City of Buenos Aires, December 2, 2018

COMISION NACIONAL DE VALORES
25 de Mayo 175
City of Buenos Aires
Repúblic of Argentina

Ref.: Material Event – Private Placement of Notes

Ladies and gentlemen:

I hereby inform you, in my capacity as Head of Market Relations of MSU Energy that, on November 30, 2018, Rio Energy S.A., UGEN S.A. and UENSA S.A. (the "Companies"), as co-issuers, closed a private placement of USD 250 million senior secured notes due 2023 (the "Notes"), under the Note Issuance Facility Agreement, dated as of November 21, 2018 (the "Note Issuance Facility Agreement"), entered into by and between the Companies, Citibank N.A., as notes agent, paying agent and registrar, La Sucursal de Citibank, N.A., established in the Republic of Argentina, as collateral agent, and the purchasers party thereto.

The Notes have a tenor of 5 years and accrue interests at a floating rate equivalent to 3-month Libor plus 11.25%. The Notes will be repaid in eleven equal quarterly installments commencing on the 30-month anniversary of the closing date. The Note Issuance Facility Agreement contains covenants and events of default customary for facilities of this nature for issuers such as the Companies. The Notes are secured by: (i) a fixed chattel mortgage over certain assets related to Project (as defined below), (ii) a fiduciary assignment of all receivables under the combined cycle PPAs, the Project documents and certain insurance associated with the Project; and (iii) a pledge of shares of the Companies.

The proceeds will be used to finance the Project, repay short term debt and for general corporate purposes, as follows:

Sources[1]	US$mm	Uses[1]	US$mm
Private Placement Financing	250	EPC	354
Cash Flow from Simple-Cycle Operations	87	Complementary Works, Contingency and Others	53
Vendor Finance	103	Duties and Credit/Debit Tax	13
2025 Bond Proceeds	50	**Total w/o VAT**	**420**
		VAT	70
Total	**490**	**Total**	**490**

[1] Source: Company information.

The Notes are negotiable obligations (*obligaciones negociables*) under and has been issued pursuant to, and in compliance with, all applicable requirements of the Argentine Negotiable Obligations Law No. 23,576, as amended; *provided, however*, that the Notes do not qualify for tax exempt treatment provided in article 36 bis of the

Argentine Negotiable Obligations Law since were not publicly offered and, therefore, the conditions set forth in article 36 of the Argentine Negotiable Obligations Law shall not be met, *provided further*, that the co-issuers will treat the Notes as an "*obligacion negociable privada*" under section 90.1 and section 93.c of the Income Tax Act, Decree No. 279/2018 and General Resolution (AFIP) No. 4,227. The Notes were not authorized for public offer in Argentina and may not be offered or sold in circumstances which constitute a public offering of securities under Argentine Law No. 26,831, as amended.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities. The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. The notes may not be offered or sold (i) within the United States, except in a transaction that is exempt from, or not subject to, the registration requirements of the U.S. Securities Act or (ii) outside the United States, except pursuant to Regulation S under the U.S. Securities Act, and, in each case, in accordance with any applicable state securities laws.

Description of the Project

The expansion and conversion project (the "Project") consists of integrating combined-cycle equipment into our three-existing simple-cycle facilities: an additional LM6000 (added to the three already on site), four heat recovery steam generators (HRSGs), one steam turbine generator (STG), and associated balance-of-plant (BOP) equipment. The completed combined-cycle facilities will aggregate 100 MW of capacity to each plant and will operate on either natural gas or diesel oil. The expansion and conversion to combined cycle of our three power plants will increase our total installed capacity from 450 MW to 750 MW. The Project is expected to be completed on February 2020, for our General Rojo power plant, and on March 2020, for our Villa María and Barker power plants.

The Project will be conducted by A-Evangelista S.A. ("AESA"), as main contractor, and General Electric, as equipment supplier, under the engineering, procurement and construction agreements described below. General Electric will also be in charge of the pre-commissioning and commissioning services for the combined-cycle equipment.

EPC Contracts

1. *General Rojo Power Plant:* On March 7, 2018, Río Energy S.A. and AESA entered into an engineering, procurement and construction agreement on a turnkey basis (the "EPC General Rojo"), by means of which AESA shall provide certain services and equipment to Rio Energy for the expansion and conversion of the General Rojo power plant from a single cycle power plant to a combined cycle power plant, and for such services and equipment, Rio Energy shall pay to AESA an aggregate amount of U$S 118,183,518. Pursuant to the EPC General Rojo, the expansion and conversion of the power plant to a combined cycle power plant is expected to be completed on February 21, 2020.

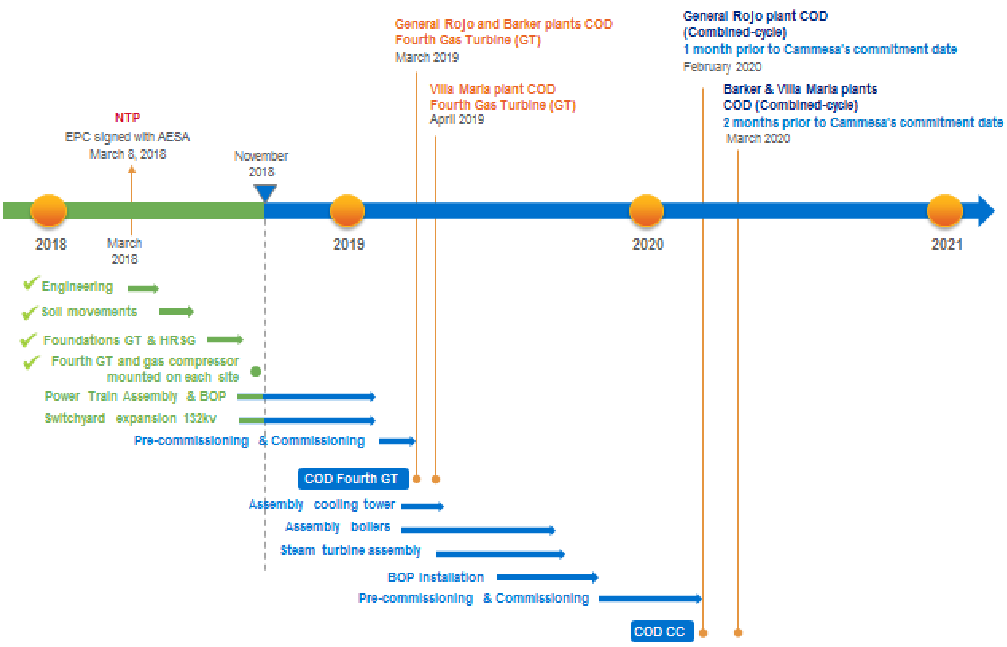
2. *Barker Power Plant:* On March 7, 2018, UGEN S.A. and AESA entered into an engineering, procurement and construction agreement on a turnkey basis (the

"EPC Barker"), by means of which AESA shall provide certain services and equipment to UGEN for the expansion and conversion of the Barker power plant from a single cycle power plant to a combined cycle power plant, and for such services and equipment, UGEN shall pay to AESA an aggregate amount of U$S 118,183,518. Pursuant to the EPC Barker, the expansion and conversion of the power plant to a combined cycle power plant is expected to be completed on March 12, 2020.

3. *Villa María Power Plant:* On March 7, 2018, UENSA S.A. and AESA entered into an engineering, procurement and construction agreement on a turnkey basis (the "EPC Villa María"), by means of which AESA shall provide certain services and equipment to UENSA for the expansion and conversion of the Villa María power plant from a single cycle power plant to a combined cycle power plant, and for such services and equipment, UENSA shall pay to AESA an aggregate amount of U$S 117,528,318. Pursuant to the EPC Villa María, the expansion and conversion of the power plant to a combined cycle power plant is expected to be completed on March 12, 2020.

Project Schedule

The status and schedule of the Project is the following:



Financial Projections

We are presenting certain projected financial data in this section, which includes forward-looking statements and estimates. These statements are based on numerous assumptions and current estimates about future events, which may not materialize. While we consider these assumptions and estimates reasonable, they are inherently subject to significant known and unknown risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. Actual future results may vary substantially and materially from those expressed or implied in these forward-looking statements, and our business, financial condition, and results of operations could be materially and adversely affected by numerous factors, including such known and unknown risks and uncertainties. As a result, forward-looking statements should be understood to be only predictions and statements of our current beliefs; they are not guarantees of performance. The cautionary statements in this presentation expressly qualify all of our forward-looking statements. The forward-looking statements speak only as of the date of this presentation and undue reliance should not be placed on these statements. We do not undertake any obligation to update or revise any estimate or forward-looking statement due to new information, future events or otherwise after the date of this presentation.

Projections

P&L	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	106.752	131.477	215.847	233.646	233.734	233.734	233.901	234.036
Expenses	16.202	20.663	26.543	30.165	30.513	30.540	30.757	31.220
EBITDA	90.550	110.814	189.304	203.481	203.220	203.194	203.144	202.816
Cash Flow								
Cash Flow from Operating Activities	102.885	133.623	210.116	246.965	195.780	185.073	181.527	189.142
Capital Expenditures	(348.313)	(162.958)	(138.296)	0	(22.383)	0	0	(40.534)
Financial Expenses	(60,401)	(75.597)	(77.036)	(70.714)	(61.769)	(49.142)	(41.250)	(54.638)
Free Cash Flow	(305,829)	(104.932)	(5.217)	176.251	111.628	135.931	140.277	93.970
Ratios								
Total Financial Debt	870.081	870.081	870.081	803.215	710.201	617.188	617.188	210.000
Cash	135.884	23.739	11.007	112.889	129.299	172.664	312.941	9.768
Net Financial Debt	734.197	846.342	859.074	690.326	580.903	444.524	304.247	200.232
Total Net Debt / EBITDA	8.1x	7.6x	4.5x	3.4x	2.9x	2.2x	1.5x	1.0x

Assumptions:

1. Projected average electricity dispatch, before combined cycle COD 45% (simple cycle plant), after combined cycle COD 90%.
2. Assumes a weighted average capacity using natural gas and diesel of 90% and 10%, respectively.
3. Capex: Minor and Major maintenance in 2022 and 2025, respectively.

Yours sincerely,

Hernan Walker
Head of Market Relations