



# YPF

## Investor Presentation

Second Quarter 2016

Safe harbor statement under the US Private Securities Litigation Reform Act of 1995.

This document contains statements that YPF believes constitute forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995.

These forward-looking statements may include statements regarding the intent, belief, plans, current expectations or objectives of YPF and its management, including statements with respect to YPF's future financial condition, financial, operating, reserve replacement and other ratios, results of operations, business strategy, geographic concentration, business concentration, production and marketed volumes and reserves, as well as YPF's plans, expectations or objectives with respect to future capital expenditures, investments, expansion and other projects, exploration activities, ownership interests, divestments, cost savings and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond YPF's control or may be difficult to predict.

YPF's actual future financial condition, financial, operating, reserve replacement and other ratios, results of operations, business strategy, geographic concentration, business concentration, production and marketed volumes, reserves, capital expenditures, investments, expansion and other projects, exploration activities, ownership interests, divestments, cost savings and dividend payout policies, as well as actual future economic and other conditions, such as future crude oil and other prices, refining margins and exchange rates, could differ materially from those expressed or implied in any such forward-looking statements. Important factors that could cause such differences include, but are not limited to, oil, gas and other price fluctuations, supply and demand levels, currency fluctuations, exploration, drilling and production results, changes in reserves estimates, success in partnering with third parties, loss of market share, industry competition, environmental risks, physical risks, the risks of doing business in developing countries, legislative, tax, legal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, wars and acts of terrorism, natural disasters, project delays or advancements and lack of approvals, as well as those factors described in the filings made by YPF and its affiliates with the Securities and Exchange Commission, in particular, those described in "Item 3. Key Information—Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in YPF's Annual Report on Form 20-F for the fiscal year ended December 31, 2015 filed with the US Securities and Exchange Commission. In light of the foregoing, the forward-looking statements included in this document may not occur.

Except as required by law, YPF does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

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**1** Company Overview

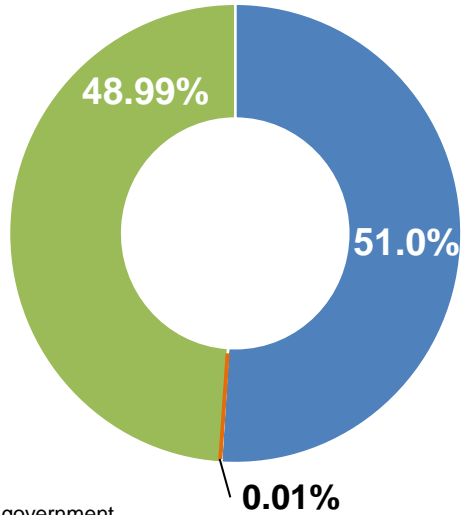
**2** Upstream and Downstream

**3** Financial Results

**4** Conclusions



## Shareholder structure <sup>1</sup>



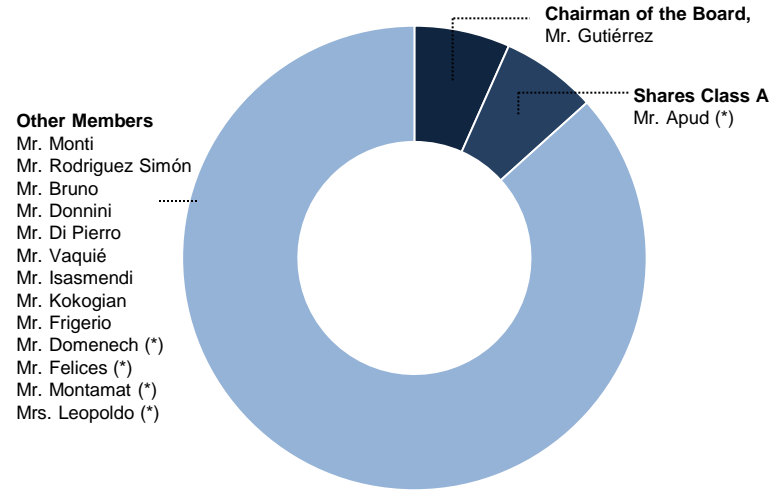
- Argentine government
- Argentine government "Series A"
- Free float

### Ratings

**B**  
**AA (Arg)**

**B3**  
**N/A (Arg)**

## Board composition



(\*) Members of the Audit Committee

### Markets

**YPF**

**YFPD**



Revenues LTM <sup>1</sup>  
**US\$ 15,464 mm**

Adj. EBITDA LTM <sup>1 2</sup>  
**US\$ 4,674 mm**

Net income LTM <sup>1</sup>  
**US\$ 50 mm**

Employees <sup>4</sup>  
**22,025**

## Exploration and production

- Production <sup>7</sup>: 242,9 Kbb/d of oil, 49,6 Kbb/d of NGL and 44,8 Mm3/d of natural gas
- Proved Reserves <sup>3 4</sup> in 2015: 679 mm bbl of liquids and 547 mm boe of gas
- Unique unconventional opportunities: Vaca Muerta, Lajas, Pozo D-129

## Downstream - refining and logistics

- Total refining Capacity: 320 Kbb/d <sup>4 5</sup> (more than 50% <sup>4</sup> of Argentina's total capacity)
- High level of conversion and complexity
- Nearly 2,700 km <sup>4</sup> of crude oil and 1,801 km <sup>4</sup> of refined products pipeline

## Downstream - petrochemicals

- The petrochemical business is integrated with the rest of the production chain
- Output Capacity: 2.2 <sup>4</sup> mm ton per annum

## Downstream - marketing

- The country's leading company in fuel marketing (57.9% <sup>4</sup> market share in diesel and gasoline)
- 1,538 <sup>4 6</sup> service stations

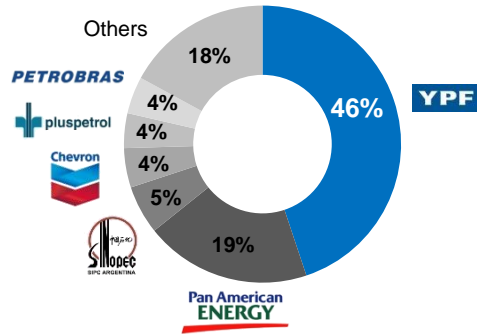
## Major Affiliates

- **MEGA**: Liquids separation and a fractioning plant
- **Metrogas**: Largest local gas distribution company
- **Refinor**: Refining, transportation and marketing of refined products
- **Profertil**: Fertilizer producer (urea and ammonia)
- **AESA**: Engineering, manufacturing, construction, operating and maintenance services to power and energy companies

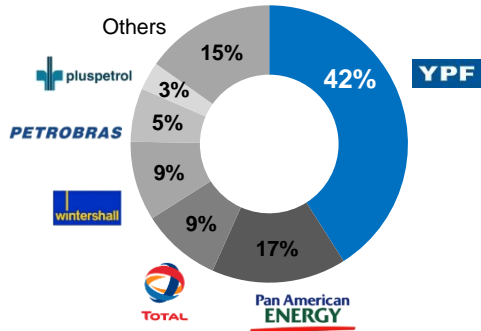
## Upstream

### Market Share Breakdown (%)

#### Oil Production <sup>1</sup>



#### Gas Production <sup>1</sup>

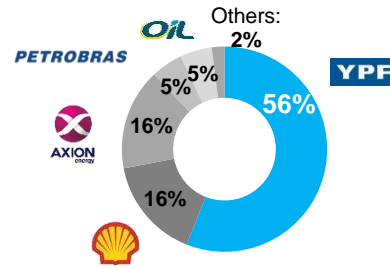


Source: IAPG  
 (1) Cumulative Jan – Jun 2016  
 (2) Cumulative Jan – Jun 2016  
 (3) As of December 2015

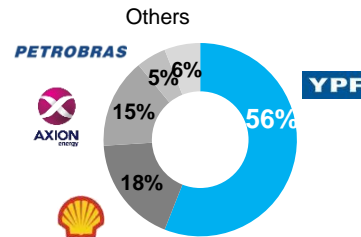
## Downstream

### Market Share Breakdown (%)

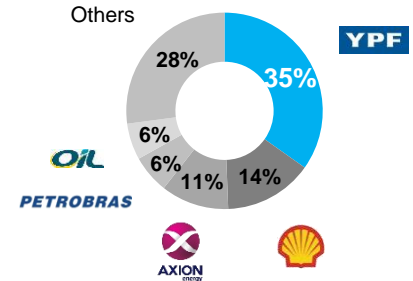
#### Crude Processing <sup>3</sup>



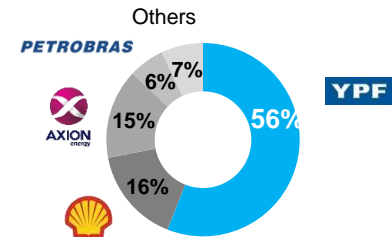
#### Gasoline <sup>2</sup>



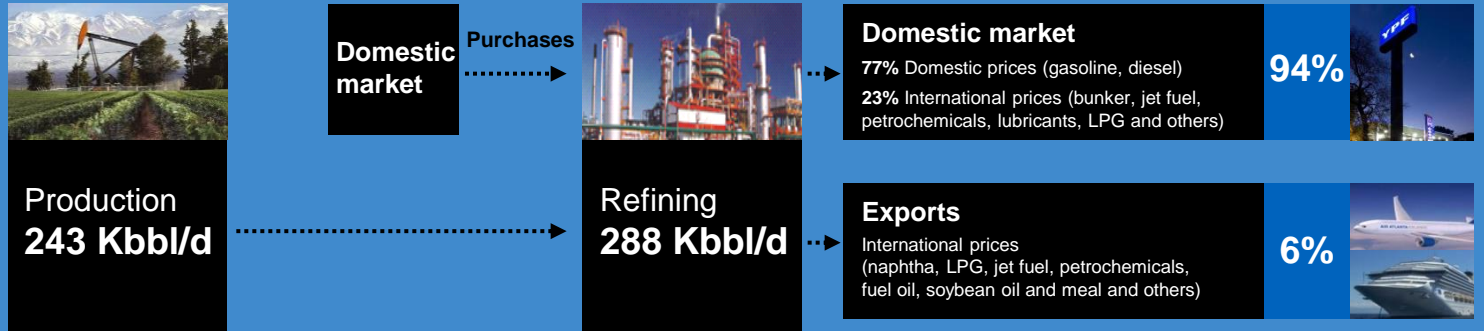
#### No. of Gas Stations <sup>3</sup>



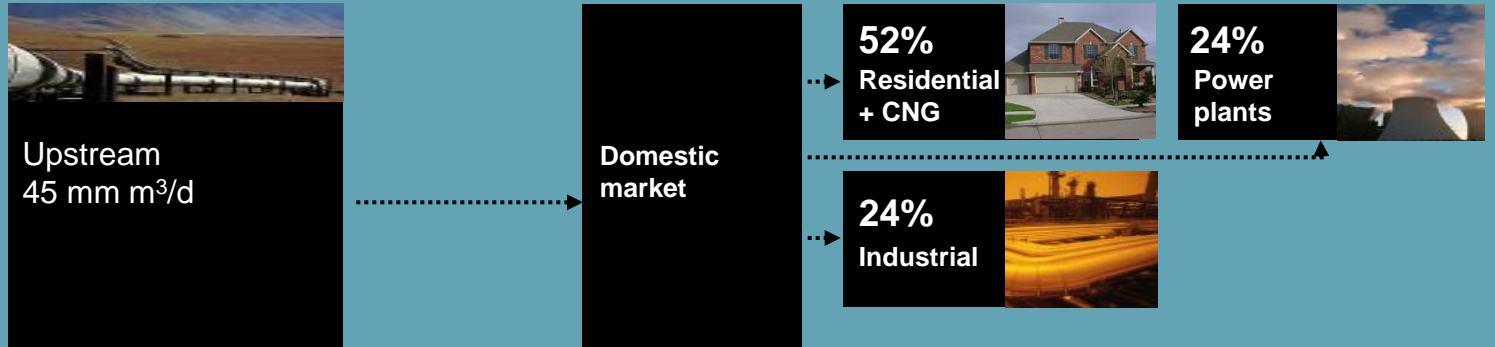
#### Diesel <sup>2</sup>



## Oil business



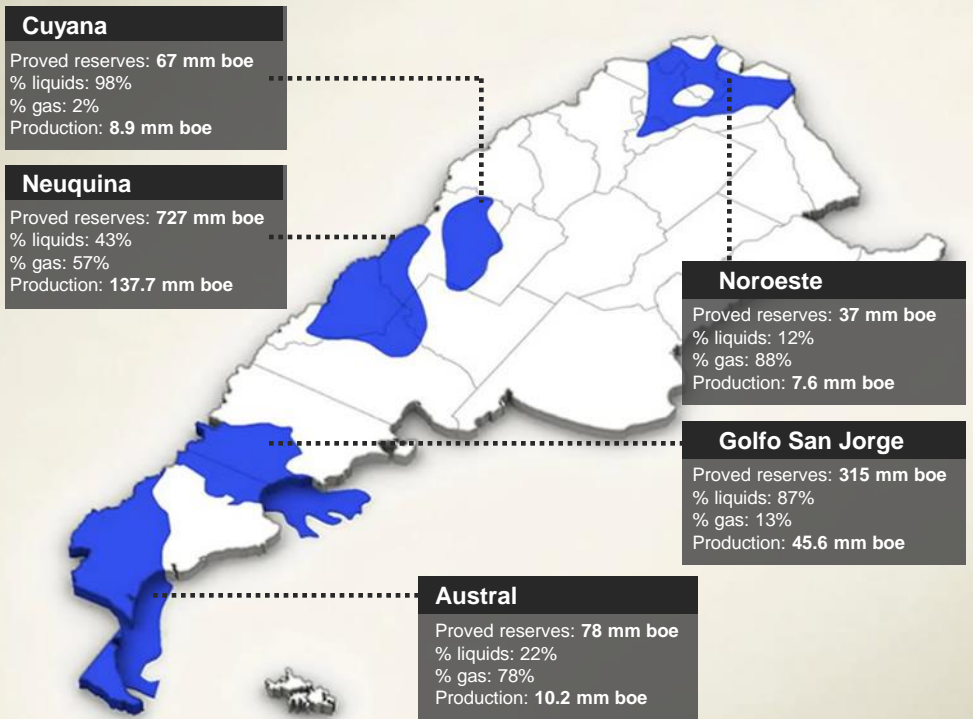
## Natural gas business



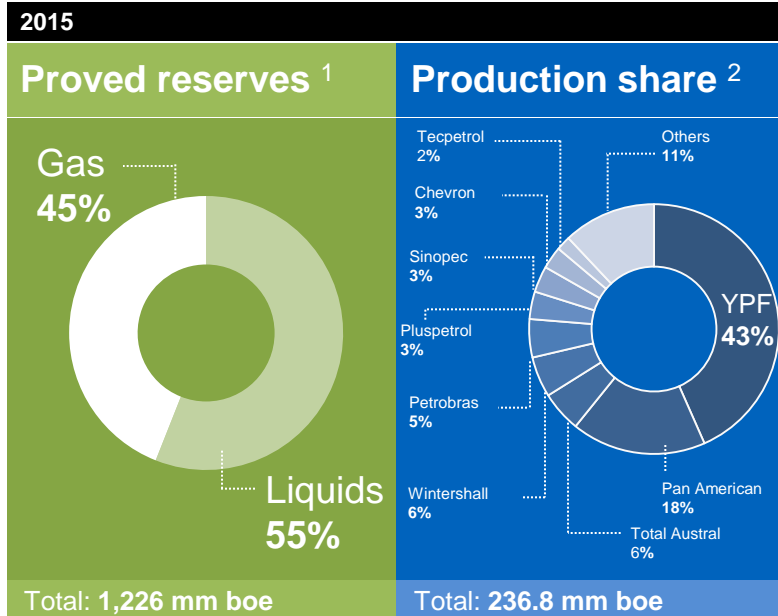
- 1 Company Overview
- 2 Upstream and Downstream**
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YPF has **108 concessions** in the most productive Argentine basins (total reserves 1P: 1,226 mm boe) and **38 exploration blocks** in the country



Source: Company data 2015

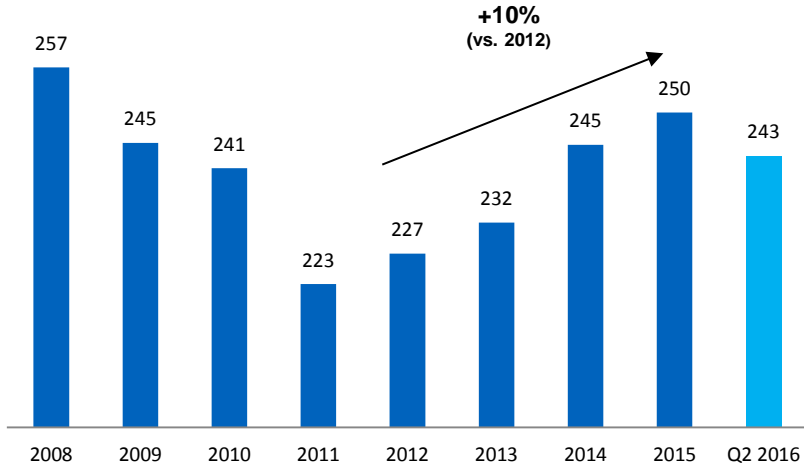
(1) Includes international reserves of 2.3 MBOE – (2) As of March 2016.

Source: IAPG, as of March 2016

Reverted downward trend in production seen in recent years.

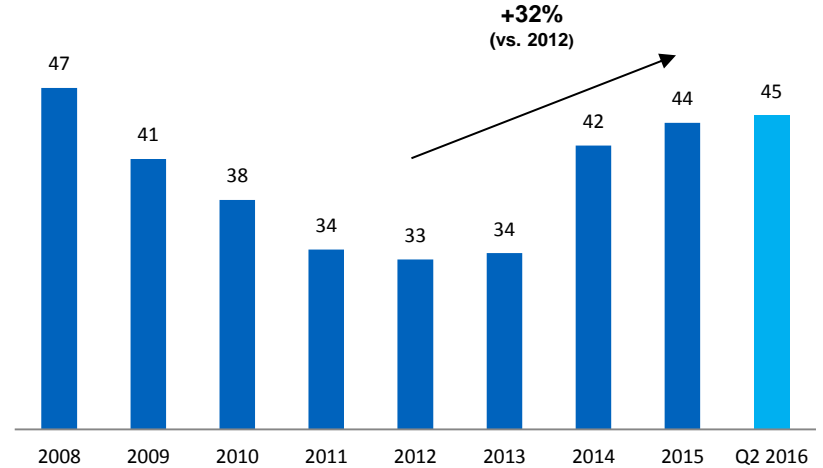
Crude oil production (k bbl/d)

## Crudo Kbbl/d



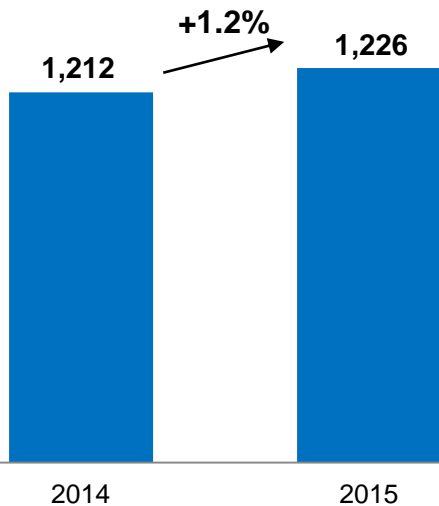
Natural gas production (mm m<sup>3</sup>/d)

## Gas Mm3/d

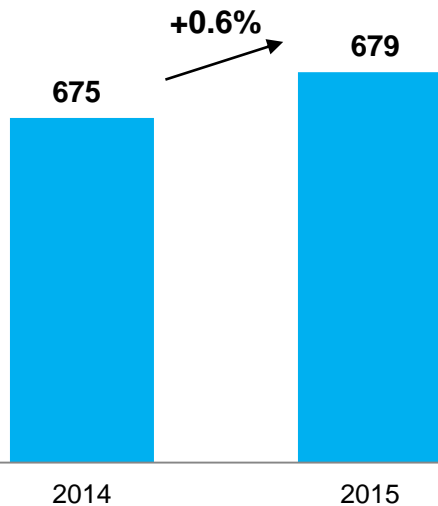


Proven Reserves increased by 1.2%; tight and shale Reserves accounted for 11% of total P1 reserves.

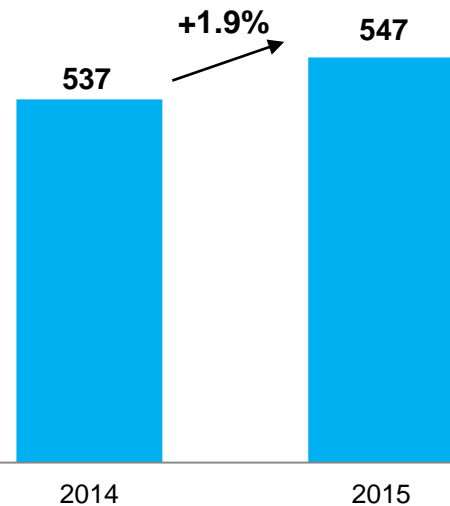
**Total Hydrocarbon (Mboe)**  
RRR: **107%**

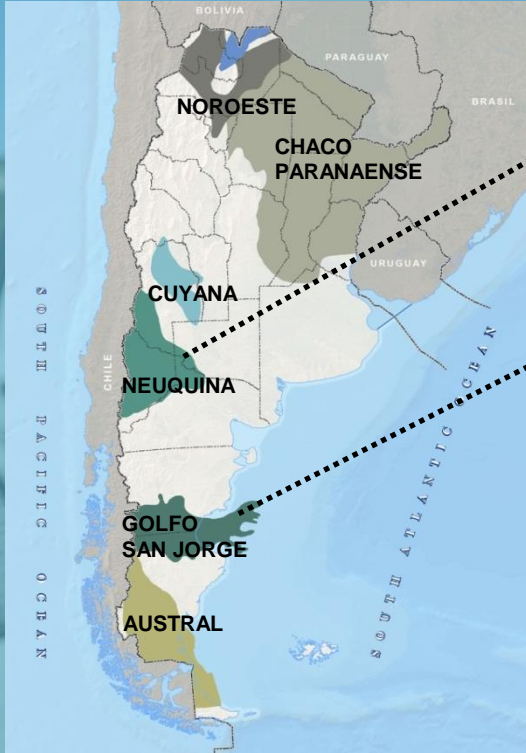


**Liquids (Mbbl)**  
RRR: **104%**



**Natural Gas (Mboe)**  
RRR: **110%**





## Tested & Producing

Vaca Muerta (shale oil / gas)

Agrio (shale oil)

Lajas (tight gas)

Mulichinco (tight gas)

Pozo D-129 (shale oil / tight oil)



## Other Opportunities

### Noroeste - Cretaceous

Yacoraite  
(shale / tight oil & gas)

### Noroeste - Tarija

Los Monos (shale gas)

### Neuquina

Los Molles (shale/ tight gas)

### Golfo San Jorge

Neocomiano (shale oil / gas)

### Chaco Paranaense

Devonian – Permian (shale oil)

### Cuyana

Cacheuta (shale oil)  
Potrerillos (tight oil)

### Austral

Inoceramus



## 503

Producing wells

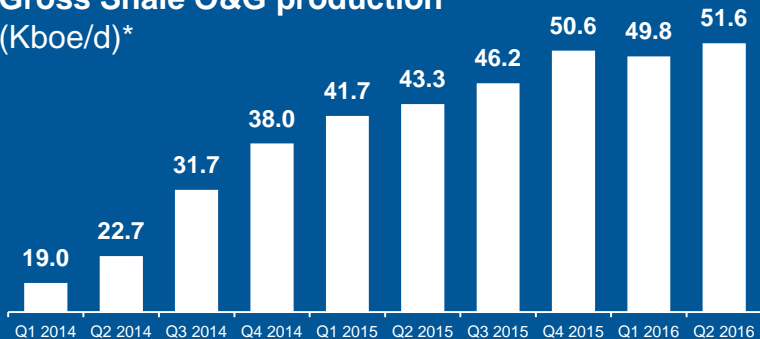
## 22

New wells in Q2 2016

## 51.6

Kboe/d Q2 2016 Shale production

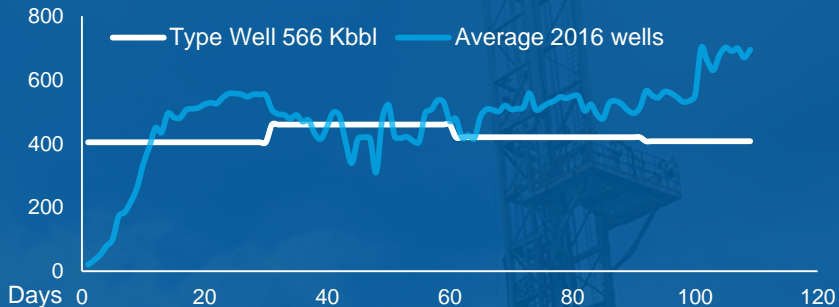
### Gross Shale O&G production (Kboe/d)\*



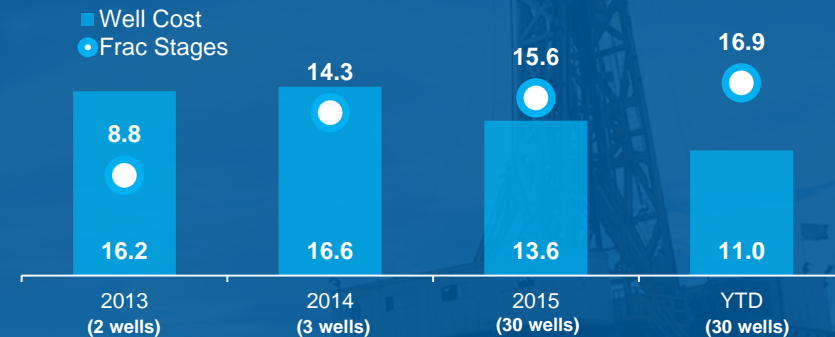
### Q2 2016 Shale Update

- Batch drilling reduced number of drilling days by 45% and drilling cost by almost 30%
- Horizontal well cost reduced to USD 11 million
- Continue to increase average frac stages per well
- 2016 horizontal wells average production rate in line with our type well

### Loma Campana horizontal 2016 wells production (kbbbl/d)



### Horizontal wells cost

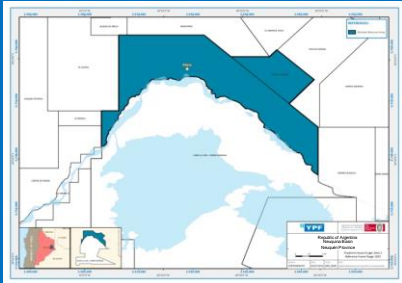


\*Total operated production (Loma Campana + El Orejano + Bandurria + La Amarga Chica)

## Loma Campana

(395 km<sup>2</sup> - 97,607 acres)

Objective: **Vaca Muerta Shale Oil with Chevron**



**3.3% of total YPF's VM acreage <sup>1</sup>**

(1) 395 Km<sup>2</sup> / 12,075 Km<sup>2</sup>

Development model  
**290 Km<sup>2</sup> (71,661 acres)**

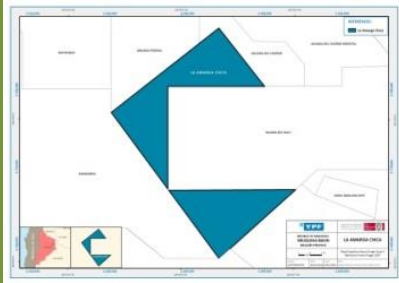
Full program  
of **~1,500 wells (US\$15 bn+)**

YPF Operates

## La Amarga Chica

(187 km<sup>2</sup> - 46,189 acres)

Objective: **Vaca Muerta Shale Oil with Petronas**



**1.55% of total YPF's VM acreage <sup>2</sup>**

(2) 187 Km<sup>2</sup> / 12,075 Km<sup>2</sup>

Pilot consisted  
on **US\$550 mm investment**

**~ 35 wells to be drilled**  
both verticals and horizontal

YPF Operates

## El Orejano

(45 km<sup>2</sup> - 11,090 acres)

Objective: **Vaca Muerta Shale Gas with Dow**



**0.37% of total YPF's VM acreage <sup>3</sup>**

(3) 45 Km<sup>2</sup> / 12,075 Km<sup>2</sup>

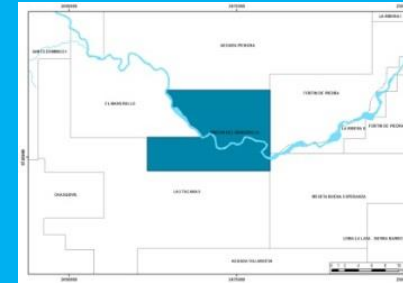
Initial investment  
of **US\$188 mm**

YPF Operates

## Rincón del Mangrullo

(183 km<sup>2</sup> - 45,200 acres)

Objective: **Mulichinco Tight Gas with Petrolera Pampa**

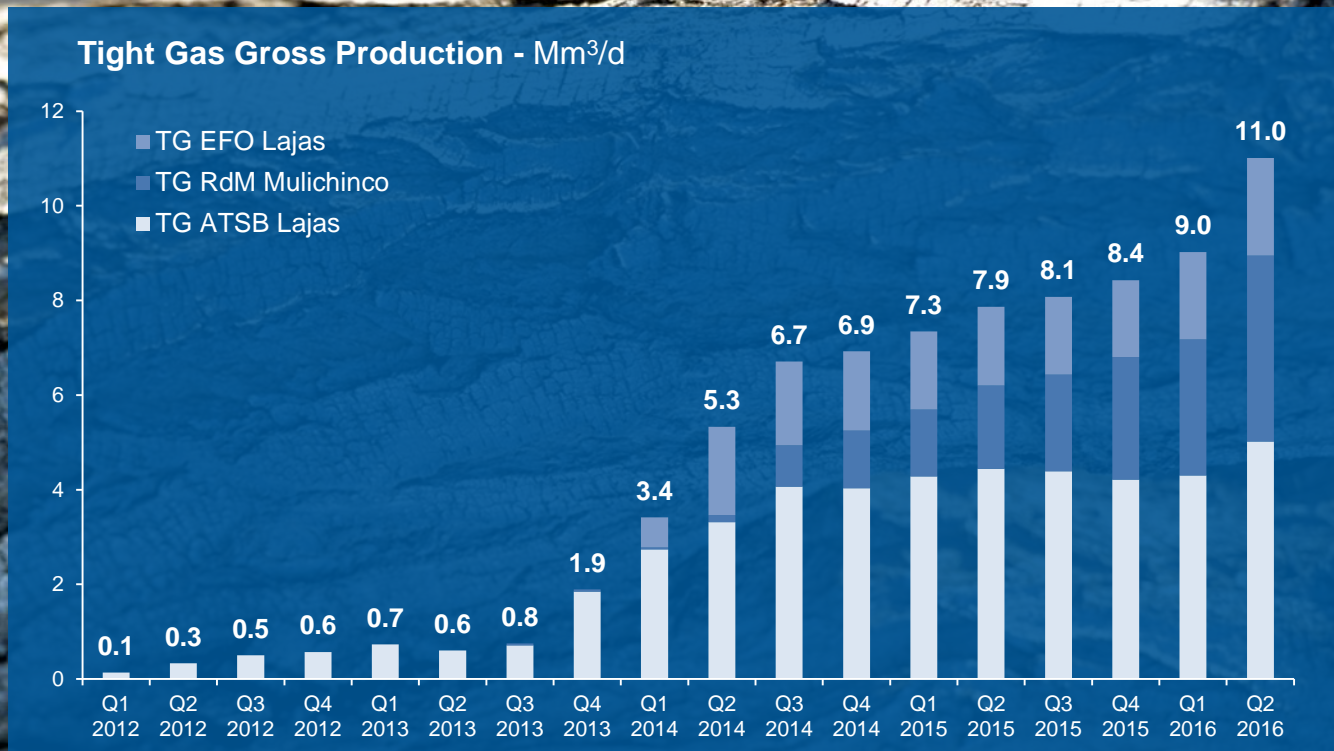


**1<sup>st</sup> stage**  
**40 km<sup>2</sup> of 3D seismic**  
**34 wells drilled**

**2<sup>nd</sup> stage**  
**15 wells drilled**

YPF Operates

Additional compression in Rincón del Mangrullo and Estación Fernandez Oro boosted tight gas production in Q2 2016



**A** Luján de Cuyo refinery  
Capacity: 105.5 kbbl/d

**B** La Plata refinery  
Capacity: 189 kbbl/d

**C** Plaza Huincul refinery  
Capacity: 25 kbbl/d

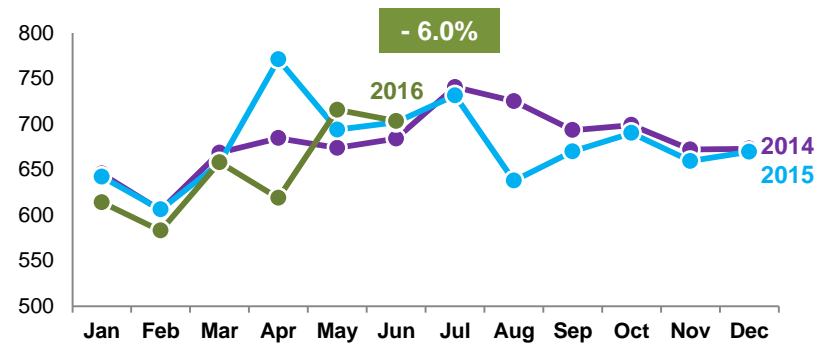
**D** Refinor<sup>(1)</sup>  
Capacity: 26.1 kbbl/d

— Oil pipeline  
— Products pipeline  
● Terminals

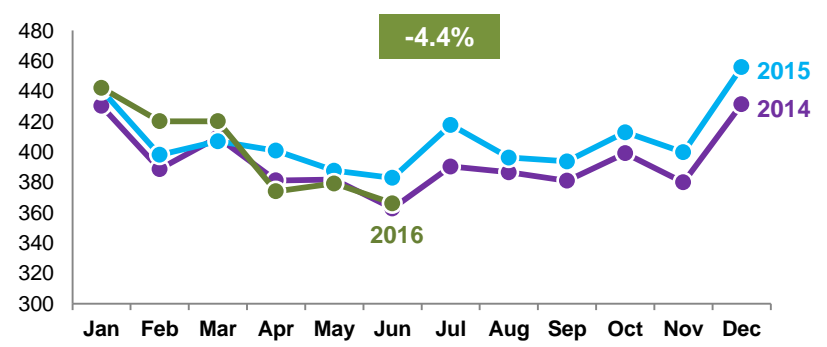


Source: 20-F 2015 (1) YPF owns 50% of Refinor (not operated)

## Monthly Diesel Sales (Km<sup>3</sup>)



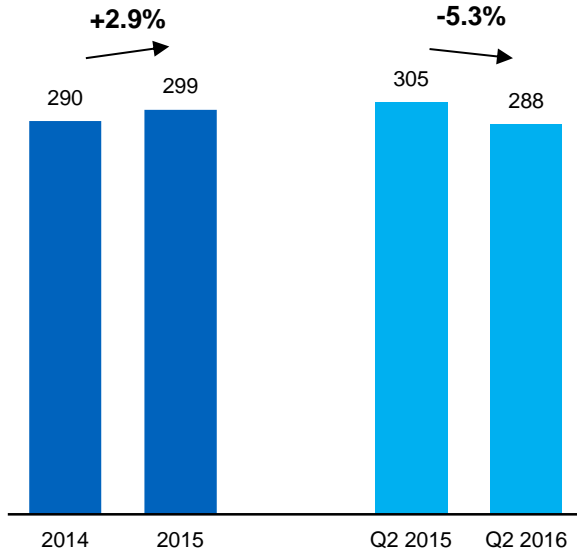
## Monthly Gasoline Sales (Km<sup>3</sup>)



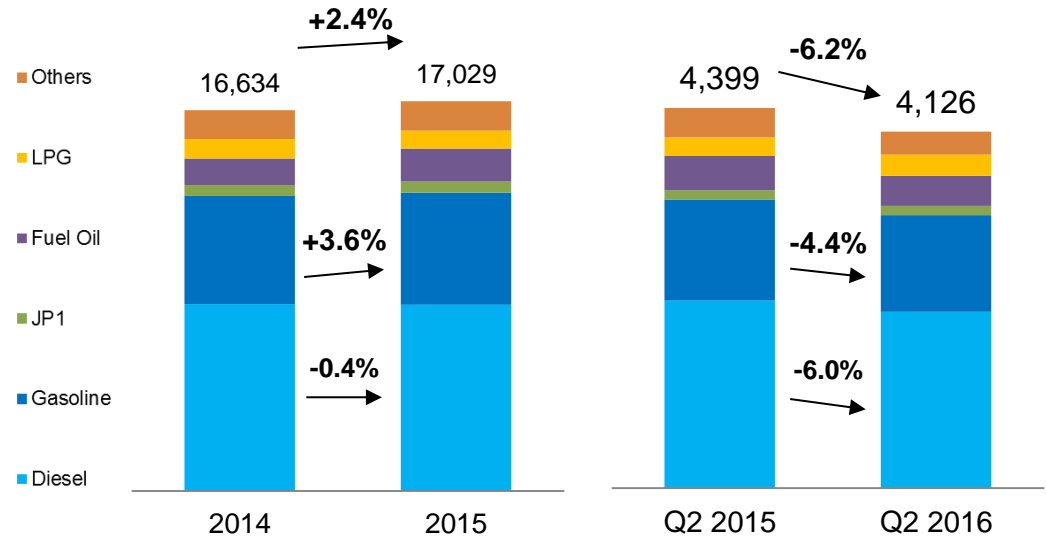


Refinery output affected by scheduled maintenance activity, mostly in our Plaza Huincul refinery. Sales volumes were down by 6.2% due to lower diesel and gasoline demand.

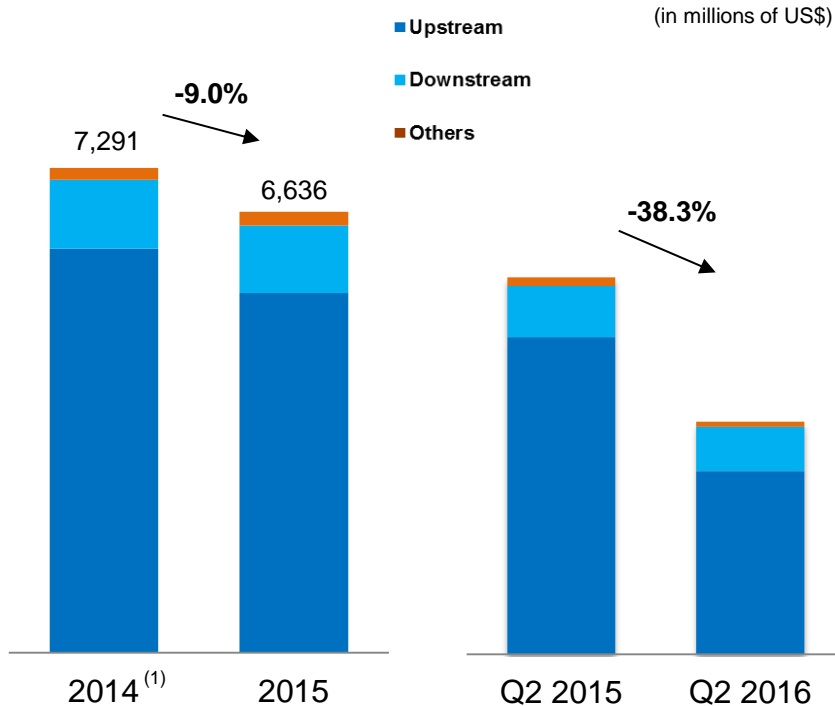
### Crude processed (kbbbl/d)



### Domestic sales of refined products (Km<sup>3</sup>)



Capex was down 38.3% in USD terms and 1.8% in pesos, mostly due to activity reduction in the Upstream segment.



## Upstream

**Activity breakdown:** 76% in drilling and workovers, 18% in facilities and 6% in exploration and other upstream activities.

**Neuquina basin:** Loma Campana, Aguada Toledo, Rincón del Mangrullo, El Orejano, Chachahuen and Cañadon Amarillo.

**Golfo San Jorge basin:** Manantiales Behr, El Trébol and Cañadón La Escondida.

**Cuyana basin:** La Ventana, Barrancas, Vizcacheras and Puesto Molina.

## Downstream

Progress of the new coke unit at the La Plata Refinery and other multi-year projects.

(1) Capital expenditures for 2014 includes additions relating to the acquisitions of Apache Group assets in Argentina (net of the Pluspetrol assignment), the interest acquired in Bajada de Añelo, La Amarga Chica and the Puesto Hernández, Lajas and La Ventana joint ventures for a total of US\$ 922 million.

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2 Upstream and Downstream

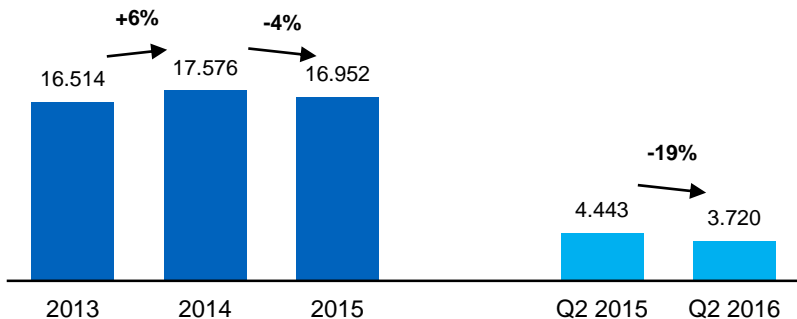
**3 Financial Results**

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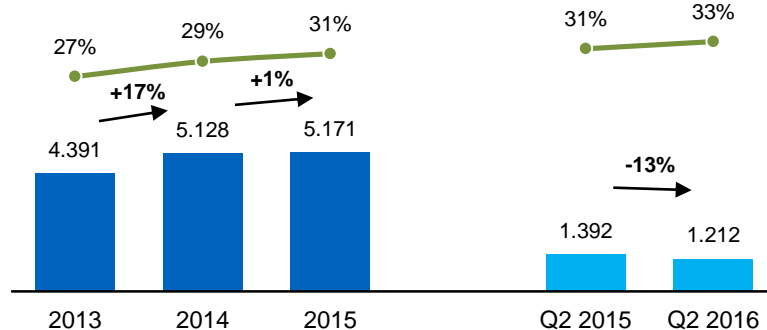


The devaluation of the local currency resulted in an immediate reduction of Revenues and Adj. EBITDA; EBITDA margin expanded to 33%.

**Revenues <sup>1</sup> (US\$ mm)**



**Adj. EBITDA <sup>1 2 3</sup> (US\$ mm) & Adj. EBITDA Margin (%)**



■ Adj. EBITDA    ●—● Adj. EBITDA Margin (%)

(1) YPF financial statements values in IFRS converted to US\$ using average FX of each period

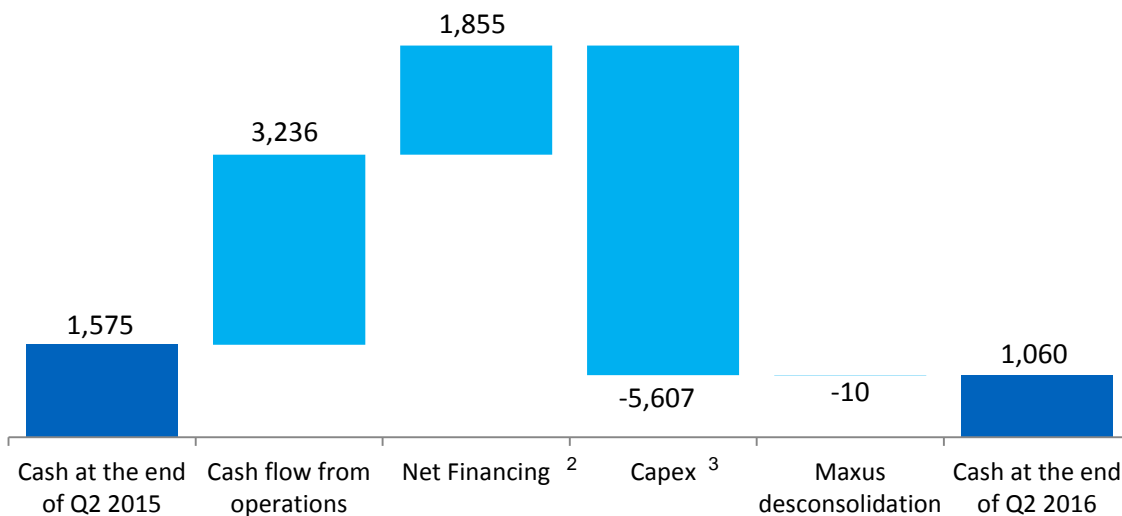
(2) Considers non recurrent result for Q2 2013, not including a non cash provision of ARS 855 mm relating to claims arising from discontinuity of gas export contracts to Brazil in 2009

(3) Adjusted EBITDA = Net income attributable to shareholders + Net income for non controlling interest - Deferred income tax - Income tax - Financial income (Losses) gains on liabilities - Financial income gains (Losses) on assets - Income on investments in companies + Depreciation of fixed assets + Amortization of intangible assets + Unproductive exploratory drillings+ Impairment of fixed assets and Intangible assets

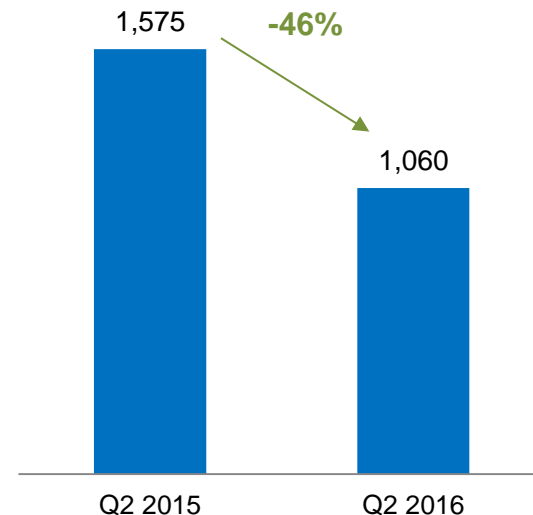


Cash position within our comfort level by the end of Q2 2016; Operating Cash Flow was down due to working capital build-ups mainly related to natural gas sales and subsidies.

## Consolidated statement of cash flows <sup>1</sup> (US\$ mm)



## Cash flow from operations <sup>4</sup> (US\$ mm)



(1) Cash converted to US\$ using EOP FX rate; Cash flow, Net financing and Capex as a result of sum of quarters converted in US\$ at average FX of each period.

(2) Includes effect of changes in exchange rates.

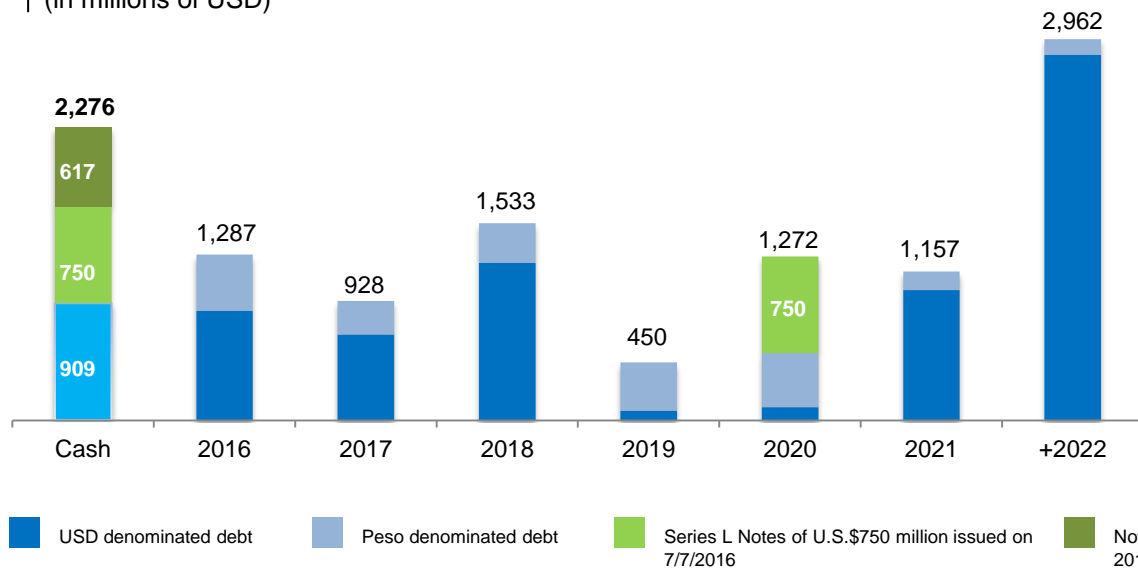
(3) Effective spending in fixed assets acquisitions during the year .

(4) Converted to US\$ using average FX rate of each period.

Cash position strengthened by debt new issuance and collection of 2015 gas subsidies during start of Q3 2016; Cash & Equivalents covers debt maturities of next 18 months.

## Financial debt amortization schedule <sup>(1) (2)</sup>

(in millions of USD)



## Debt profile highlights

Peso denominated debt:  
**23% of total debt**

Average interest rates of **7.80%**  
in USD and **30.89%** in pesos

Average life of almost  
**4.2 years**

Proforma Net Debt / Adj. LTM  
EBITDA<sup>(3)</sup> = **1.63x**

(1) As of June 30, 2016, does not include consolidated companies

(2) Converted to USD using the June 30, 2016 exchange rate of Ps 15.0 to U.S \$1.00.

(3) Proforma Net debt to Adj. EBITDA calculated in USD, Net debt at period end exchange rate of Ps 14.2 to U.S \$1.00 and Adj. EBITDA LTM calculated as sum of quarters.

Balance sheet	06/30/16 (Ps million)	12/31/15 (Ps million)	VAR % Q2 2016 / 2015
Cash & ST investments	15,893	15,387	3%
Fixed assets	316,356	270,905	17%
Other assets	91,429	77,161	18%
<b>Total assets</b>	<b>423,678</b>	<b>363,453</b>	<b>17%</b>
Loans	139,084	105,751	32%
Liabilities	145,201	137,241	6%
<b>Total Liabilities</b>	<b>284,285</b>	<b>242,992</b>	<b>17%</b>
<b>Shareholders' equity</b>	<b>139,393</b>	<b>120,461</b>	<b>16%</b>

Source: YPF financial statements

Income statement	12 months 2015 (Ps million)	12 months 2014 (Ps million)	VAR % 2015 / 2014	Q2 2016 (Ps Million)	Q2 2015 (Ps Million)	VAR % Q2 2016 / Q2 2015
Revenues	156,136	141,942	10%	52,759	40,003	32%
Operating income	16,588	19,742	-16%	5,318	5,578	-5%
Adj. EBITDA <sup>1</sup>	47,556	41,412	15%	17,181	12,395	39%
Net income <sup>2</sup>	4,579	9,002	-49%	-753	2,298	-133%

Source: YPF financial statements

- (1) Adjusted EBITDA = Net income attributable to shareholders + Net income for non controlling interest - Deferred income tax - Income tax - Financial income (losses) gains on liabilities - Financial income gains (losses) on assets - Income on investments in companies + Depreciation of fixed assets + Amortization of intangible assets + Unproductive exploratory drillings + Impairment of fixed assets and Intangible assets
- (2) Attributable to controlling shareholder.





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Since 2012 delivering results ahead of expectations and built a strong base to face the challenges of a transition year

### Adapt to a new business environment by:

- 25% Capex reduction
- Flat hydrocarbon production with focus in natural gas
- Focus on cost reduction opportunities
- Finalize our new coke project to increase diesel production by 10%
- Improve Operating Cashflow; four pump price increases YTD
- Continue Vaca Muerta de-risking but at a slower pace
- Maintain target leverage ratio in USD at 1.5x (Net Debt / Adj. EBITDA); temporally exceeded during 2016





# YPF

NUESTRA ENERGÍA