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TRANSENER S.A. REPORTS FIRST QUARTER YEAR 2010 RESULTS

Buenos Aires – May 6, 2010 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 15.9 million (Pesos 0.036 per share) for the three-month period ended March 31, 2010.

Consolidated net sales for the three-month period ended March 31, 2010 resulted in Pesos 140.6 million, 9.4% lower than the Pesos 155.1 million for the same period last year, principally due to a decrease of Pesos 14.9 million in other net revenues, due to (i) a decrease of Pesos 28.2 million generated by construction and installation works, mainly by the completion of the installation of the reactors in Bahía Blanca and Chocón substations, partially offset by an increase of (ii) Pesos 8.0 million generated by supervision services and (iii) Pesos 5.0 million from the non-regulated activities generated by its subsidiaries Transba and Transener Internacional Ltda.

Consolidated operating and administrative costs for the three-month period ended March 31, 2010 amounted to Pesos 130.0 million, 5.6% lower than the Pesos 137.8 million for the same period last year, mainly due to a decrease of Pesos 10.4 million in the operating expenses and an increase of Pesos 2.7 million in the administrative expenses.

The decrease of Pesos 10.4 million in operating expenses was generated mainly by a decrease of Pesos 29.5 million in Materials for works for third parties, mainly due to the lower level of non-regulated activities, partially offset by an increase of Pesos 19.0 million in the remaining operating expenses, principally in Salaries and social security charges, Fuel and lubricants, Depreciation of property, plant and equipment, Taxes and government contributions, Travel and lodging, Security, Provisions and Others.

The increase of Pesos 2.7 million in administrative expenses was generated mainly by an increase of Pesos 1.6 million in Insurance and Pesos 1.0 million in Salaries and social security charges.

Consolidated other income and expenses for the three-month period ended March 31, 2010 resulted in a net profit of Pesos 0.9 million, in comparison with a net profit of Pesos 0.1 million for same period last year, mainly originated by the collection of insurance recoveries.

Consolidated financial results for the three-month period ended March 31, 2010 resulted in a net loss of Pesos 26.0 million, in comparison with a net profit of Pesos 21.4 million for the same period last year, mainly due to a decrease of Pesos 88.5 million in the profit originated in the repurchase of notes, partially offset by a decrease of Pesos 43.4 million in the Exchange difference losses, generated by liabilities.

Income tax charges for the three-month period ended March 31, 2010 resulted in a loss of Pesos 1.4 million, in comparison with a loss of Pesos 0.7 million for the same period last year, mainly originated by a lower decrease of Pesos 3.0 million in the deferred tax liabilities, partially offset by the decrease of Pesos 2.3 million in the income tax payable, principally originated by the lower Transba's taxable profit during the period.

Financial situation

During the three-month period ended March 31, 2010, Transener repurchased Series 1 Notes for a nominal value of US$ 9.7 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.

As of March 31, 2010, Transener and Transba hold notes of the mentioned Series 1 for a total nominal value of US$ 11.9 million and US$ 9.8 million, respectively.

Transener is updating the Information Memorandum 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.

S&P kept the local rating in "raBBB+" stable and the global rating in "B-" stable for foreign currency, modifying the local rating from "B" stable to "B-" stable.

Consolidated outstanding principal debt of the Company as of March 31, 2010 amounted to US$ 155.3 million, without having substantial refinancing needs until year 2013.

By express delegation of the Board of Directors in their Meeting held on April 22, 2010, and according to what has been approved by the Transba's Shareholders' Ordinary Meeting on April 7, 2010, on May 5, 2010, Transba`s General Director ordered the payment of dividends for a total amount of Pesos 21,940,287.00, partially in kind and partially in cash, which are made up of portfolio securities (Class 1 notes issued by Transener due 2016) for a total nominal value of US$ 5,734,000 and in cash for the amount of Pesos 287,231.67.

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.

However, as of March 31, 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 December 31 2009, 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.

On the other hand, regarding the financing agreement entered into with CAMMESA for an amount up to Pesos 107.7 million for Transener and Pesos 42.7 million for Transba, as of March 31, 2010 the Company received disbursements for a total amount of Pesos 60.6 million, representing 49% of the certified payments.

RECENT DEVELOPMENTS

Local activities

- **500 Kv Transmission Federal Plan**

The Secretariat of Energy has issued several Resolutions with the purpose of establishing particular mechanisms and creating a fund in order to finance the works identified as interprovincial expansions of the Argentine Interconnection System. 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 Federal Plan promotes the initiative of private companies 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 will be 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
	Millions of pesos	
In progress:		
NEA – NOA HVL	2,600	78.0
Comahue – Cuyo HVL	1,300	39.0

- **Expansion Works**

Arroyo Cabral substation
A new bid was called for the awarding of civil Works and the electromechanical assembly of the new substation of EPEC (Empresa Provincial de Energía de Córdoba). The opening of the offers is foreseen for the first half of May. The transformer that has already been delivered was destined to replace the one that was broken in the Malvinas substation. In the meantime, the works for the manufacturing and delivery of the yard equipment in the work site continue to be carried out. The work amounts to approximately Pesos 155 million and Transener will collect Pesos 4,6 million in concept of supervision fees.

Atucha II substation
The civil works continue under execution. The work amounts to approximately Pesos 130 million and Transener will collect 3.9 million in concept of supervision fees.

Once all these works have been commercially operated, Transener will begin to collect the regulated remuneration corresponding to the operation and maintenance, according to its tariff regime.

International activities

- Brazil

The Company continues rendering several services, mainly the operation and maintenance of installations up to 500 kV, the expansion of the transforming capacity in the existing installations and the technical assistance to operators.

In particular, the works being developed during the period were the following:

- Tests and start-up of two substations in 500 kV and high voltage line of 392 km long, under execution.
- Civil works and the assembly of two bus bar reactors banks in the Serra da Mesa substation, under execution.
- Crossing on the Araguarí river with a new circuit line in 500 kV, 6 km long, (work on live line). In the final stage.

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SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	March 31, 2010	December 31, 2009
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	57.389	10.524
Investments	23.607	51.824
Trade receivables	96.498	97.827
Other receivables	26.735	26.872
Total Current Assets	204.229	187.047
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.529.804	1.532.924
Other receivables	66.233	65.853
Other assets	214.671	226.037
Total Non-Current Assets	1.810.708	1.824.814
TOTAL ASSETS	**2.014.937**	**2.011.861**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	32.481	35.345
Bonds and other indebtedness	86.496	51.737
Payroll payable	22.588	34.966
Taxes payable	31.505	36.442
Provisions	60.014	53.932
Other liabilities	6.625	6.625
Total Current Liabilities	239.709	219.047
NON-CURRENT LIABILITIES		
Vendor notes payable	61.115	64.141
Bonds and other indebtedness	527.788	548.281
Payroll payable	14.226	12.766
Taxes payable	20.409	22.320
Other liabilities	63.324	41.065
Total Non-Current Liabilities	686.862	688.573
TOTAL LIABILITIES	**926.571**	**907.620**
MINORITY INTEREST IN SUBSIDIARIES	**45.023**	**44.966**
SHAREHOLDERS' EQUITY	**1.043.343**	**1.059.275**
TOTAL	**2.014.937**	**2.011.861**

Consolidated Income Statement

	Three-month period ended March 31,	
	2010	2009
	(in thousands of Argentine Pesos)	
Net sales	140.554	155.060
Operating costs	(110.623)	(121.059)
Gross profit	**29.931**	**34.001**
Administrative expenses	(19.408)	(16.747)
Operating profit	**10.523**	**17.254**
Operating profit per share	*0,024*	*0,039*
Other income and expenses	**921**	**99**
Financial results		
Generated by assets		
Interest income	995	2.634
Income from measurement of other receivables at present value	37	212
Foreign exchange income	307	550
Traslation result foreign investment	(26)	780
Generated by liabilities		
Interest expense and related taxes	(18.161)	(18.814)
Foreign exchange loss	(11.911)	(55.328)
Repurchase of notes result	3.077	91.574
Loss from measurement of liabilities at present value	(276)	(176)
Total financial results	**(25.958)**	**21.432**
Minority Interest in Subsidiaries	**(57)**	**(562)**
Income before taxes	**(14.571)**	**38.223**
Income tax	(1.361)	(714)
Net (Loss) / Income	**(15.932)**	**37.509**
Net (Loss) / Income per share	*(0,036)*	*0,084*

Other Data

	Three-month period ended March 31,	
	2010	2009
	(in thousands of Argentine Pesos)	
Depreciation and amortization	30.992	30.339
EBITDA	41.515	47.593
Capital expenditure	16.845	15.416