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TGS Announces Results for the Second Quarter 2015 and Six-Month Period ended June 30, 2015

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Buenos Aires, Argentina - Transportadora de Gas del Sur S.A. ("TGS" or "the Company") (NYSE: TGS, MERVAL: TGSU2) reported today a net income of Ps. 115.0 million, or Ps. 0.145 per share (Ps. 0.724 per ADS), for the second quarter ended June 30, 2015, similar to the results recorded in the same period of 2014.

Comprehensive income for the six-month period ended June 30, 2015 amounted to Ps. 160.0 million, or Ps. 0.201 per share (Ps. 1,007 per ADS), compared with a net income of Ps. 37.3 million, or Ps. 0.047 per share (Ps. 0.235 per ADS), recorded in the same period last year.

The increase in net income during the first half was mainly attributed to the variation in the financial results amounting to Ps. 192.4 million in the period 2015 compared to Ps. 542.4 million reported in the first half of 2014. This variation of Ps. 350.0 million, or 65.4%, is related to lower depreciation of the Argentine peso during 2015 and the lower net liability position in US dollar, which includes the financial debt obtained to finance the acquisition of its fixed assets (90% of which corresponds to the Natural Gas Transportation business segment).

Operating income continued its negative trend, and decreased during the first half of 2015 by 29.9% to Ps. 414.7 million, from Ps. 591.8 million reported in the first half of 2014. In addition, net revenues reached Ps. 1,948.2 million, a decrease of 11.5% over the first half of 2014. The decrease in operating income was mainly due to the sharp drop in international reference prices of liquids occurred since the last quarter of 2014. Although revenues increased due to the two tariff increases authorized by the National Gas Regulatory Body ("ENARGAS") through Resolutions No. I-2852/14 of April 7, 2014 (the "Resolution I-2852") and No. I-3347/15 of June 5, 2015 (the "Resolution I-3347"), the recovery of the operating income for the Natural Gas Transportation business segment of Ps. 26.3 million was insufficient.

It is worth highlighting that the tariff increases mentioned above, with a minimum impact on end-users, were the first received since 1999. Due to the persistent increase in operating costs, the increase represented a significant support in the short term to temporarily improve the economic situation of the Company while it continued negotiations -both in administrative and judicial proceedings- with the aim of signing the Overall Renegotiation Agreement (the "Comprehensive Agreement").

Second Quarter 2015 vs. Second Quarter 2014

For the second quarter ended June 30, 2015, TGS posted total net revenues of Ps. 982.4 million, compared to Ps. 961.4 million recorded in the same period of 2014, representing a Ps. 21.0 million, or 2.2% increase.

The Natural Gas Transportation business segment represented approximately 27% and 20% of TGS' total revenues during the second quarter of 2015 and 2014, respectively. Following the implementation of the Public Emergency Law No. 25,561 in 2002, TGS received an increase only for its regulated natural gas transportation tariff. The new rate schedule established a cumulative increase of 20% starting August 1, 2014. The publication of the tariff chart partially implements the 2008 Transitional Agreement, and states that the increase should have been in effect since September 1, 2008. The changes introduced in the tariff chart have not been enough to address the problem, as the implemented increase is insignificant compared to the unrelenting operating cost increase since 1999. As a result, the Company has filed judicial and administrative appeal against the breach of the aforementioned agreement.

This business segment is subject to the ENARGAS regulation.

Natural Gas Transportation revenues are mainly derived from firm contracts, under which pipeline capacity is reserved and paid, regardless of actual usage by the shipper. The Company also provides interruptible natural gas transportation services subject to availability of the pipeline capacity. In addition, TGS renders operation and maintenance services of the Natural Gas Transportation facilities, which belong to certain gas trusts (*fideicomisos de gas*) created by the Argentine Government in order to expand the capacity of the Argentine natural gas transportation pipeline system. In addition, in November 2005 ENARGAS created the Charge for Access and Use ("CAU") to compensate TGS for the operation and maintenance of the Natural Gas Transportation assets, mainly related to the pipeline expansions owned by the Gas Trusts. Since its inception, the CAU has only been adjusted in May 2015, failing to offset the increases in the operating costs recorded since the time of its creation in 2005.

The Production and Commercialization of Liquids segment revenue decreased by Ps. 56.2 million in the second quarter of 2015 compared with the same period of the previous year, mainly due to the fall in international reference prices, which started in the fourth quarter of 2014 and have continued thus far in 2015. This negative effect was partially offset by an increase in the foreign exchange rate of the Argentine peso compared to the U.S. dollar, and an increase in the volumes exported by TGS' own account.

Liquids Production and Commercialization revenues accounted for approximately 65% and 73% of the total revenues in the second quarter of 2015 and 2014, respectively. Liquids Production and Commercialization consists of natural gas processing activities conducted at the Cerri Complex, located near the city of Bahía Blanca, Province of Buenos Aires, where all of TGS's main natural gas pipelines connect, and where ethane, propane, butane and natural gasoline are recovered. The Company commercializes Liquids for its own account and also on behalf of TGS' clients.

Other Services revenues increased by Ps. 2.2 million in the second quarter of 2015 compared to the same period of 2014. This increase was mainly due to higher revenues from steam generation and the management of expansion works carried out by the trust created for that purpose by the National Government in 2006. Both effects were partially compensated by lower telecommunication services.

The Other Services business segment includes midstream and telecommunication activities. As a percentage of the Company's total net revenues, this segment accounted for approximately 8% and 7% of the net revenues in the second quarter of 2015 and 2014, respectively. Midstream

services include natural gas treatment, separation, and removal of impurities from the natural gas stream, as well as natural gas compression, rendered at the wellhead typically for natural gas producers. In addition, TGS provides services related to pipeline and compression plant construction, operation and maintenance of pipelines and compressor plants services, as well as steam generation for electricity production. Telecommunication services are rendered through Telcosur S.A., a company controlled by TGS. Telcosur S.A. provides services as an independent carrier of carriers to leading telecommunication operators and corporate customers located in its service area.

Cost of sales and administrative and selling expenses increased by approximately Ps. 22.9 million in the second quarter of 2015 from the same period of 2014. This variation is mainly attributed to higher labor costs and other operating costs. These effects were partially offset by lower tax on export charges after the enactment of Resolutions No. 1,077/2014 issued by the Ministry of Economy and Finance and No. 60/2015 issued by the Federal Energy Bureau, which introduced changes to the tax rate applicable to the withholding tax on exports of propane, butane and natural gasoline. After the enactment of these modifications, the minimum tax rate is 1%. The reduction in the tax on export rate could reduce the negative impact of the sharp decline in the international reference prices.

In the second quarter of 2015, the negative financial results had a negative variation of Ps. 5.5 million, or 7.2% from the same period of 2014. This variation was mainly due to lower interest on financial assets as a result of lower invested capital during the second quarter of 2015 after the cancellation of principal and interest in May 2014 and 2015 of the notes issued by the Company (90% of which correspond to the Natural Gas Transportation business segment) and the negative impact of the financial results for derivative financial instruments during the second quarter of 2014.

First Half 2015 vs. First Half 2014

For the six-month period ended June 30, 2015, the Company recorded a total net revenue of Ps. 1,948.2 million, in comparison with the Ps. 2,201.5 million recorded in the same period last year, representing a decrease of Ps. 253.3 million, or 11.5%.

Natural Gas Transportation revenues for the first half of 2015 increased Ps. 122.1 million (33.8% vs. 2014 first half). The increase is mainly due to: (i) the impact of the new rate schedules of natural gas transportation tariffs approved by Resolution I-2852 and I-3347 necessary to achieve stabilized temporarily the net revenues of this business segment until the signing of the Integral Agreement is reached, and (ii) higher natural gas transportation services to export customers.

Liquids Production and Commercialization segment revenues decreased Ps. 366.7 million in the first half of 2015 when compared to the same period last year, mainly due to the fall in international prices, which started in the fourth quarter of 2014 and have continued thus far in 2015. This negative effect was partially offset by an increase in the foreign exchange rate of the Argentine peso compared to the U.S. dollar and an increase in the volumes sold by TGS' own account.

Other Services revenues decreased by Ps. 8.7 million or 5.9% in the first half of 2015 when compared to the first half of 2014 primarily due to lower telecommunication services and compression natural gas. These effects were partially offset by higher steam generation services.

Operating costs, administrative and selling expenses decreased approximately Ps. 84.9 million, or 5.3% in the first half of 2015 when compared to the same period last year. This variation is mainly attributed to lower tax on export charges mentioned above. This effect was partially offset by higher labor costs and other operating costs.

Negative financial expenses for the six months ended June 30, 2015 amounted to Ps. 192.4 million, compared to Ps. 542.4 million reported in the same period in 2014. This decrease of Ps. 350.0 million mainly due to lower losses generated by the impact the variation that the Argentine peso exchange rate had against the US dollar during the first half of 2015 and lower negative result from the financial derivatives. These positive effects were partially offset by the decrease in interest on financial assets.

As of June 30, 2015, the foreign exchange rate was Ps. 9.088 per US dollar, showing a 6.3% of increase with respect to the exchange rate at the end of 2014. Meanwhile, as of June 30, 2014, Argentine peso depreciated 24.7% (or Ps. 1.61 = US$ 1.00) from the end of 2013.

Liquidity and Capital Resources

For the six month period ended June 30, 2015, cash and cash equivalents decreased by Ps. 226.4 million. This decrease was mainly due to the cancellation of the second installment of the principal of the notes made in May 2015 by using the net cash flow from the operations. Meanwhile, the cash flow generated from the operating activities totaled Ps. 102.2 million. Finally, the cash used in investing activities amounted to Ps. 42.8 million as a result of payments made for the acquisition of property, plant and equipment, net of the cash flow generated by financial assets not considered cash and cash equivalents.

Please see the attached tables for additional financial and operating information.

TGS operates a natural gas pipeline system of approximately5,600 miles, with a current firm contracted capacity of approximately 2.8 Bcf/d, is Argentina's leading transporter of natural gas. The Company is also Argentina's leading processor of natural gas and one of the largest marketers of Liquids. TGS is listed on both the New York and Buenos Aires stock exchanges under the ticker symbols TGS and TGSU2, respectively. TGS's controlling shareholder is Compañía de Inversiones de Energía S.A. ("CIESA"), which holds 51% of the Company's common stock. CIESA is under co-control of: (i) Petrobras Argentina S.A. and a subsidiary, which altogether hold 50% of CIESA's Common Stock and (ii) CIESA Trust (whose trustee is The Royal Bank of Scotland N.V. Sucursal Argentina) who has a trust shareholding of 40%. The remaining 10%is held by and (iii) PEPCA S.A. (formerly EPCA S.A.), which belongs to Pampa Energía S.A.

This press release includes forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933, as amended. Forward-looking statements are based on management's current views and assumptions and involve known and unknown risks. Although the Company has made reasonable efforts to ensure that the information and assumptions on which these statements and projections are based are current, reasonable and complete, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations contained in this release. Neither the Company nor its management can guarantee that anticipated future results will be achieved. Investors should refer to the Company's filings with the U.S. Securities and Exchange Commission for a description of important factors that may affect actual results.

Exhibit I

Transportadora de Gas del Sur S.A.

Financial and Operating Data for the six-month periods and second quarter ended June 30, 2015 and 2014

(In millions of Argentine pesos, except for per share and per ADS information in pesos or where otherwise indicated)

Consolidated Statements of Comprehensive Income	2nd Quarter		1st. Semester	
	2015	**2014**	**2015**	**2014**
Net Revenues	**982.4**	**961.4**	**1,948.2**	**2,201.5**
Natural Gas Transportation	267.0	192.0	482.9	360.8
Liquids Production and Commercialization	642.1	698.3	1,325.5	1,692.2
Other Services	73.3	71.1	139.8	148.5
Costs of sales	**(639.7)**	**(584.7)**	**(1,289.1)**	**(1,213.6)**
Operating costs	(577.6)	(524.1)	(1,166.3)	(1,094.6)
Depreciation	(62.1)	(60.6)	(122.8)	(119.0)
Gross Profit	**342.7**	**376.7**	**659.1**	**987.9**
Administrative and Selling Expenses	(104.1)	(136.2)	(240.3)	(400.7)
Other Operating Results	(4.8)	2.5	(4.1)	4.6
Operating profit	**233.8**	**243.0**	**414.7**	**591.8**
Net Financial Results	(81.7)	(76.2)	(192.4)	(542.4)
Share of profit / (loss) from associates	0.0	3.7	0.0	2.6
Total comprehensive income before Income Tax	**152.1**	**170.5**	**222.3**	**52.0**
Income Tax expense	(37.1)	(55.5)	(62.3)	(14.7)
Total comprehensive income for the period	**115.0**	**115.0**	**160.0**	**37.3**
Earnings per share	0.145	0.145	0.201	0.047
Earnings per ADS	0.724	0.724	1.007	0.235

Operating Data

Transmission Volumes (millions of cf/d)

Average firm contracted capacity	2,842.8	2,839.3	2,842.8	2,867.5
Average deliveries	2,404.9	2,482.6	2,193.0	2,288.4

Processing sales (thousands of short tons)

Ethane	84.5	76.8	165.7	170.0
Propane and Butane	130.5	115.2	307.1	299.2
Natural Gasoline	28.1	26.9	59.4	55.4

Exhibit II

Transportadora de Gas del Sur S.A.

Consolidated Business Segment Information for the six-month periods ended June 30, 2015 and 2014

(In millions of Argentine pesos)

	Natural Gas Transportation	Production and Commercialization of Liquids	Other Services	Telecommunications	Total
Six-month period ended June 30, 2015					
Net revenues	482.9	1,325.5	118.3	21.5	1,948.2
Operating profit	28.4	332.7	45.7	7.8	414.6
Depreciation of Property, Plant and Equipment	(96.7)	(23.3)	(9.7)	-	(129.7)
Six-month period ended June 30, 2014					
Net revenues	360.8	1,692.2	109.7	38.8	2,201.5
Operating (loss) / profit	(2.3)	513.1	55.6	25.4	591.8
Depreciation of Property, Plant and Equipment	(93.6)	(11.6)	(20.8)	-	(126.0)

Breakdown of Net Financial Results for the six-month periods ended June 30, 2015 and 2014

(In millions of Argentine pesos)

	2015	2014
Financial income		
Interest	46.6	143.1
Results on assets at fair value through profit or loss	23.2	20.5
Foreign exchange gain	50.0	175.6
Subtotal	**119.8**	**339.2**
Financial expenses		
Interest expense	(152.3)	(166.1)
Foreign exchange loss	(133.2)	(622.0)
Derivative financial instruments results	(15.2)	(69.3)
Other financial charges	(22.1)	(28.2)
Less: Amounts capitalised on qualifying assets	10.5	4.0
Subtotal	**(312.3)**	**(881.6)**
Total	**(192.4)**	**(542.4)**

Exhibit III

Transportadora de Gas del Sur S.A.
Consolidated Statement of Financial Position as of June 30, 2015 and December 31, 2014

(In millions of Argentine pesos)

	06/30/2015	12/31/2014
Assets		
Non Current assets		
Property, plant and equipment	4,126.0	4,082.1
Investments in associates	3.5	3.4
Other financial assets at fair value thorugh profit or loss	29.7	26.6
Other receivables	58.1	56.2
Trade receivables	39.8	47.2
Total non current assets	**4,257.1**	**4,215.5**
Current assets		
Other receivables	357.5	315.6
Inventories	56.0	29.1
Trade receivables	448.9	411.4
Loans to related parties	293.0	268.1
Other financial assets at fair value through profit or loss	2.6	145.3
Cash and cash equivalents	577.9	789.4
Total current assets	**1,735.9**	**1,958.9**
Total assets	**5,993.0**	**6,174.4**
Equity		
Common stock	1,345.3	1,345.3
Legal Reserve	247.5	242.3
Future Capital Expenditures and Other Financial Expenses Reserve	175.0	-
Future dividends reserve	99.7	-
Future capital expenditures reserve	-	175.0
Accumulated retained earnings	160.0	105.0
Non-controlling interests	-	-
Total equity	**2,027.5**	**1,867.6**
Liabilities		
Non-current liabilities		
Deferred tax liabilities	492.4	514.0
Advances from customers	343.0	380.3
Loans	2,012.4	2,160.4
Other payables	0.2	0.4
Total non-current liabilities	**2,848.0**	**3,055.1**
Current liabilities		
Provisions	160.6	150.3
Advances from customers	27.6	27.2
Other payables	40.1	40.6
Taxes payables	29.9	44.2
Income tax payable	63.5	24.1
Payroll and social security taxes payables	79.7	87.3
Loans	316.6	305.3
Trade payables	399.5	543.9
Total current liability	**1,117.5**	**1,251.7**
Total liabilities	**3,965.5**	**4,306.8**
Total equity and liabilities	**5,993.0**	**6,174.4**

Exhibit IV

Transportadora de Gas del Sur S.A.

Consolidated Statement of Cash Flows for the six-month periods ended June 30, 2015 and 2014

(In millions of Argentine pesos)

	2015	2014
Cash flows provided by operating activities		
Total comprehensive income for the period	160.0	37.3
Reconciliation of net income to cash flows provided by operating activities:		
Depreciation of property, plant and equipment	129.8	125.9
Consumption of materials	2.7	1.3
Increase in allowances and provisions	13.5	5.5
Share of profit from associates	0.0	(2.6)
Interest expense accrual	136.7	152.9
Interest income on Other financial assets other than cash and cash equivalents	(19.4)	(7.0)
Income tax	62.2	14.8
Derivative financial instrument results	15.2	69.3
Foreign exchange loss	115.3	433.4
Changes in assets and liabilities:		
Trade receivables	(56.7)	(0.9)
Other receivables	(43.8)	(17.3)
Inventories	(26.9)	(11.9)
Trade payables	(118.2)	(0.4)
Payroll and social security taxes	(7.7)	(9.9)
Taxes payable	(14.3)	(37.9)
Income tax	(38.7)	(24.0)
Other payables	(0.7)	0.9
Provisions	(3.3)	0.0
Interest paid	(117.0)	(93.0)
Income tax paid	(5.8)	(14.7)
Derivative financial instruments	(44.0)	(42.8)
Advances from customers	(36.7)	50.8
Cash flows provided by operating activities	**102.2**	**629.7**
Cash flows used in investing activities		
Additions to property, plant and equipment	(194.2)	(157.9)
Financial assets other than cash equivalents	151.4	29.6
Cash flows used in investing activities	**(42.8)**	**(128.3)**
Cash flows used in financing activities		
Payment of loans	(285.8)	(762.4)
Cash flows used in financing activities	**(285.8)**	**(762.4)**
Net decrease in cash and cash equivalents	**(226.4)**	**(261.0)**
Cash and cash equivalents at the beginning of the year	**789.4**	**893.8**
Foreign exchange gains on cash and cash equivalents	**14.9**	**42.0**
Cash and cash equivalents at the end of the period	**577.9**	**674.8**