Contacts in Buenos Aires

Carlos A. González, Chief Financial Officer I
Andrés G. Colombo, Accounting and Tax Manager
(Andres.Colombo@transx.com.ar)
Marcelo A. Fell, Financial Manager
(Marcelo.Fell@transx.com.ar)
Investor Relations Coordination
Laura V. Varela
(Laura.Varela@transx.com.ar)
Tel: (5411) 5167-9301
Fax: (5411) 4342-7147
www.transener.com.ar
www.transba.com.ar

TRANSENER S.A. REPORTS THIRD QUARTER YEAR 2010 RESULTS

Buenos Aires – November 9, 2010 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 43.5 million (Pesos 0.098 per share) for the nine-month period ended September 30, 2010.

Consolidated net sales for the nine-month period ended September 30, 2010 resulted in Pesos 408.4 million, 7.7% lower than the Pesos 442.6 million for the same period last year, principally due to a decrease of Pesos 14.1 million in electricity transmission revenue, net and a decrease of Pesos 20.1 million in other net revenues.

The decrease in electricity transmission revenue, net, was originated mainly by the increase of Pesos 14.0 million in penalties charges due to the penalties determined by the ENRE for the June 2007 – May 2008 period.

The decrease in other net revenues was originated mainly by a decrease of Pesos 48.8 million in construction and installation works, principally due to the completion of the installation of the reactors in Bahía Blanca and Chocón substations, partially offset by an increase of (i) Pesos 12.2 million from supervision services in the Comahue Cuyo HVL, (ii) Pesos 6.3 million from supervision services in the NEA-NOA interconnection and (iii) Pesos 9.7 million from the non-regulated activities generated by its subsidiaries Transba and Transener Internacional Ltda.

Consolidated operating and administrative costs for the nine-month period ended September 30, 2010 amounted to Pesos 387.4 million, 1.2% lower than the Pesos 392.1 million for the same period last year, mainly due to a decrease of Pesos 47.7 million in Materials for works for third parties due to the lower level of non-regulated activities, partially offset by the increase of Pesos 38.7 million in Salaries and social security charges.

Consolidated other income and expenses for the nine-month period ended September 30, 2010 resulted in a net profit of Pesos 4.6 million, in comparison with Pesos 6.7 million for same period last year, mainly originated by the collection of insurance recoveries.

Consolidated financial results for the nine-month period ended September 30, 2010 resulted in a net loss of Pesos 65.4 million, in comparison with a net profit of Pesos 6.8 million for the same period last year, mainly due to a decrease of (i) Pesos 118.6 million in the profit originated in the repurchase of notes and (ii) Pesos 7,9 million in interests generated by assets, partially offset by a decrease of (iii) Pesos 58.4 million in the Exchange difference losses, net.

Income tax charges for the nine-month period ended September 30, 2010 resulted in a loss of Pesos 4.5 million, in comparison with a loss of Pesos 17.9 million for the same period last year, mainly originated by the decrease of Pesos 18.3 million in the income tax payable, principally originated by the lower Transba's taxable profit during the period, partially offset by a higher increase of Pesos 4.9 million in the deferred tax liabilities.

Financial situation

During the nine-month period ended September 30, 2010, Transener repurchased Series 1 Notes for a nominal value of US$ 11.0 million (of which US$ 2.9 million were purchased to Transba) and it has cancelled notes for a nominal value of US$ 20.2 million.

According to what has been approved by the Transba's Shareholders' Ordinary Meeting held on April 7, 2010, on May 5, 2010 Transba`s paid dividends to Transener in Series 1 Notes for a total nominal value of US$ 5.7 million.

As of September 30, 2010, Transener and Transba hold notes of the mentioned Series 1 for a total nominal value of US$ 18.9 million and US$ 4.1 million, respectively.

On July 5, 2010 Transener published the update of the Information Memorandum, which includes the financial statements as of March 31, 2010, related to the global program for the issuance of simple notes, non-convertible into shares, denominated in pesos or in any other currency, with ordinary, special, floating and/or any other guarantee, subordinated or not, for a maximum amount, which in any moment, can not exceed Pesos 200 million or its equivalent in other currencies, which has been authorized for public offering in accordance with Resolution No. 16,244 of December 17, 2009 issued by the CNV.

During September S&P changed the outlook of Transener's global qualification from stable to positive, resulting the local qualification "raBBB+" positive, and the global qualification "B-" positive for foreign currency and "B-" positive for local currency.

Consolidated outstanding principal debt of the Company as of September 30, 2010 amounted to US$ 150.8 million, without having substantial refinancing needs until year 2013.

Tariff situation and regulatory aspects

The Emergency Law No. 25,561 has imposed the obligation to renegotiate the concession agreements with the National Government to those companies that provide public services, such as Transener and Transba, while continuing to render the service. This

situation has significantly affected the economic and financial situation of the Company and its controlled Company Transba S.A.

In May 2005, Transener and Transba entered into the Definitive Agreements with the representatives of the Unit for the Renegotiation and Analysis of Public Utility Contracts ("UNIREN"), which contain the terms and conditions for the renegotiation of the Concession Contracts, which had been ratified by National Executive Branch Decrees Nos. 1,462/05 and 1,460/05 on November 28, 2005, respectively.

According to the guidelines stated in the mentioned Definitive Agreements, the following was expected: i) a Full Tariff Review ("FTR") to be carried out before the ENRE, in order to determine a new tariff regime for Transener and Transba, which should have come into force during the months of February 2006 and May 2006, respectively; and ii) the recognition of the major operating costs incurred in the interim period up to the moment in which the tariff regime comes into force as a consequence of the mentioned FTR.

Specifically, due to the fact that the ENRE postponed the FTR process unilaterally, said entity kept valid the Resolution No. 423/2006 which extended -as from February 1, 2006 until the FTR process is concluded- the charges for connection, transmission capacity and energy transmission and other obligations stated in the Definitive Agreement for the contractual transition period. In the case of Transba, the ENRE kept valid the Resolution No. 424/2006.

This way, since 2006 Transener communicated the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreement, expressing the breach of commitments established in the Definitive Agreement on behalf of said regulatory authority, the serious situation arising from such breaches, and the availability to continue with the FTR process, as long as the remaining commitments assumed by the parties continue in force, and the new tariff regime arising from the FTR process is resolved. On the other hand, Transba submitted before the ENRE a similar request, adapted, with respect to the terms and investments to be made, to what it is stated in its Definitive Agreement.

On June 29, 2007, the ENRE formally requested Transener and Transba the presentation of its tariff pretensions according to what was stated in the respective Definitive Agreements and section 45 and subsequents of the Law No. 24,065. In September 2007, both companies submitted again their tariff and regulatory pretensions for the five-year period 2008/2012, thus updating the information which had been submitted in August 2005.

In spite of that, the ENRE did not treat the tariff requirements asked by Transener and Transba within the framework of the FTR.

On the other hand, through Resolutions SE Nos. 869/08 and 870/08 dated July 30, 2008, the Secretariat of Energy extended the contractual transition period for Transener and Transba respectively, until the tariff regime arising from the FTR is in force, setting this process for February 2009.

For this purpose, in December 2008, both companies submitted the information and the tariff pretensions requested by the ENRE through notes 83.199 and 83.200, in order to be treated and to define the new tariff regime previous to the Public Hearing.

After that, on August 5, 2010, the ENRE asked Transener and Transba one more time, for the updating of the information submitted in relation to i) historical and forecasted operative costs, ii) forecasted and fulfilled investments, iii) operated and maintained equipment, thus

proceeding to submit before the ENRE all the information requested in order to be able to come to an agreement in relation with the tariff and regulatory pretensions.

However, as of September 30, 2010, the ENRE has not called for a Public Hearing yet, according to the instructions given by the Secretariat of Energy through Resolutions Nos. 869/08 and 870/08, according to which a new tariff regime had to be determined in February 2009. As a consequence of that, a new claim was submitted to the ENRE, to the Secretariat of Energy and to the UNIREN regarding the lack of determination of the new tariff regime. In October 2009, the respective presentations to justice were filed against the ENRE, stating the delay in calling for a public hearing and carrying out the FTR process. On April 27, 2010, a sentence was passed according to which said presentations were sustained and the ENRE was compelled to pronounce on them within 20 administrative working days.

On the other hand, due to the increase in labor costs resulting from the application of Executive Decree No. 392/04 and subsequents, and the major operating costs incurred from 2004 until now, Transener and Transba, every quarter proved the costs variations which effectively have occurred during the period, filing the respective claims before the ENRE, in order to readjust the Company's regulated remuneration according to the clauses established in the Definitive Agreements for such purpose. In that way, Transener and Transba, required the ENRE to proceed to pronounce the administrative acts for the recognition in the tariff of the cost increases occurred after the Definitive Agreement has been entered into.

It must be pointed out that the UNIREN has stated that the mechanism of monitoring of costs and regime of service quality had been foreseen up to the enforcement of Transener and Transba's FTR, respectively, and that the delay in the definition of said process is not attributable to the Concessionaires and it could not lead to undermine their rights.

In that sense, through letter SE No. 897 dated July 29, 2008, the Secretary of Energy instructed the ENRE to apply what has been agreed in clauses 4.2, 4.3 and 11.1 of the Definitive Agreements, although in a partial way, by issuing Resolution ENRE N° 328/08 and 327/08 adequating Transener and Transba's tariffs in approximately 23% and 28% respectively, coming into force as from July 1° 2008.

This situation configured a double non-fulfillment of what was provided for in the Definitive Agreement. In the first place, because the adjustment was not applied as from the beginning of each six month period. In second place, because it must be added that the percentage of the adjustment arranged did not reflect the actual costs variations occurred between December 2004 and that date.

Therefore, several prompt answers were requested to the ENRE, for this authority to determine the adjustment of the tariffs being perceived by the Companies according to the basis of the costs variations occurred as of June 30 2010, in its exact magnitude and incidence. Up to now, the Companies have not had an answer on behalf of the regulatory authorities, thus foreseeing to continue with its judicial claims.

According to this scenario, Transener ratified the position of its Board of Directors and Shareholders, in relation to continuing with all the administrative and/or legal actions oriented towards to make the authorities to take a decision about issues pending for resolution in relation with the tariff.

CAMMESA Financing – Resolution S.E. 146/2002

On May 12, 2009, Transener and Transba have entered into a financing agreement with CAMMESA for an amount up to Pesos 59.7 million and Pesos 30.7 million, respectively. On January 5, 2010, an Addenda to the before mentioned financing agreement was subscribed, for up to the amount of Pesos 107.7 million and Pesos 42.7 million for Transener and Transba, respectively.

Basically, the financing is originated in the non-acknowledgement of the actual variations of costs occurred as from June 2005 up to now, according to the clauses included in the agreements entered into with the UNIREN, and the delay on behalf of the ENRE in defining the FTR process.

The financing amounts were determined taking into consideration only the variation of costs index which was fixed as a basis in the agreement entered into with the UNIREN, being the latter considerably lower than the actual variation of costs, which has been duly certified before the authorities.

Precisely, the agreement foresees the automatic cancellation of the financing in case that the retroactive payments, owed to both Companies, are made.

Under the terms of the Agreement, and its Addenda and on the basis of the terms of Resolution 146/2002 of the Secretariat of Energy, the funds will be destined to the investments plan and to the operation and maintenance of the transmission system in high voltage and by trunk distribution, nowadays under execution and foreseen for the year 2010; and will be disbursed through partial payments in advance according to the progress of the works, which will be certified through documents issued by the Companies; and will be subject to the availability of CAMMESA's funds according to the instructions given by the Secretariat of Energy. The loans accrue an interest rate equivalent to the average yield obtained by the Body in Charge of the Dispatch (OED) in the financial investments of the WEM.

The repayment of the financing will occur after the twelve month grace period, which will begin as from the credit of the last partial advance payment or two years after the agreement signature, whatever occurs first, and shall be paid in 18 monthly installments.

Besides, and according to Resolution S.E. 146/2002, the Companies pledged the 30% of its credits in favour of CAMMESA, relating to the WEM operations. In the case of Transener, the revenues relating to the canon for the construction, operation and maintenance of the so-called Fourth Line have been excluded.

As of September 30, 2010, the total certified amount for both Companies amounted to Pesos 150.4 million, while the perceived payments amounted to Pesos 92.6 million, which denotes a noticeable delay in the disposition of funds on behalf of the Secretariat of Energy.

Considering the time elapsed, and the accrual of the major costs not being acknowledged, on July 29 2010, both Companies have requested the Secretariat of Energy for an additional extension of the financing for Pesos 76.1 million and Pesos 35.5 million for Transener and Transba, respectively.

Up to now, there has not been a reply to such requirement.

Additionally, and under the same conditions of disbursements and cancellations, on September 27, 2010, Transener entered into a new financing agreement with CAMMESA up to US$ 2,340,800, in order to pay works of maintenance in the 500 kV circuit breakers of the Alicurá substation.

RECENT DEVELOPMENTS

Local activities

- **500 kV Transmission Federal Plan**

  The Federal Plan has been set forth by the Secretariat of Energy and allows the bidders to use special funds, created in accordance with the plan, as part of the initial offers for the construction, operation and maintenance of the expansions of the existing network. The proposals are accepted based on the lowest price and they should count with the technical approval of both the ENRE and Transener.

  Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the supervision of the construction, operation and maintenance carried out by the Independent Transmitters and is entitled to perceive revenues for such services.

  Here follows the estimated construction costs for the works in progress and the estimated revenues that Transener will collect in concept of supervision of the construction:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of pesos		%
In progress:			
NEA – NOA HVL	2,600	78.0	95%
Comahue – Cuyo HVL	1,300	39.0	75%

- **Expansion Works**

  The Secretariat of Energy has issued several procedures for the execution of interprovincial expansions and its financing. The investments supported by this initiative are destined to satisfy the demand in such areas where the Wholesale Electricity Market agents do not make investments.

  The main expansion works under execution, for which Transener collects revenues in concept of supervision are as follows:

Works	Estimated costs of construction	Estimated income for supervision	Status
	Millions of pesos		
INTERCONECTION PICO TRUNCADO – ESPERANZA - RIO TURBIO - RIO GALLEGOS	2,398.1	71.9	Interconnection engineering has already started. In July 2010, two construction agreements have been entered into.
ARROYO CABRAL SUBSTATION (New substation)	155	4.6	The works for the ground removal in the substation yard have already started and also the provision of the engineering documents.
ATUCHA II SUBSTATION (New substation)	130	3.9	The internal laying of the antennas from the substation to the power transformers is about to be started. It is expected to be finished about April next year.

International activities

- **Brazil**

  Transener Internacional offers all kind of services mainly in relation with the operation and maintenance of the high voltage electric power transmission, competing with local and international companies.
  Nowadays, it continues to carry out the following contracts/works:

  - Tests and put into service of a 500 kV high voltage line, 400 km. Customer IRACEMA. Commissioning and O&M Contract.
  - Tests and put into service of a 500 kV high voltage line, 700 km. Customer IENNE. Commissioning and O&M Contract.
  - O&M Service Ceron – Maintenance of 13,8 kV lines.
  - O&M Service Corumbá – Maintenance of 138 kV lines.
  - O&M Services of 500/230 kV - 230/138 kV and 220/132/13,8 kV substations and 230 kV lines. Customer RPM – Rio Paracatú Kinross mining company.
  - Civil Work Expansion of TIJUCO PRETO 345 kV substation. Customer FURNAS - Construction.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	September 30, 2010	December 31, 2009
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	59.104	10.524
Investments	25.353	51.824
Trade receivables	131.853	97.827
Other receivables	33.082	26.872
Total Current Assets	249.392	187.047
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.508.689	1.532.924
Other receivables	71.920	65.853
Other assets	191.939	226.037
Total Non-Current Assets	1.772.548	1.824.814
TOTAL ASSETS	**2.021.940**	**2.011.861**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	45.463	35.345
Bonds and other indebtedness	76.527	51.737
Payroll payable	33.946	34.966
Taxes payable	22.055	36.442
Provisions	46.494	53.932
Other liabilities	6.625	6.625
Total Current Liabilities	231.110	219.047
NON-CURRENT LIABILITIES		
Vendor notes payable	55.064	64.141
Bonds and other indebtedness	533.496	548.281
Payroll payable	17.125	12.766
Taxes payable	23.332	22.320
Other liabilities	104.024	41.065
Total Non-Current Liabilities	733.041	688.573
TOTAL LIABILITIES	**964.151**	**907.620**
MINORITY INTEREST IN SUBSIDIARIES	**42.056**	**44.966**
SHAREHOLDERS' EQUITY	**1.015.733**	**1.059.275**
TOTAL	**2.021.940**	**2.011.861**

Consolidated Income Statement

	Nine-month period ended September 30,	
	2010	2009
	(in thousands of Argentine Pesos)	
Net sales	408.396	442.558
Operating costs	(324.315)	(337.747)
Gross profit	**84.081**	**104.811**
Administrative expenses	(63.049)	(54.368)
Operating profit	**21.032**	**50.443**
Operating profit per share	***0,047***	***0,113***
Other income and expenses	**4.594**	**6.562**
Financial results		
Generated by assets		
Interest income	4.457	12.362
Income from measurement of other receivables at present value	399	1.884
Foreign exchange income	6.858	646
Traslation result foreign investment	906	4.228
Generated by liabilities		
Interest expense and related taxes	(54.359)	(55.179)
Foreign exchange loss	(26.062)	(78.292)
Repurchase of notes result	3.262	121.847
Loss from measurement of liabilities at present value	(853)	(705)
Total financial results	**(65.392)**	**6.791**
Minority Interest in Subsidiaries	**716**	**(3.182)**
Income before taxes	**(39.050)**	**60.614**
Income tax	(4.493)	(17.881)
Net (Loss) / Income	**(43.543)**	**42.733**
Net (Loss) / Income per share	***(0,098)***	***0,096***

Other Data

	Nine-month period ended September 30,	
	2010	2009
	(in thousands of Argentine Pesos)	
Depreciation and amortization	93.223	91.976
EBITDA	114.255	142.419
Capital expenditure	36.207	43.643