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TRANSENER S.A. REPORTS FIRST QUARTER YEAR 2011 RESULTS

Buenos Aires – May 10, 2011 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net income of Pesos 0.0 million (Pesos 0.000 per share) for the three-month period ended March 31, 2011.

Consolidated net sales for the three-month period ended March 31, 2011 resulted in Pesos 155.2 million, 10.4% higher than the Pesos 140.6 million for the same period last year, principally due to an increase of (i) Pesos 4.2 million in electricity transmission revenue, net, and (ii) Pesos 14.7 million in the Fourth Line canon, net and a decrease of Pesos 4.2 million in other net revenues.

The increase in electricity transmission revenue, net, was originated mainly by the Instrumental Agreements entered into by Transener and Transba with the Secretariat of Energy ("SE") and the ENRE, on December 21, 2010, which establish the recognition of their rights to collect the amounts resulting from the application of the cost-variation index for the period June 2005 – November 2010 (See "Tariff situation and regulatory aspects").

The increase in the Fourth Line canon, net was originated principally by the recognition of the increase in the fourth line canon as from July 2010, approved by the ENRE, through Resolution 150/2011 (See "Fourth Line").

The decrease in other net revenues was originated mainly by a decrease of Pesos 10.5 million in other net revenues from Transener Internacional Ltda., partially offset by an increase of Pesos 6.3 million from Transener and Transba's other net revenues.

Consolidated operating and administrative costs for the three-month period ended March 31, 2011 amounted to Pesos 126.3 million, 2.9% lower than the Pesos 130.0 million for the same period last year, showing an increase of Pesos 1.8 million in Salaries and social

security charges, a decrease of Pesos 13.2 million in Provisions principally due to the reversion of a provision related to regulatory aspects and an increase of Pesos 7.1 million in the Prevision for an irrecoverable loan granted within the period to its subsidiary Transener Internacional in order to finance its operation.

Consolidated financial results for the three-month period ended March 31, 2011 resulted in a net loss of Pesos 23.1 million, in comparison with a net loss of Pesos 26.0 million for the same period last year, mainly due to (i) an increase of Pesos 5.5 million in interests generated by assets principally due to the recognition of interest from the Instrumental Agreements entered into with the SE and the ENRE, (ii) a decrease of Pesos 2.6 million in the exchange difference losses, net, (iii) a decrease of Pesos 3.1 million in the profit originated in the repurchase of notes and (iv) an increase of Pesos 2.1 million in interest generated by liabilities.

Income tax charges for the three-month period ended March 31, 2011 resulted in a loss of Pesos 6.9 million, in comparison with a loss of Pesos 1.4 million for the same period last year, mainly originated by the increase of Pesos 5.5 million in the income tax payable, principally originated by the higher Transener's taxable profit during the period.

Financial situation

During the three-month period ended March 31, 2011, Transener repurchased Series 1 Notes for a nominal value of US$ 6.1 million and received a total nominal value of US$ 1.7 million, in relation with Transba's capital stock reduction. During the period, the Company has not cancelled notes.

As of March 31, 2011, Transener and Transba hold notes of the mentioned Series 1 Notes for a total nominal value of US$ 26.7 million and US$ 2.4 million, respectively.

The Company is updating the Information Memorandum, which includes the financial statements as of March 31, 2011, 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.

Regarding the Transener's qualifications, S&P maintained the local qualifications in "raBBB+" stable and the global qualification for foreign and local currency in "B-" stable.

In accordance with the terms stated in the Indenture dated June 30, 2005, excess cash has been generated for the period July 1, 2010 – December 31, 2010. As a consequence, on April 1 2011, Transener pre-cancelled all the remaining Class 6 Par Notes. The pre-canceled residual value of such notes amounted to US$ 2.5 million.

Consolidated outstanding principal debt of the Company as of March 31, 2011 amounted to US$ 147.6 million, without having substantial refinancing needs until year 2013.

Tariff situation and regulatory aspects

The Emergency Law No. 25,561, which fixed the prices and tariffs of the public services companies' contracts in Pesos at the exchange rate of Pesos 1 for each US$1, 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 subsidiary Transba.

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 foreseen: i) to carry out a Full Tariff Review ("FTR") before the ENRE and 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.

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 that Agreement on behalf of said regulatory authority, the serious situation arising from such breaches, and their 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. Transba has presented before the ENRE similar requirements to those of Transener's but adapted -in terms of time and investment to be executed-, as provided in the Definitive Agreement.

On July 30, 2008, through Resolutions SE No. 869/08 and 870/08, the SE extended the contractual transition period for Transener and Transba, respectively, up to the effective enforcement of the regime resulting from the FTR, thus fixing such date for February 2009.

In that sense, Transener and Transba submitted their respective tariff pretensions, according to what it is stated in the Definitive Agreements, and also in the section 45 and the ones concordant to Law No. 24,065, for the purpose of dealing with the matter, calling for a Public Hearing and defining a new tariff regime.

In spite of that, as of March 31, 2011, the ENRE has not called for a Public Hearing yet and did not deal with the tariff requirements demanded by Transener and Transba within the FTR framework.

On the other hand, due to the increase in labor and operating costs incurred from 2004 until now, Transener and Transba, every quarter went on certifying the costs variations actually incurred, 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, unsuccessfully required the ENRE to proceed to pronounce the administrative acts for the recognition in the tariff of the cost increases

occurred after the Definitive Agreements have been entered into, which led to the initiation of judicial claims.

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.

Finally, on December 21, 2010, an Instrumental Agreement (the "Instrumental Agreement") related to the Definitive Agreement was entered into with the SE and the ENRE, setting forth as follows:

(i) the recognition of Transener and Transba´s rights to collect the amounts resulting from the variations of costs during the period June 2005 – November 2010,
(ii) the mandatory cancellation of the financing received from CAMMESA, through the cession of credits resulting from the recognition of the above mentioned variations of costs,
(iii) a mechanism of cancellation of the pending balances,
(iv) the recognition of an additional amount to receive from CAMMESA for investments in the system, for an amount of Pesos 34.0 million for Transener and Pesos 18.4 million for Transba.
(v) a procedure for the updating and payment of the cost variations, arising from the sequence of the semesters already elapsed as from December 1, 2010 up to December 31, 2011.

In February 2011, CAMMESA made an estimation of the amounts owed to Transener and Transba due to variations of costs occurred during the period June 2005 - November 2010. As of January 17, 2011 (date of updating), the mentioned amounts were as follows:

Differences for Connection and Capacity	Millions of Pesos		
	Transba	Transener	Total
Principal	75.9	189.3	265.2
Interests	43.2	104.8	148.0

As of March 31, 2011 Transener and Transba have recognized a credit of Pesos 150.4 million as a result of the recognition of the variations of costs on behalf of the SE and the ENRE, corresponding to the amounts perceived as of January 17, 2011, through the CAMMESA financing, as described in "CAMMESA Financing – Resolution SE 146/2002".

By virtue of the Instrumental Agreement and subject to its fulfillment, the judicial claims for delay, asking for the recognition of major costs and the need of calling a Public Hearing in order to carry out the FTR, have been abandoned by Transener and Transba.

CAMMESA Financing – Resolution SE 146/2002

On May 12, 2009, Transener and Transba 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 extension of the agreement before mentioned was subscribed for up to the amounts of Pesos 107.7 million and Pesos 42.7 million, for Transener and Transba, respectively.

The Financing Agreements contemplate the possibility of a pre-cancellation, in case that the ENRE orders the retroactive payment owed to Transener and Transba, in concept of variations of costs since 2005 up to date.

As of March 31, 2011, of the amount foreseen in the Financing Agreements entered into with the SE and the ENRE for Pesos 150.4 million, Transener and Transba perceived Pesos 145.6 million. The interests owed up to said date amount to Pesos 11.0 million.

Such as it is described in "Tariff situation and regulatory aspects", according to the Instrumental Agreements entered into on December 21, 2010, Transener and Transba will apply the receivables recognized by the SE and the ENRE due to variations of costs, as a cancellation of the financing received from CAMMESA up to the concurrence of the amounts.

On May 2, 2011 new extensions of the Financing Agreements were entered into with CAMMESA, in which the following has been agreed: i) the cancellation of the amounts received as of January 17, 2011 by Transener and Transba by virtue of the loan granted by the Financing Agreements entered into on May 12, 2009, ii) the issuance of a new loan to Transener and Transba for the amount of Pesos 289.7 million and Pesos 134.1 million respectively, and iii) the cession of the balance of credits recognized by major costs on November 30, 2010 according to the Instrumental Agreement, in order to guarantee the payment of the amounts to be received by the application of the new extensions entered into.

It must be pointed out that the funds which conform the new loans will be destined to the operation and maintenance and to the investments plan corresponding to year 2011; and will be paid through partial payments in advance according to the availability of funds on behalf of CAMMESA, according to the instructions of the SE.

Fourth Line

On March 30, 2011, the ENRE issued the Resolution N°150/2011 which establishes a new annual canon of Pesos 95.9 million as from July 2010, and instructed CAMMESA to make the corresponding adjustments. A net revenue of Pesos 15.0 million has been recognized, which corresponds to the retroactive adjustment for year 2010 and the first quarter 2011.

On April 7, 2011, the Company filed an appeal against said Resolution because the interests which correspond to the delayed payment of the retroactive adjustment of the canon have been omitted. The resolution of this appeal is still pending.

RECENT DEVELOPMENTS

- **500 kV Transmission Federal Plan**

  The Federal Plan has been set forth by the SE 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 receive revenues for such services.

The most important works in progress are the NEA-NOA and the Comahue-Cuyo high voltage lines. Due to the magnitude of such works, each of them was divided into two tranches which were publicly offered and separately awarded.

The NEA-NOA high voltage line, in the Western and Eastern tranches.

The Western tranche comprises the expansion of the El Bracho substation and the construction of the new Cobos and San Juancito substations, the linking lines and the Cobos-Monte Quemado line.

The Eastern tranche comprises the Monte Quemado, Chaco and Gran Formosa substations, the expansion of the Resistencia substation and the linking lines.

The final commercial operation for the project is expected for August 2011.

The Comahue-Cuyo high voltage line was divided into Southern and Northern tranches.

The Southern tranche comprises the new Agua Del Cajon substation and the Agua del Cajón-Río Diamante high voltage line.

The Northern tranche comprises the new Río Diamante substation, the expansion of the Gran Mendoza substation and the linking line.

The final commercial operation for the project is expected for May 2011.

Here follows the estimated construction costs for the works in progress, Transener's estimated revenues for the supervision of the construction and the status of the works:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of Pesos		%
NEA – NOA HVL	2,600	78.0	90%
Comahue – Cuyo HVL	1,300	39.0	75%

- **Expansion Works**

The SE has issued several procedures for the execution of interprovincial expansions and their 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.

In the following chart there is a detail of the estimated construction costs for the works in progress, the estimated revenues that Transener would collect in concept of supervision of the construction and the status of the works:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of Pesos		
INTERCONNECTION PICO TRUNCADO – ESPERANZA - RIO TURBIO - RIO GALLEGOS (*)	2,398	71.9	5%
ARROYO CABRAL SUBSTATION (New substation)	155	4.6	5%
ATUCHA II SUBSTATION (New substation)	130	3.9	70%

(*) Transener jurisdiction comprises only the Pico Truncado-Esperanza tranche.

- **Transener Internacional Ltda.**

  The investment in Transener Internacional Ltda. has been impaired due to the adverse situation that the subsidiary is going through.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	March 31, 2011	December 31, 2010
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	61.901	67.953
Investments	46.035	39.644
Trade receivables	129.778	121.333
Other receivables	14.511	25.007
Total Current Assets	252.225	253.937
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.484.805	1.492.017
Other receivables	36.991	40.318
Other assets	169.207	180.573
Total Non-Current Assets	1.691.003	1.712.908
TOTAL ASSETS	**1.943.228**	**1.966.845**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	43.524	44.976
Bonds and other indebtedness	68.376	52.566
Payroll payable	17.085	35.614
Taxes payable	23.329	26.494
Provisions	24.972	32.101
Other liabilities	6.047	6.625
Total Current Liabilities	183.333	198.376
NON-CURRENT LIABILITIES		
Vendor notes payable	49.013	52.038
Bonds and other indebtedness	530.512	534.492
Payroll payable	20.675	20.230
Taxes payable	32.808	34.575
Other liabilities	1.217	1.185
Total Non-Current Liabilities	634.225	642.520
TOTAL LIABILITIES	**817.558**	**840.896**
MINORITY INTEREST IN SUBSIDIARIES	**43.177**	**43.465**
SHAREHOLDERS' EQUITY	**1.082.493**	**1.082.484**
TOTAL	**1.943.228**	**1.966.845**

Consolidated Income Statement

	Three-month period ended March 31,	
	2011	2010
	(in thousands of Argentine Pesos)	
Net sales	155.213	140.554
Operating costs	(105.048)	(110.623)
Gross profit	**50.165**	**29.931**
Administrative expenses	(21.242)	(19.408)
Operating profit	**28.923**	**10.523**
Operating profit per share	*0,065*	*0,024*
Other income and expenses	**790**	**921**
Financial results		
Generated by assets		
Interest income	6.505	995
Income from measurement of other receivables at present value	1.502	37
Foreign exchange income	2.849	307
Traslation gains	0	(26)
Generated by liabilities		
Interest expense and related taxes	(20.212)	(18.161)
Foreign exchange loss	(11.850)	(11.911)
Repurchase of notes result	(24)	3.077
Loss from measurement of liabilities at present value	(1.908)	(276)
Total financial results	**(23.138)**	**(25.958)**
Minority Interest in Subsidiaries	**288**	**(57)**
Income (loss) before taxes	**6.863**	**(14.571)**
Income tax	(6.853)	(1.361)
Net income (loss)	**10**	**(15.932)**
Net income (loss) per share	*0,000*	*(0,036)*

Other Data

	Three-month period ended March 31,	
	2011	2010
	(in thousands of Argentine Pesos)	
Depreciation and amortization	30.852	30.992
EBITDA	59.775	41.515
Capital expenditure	12.734	16.845