



25

Celebration of our 25<sup>th</sup> Anniversary  
of Listing on the NYSE  
and Closing Bell Ceremony.

# INVESTOR DAY

New York | October 26, 2018

Leading Argentina's energy,  
yesterday, today and tomorrow.

**YPF**  
LISTED  
NYSE

## IMPORTANT NOTICE

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, 2017 filed with the US Securities and Exchange Commission. In light of the foregoing, the forward-looking statements included in this document may not occur.

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Cautionary Note to U.S. Investors — The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with the SEC rules. We may use certain terms in this presentation, such as resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No. 1-12102 available on the SEC website [www.sec.gov](http://www.sec.gov).

Our estimates of EURs, included in our Development Costs, are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized, particularly in areas or zones where there has been limited history. Actual locations drilled and quantities that may be ultimately recovered from our concessions will differ substantially. Ultimate recoveries will be dependent upon numerous factors including actual encountered geological conditions and the impact of future oil and gas pricing.

# AGENDA

01

## Welcome & Opening remarks



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**Sergio Giorgi**  
VP Strategy and  
Business Development

02

## Strategic Review



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**Miguel Gutierrez**  
Chairman

03

## Business Outlook



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**Daniel Gonzalez**  
CEO

04

## Upstream



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**Pablo Bizzotto**  
EVP Upstream

05

## Q&A



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NYSE



# WE DELIVERED ON WHAT WE COMMITTED

Developing  
Vaca Muerta

Reducing  
our cost  
base

Keeping strict  
financial and  
risk discipline

Dynamically  
adjusting  
prices

Leading  
Argentine  
transition to  
a low carbon  
economy



# THE ARGENTINE CONTEXT



**IMF  
agreement**

**Strong fiscal  
discipline**

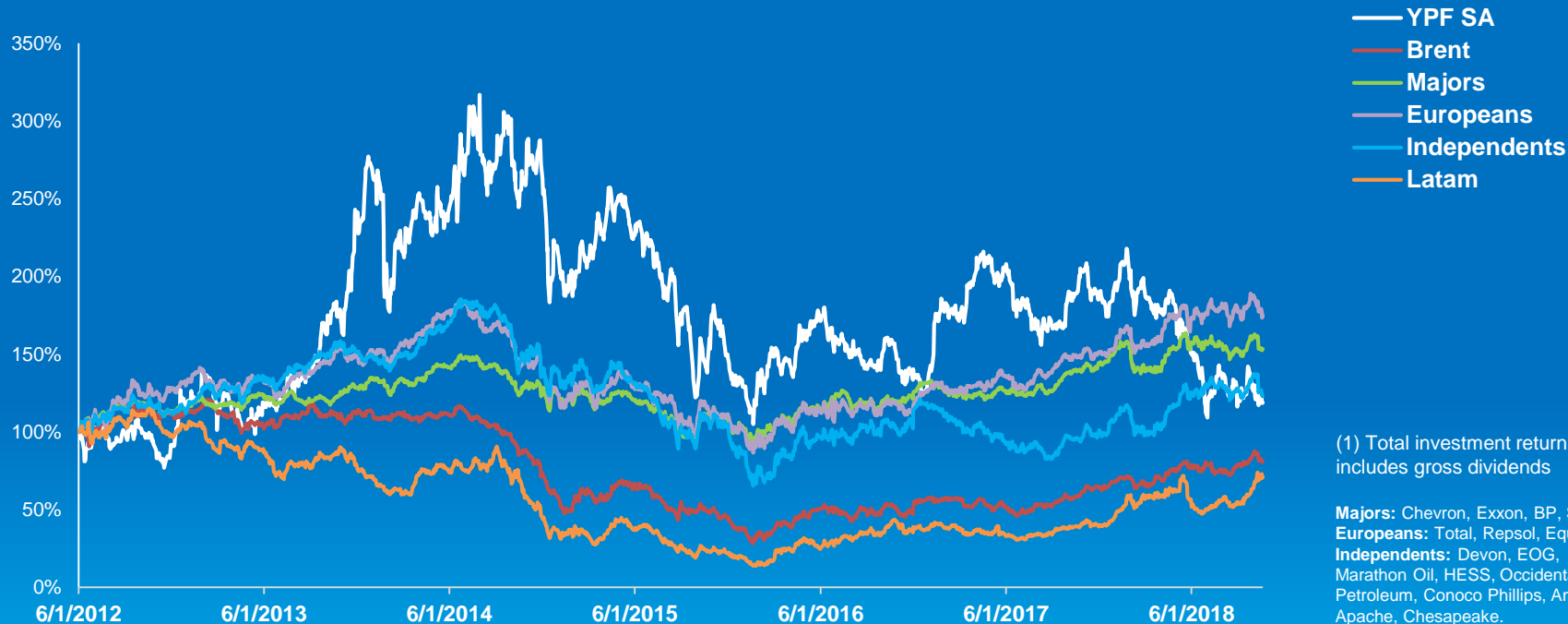
**Devaluation  
and GDP  
decline**

**Political  
consensus  
about the  
driving role  
of the energy  
sector**

**Government  
commitment  
towards a free  
and cleaner  
energy market**

**Collaborative  
alignment  
with unions**

# YPF STOCK PERFORMANCE <sup>(1)</sup> SINCE JUNE 2012



(1) Total investment return, includes gross dividends

**Majors:** Chevron, Exxon, BP, Shell.  
**Europeans:** Total, Repsol, Equinor, ENI.  
**Independents:** Devon, EOG, Marathon Oil, HESS, Occidental Petroleum, Conoco Phillips, Anadarko, Apache, Chesapeake.  
**Latam :** Petrobras, Ecopetrol



# OUR ORGANIZATION

CEO appointment

Chief Compliance Officer

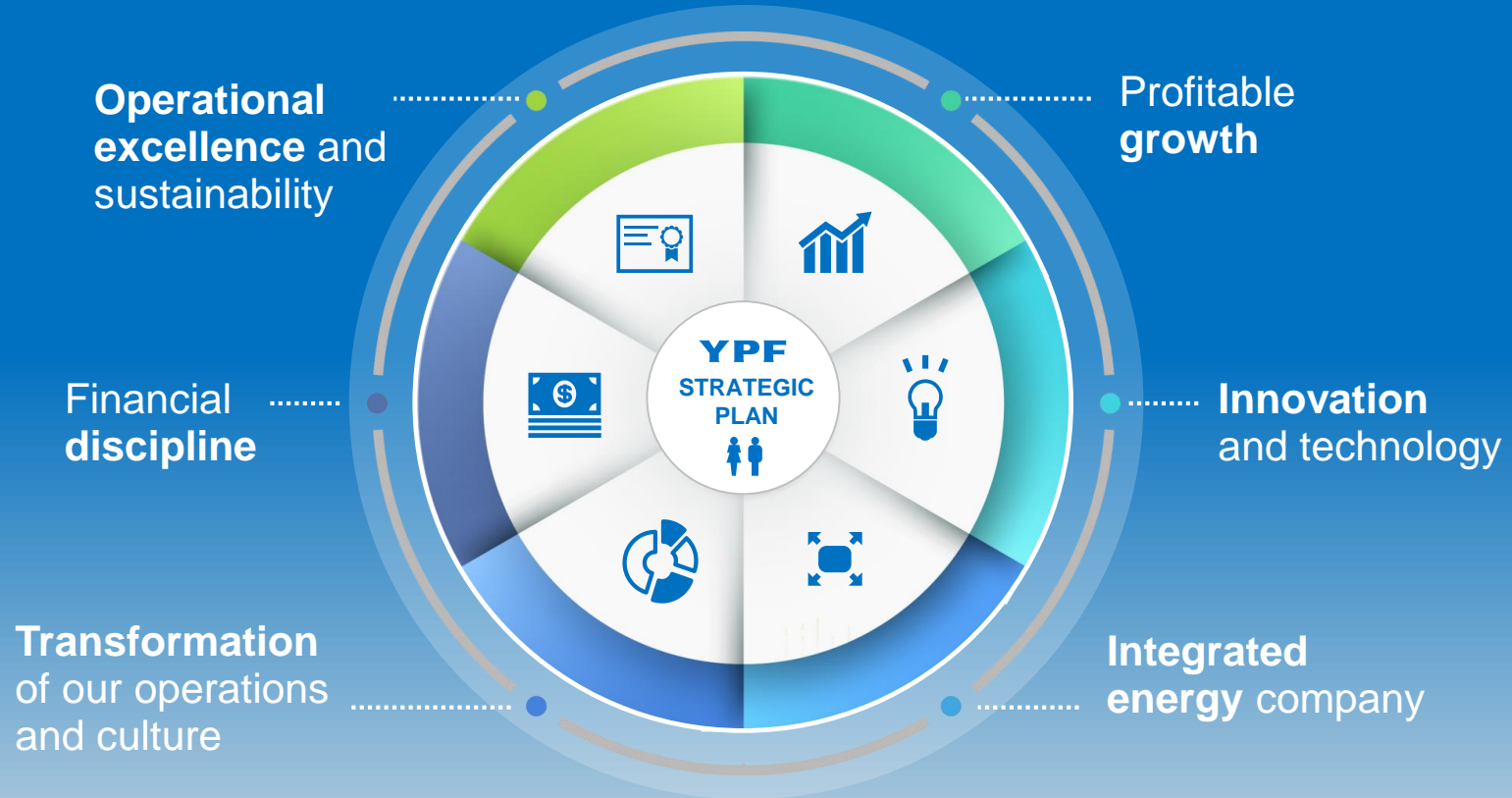
Our Board

Diversity initiative





# OUR STRATEGY



# OUR FUTURE

INVESTING ON  
DISRUPTION



LEADING MOBILITY  
AGENDA



WORLD CLASS  
INNOVATION



CONTENTS

STRATEGIC REVIEW

# BUSINESS OUTLOOK

UPSTREAM

Q&A

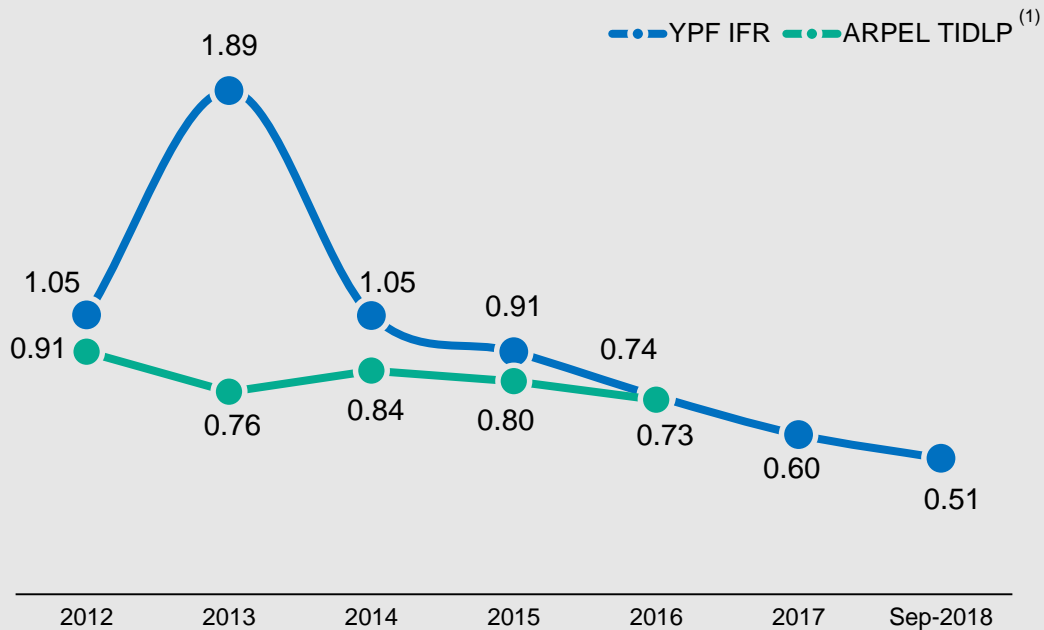




# SAFETY AND SUSTAINABILITY AS CORE VALUES

## TOTAL IFR

# of people injured for each million hours worked  
2012 - 2018



(1) ARPEL TIDL P = # of injuries with days lost per million hours worked

## ESG TARGETS BY 2022

**10%** CO2 emissions reduction

**70%** of fuels produced will be low-sulphur content

**#1** Renewable energy producer. Representing 20% of our total capacity

# OUR TARGETS

## 5-YEAR BUSINESS PLAN / 2019-2023

### PRODUCTION

CAGR  
2019 - 2023

**5-7%**

### RESERVE R.R <sup>(1)</sup>

2019 - 2023

**>1x**

### Adj. EBITDA <sup>(2)</sup>

CAGR  
2019 - 2023

**10%**

### CAPEX

PER YEAR  
2019 - 2023

**4-5** <sup>23</sup> BUSD

### NET DEBT TO EBITDA

2023

**<1.5x**

(1) Reserve Replacement Ratio.

(2) Adj. EBITDA = Operating income + Depreciation and impairment of property, plant and equipment and intangible assets + Amortization of intangible assets + unproductive exploratory drillings.

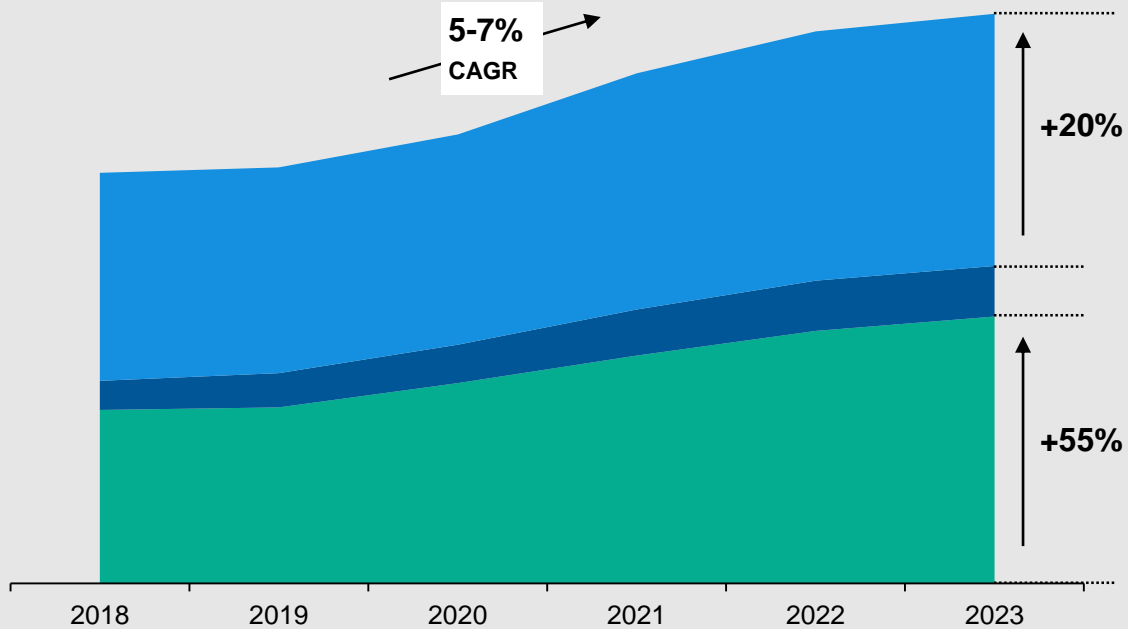
# PLANNING FOR OUTSTANDING PRODUCTION GROWTH

Building on our strength as unconventional leader outside USA

## PRODUCTION (KBOE/DAY)

2018-2023

Oil NGL Gas



Favoring **High return & Short cycle developments**

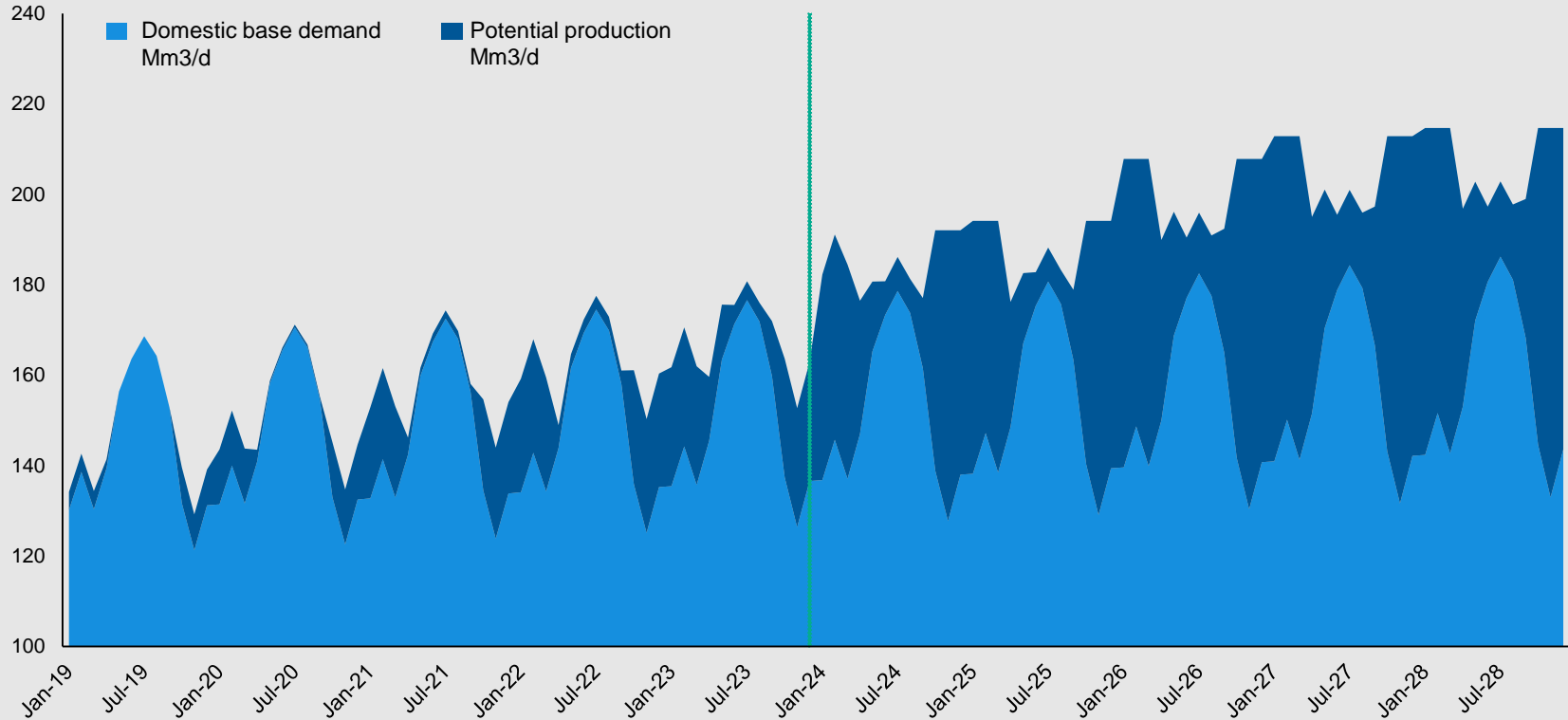
**3 FIDs** before end 2018

Supported by **strong portfolio** with **low break even price**



# SHALE GAS DEVELOPMENT DRIVES A NEW PARADIGM IN GAS MARKET

Similar to USA, Argentina is shifting from gas importer to gas exporter



# OPPORTUNITIES ALONG THE INTEGRATED GAS VALUE CHAIN



**UPSTREAM**



**MIDSTREAM**



**EXPORTS**



**POWER GENERATION**



**PETROCHEMICALS**

**# 1 acreage holder  
outside USA**

**+450,000  
core net acres  
(+95% undeveloped)**

**MEGA:** Potential  
expansion under study

**Underground  
storage:** feasibility  
study

**Transportation:**  
3<sup>rd</sup> party project

2019  
**Exporting gas to Chile**  
**Small scale LNG**

2024+  
**Large scale LNG**  
under study

**Expect 3 to 4 GW**  
of new thermal  
installed capacity in  
Argentina by 2023

**Under study:**

- Urea
- Methanol
- Polyethylene
- Polypropylene

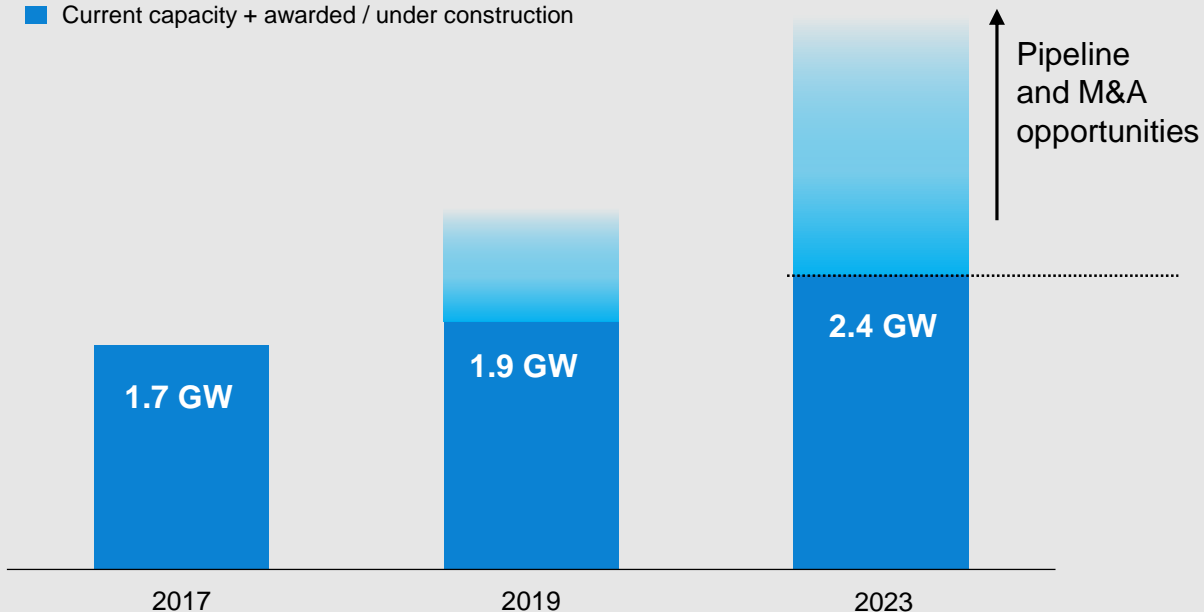
# WE EXPECT YPF LUZ TO INCREASE ITS POWER-GENERATION CAPACITY

## YPF POWER GENERATION CAPACITY

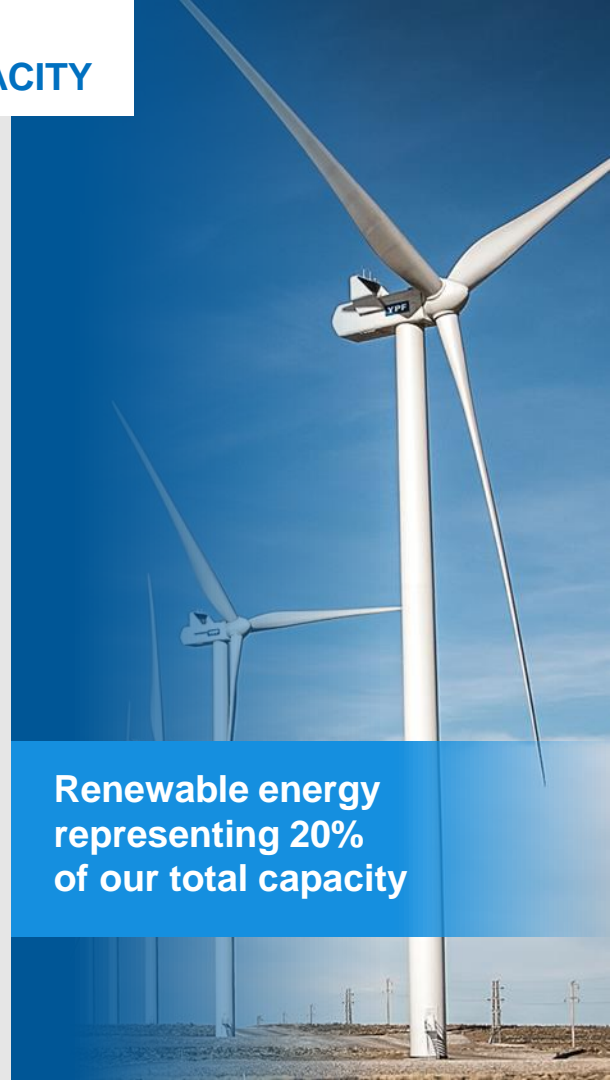
2018-2023

■ Pipeline + M&A

■ Current capacity + awarded / under construction



Renewable energy  
representing 20%  
of our total capacity





## DOWNSTREAM BUILDING ON OUR LEADING POSITION TO DELIVER VALUE

### OPTIMIZING OUR OPERATIONS

**100%** Crude oil self sufficiency by 2021

**+15%** Crude processing

**+20%** Diesel and gasoline production

**-5%** OPEX reduction

### PURSUING LOGISTIC EFFICIENCY

Oil pipelines expansion

Road trains improvement

Export infrastructure development

New San Lorenzo terminal



# RESHAPING OUR BUSINESS

TO PROFIT FROM SHALE GROWTH AND NEW TECHNOLOGY

## A CLEANER PLATFORM

IMO 2020 full compliance

Low sulphur fuel specs

Low carbon project integration

## DIGITAL TRANSFORMATION

Analytics to optimize our processes, asset integrity and predictive maintenance

Satellite monitoring of pipelines

Digital integrated planning

# PROVIDING ENERGY SOLUTIONS FOR ALL TYPE OF CLIENTS

## BTB

COMPLETE PORTFOLIO  
WITH SOLUTIONS FOR  
KEY INDUSTRIES



AGRO



INFRASTRUCTURE



MINING



AVIATION

## BTC

COMPREHENSIVE  
RANGE OF PRODUCTS  
AND SERVICES



INFANIA



ELAION



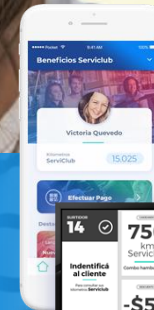
BOXES



CONVENIENCE  
STORE

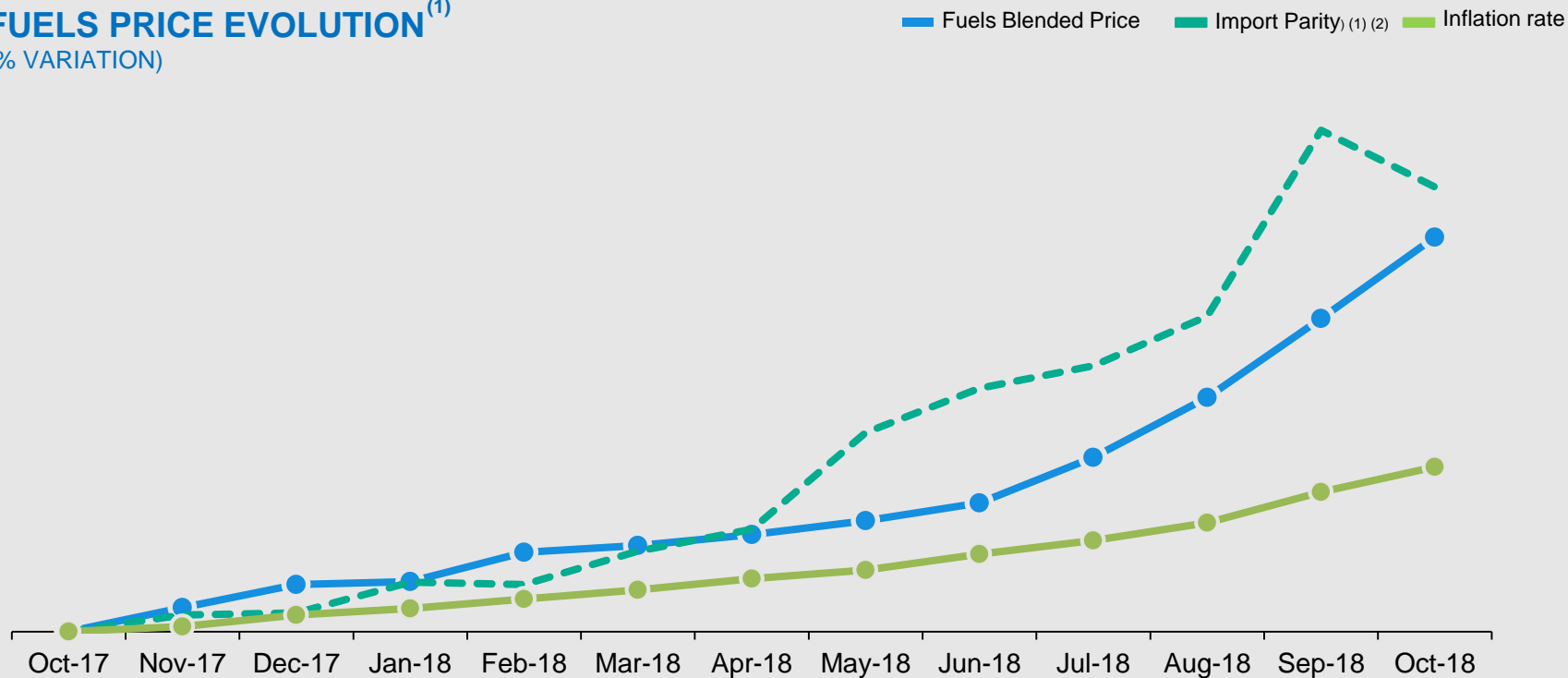
#1 BRAND  
RECOGNITION  
IN ARGENTINA

CUSTOMER  
JOURNEY  
PROGRAM



# WE ARE DYNAMICALLY ADJUSTING PRICES

## FUELS PRICE EVOLUTION<sup>(1)</sup> (% VARIATION)



(1) Based on monthly average prices, except for October 2018 that refers to prices as of October 23, 2018

(2) Import parity includes international reference price for heating oil, RBOB and biofuels, each of them weighted by sales volumes of our regular and premium diesel and gasoline.



## TRANSFORMATION STRATEGY



**15**

Key People  
fully dedicated

**+1,000**

people with  
transformation  
objectives

**130**

company  
projects

**66**

critical  
projects

### 2018 MAIN INITIATIVES

Well construction optimization

Upstream operational efficiency

Logistic optimization

Energy efficiency

Downstream operational efficiency

MANAGEMENT BY **OBJECTIVES**  
INCENTIVE-BASED COMPENSATION

Company-wide objectives cover Sustainability, Efficiency, Capital Discipline, Financial Discipline and Transformation

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Over **90 units** have specific objectives

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Approximately **12,000 employees** have individual objectives

**82%**

of employees receive short-term cash bonus based on objectives and performance

Approximately

**1,000**

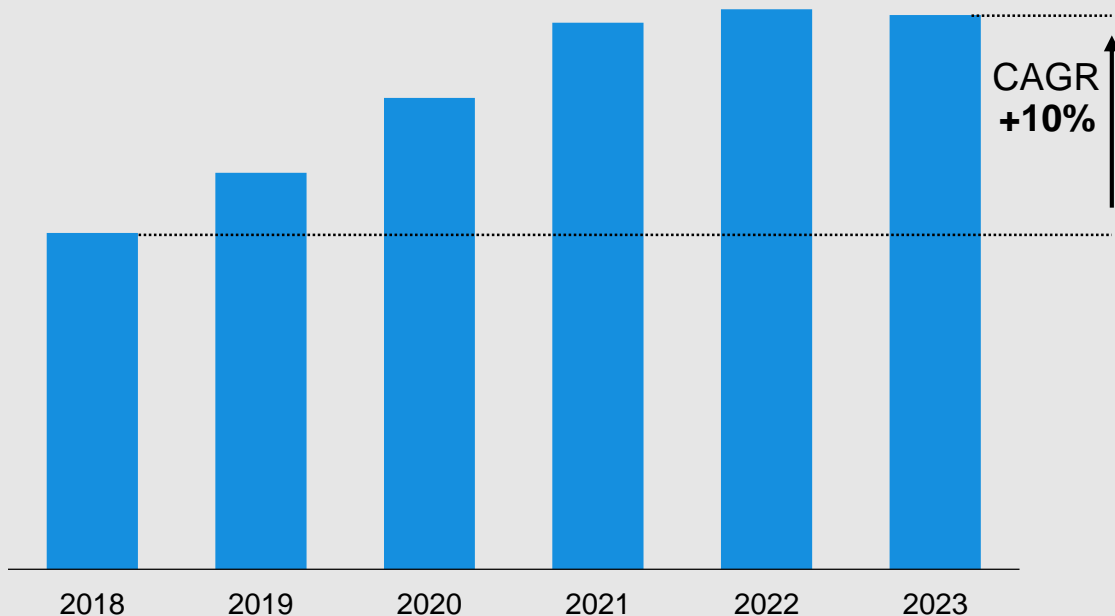
**employees**

receive long-term stock compensation



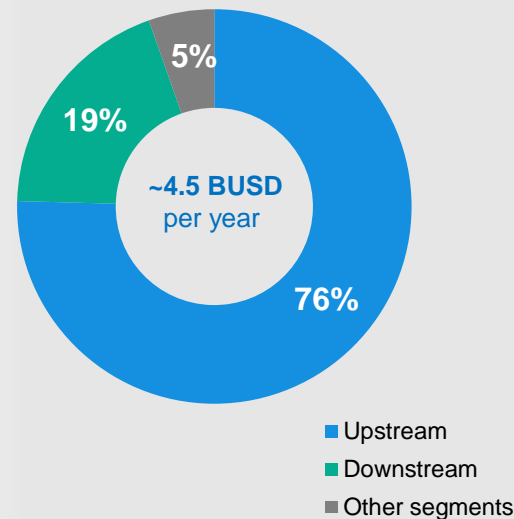
## INVESTING WITH FOCUS ON PROFITABLE GROWTH

### ADJUSTED EBITDA<sup>(1)</sup>



### CAPEX BREAKDOWN

2019-2023



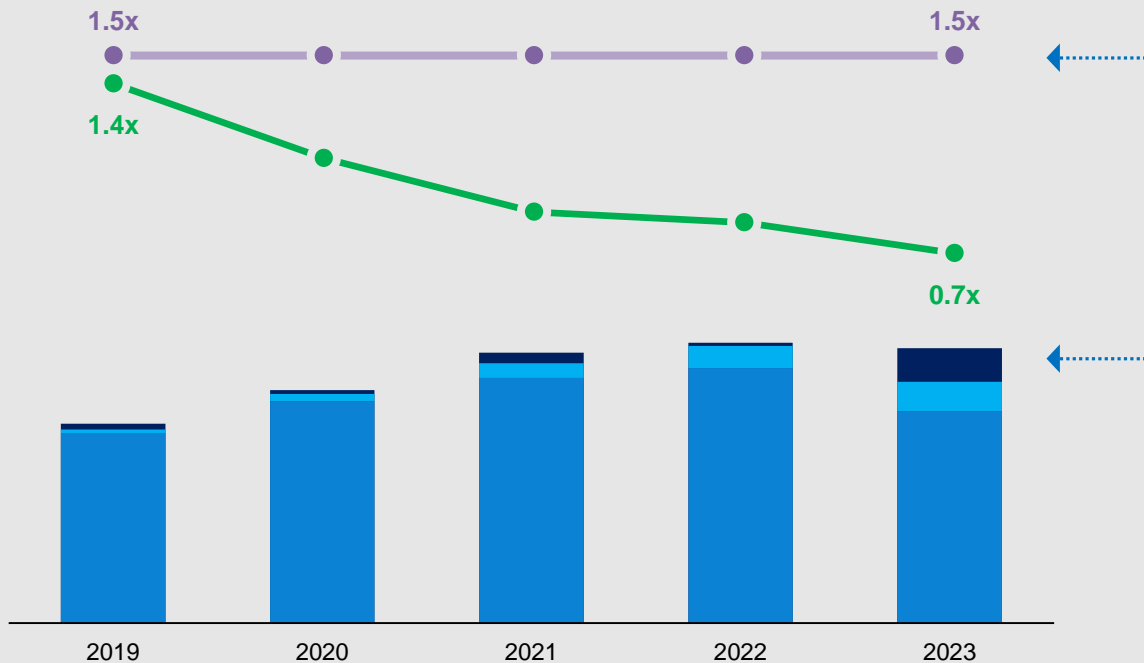
(1) Adjusted EBITDA = Operating income + Depreciation and impairment of property, plant and equipment and intangible assets + Amortization of intangible assets + unproductive exploratory drillings.

# INCREASING FREE CASH FLOW

## CASH BUILD-UP (BUSD)

2019-2023

—●— Net debt/ EBITDA at 1.5x  
—●— Net debt/ EBITDA  
■ CAPEX + interest + taxes  
■ Dividends  
■ CFO



Up to **4.2 BUSD**<sup>(1)</sup> Additional cash for investments

**1.5 BUSD** Cumulative free cash flow

(1) Considers the maximum potential level of net indebtedness to reach a ratio of 1.5x



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**FOCUS ON DELIVERING PROFITABLE GROWTH**

**Operational  
Excellence**

**Manage the  
decline rate in  
conventionals**

**Accelerate  
shale projects**

**Drive down  
the break-even  
price**

**Organization**

**Technology  
to add value**

**Optimize  
the Portfolio**

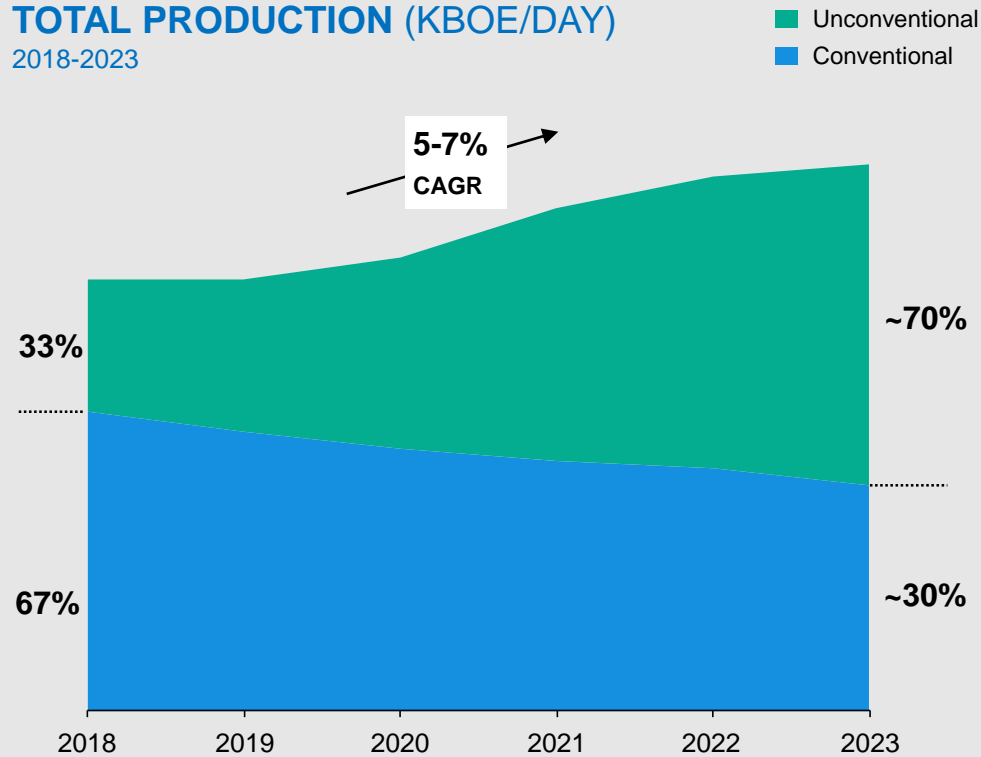
**Transform  
resources  
into reserves**



# PRODUCTION GROWTH DRIVEN BY UNCONVENTIONAL PROJECTS

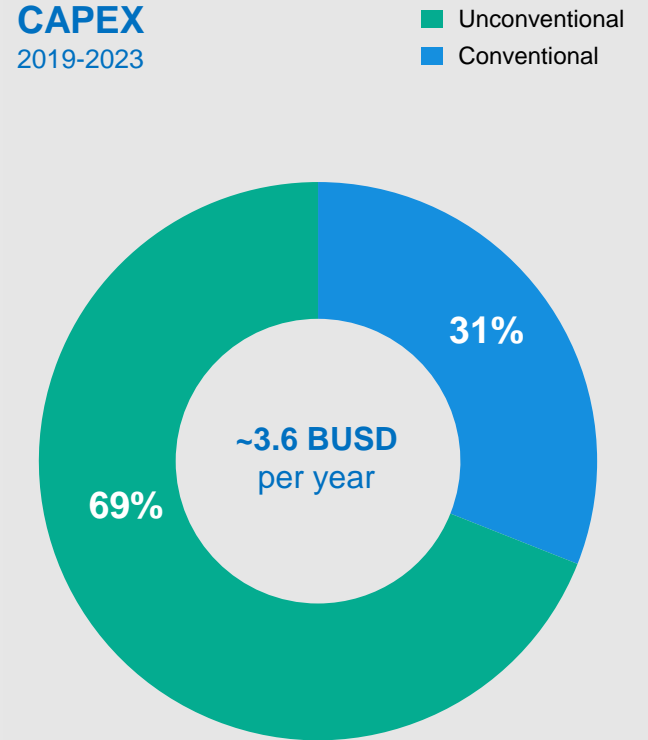
## TOTAL PRODUCTION (KBOE/DAY)

2018-2023



## CAPEX

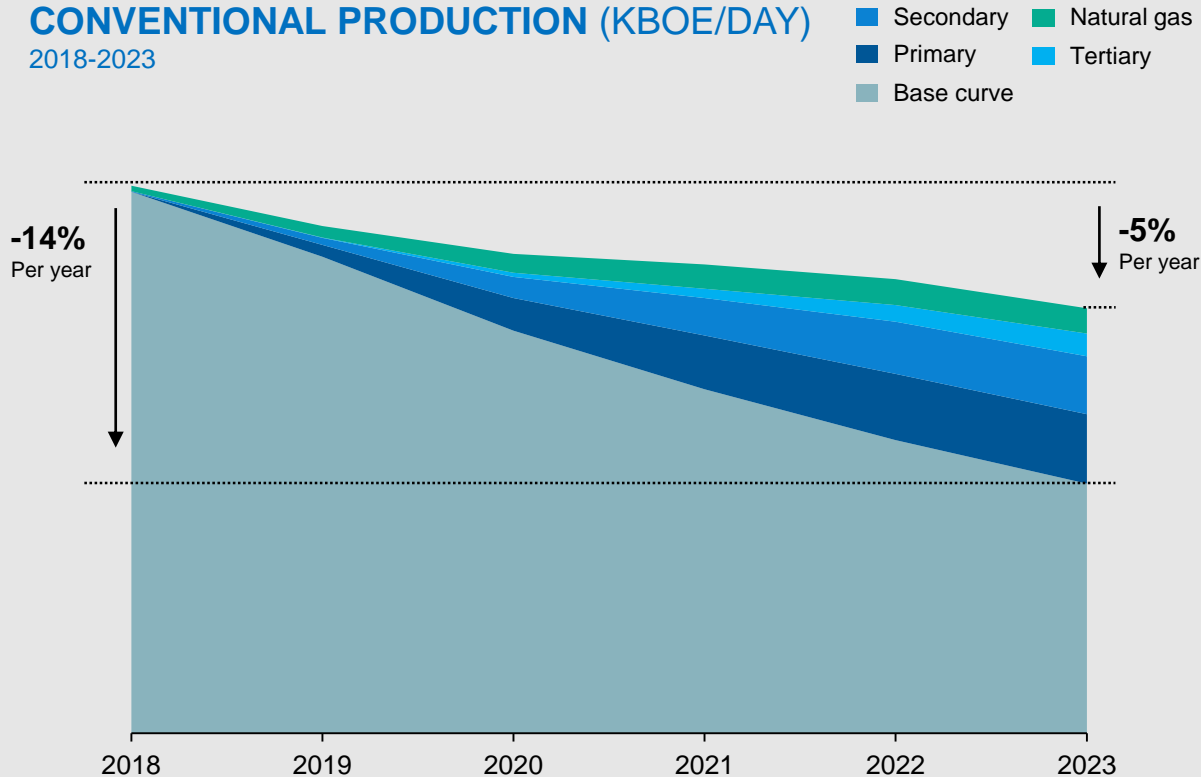
2019-2023



# WHILE ACTIVELY MANAGING THE DECLINE OF OUR CONVENTIONAL FIELDS

## CONVENTIONAL PRODUCTION (KBOE/DAY)

2018-2023



Smoothing the decline rate by accelerating implementation of IOR/EOR

Deploy technology to optimize in real time and reduce downtime

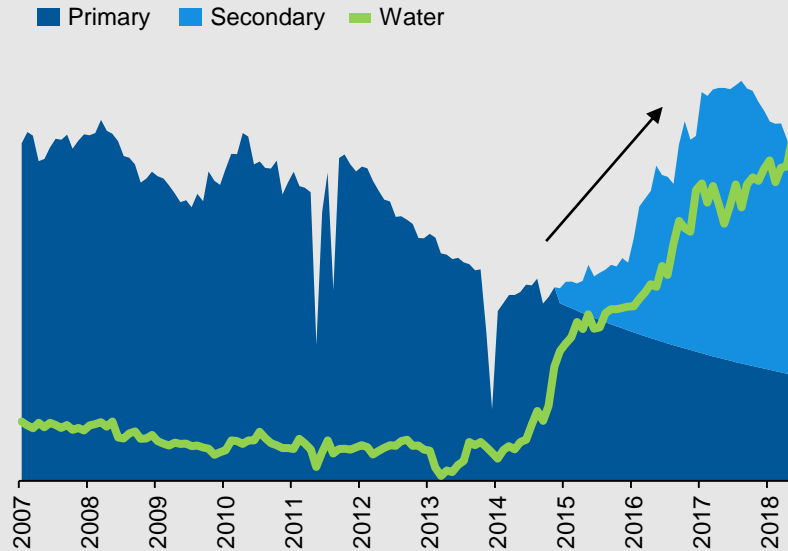
Improved reservoir management and secondary recovery

Replicate confirmed success in tertiary recovery and continue de-risking



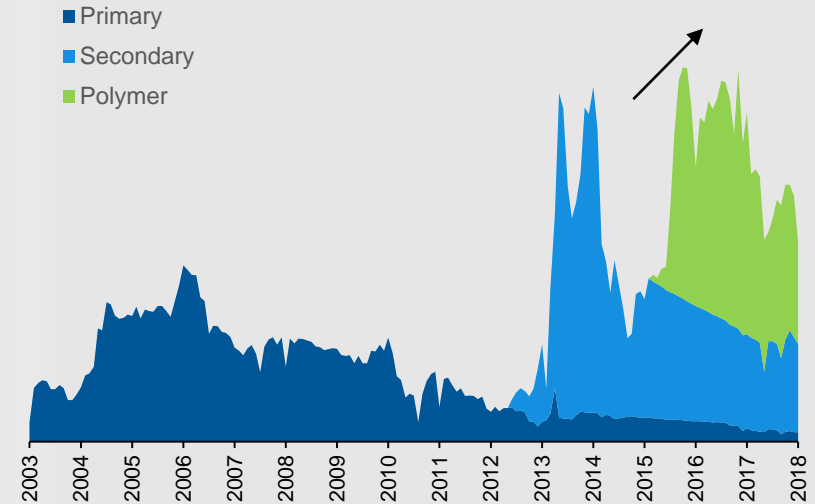
# CONVENTIONAL PRODUCTION MANAGEMENT PLAN **BASED ON SUCCESSFUL RESULTS**

## Example **SECONDARY RECOVERY IN CUYANA BASIN**



Waterflooding implementation  
Observed excellent response to water injection

## Example **TERTIARY RECOVERY IN GRIMBEEK FIELD**



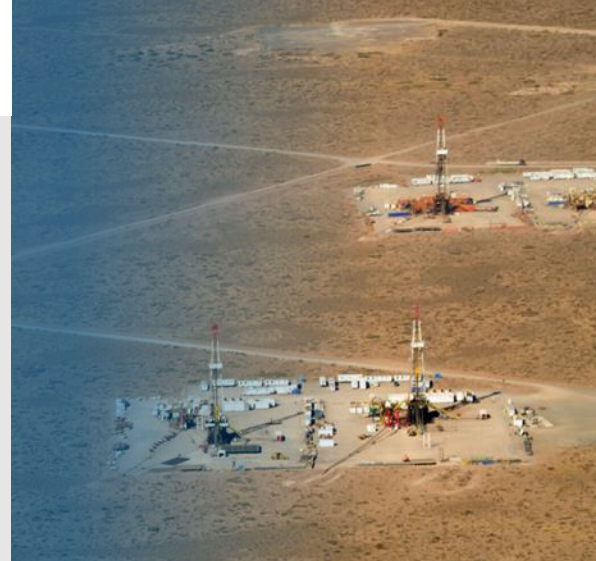
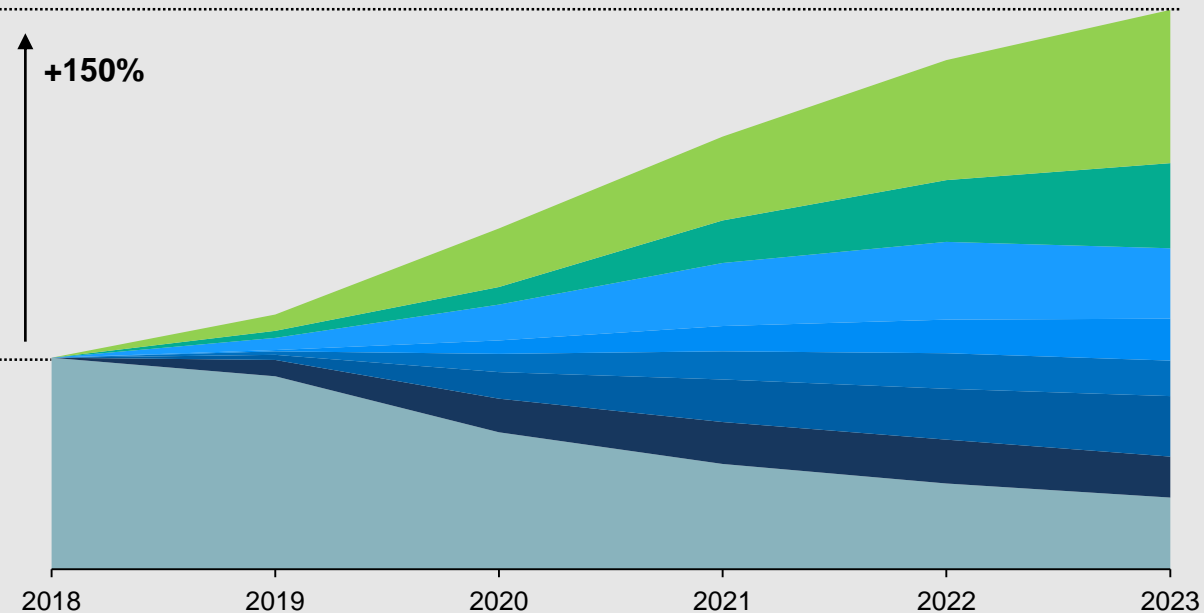
Increase recovery factor by +11%, using polymers injection  
Replicable using mobile-modular injection units

# EXPANDING UNCONVENTIONAL OUTPUT FROM VACA MUERTA

## UNCONVENTIONAL PRODUCTION (KBOE/DAY)

2018-2023

- Tight gas
- Base curve
- La Amarga Chica
- Loma Campana
- Rincón del Mangrullo
- Bandurría Sur
- Other Shale Projects
- A. De la Arena



VACA MUERTA  
2019-2023

~18 Average operated rigs

~1,700 shale wells



# MAJOR SHALE PROJECTS

## GAS

## OIL

2019

Rincón del Mangrullo  
La Ribera

Loma Campana Ph2  
La Amarga Chica  
Bandurria Sur

2020

Aguada de la Arena  
La Calera  
A. Pichana Oeste  
Pampa de las Yeguas I

San Roque  
Bajada de Añelo

2021

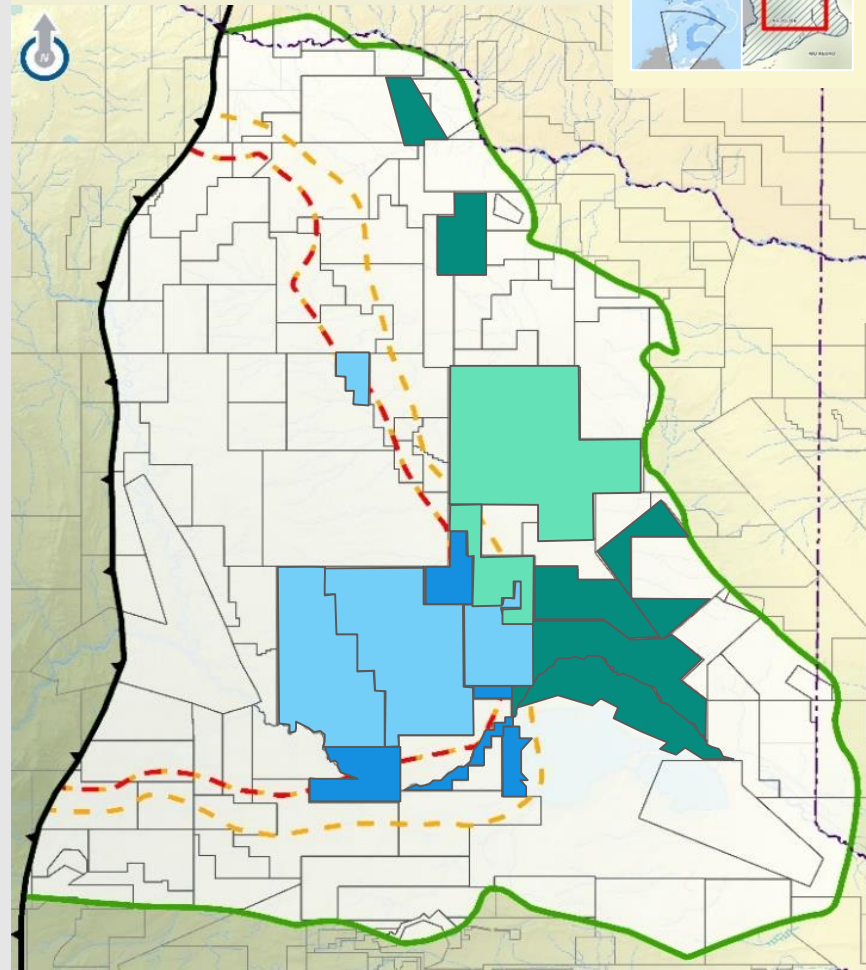
Bajo del Toro  
LLL West  
Chihuido de la SN

2022

LLL Sur

■ Operated  
■ Non operated

■ Operated  
■ Non operated



# LOMA CAMPANA PHASE 2 DEVELOPMENT

## PHASE 2 METRICS

**~4 to 5** rigs

**~300** wells 2019-23

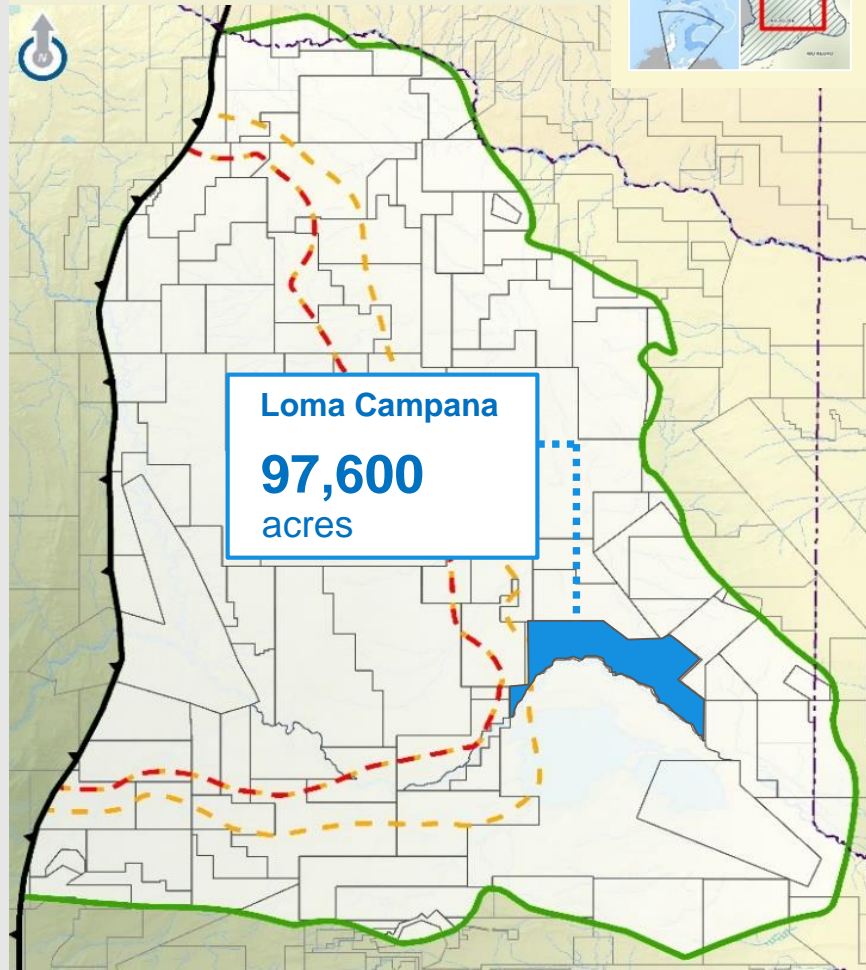
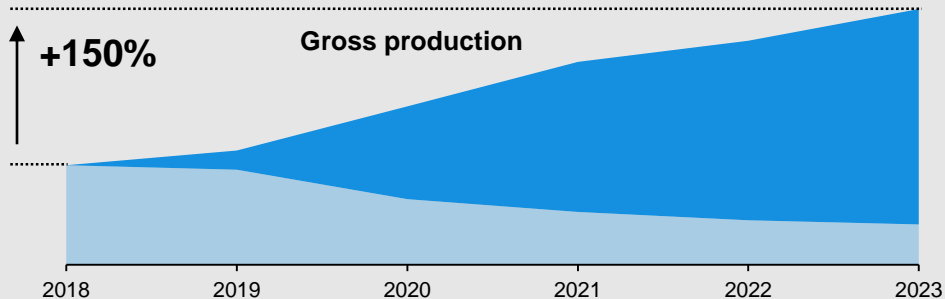
**120 KBOE/D**  
gross production by 2023

**~680 MUSD**  
gross capex per year

**~550** Remaining  
locations  
2023+

**~ 50%** Remaining  
acreage  
2023+

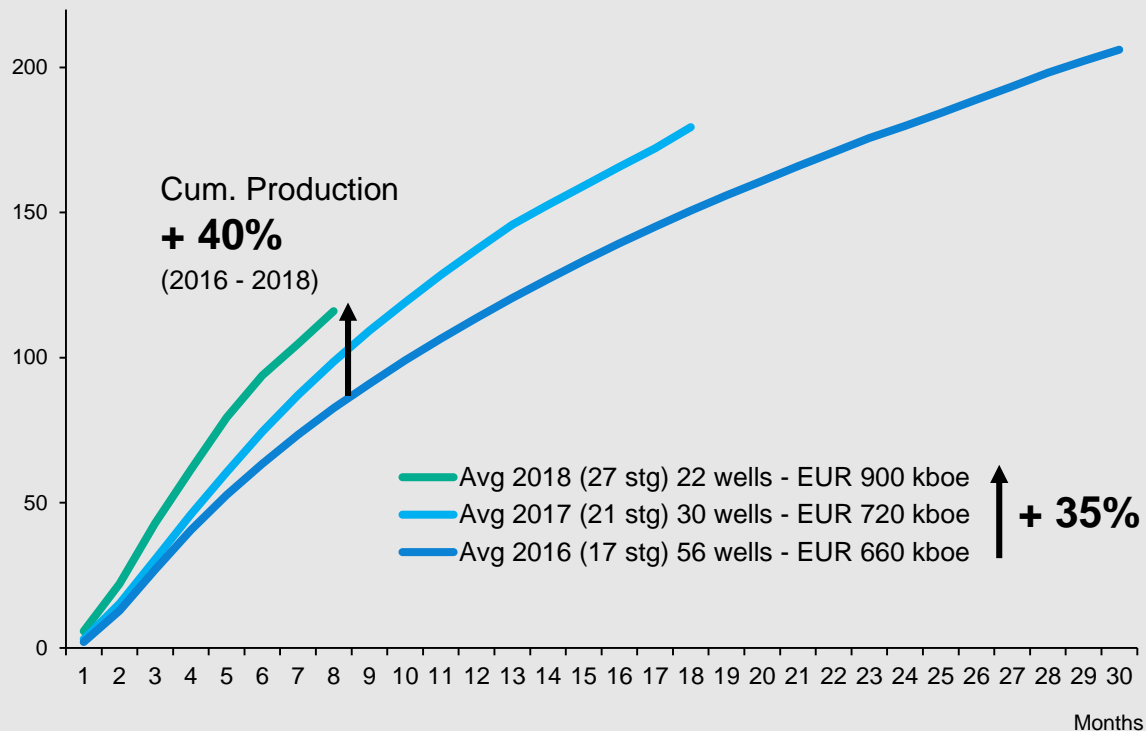
■ Base curve ■ Incremental production





# LOMA CAMPANA CONTINUOUSLY INCREASING WELL PRODUCTIVITY

## AVERAGE CUMULATIVE OIL PRODUCTION (KBOE)



**40%** increase in IP 270

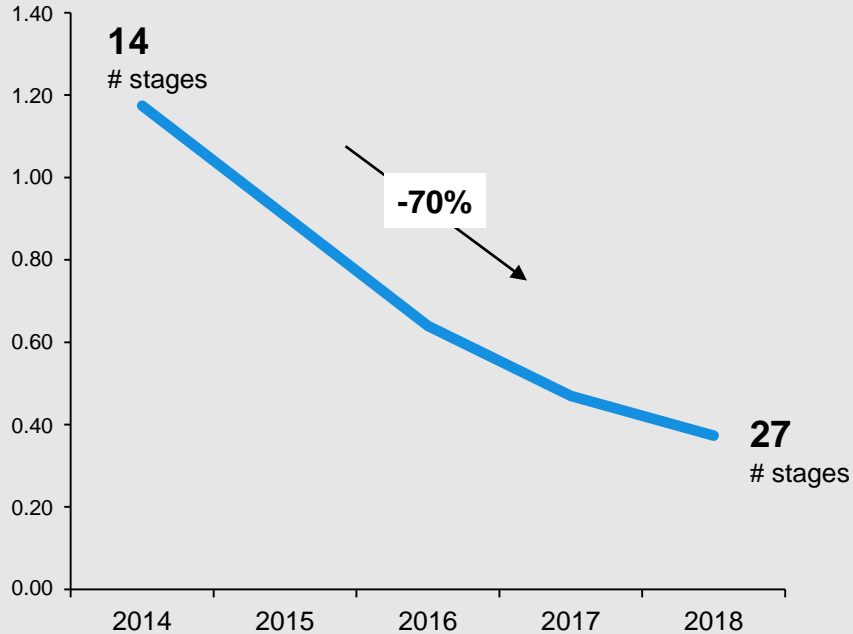
**35%** increase in EUR



## WHILE IMPROVING OPERATIONAL EFFICIENCY

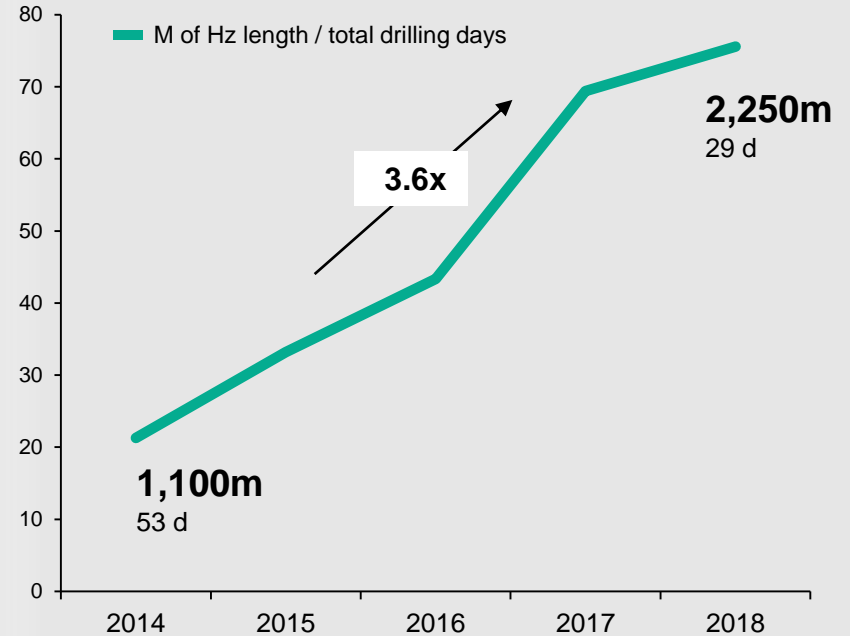
### WELL COST / # STAGES

Well cost / # stages



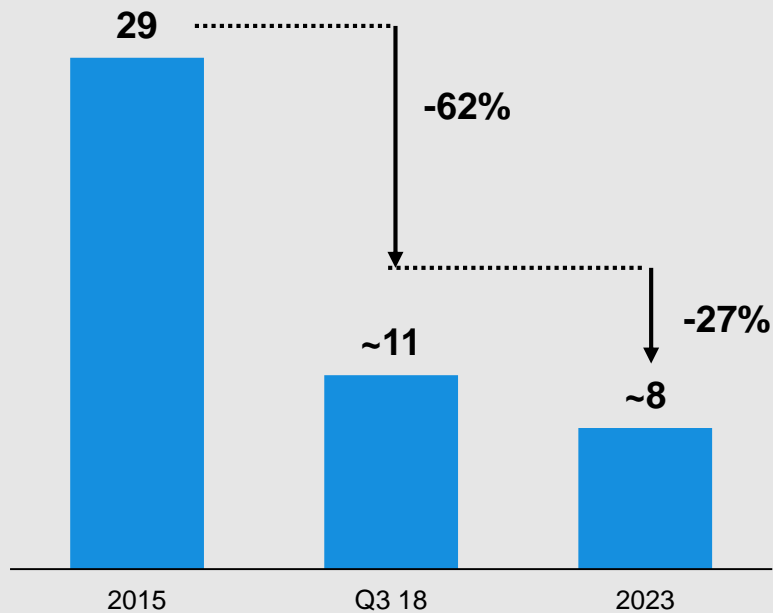
### METERS OF HORIZONTAL LENGTH / TOTAL DRILLING DAYS

M of Hz length / total drilling days

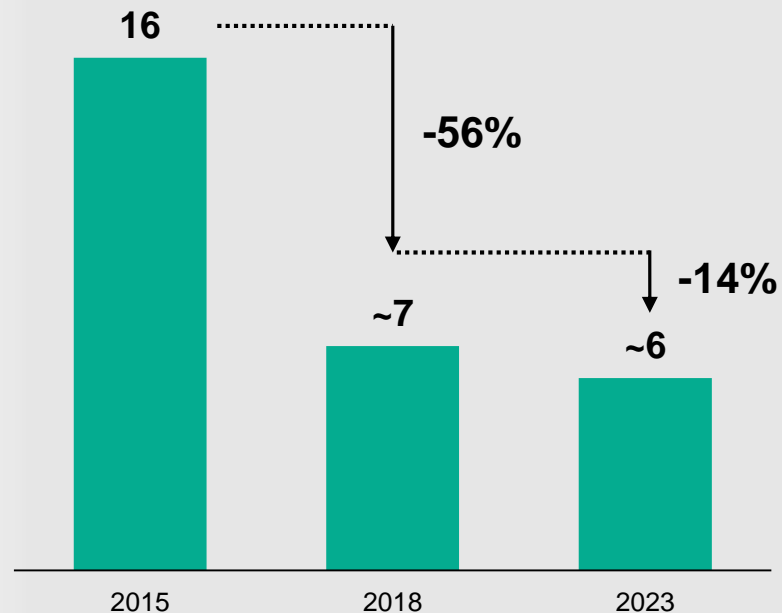


## AND REDUCING DEVELOPMENT COST AND OPEX

### DEVELOPMENT COST (USD/BOE)



### OPEX (USD/BOE)



WITH SEVERAL **NEW INITIATIVES** BEING APPLIED

**Longer laterals**

**High Density Completion (HDC)**

**6+ Wells in line per PAD**

**Soluble Plugs**

**New Well Design**

**Spuder Rig + Hi-Spec Rig**

**Increase proppant plant efficiency**

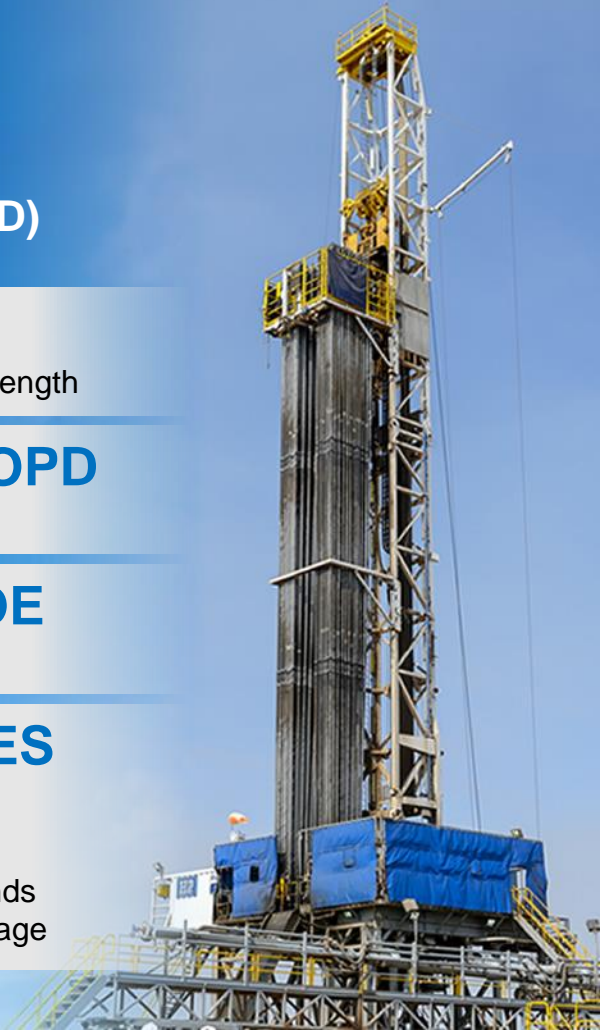
**LLL-1524H**  
**21,300 ft (MD)**

**10,500 ft**  
3,200 m lateral length

**~1,500 BOPD**  
peak production

**~1.5 MBOE**  
EUR

**40 STAGES**  
~ 9,000 BBL  
fluid per stage  
~ 500,000 pounds  
proppant per stage





## NEXT FIDs

### GAS

#### A. DE LA ARENA

Acres **22,000**

Wells 19-23 **~130**

Rigs by 2020 **3**

Additional locations **~280**

#### R. DEL MANGRULLO

Acres **45,000**

Wells 19-23 **~85**

Rigs by 2020 **2**

Additional locations **~190**

### OIL

#### LA AMARGA CHICA

Acres **46,600**

Wells 19-23 **~280**

Rigs by 2020 **5**

Additional locations **~380**

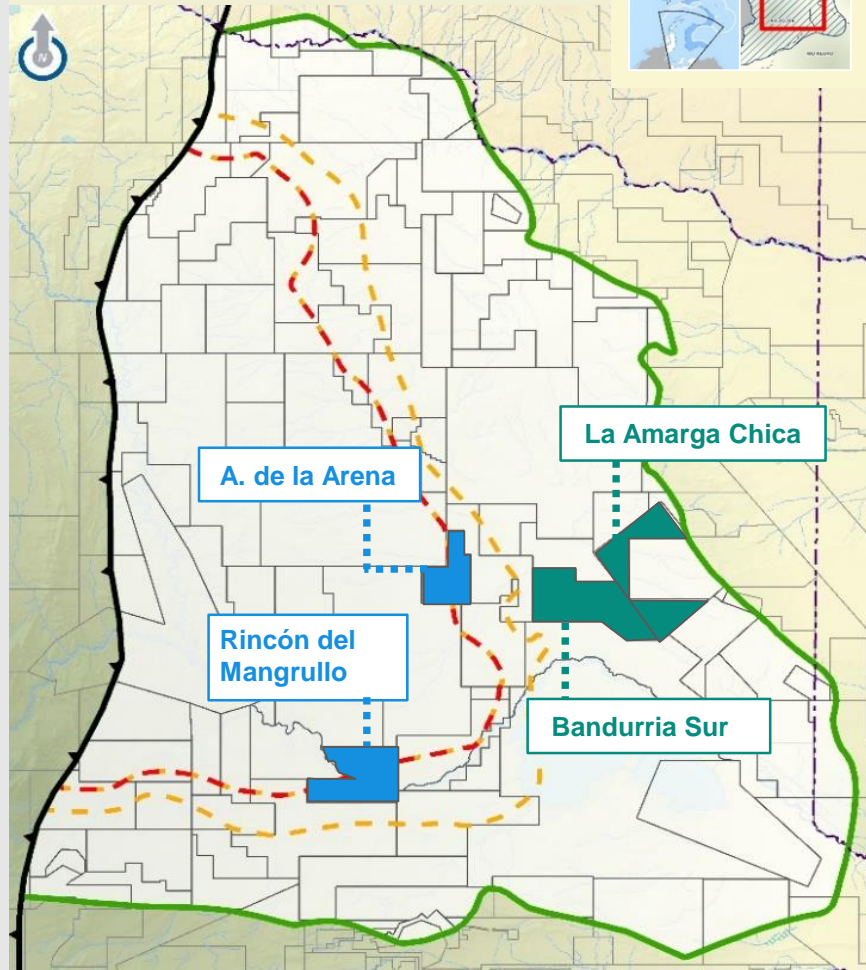
#### BANDURRIA SUR

Acres **56,200**

Wells 19-23 **~200**

Rigs by 2020 **3**

Additional locations **~550**



**WE BUILT AN EFFICIENT PLATFORM TO FACILITATE FUTURE GROWTH**

**CAPEX IN FACILITIES**

**2014 - 2018: 3.6 BUSD**

**2019 - 2023: ~3.9 BUSD**





## 1.2 BUSD EXPLORATION EFFORT IN THE NEXT 5 YEARS



### EXPANDING VACA MUERTA

> 2,000 KM<sup>2</sup>  
and 1,900 MBOE  
to be investigated

### ON-SHORE EXPLORATION

Other shale  
opportunities,  
new basins  
and tight gas

### OFF-SHORE EXPLORATION

Strategic agreements  
signed with international  
players



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# Q&A







**Miguel Gutierrez**  
Chairman



**Daniel González**  
CEO



**Pablo Bizzotto**  
EVP Upstream



**Santiago  
Martínez Tanoira**  
EVP Downstream



**Marcos Browne**  
EVP Gas & Power



**Luís Sas**  
CFO



**Sérgio Giorgi**  
VP Strategy  
and Business  
Development



**Carlos Alfonsi**  
EVP Operations  
& Transformation



**Sebastian Mocerrea**  
EVP Corporate Affairs  
Communications  
& Marketing

**Q&A**

**YPF INVESTOR DAY**



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and Closing Bell Ceremony.

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yesterday, today and tomorrow.

YPF  
LISTED  
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