

Release

Corporate Reorganization Process

Buenos Aires, December 21, 2017. Pampa Energía S.A. ('Pampa' or the 'Company'; NYSE: PAM; BCBA: PAMP) informs that today the Board of Directors of Pampa, Petrolera Pampa S.A. ('Petrolera Pampa'), Central Térmica Loma de la Lata S.A. ('CTLL') and Central Térmica Güemes S.A. ('CTG') (together, the 'Companies') approved the merger by absorption between Pampa, as the absorbing company, and Petrolera Pampa, CTG, CTLL, EG3 Red S.A., Bodega Loma de la Lata S.A., Inversora Diamante S.A., Inversora Nihuiles S.A., Inversora Piedra Buena S.A., and Pampa Participaciones II S.A. as absorbed companies, all subject to the corresponding assembly and regulatory resolutions (the 'Merger').

The Merger will be effective as of October 1, 2017, subject to the corresponding registration of the Merger and dissolution without liquidation of the companies absorbed before the Public Registry.

Moreover, the Companies' Board decided to approve, among other items and subject to the corresponding corporate and regulatory approvals, the following merger exchange ratios:

- i.** Regarding the 50.46% share capital of Petrolera Pampa that is not directly or indirectly owned by Pampa, set 2.2699 Pampa's ordinary book-entry shares, with a par value of AR\$1 and entitled to one vote per share (the 'Shares of Pampa'), for each ordinary book-entry share of Petrolera Pampa, with par value of AR\$1 and entitled to one vote per share, which will imply the issuance of 136.7 million Shares of Pampa;
- ii.** Regarding the 9.58% share capital of CTG that is not directly or indirectly owned by Pampa, set 0.6079 Shares of Pampa for each ordinary book-entry share of CTG, with a par value AR\$1 and one vote per share, which will imply the issuance of 5.6 million Shares of Pampa;
- iii.** Regarding the 8.40% share capital of Inversora Diamante S.A. that is not directly or indirectly owned by Pampa, set 0.1832 Shares of Pampa for each ordinary book-entry share of Inversora Diamante S.A., with a par value of AR\$1 and one vote per share, which will imply the issuance of 0.7 million Shares of Pampa;
- iv.** Regarding the 9.73% of the share capital of Inversora Nihuiles S.A. that is not directly or indirectly owned by Pampa, set 0.2644 Shares of Pampa for each non-endorsable ordinary share of Inversora Nihuiles S.A., with a par value of AR\$1 and entitled to one vote per share, which will imply the issuance of 1.3 million Shares of Pampa; and
- v.** In relation to the other companies involved, exchange ratio is not needed to be determined since they are 100% directly or indirectly controlled by Pampa.

Therefore, once all the corresponding regulatory and corporate approvals are obtained, the merger transactions are duly registered before the Argentine Corporate Public Registry and the ending of the corporate reorganization process that began with the collapse of former Petrobras



Argentina in November 2016, the share capital will be composed by 2,082.7 million Shares of Pampa, representing a 7.4% dilution.

For further information, *contact*:

Gustavo Mariani – Vice-president

Ricardo Torres – Vice-president

Mariano Batistella – Planning, Strategy and Affiliates Executive Director

Lida Wang – Investor Relations Officer

Maipú 1, (C1084ABA), Buenos Aires, Argentina

Phone: +54 (11) 4344 6000

<http://www.pampaenergia.com/ir>

investor@pampaenergia.com