gran Caimán, British West Indies	-	-	-	
				781	2,074						

Jointly controlled companies:												
Compañía Mega S.A.(6)	Common	$	1	77,292,000	466	-	Separation, fractionation and transportation of natural gas liquids	San Martín 344, P. 10º, Buenos Aires, Argentina	06/30/07	203	299	1,0
Profertil S.A.	Common	$	1	391,291,320	506	-	Production and marketing of fertilizers	Alicia Moreau de Justo 740, P. 3°, Buenos Aires, Argentina	06/30/07	783	124	1,0
Refinería del Norte S.A.	Common	$	1	45,803,655	240	-	Refining	Maipú 1, P. 2º, Buenos Aires, Argentina	03/31/07	92	23	4
					1,212	-						
Companies under significant influence:												
Oleoductos del Valle S.A.	Common	$	10	4,072,749	97(1)	-	Oil transportation by pipeline	Florida 1, P. 10°, Buenos Aires, Argentina	06/30/07	110	5	3
Terminales Marítimas Patagónicas S.A.	Common	$	10	476,034	42	-	Oil storage and shipment	Av. Leandro N. Alem 1180, P.11°, Buenos Aires, Argentina	06/30/07	14	9	1
Oiltanking Ebytem S.A.	Common	$	10	351,167	44(3)	3	Hydrocarbon transportation and storage	Terminal Marítima Puerto Rosales – Provincia de Buenos Aires, Argentina	06/30/07	12	7	
Gasoducto del Pacífico (Argentina) S.A.	Preferred	$	1	737,361	18	1	Gas transportation by pipeline	Av. Leandro N. Alem 928, P. 7º, Buenos Aires,	06/30/07	156	19	1

								Argentina				
Central Dock Sud S.A.	Common	$	0.01	3,719,290,957	11(3)	46	Electric power generation and bulk marketing	Reconquista 360, P. 6°, Buenos Aires, Argentina	06/30/07	468	(8)	2
Inversora Dock Sud S.A.	Common	$	1	103,497,738	127(3)	193	Investment and finance	Reconquista 360, P. 6°, Buenos Aires, Argentina	06/30/07	241	(13)	2
Pluspetrol Energy S.A.	Common	$	1	30,006,540	279	71	Exploration and exploitation of hydrocarbons and electric power generation, production and marketing	Lima 339, Buenos Aires, Argentina	06/30/07	67	37	6
Oleoducto Trasandino (Argentina) S.A.	Preferred	$	1	8,099,280	14	-	Oil transportation by pipeline	Esmeralda 255, P. 5°, Buenos Aires, Argentina	06/30/07	45	-	
Other companies:												
Others (4)	-	-	- -		13	13	-	-	-	-	-	
					645	327						
					2,638	2,401						

(1) Holding in shareholders' equity, net of intercompany profits.

(2) Cost net of cash dividends and capital distributions from long-term investements restated in accordance with Note 1.

(3) Holding in shareholders' equity plus adjustments to conform to YPF accounting methods.

(4) Includes YPF Inversora Energética S.A., A-Evangelista Construções e Serviços Ltda., Gasoducto del Pacífico (Cayman) Ltd., A&C Pipeline Holding Company, Poligás Luján S.A.C.I., Petróleos Transandinos YPF and Mercobank 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) As of September 30, 2007 and December 31, 2006, holding in negative shareholders’ equity is disclosed in “Accounts payable” after adjustments in shareholders’ equity to conform to YPF to accounting methods.

ANTONIO GOMIS SÁEZ
Director

Exhibit E

YPF SOCIEDAD ANONIMA

BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND 2006
ALLOWANCES AND RESERVES
(amounts expressed in millions of Argentine pesos - Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007				2006
Account	Amounts at beginning of year	Increases	Decreases	Amounts at end of period	Amounts at end of period
Deducted from current assets:					
For doubtful trade receivables	419	84	40	463	418
For other doubtful accounts	116	-	7	109	115
	535	84	47	572	533
Deducted from noncurrent assets:					
For valuation of other receivables to their estimated realizable value	51	-	1	50	51
For reduction in value of holdings in long-term investments	25	-	-	25	167
For unproductive exploratory drilling	3	99	99	3	3
For obsolescence of materials and equipment	46	-	-	46	46
	125	99	100	124	267
Total deducted from assets, 2007	660	183	147	696	
Total deducted from assets, 2006	779	234	213		800
Reserves for losses - current:					
For various specific contingencies (Note 9.a)	206	157	135	228	119
	206	157	135	228	119
Reserves for losses - noncurrent:					
For pending lawsuits and various specific contingencies (Note 9.a)	1,226	410	224	1,412	1,223
	1,226	410	224	1,412	1,223
Total included in liabilities, 2007	1,432	567	359	1,640	
Total included in liabilities, 2006	930	560	148		1,342

ANTONIO GOMIS SÁEZ
Director

Exhibit F

YPF SOCIEDAD ANONIMA

STATEMENTS OF INCOME FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
COST OF SALES
(amounts expressed in millions of Argentine pesos - Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Inventories at beginning of year	1,522	1,164
Purchases for the period	4,581	2,998
Production costs (Exhibit H)	9,082	7,960
Holding gains on inventories	302	428
Inventories at end of period	(2,272)	(1,693)
Cost of sales	13,215	10,857

ANTONIO GOMIS SÁEZ
Director

Exhibit G

YPF SOCIEDAD ANONIMA

BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND DECEMBER 31, 2006
FOREIGN CURRENCY ASSETS AND LIABILITIES
(amounts expressed in millions)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

Account	Foreign currency and amount						Book value as of
	2006		2007		Exchange rate in pesos as of 09-30-07		09-30-07
Current Assets							
Investments	US$	51	US$	14	3.11	(1)	43
Trade receivables	US$	535	US$	370	3.11	(1)	1,151
	€	15	€	11	4.44	(1)	49
Other receivables	US$	1,329	US$	1,302	3.11	(1)	4,050
	$CH	34,743		-	-		-
	€	5	€	4	4.44	(1)	16
Total current assets							5,309
Noncurrent Assets							
Other receivables	US$	6	US$	6	3.11	(1)	19
Total noncurrent assets							19
Total assets							5,328
Current Liabilities							
Accounts payable	US$	492	US$	507	3.15	(2)	1,597
	€	12	€	17	4.49	(2)	76
Loans	US$	264	US$	74	3.15	(2)	233
Net advances from crude oil purchasers	US$	31	US$	10	3.15	(2)	32
Reserves	-	-	US$	34	3.15	(2)	107
Total current liabilities							2,045
Noncurrent Liabilities							
Accounts payable	US$	728	US$	834	3.15	(2)	2,627
Loans	US$	166	US$	166	3.15	(2)	523
Net advances from crude oil purchasers	US$	2		-	-		-
Reserves	US$	194	US$	242	3.15	(2)	762
Total noncurrent liabilities							3,912
Total liabilities							5,957

(1) Buying exchange rate.
(2) Selling exchange rate.

ANTONIO GOMIS SÁEZ

Director

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Exhibit H

YPF SOCIEDAD ANONIMA

STATEMENT OF INCOME FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006
EXPENSES INCURRED
(amounts expressed in millions of Argentine pesos - Note 1)
(the individual financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007					2006
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	406	115	118	30	669	517
Fees and compensation for services	115	186(1)	28	1	330	242
Other personnel expenses	150	47	15	10	222	180
Taxes, charges and contributions	153	3	198	-	354	294
Royalties and easements	1,465	-	4	5	1,474	1,607
Insurance	68	1	9	-	78	62
Rental of real estate and equipment	222	1	42	1	266	210
Survey expenses	-	-	-	136	136	85
Depreciation of fixed assets	2,921	32	71	-	3,024	2,550
Industrial inputs, consumable materials and supplies	405	5	27	3	440	401
Operation services and other service contracts	674	5	51	38	768	596
Preservation, repair and maintenance	1,081	12	36	1	1,130	873
Contractual commitments	478	-	-	-	478	433
Unproductive exploratory drillings	-	-	-	99	99	126
Transportation, products and charges	574	-	732	-	1,306	1,098
Allowance for doubtful trade receivables	-	-	42	-	42	79
Publicity and advertising expenses	-	37	47	-	84	97
Fuel, gas, energy and miscellaneous	370	43	38	8	459	484
Total 2007	9,082	487	1,458	332	11,359	
Total 2006	7,960	426	1,286	262		9,934

(1) Includes 3 of Directors and Statutory Auditor’s fees.

ANTONIO GOMIS SÁEZ
Director

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Part II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Indemnification of Directors and Officers

Neither the laws of Argentina nor the Registrant's bylaws or other constitutive documents provide for indemnification of directors or officers. The Registrant does not maintain liability insurance and has not entered into indemnity agreements which would insure or indemnify its directors or officers in any manner against liability which he or she may incur in his or her capacity as such.

Recent Sales of Unregistered Securities

None.

Exhibits

(a) The following documents are filed as part of this Registration Statement:

3.1 Amended and Restated Bylaws of the Registrant, together with an English translation.*

4.1 Form of Deposit Agreement among the Registrant, The Bank of New York, as depositary, and the Holders from time to time of American depositary shares issued thereunder, including the form of American depositary receipts.

5.1 Opinion of Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h), Argentine legal counsel of the Registrant, as to the validity of the Class D shares.

8.1 Opinion of Davis Polk & Wardwell, as to U.S. tax matters (included under "Material Tax Considerations—United States Federal Income Tax Considerations" in the Prospectus included as part of this Registration Statement).

8.2 Opinion of Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h), as to Argentine tax matters (included in Exhibit 5.1).

11.1 Earnings per share calculation.**

23.1 Consent of Independent Registered Public Accounting Firm.

23.2 Consent of Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h), Argentine legal counsel of the Registrant (included in Exhibit 5.1).

23.3 Consent of Davis Polk & Wardwell, U.S. legal counsel of the Registrant.

24.1 Powers of Attorney (included on signature page to the Registration Statement or previously filed).

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* Included in Item 2 of the Periodic Report on Form 6-K furnished to the SEC on July 30, 2007 and incorporated by reference in this registration statement.

** Included in the prospectus filed with this registration statement. See "Selected Financial and Operating Data."

Undertakings

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in this Registration Statement, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for

indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted against the Registrant by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby also undertakes that:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(A) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(B) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(C) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;

provided, however, that paragraphs (1)(A), (1)(B) and (1)(C) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, provided, that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference herein.

(5) That, for the purpose of determining liability under the Securities Act to any purchaser:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(6) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Buenos Aires, Argentina, on March 10, 2008.

YPF S.A.

By: /s/ Sebastian Eskenazi
Name: Sebastian Eskenazi
Title: Chief Executive Officer

By: /s/ Walter Cristian Forwood
Name: Walter Cristian Forwood
Title: Chief Financial Officer (and principal accounting officer)

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed by the following persons on March 10, 2008 in the capacities indicated:

Name	Title
* Antonio Brufau Niubo	Chairman and Director
* Antonio Gomis Sáez	Chief Operating Officer and Director
* Carlos Bruno	Director
* Santiago Carnero	Director
* Carlos de la Vega	Director
* Federico Mañero	Director
* Javier Monzón	Director
/s/ Walter Cristian Forwood	Chief Financial Officer (and principal accounting officer)

Walter Cristian Forwood

* Donald J. Puglisi Authorized Signatory	Authorized Representative in the United States

*By: /s/ Walter Cristian Forwood
Walter Cristian Forwood
Attorney-in-fact for the persons indicated

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Antonio Gomis Sáez and Walter Cristian Forwood, and each of them, individually, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead in any and all capacities, in connection with this Registration Statement, including to sign in the name and on behalf of the undersigned, this Registration Statement and any and all amendments thereto, including post-effective amendments and registrations filed pursuant to Rule 462 under the U.S. Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute, may lawfully do or cause to be done by virtue hereof.

Name	Title
/s/ Sebastian Eskenazi Sebastian Eskenazi	Chief Executive Officer and Director
/s/ Enrique Eskenazi Enrique Eskenazi	Director
/s/ Fernando Ramírez Mazzaredo Fernando Ramírez Mazzaredo	Director
/s/ Luis Suárez de Lezo Luis Suárez de Lezo	Director
/s/ Matías Eskenazi Storey Matías Eskenazi Storey	Director

EXHIBIT INDEX

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24.1 Powers of Attorney (included on signature page to the Registration Statement or previously filed).

(b) Financial Statement Schedules

None.

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