

Offer to Purchase
PETROBRAS ARGENTINA S.A.,



Offer to Purchase for Cash Any and All of the Outstanding

5.875% Series S Notes due 2017
(CUSIP Nos. 71646J AB5 / P7873P AD8; ISIN Nos. US71646JAB52 / USP7873PAD89)

THE OFFER (AS DEFINED BELOW) WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON AUGUST 2, 2016, UNLESS EXTENDED OR EARLIER TERMINATED (THE “EXPIRATION TIME”). THE EARLY TENDER DEADLINE FOR THE OFFER WILL BE 5:00 P.M., NEW YORK CITY TIME, ON JULY 19, 2016, UNLESS EXTENDED OR EARLIER TERMINATED (THE “EARLY TENDER DEADLINE”). HOLDERS OF NOTES MUST VALIDLY TENDER THEIR NOTES AT OR PRIOR TO THE EARLY TENDER DEADLINE IN ORDER TO BE ELIGIBLE TO RECEIVE THE TOTAL CONSIDERATION (AS DEFINED BELOW), WHICH INCLUDES THE EARLY TENDER PAYMENT (AS DEFINED BELOW). NOTES TENDERED MAY BE WITHDRAWN AT ANY TIME AT OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON JULY 19, 2016 (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED, THE “WITHDRAWAL DEADLINE”) BUT NOT THEREAFTER.

Petrobras Argentina S.A., an Argentine corporation (*sociedad anónima*) (“we,” “us,” or the “Company”), is offering to purchase for cash (the “Offer”) from each registered holder (each, a “Holder” and, collectively, the “Holders”), on the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, this “Statement”), any and all of its outstanding 5.875% Series S Notes due 2017 (the “Notes”). The Offer is conditioned upon, among other things, the completion of the Concurrent Offering (as defined below), as described under “The Offer—Conditions to the Offer.” The Concurrent Offering, however, is not conditioned on the consummation of the Offer. **We expressly reserve the right, in our sole discretion, subject to applicable law, to terminate the Offer and not accept for purchase any Notes pursuant to the Offer, and otherwise to amend the terms of the Offer in any respect.**

Notes will be accepted only in minimum denominations of U.S.\$2,000 principal amount and integral multiples of U.S.\$1,000 thereof. We expect to make payment on Notes tendered at or prior to the Early Tender Deadline on the Early Payment Date (as defined below).

The total consideration for each U.S.\$1,000 principal amount of Notes validly tendered and not validly withdrawn at or prior to the Early Tender Deadline will be U.S.\$1,041.25 (the “Total Consideration”). The Total Consideration includes a payment of U.S.\$30 per U.S.\$1,000 principal amount of Notes (the “Early Tender Payment”) payable only in respect of Notes validly tendered and not validly withdrawn at or prior to the Early Tender Deadline. **Only Holders who validly tender and do not validly withdraw Notes at or prior to the Early Tender Deadline will be eligible to receive the Total Consideration (including the Early Tender Payment). Holders who validly tender Notes after the Early Tender Deadline but at or prior to the Expiration Time, will be eligible to receive only the tender offer consideration of U.S.\$1,011.25 per U.S.\$1,000 principal amount of Notes (the “Tender Offer Consideration”), which is equal to the Total Consideration less the Early Tender Payment.** In addition, Holders whose Notes are purchased in the Offer will receive accrued and unpaid interest in respect of their purchased Notes from the last interest payment date to, but not including, the Early Payment Date (as defined below) or the Final Payment Date (as defined below), as the case may be.

The table below summarizes certain payment terms of the Offer:

CUSIP/ISIN Nos.	Outstanding Principal Amount of Notes	Description of Notes	Tender Offer Consideration*†	Early Tender Payment*†	Total Consideration*
71646J AB5 / US71646JAB52 P7873P AD8 / USP7873PAD89	U.S.\$300,000,000	5.875% Series S due 2017	U.S.\$1,011.25	U.S.\$30	U.S.\$1,041.25

* Per U.S.\$1,000 principal amount of Notes.

† Included in Total Consideration.

The Offer is not conditioned upon any minimum principal amount of Notes being tendered. The Offer is, however, subject to satisfaction of the Financing Condition (as defined below) and the General Conditions (as defined below). Upon the consummation of the Offer, we expect to redeem any Notes remaining outstanding pursuant to the optional redemption provisions of the Indenture (as defined below).

Any questions or requests for assistance concerning the Offer may be directed to Citigroup Global Markets Inc. and Deutsche Bank Securities Inc., the dealer managers for the Offer (the “Dealer Managers”), at the address and telephone numbers set forth on the last page of this Statement. Requests for additional copies of this Statement or any other documents may be directed to Global Bondholder Services Corporation (in such capacity, the “Information Agent”) at the address and telephone numbers set forth on the last page of this Statement. Global Bondholder Services Corporation will also act as the tender agent (in such capacity, the “Tender Agent”) for the Offer.

None of the Company, the Dealer Managers, the Information Agent, the Tender Agent, the Trustee (as defined below) or any of their respective affiliates makes any recommendation as to whether Holders should tender Notes in response to the Offer. Each Holder must make their own decision (and consult their own investment and tax advisors) as to whether to tender Notes and, if so, as to how many Notes to tender.

The information contained in this Offer is exclusively our responsibility and has not been reviewed or authorized by the Comisión Nacional de Valores, the Argentine Securities Commission (the “CNV”). We are not required to file and have not filed with the CNV a request for authorization or registration of this Offer. If we were to provide any notice to the CNV, such notice would not constitute or imply a certification as to the investment quality of the Notes, our solvency or the accuracy or completeness of the information set forth herein. In making a decision, all Holders must rely on their own review and examination of the Company.

The Dealer Managers for the Offer are:

Citigroup

Deutsche Bank Securities

July 6, 2016

IMPORTANT INFORMATION REGARDING THE OFFER

This Statement contains important information. You should read this Statement in its entirety before you make any decision with respect to the Offer.

The principal purpose of the Offer is to acquire any and all of the outstanding Notes. The Offer is being made in connection with our concurrent offering (the “Concurrent Offering”) of notes (the “New Securities”) to be sold in an offering exempt from the registration requirements of the U.S. Securities Act of 1933, as amended.

We expect to use the net proceeds of the Concurrent Offering to repurchase any and all of the outstanding Notes in the Offer and/or redeem any Notes remaining outstanding after completion of the Offer, and for one or more of the following: (i) working capital in Argentina, (ii) investments in tangible assets located in Argentina and (iii) capital contributions in controlled or related corporations, provided that such contributions are used for the purposes of (i) or (ii) above. The Offer is conditioned upon, among other things, the completion of the Concurrent Offering as described under “The Offer—Conditions to the Offer” and no assurance can be given that the Concurrent Offering will be completed. The Concurrent Offering, however, is not conditioned on the Offer. In no event will this Statement or the information contained in this Statement regarding the New Securities constitute an offer to sell or a solicitation of an offer to buy any New Securities.

Any Notes tendered may be validly withdrawn at or prior to the Withdrawal Deadline, but not thereafter, by following the procedures described herein. Tenders of Notes may not be withdrawn after the Withdrawal Deadline, unless required by applicable law. If the Offer is terminated without Notes being purchased, any Notes tendered pursuant to the Offer will be returned promptly to the tendering Holders or unblocked by DTC, and neither the Total Consideration nor the Tender Offer Consideration, as the case may be, will be paid or become payable.

Subject to the terms and conditions of the Offer being satisfied or waived, we will pay the Total Consideration for Notes validly tendered and not validly withdrawn at or prior to the Early Tender Deadline (the “Early Acceptance Date”) on a date (the “Early Payment Date”) promptly following the Early Acceptance Date. Also, on the Early Payment Date, we will pay accrued and unpaid interest to, but not including, the Early Payment Date, on Notes accepted for purchase at the Early Acceptance Date.

Subject to the terms and conditions of the Offer being satisfied or waived, and to our right to extend, amend, terminate or withdraw the Offer, we will, after the Expiration Time (the “Final Acceptance Date”), accept for purchase all Notes validly tendered after the Early Acceptance Date and at or prior to the Expiration Time (and not validly withdrawn at or prior to the Withdrawal Deadline). We will pay the Tender Offer Consideration for Notes accepted for purchase at the Final Acceptance Date on a date (a “Final Payment Date”) promptly following the Final Acceptance Date. Also, on the Final Payment Date, we will pay accrued and unpaid interest to, but not including, the Final Payment Date, on Notes accepted for purchase at the Final Acceptance Date.

Our obligation to accept for purchase, and to pay for, Notes validly tendered and not validly withdrawn pursuant to the Offer, or to make any Total Consideration payments, is conditioned upon the satisfaction or waiver of a number of conditions, including the Financing Condition and the General Conditions. We reserve the right, subject to applicable law, in our sole discretion, to waive any of the conditions of the Offer, in whole or in part, at any time and from time to time. See “The Offer—Conditions to the Offer.”

We reserve the right, subject to applicable law, in our sole discretion, to (1) extend, terminate or withdraw the Offer at any time, or (2) otherwise amend the Offer in any respect. Any extension of the Offer will not necessarily be accompanied by an extension of the Withdrawal Deadline. The foregoing rights are in addition to the right to delay acceptance for purchase of Notes tendered pursuant to the Offer or the payment of Notes accepted for purchase pursuant to the Offer in order to comply with any applicable law, subject to Rule 14e-1(c) under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), which requires that we pay the consideration offered or return the Notes deposited by or on behalf of Holders promptly after the termination or withdrawal of the Offer. If we terminate the offer, we will give prompt notice to the Tender Agent, and all Notes tendered pursuant to the terminated Offer will be returned promptly to the tendering Holders thereof. With effect from such termination, any Notes blocked in DTC will be released.

No dealer, salesperson or other person is authorized to give any information or to make any representations with respect to the matters described in this Statement other than those contained in this Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by the Company, the Dealer Managers, the Information Agent, the Tender Agent or the Trustee (as defined below).

If you do not tender your Notes, they will remain outstanding. However, to the extent that any Notes are not tendered in the Offer, subject to completion of the Concurrent Offering, we expect to redeem, satisfy and discharge such Notes pursuant to the optional redemption and satisfaction and discharge provisions of the Indenture. To effect such redemption, we intend to deliver an irrevocable notice of redemption to the Trustee at the completion of the Concurrent Offering, and we intend to use a portion of the net proceeds from the Concurrent Offering for the irrevocable deposit of funds with the Trustee pursuant to the Indenture. However, no assurance can be given that such untendered Notes will be redeemed as contemplated or at all. This Statement does not constitute a notice of redemption. The appropriate notice or notices of redemption will be issued at a later date or dates upon the terms and subject to the conditions set forth in the Indenture. For a discussion of this risk, see “Certain Considerations—Subsequent Purchase of the Notes.”

This Statement does not constitute an offer to buy or the solicitation of an offer to sell Notes in any jurisdiction in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of us by the Dealer Managers or one or more registered brokers or dealers licensed under the laws of such jurisdiction. Neither the delivery of this Statement nor any purchase of Notes shall, under any circumstances, create any implication that there has been no change in our or our affiliates’ affairs since the date hereof, or that the information contained herein is correct as of any time subsequent to the date hereof or thereof, respectively.

This Statement has not been filed with or reviewed or approved by the CNV or the U.S. Securities and Exchange Commission (the “SEC”) or any other securities commission or regulator, nor has the CNV or the SEC or any such commission or regulator passed upon the accuracy or adequacy of this Statement or any of the other documents delivered herewith. Any representation to the contrary is unlawful and may be a criminal offense.

None of the Company, the Dealer Managers, the Information Agent, the Tender Agent, the Trustee or any of our or their respective affiliates makes any recommendation to any Holder as to whether to tender Notes. Holders must make their own decision as to whether to tender Notes. Each Holder must decide whether to tender Notes and, if tendering, the amount of Notes to tender. Holders are urged to review carefully all information contained in this Statement.

IMPORTANT INFORMATION REGARDING TENDERING NOTES

We expect that The Depository Trust Company (“DTC”) will authorize participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. To effect a tender, DTC participants may transmit their acceptance to DTC through the DTC Automated Tender Offer Program (“ATOP”), for which the Offer will be eligible, and follow the procedures for book-entry transfer set forth in “The Offer—Procedures for Tendering Notes.” **There is no letter of transmittal for this Offer.**

Any Holder desiring to tender Notes pursuant to the Offer should transmit an Agent’s Message (as defined in “The Offer—Procedures for Tendering Notes—Book-Entry Delivery Procedures”), together with the certificates evidencing such Notes (or confirmation of the transfer of such Notes into the account of the Tender Agent with DTC pursuant to the procedures for book-entry transfer set forth herein). Beneficial owners whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender Notes. **Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners wishing to participate in the Offer should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to participate.** See “The Offer—Procedures for Tendering Notes.”

Tendering Holders will not be obligated to pay brokerage fees or commissions to the Company, the Dealer Managers, the Information Agent or the Tender Agent in connection with their tendering of Notes pursuant to the Offer. However, such Holders may be obligated to pay commissions or other payments to their own brokers, custodians or other agents.

We have not provided for the tender of Notes by guaranteed delivery in connection with the Offer. Holders must tender their Notes in accordance with the procedures set forth under “The Offer—Procedures for Tendering Notes.”

Any requests for additional copies of this Statement or any other documents may be directed to the Information Agent at the address and telephone numbers set forth on the last page of this Statement. Requests for assistance relating to the terms and conditions of the Offer may be directed to the Dealer Managers at the addresses and telephone numbers set forth on the last page of this Statement. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Offer.

FORWARD-LOOKING STATEMENTS

This Statement includes forward-looking statements. These statements relate to our future prospects, developments and include statements regarding our intent, belief or current expectations, and those of our officers, with respect to (among other things) our financial condition. Our estimates and forward-looking statements are based mainly on current expectations and estimates of future events and trends, which affect, or may affect, our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to us.

Examples of such forward-looking statements include:

- projections of operating revenues, net income (loss), earnings per share, capital expenditures, dividends, cash flow, capital structure or other financial items or ratios;
- statements of our plans, objectives or goals, including those related to anticipated trends, competition, regulation, government housing policy and interest rates;
- statements about our future performance or economic conditions in Argentina or other countries in which we operate; and
- statements of assumptions underlying such statements.

Words such as “believe,” “could,” “may,” “will,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “potential,” “predict,” “forecast,” “guideline,” “should” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include changes in general economic, business, political or other conditions in Argentina or changes in general economic or business conditions in other Latin American countries; the availability of financing at reasonable terms to Argentine companies, such as us; the failure of governmental authorities to approve proposed measures or transactions described in this offering memorandum; the volume of crude oil, oil products and natural gas we produce and sell; changes in the price of hydrocarbons and oil products; changes to our capital expenditure plans; changes in domestic and international laws, regulations or policies affecting our operations, including with respect to tax and environmental matters; fluctuations in the Argentine peso/U.S. dollar exchange rate; our ability to renew certain concessions; the ability to develop and monetize conventional and non-conventional reserves; changes to our reserves estimates and increased costs. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments.

IMPORTANT DATES

Holders should take note of the following times and dates, and the defined terms used to reference them, in connection with the Offer. Holders should note that the times and dates below are subject to change.

Defined Term	Time and Date	Event
Launch Date.....	July 6, 2016	Commencement of the Offer.
Early Tender Deadline	5:00 p.m., New York City time, on July 19, 2016 unless extended or earlier terminated. In the case of extension, the Early Tender Deadline will be such other date and time as so extended.	Holders must tender Notes pursuant to the Offer at or prior to the Early Tender Deadline in order to be eligible to receive the Total Consideration, which includes the Early Tender Payment.
Withdrawal Deadline	5:00 p.m., New York City time, on July 19, 2016, unless extended. In the case of extension, the Withdrawal Deadline will be such other date and time as so extended.	Holders may withdraw tendered Notes at or prior to the Withdrawal Deadline but not thereafter, unless required by applicable law. Any extension of the Offer will not necessarily be accompanied by an extension of the Withdrawal Deadline, unless required by applicable law.
Early Acceptance Date.....	A time following the Early Tender Deadline but prior to the Expiration Time. The Company expects the Early Acceptance Date to be promptly following the Early Tender Deadline, so long as the conditions to the Offer have been satisfied or waived.	Subject to the terms and conditions of the Offer, the date on which following the Early Tender Deadline but prior to the Expiration Time the Company accepts for purchase all Notes validly tendered and not validly withdrawn at or prior to the Withdrawal Deadline. Promptly after such time, we will issue a press release specifying the aggregate principal amount of Notes validly tendered and not validly withdrawn.
Early Payment Date	Promptly following the Early Acceptance Date..	We will deposit with the Tender Agent or, upon the Tender Agent's instructions, with DTC, the amount necessary to pay the Total Consideration and the accrued and unpaid interest for all Notes to be purchased on the Early Payment Date.
Expiration Time	11:59 p.m., New York City time, on August 2, 2016, unless the Offer is extended or earlier terminated. In the case of extension, the Expiration Time will be such other date and time as so extended.	Holders must tender Notes pursuant to the Offer at or prior to the Expiration Time in order to be eligible to receive the Tender Offer Consideration. Holders tendering Notes after the Early Tender Deadline and at or prior to the Expiration Time will not be eligible to receive the Early Tender Payment with respect to such Notes.
Final Acceptance Date	Subject to the satisfaction or waiver of the conditions to the Offer and to our right to amend,	Subject to the terms and conditions of the Offer, the date on which the Company accepts for purchase all

Defined Term	Time and Date	Event
	<p>extend, terminate or withdraw the Offer, a time following the Expiration Time. The Company expects the Final Acceptance Date to be promptly following the Expiration Time, so long as the conditions to the Offer have been satisfied or waived.</p>	<p>Notes validly tendered and not previously accepted for purchase pursuant to the Offer.</p> <p>Promptly after such time, we will issue a press release specifying the aggregate principal amount of Notes validly tendered.</p>
<p>Final Payment Date.....</p>	<p>We expect the Final Payment Date to be promptly following the Final Acceptance Date, if any.</p>	<p>We will deposit with the Tender Agent or, upon the Tender Agent's instructions, DTC, the amount necessary to pay Tender Offer Consideration, as the case may be, and the accrued and unpaid interest for all Notes to be purchased on the Final Payment Date.</p>

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SUMMARY

We are providing this summary for your convenience. This summary is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere in this Statement. Each of the capitalized terms used in this summary and not defined herein has the meaning given to it elsewhere in this Statement.

Issuer	Petrobras Argentina S.A., a corporation (<i>sociedad anónima</i>) organized under Argentine law.
The Notes.....	5.875% Series S Notes due 2017 (CUSIP Nos. 71646J AB5 / P7873PAD8; ISIN Nos. US71646JAB52 / USP7873PAD89). U.S.\$300 million aggregate principal amount is outstanding as of the date of this Statement
The Offer	We are offering to purchase for cash, on the terms and subject to the conditions set forth in this Statement, any and all of the outstanding Notes pursuant to the Offer.
Early Tender Deadline	The Early Tender Deadline will be 5:00 p.m. New York City time, on July 19, 2016, unless extended or earlier terminated. Holders must tender Notes at or prior to the Early Tender Deadline in order to be eligible to receive the Total Consideration, which includes the Early Tender Payment.
Withdrawal Rights; Withdrawal Deadline.....	The Withdrawal Deadline will be 5:00 p.m. New York City time, on July 19, 2016, unless extended. Notes may be validly withdrawn at, or at any time prior to, the Withdrawal Deadline, but not thereafter, by following the procedures described herein. Tenders of Notes may not be withdrawn after the Withdrawal Deadline, unless required by applicable law. If the Company changes the applicable Total Consideration or Tender Offer Consideration, or is otherwise required by law to permit withdrawal, previously tendered Notes may be withdrawn to the extent required by law.
Early Acceptance of Tendered Notes and Payment	We expect the Early Acceptance Date to be promptly following the Early Tender Deadline, so long as the conditions to the Offer have been satisfied or waived. Upon the terms and subject to the conditions of the Offer, we will pay for Notes validly tendered and not validly withdrawn at or prior to the Withdrawal Deadline on the Early Payment Date, which is expected to be promptly following the Early Acceptance Date.
Expiration Time.....	The Offer will expire at 11:59 p.m., New York City time, on August 2, 2016, unless the Offer is extended or earlier terminated.
Final Acceptance of Tendered Notes and Payment	We expect the Final Acceptance Date for the Offer to be promptly after the Expiration Time, so long as the conditions to the Offer have been satisfied or waived and subject to our right to amend, extend, terminate or withdraw the Offer. Upon the terms and subject to the conditions of the Offer, we will pay for Notes validly tendered pursuant to the Offer after the Early Acceptance Date and at or prior to the Expiration Time on the Final Payment Date, which is expected to be promptly following the Final Acceptance Date.
Total Consideration	The Total Consideration for each U.S.\$1,000 principal amount of Notes validly tendered and not validly withdrawn at or prior to the Early Tender Deadline and accepted for purchase will be

Tender Offer Consideration	U.S.\$1,041.25. The Total Consideration includes an Early Tender Payment of U.S.\$30 per U.S.\$1,000 principal amount of Notes.
Accrued Interest.....	<p>Holders who validly tender their Notes after the Early Tender Deadline and at or prior to the Expiration Time will be eligible to receive only the Tender Offer Consideration of U.S.\$1,011.25 per U.S.\$1,000 principal amount of Notes, which is equal to the Total Consideration less the Early Tender Payment.</p> <p>In addition to the Total Consideration or Tender Offer Consideration, as applicable, Holders whose Notes are accepted for purchase will be paid accrued and unpaid interest from the last interest payment date to, but not including, the Early Payment Date or Final Payment Date, as the case may be. No interest will be payable because of any delay by the Tender Agent, DTC or any other party in the transmission of funds to Holders.</p>
Minimum Denomination	<p>Notes may be tendered and accepted for payment only in principal amounts equal to minimum denominations of U.S.\$2,000 principal amount and integral multiples of U.S.\$1,000 thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination as set forth in the Amended and Restated Indenture, dated as of August 1, 2002 (the “Base Indenture”), as supplemented by the Sixteenth Supplemental Indenture dated May 7, 2007 (the “Supplemental Indenture”, and together with the Base Indenture, the “Indenture”) (which provides for a minimum authorized denomination of U.S.\$2,000 principal amount and integral multiples of U.S.\$1,000 in excess thereof).</p>
Conditions of the Offer.....	<p>The consummation of the Offer is subject to, and conditioned upon, satisfaction or, when applicable, waiver of the General Conditions. The Offer also is conditioned upon our receipt of aggregate net proceeds from the Concurrent Offering which would be sufficient to (i) pay the aggregate Total Consideration plus accrued and unpaid interest for all tendered Notes, plus all fees and expenses incurred in connection with the Offer, and (ii) redeem, satisfy and discharge any Notes not validly tendered in the Offer (the “Financing Condition”). Subject to applicable law, we may waive any of the conditions of the Offer, in whole or in part, at any time.</p> <p>We reserve the right, subject to applicable law, in our sole discretion, (a) to accept for purchase and pay for all Notes validly tendered and not validly withdrawn at or prior to the Expiration Time and to keep the Offer open or extend the Expiration Time and (b) to waive all conditions to the Offer for Notes tendered at or prior to the Expiration Time.</p>
How to Tender Notes.....	<p>For a description of the procedures for tendering Notes, see “The Offer—Procedures for Tendering Notes.” For further information, call the Information Agent or the Dealer Managers, or consult your broker, dealer, commercial bank or trust company for assistance.</p>
Extension of the Offer	<p>We reserve the right to extend the Offer for such period as we may determine, in our sole discretion, from time to time, by giving written or oral notice to the Tender Agent and by making public disclosure by press release following the previously scheduled Early Tender Deadline or Expiration Time (by 9:00 a.m., New York City time, in the case of the Expiration Time), as applicable, for the Offer, subject to applicable law. Any extension of the Offer will not necessarily be accompanied by an extension of the Withdrawal Deadline.</p>
Termination of the Offer.....	<p>We expressly reserve the right, in our sole discretion, subject to applicable law, to terminate the Offer and not accept for purchase any</p>

Notes pursuant to the Offer, and otherwise to amend the terms of the Offer in any respect. Any amendment or termination of the Offer will be followed as promptly as practicable by announcement thereof. If we make a material change in the terms of the Offer or the information concerning the Offer or waive a material condition of the Offer, we will, to the extent required by applicable law, disseminate additional materials relating to the Offer and extend the Offer. If the Offer is terminated without any Notes being purchased, any Notes previously tendered will be returned promptly to the tendering Holders or unblocked by DTC, and neither the Total Consideration nor the Tender Offer Consideration, as the case may be, will be paid or become payable.

Purpose of the Offer

The principal purpose of the Offer is to acquire any and all of the outstanding Notes. All Notes acquired in the Offer will be surrendered to the Trustee for cancellation.

Source of Funds

The Company expects to pay the consideration payable pursuant to the Offer with proceeds from the Concurrent Offering. The Offer is conditioned upon, among other things, the completion of the Concurrent Offering as described under “The Offer—Conditions to the Offer,” and no assurance can be given that the Concurrent Offering will be completed. The Concurrent Offering, however, is not conditioned on the Offer.

Certain U.S. Federal and Argentine Tax Considerations

For a discussion of certain U.S. federal and Argentine tax considerations of the Offer, see “Certain U.S. Federal Income and Argentine Tax Considerations.”

Dealer Managers.....

You may contact Citigroup Global Markets Inc. and Deutsche Bank Securities Inc., the Dealer Managers, with any questions about the Offer at its address and telephone numbers set forth on the last page of this Statement.

Information Agent and Tender Agent....

Global Bondholder Services Corporation is serving as Information Agent and as Tender Agent for the Offer. You may contact the Information Agent with any questions regarding the procedures for tendering Notes and to request additional copies of this Statement and any other required documents at its address and telephone numbers set forth on the last page of this Statement.

Trustee

The Bank of New York Mellon.

CERTAIN CONSIDERATIONS

In deciding whether to participate in the Offer, each Holder should consider carefully, in addition to the information contained in this Statement, the matters discussed below.

The Consummation of the Offer is Subject to Satisfaction of Certain Conditions

The consummation of the Offer is subject to satisfaction of the Financing Condition and the General Conditions. These conditions are described in more detail in this Statement under “The Offer—Conditions to the Offer.” There can be no assurance that such conditions will be met with respect to the Offer.

There is Limited Ability to Withdraw Tendered Notes

Tenders of Notes may be validly withdrawn at any time at or prior to the Withdrawal Deadline, but not thereafter, unless required by applicable law. In addition, we may, in our sole discretion subject to applicable law, extend the Expiration Time. Any extension of the Offer will not necessarily be accompanied by an extension of the Withdrawal Deadline. Payment of the Total Consideration and the Tender Offer Consideration will not be made prior to the Early Acceptance Date or the Final Acceptance Date, as applicable, the occurrence of which is dependent upon the satisfaction or waiver of the conditions to the Offer. Unless required by applicable law, Notes tendered after the Withdrawal Deadline may not be withdrawn, and Holders that tender such Notes could be forced to wait for an extended period of time before receiving payment for their Notes.

If the Company changes the applicable Total Consideration or Tender Offer Consideration, or is otherwise required by law to permit withdrawal, previously tendered Notes may be withdrawn to the extent required by law.

There is a Limited Trading Market for the Notes, and Trading Prices of the Notes May Fluctuate Widely

To the extent that the Notes are traded, prices for the Notes may fluctuate widely depending on the trading volume and the balance between buy and sell orders. To the extent that fewer than all of the Notes are tendered and accepted in the Offer, the trading market for the Notes would become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Notes not tendered or not purchased may be affected adversely to the extent that the principal amount of Notes tendered and accepted pursuant to the Offer reduces the float. The reduced float may also make the trading price more volatile. The extent of the market for the Notes following consummation of the Offer will depend upon, among other things, the remaining outstanding principal amount of Notes after the Offer, the number of Holders of such Notes remaining at such time and the interest in maintaining a market in the Notes on the part of securities firms and other factors. We cannot assure you that a market for any Notes that remain outstanding following consummation of the Offer will exist or be sustained. While we do not expect any Notes to remain outstanding for an extended period of time after the closing of the Offer, as, subject to completion of the Concurrent Offering, we expect to redeem such Notes pursuant to the optional redemption and satisfaction and discharge provisions of the Indenture no assurance can be given that any untendered Notes will be redeemed as contemplated or at all.

Subsequent Purchase of the Notes

We expressly reserve the right, in our sole discretion, to take other actions with respect to any Notes that have not been accepted and paid for in the Offer, including purchasing such Notes through open market or privately negotiated transactions, redemptions, one or more additional tender or exchange offers or otherwise, on terms and prices that may or may not be equal to the Tender Offer Consideration or the Total Consideration, or to exercise any of our rights under the Indenture.

To the extent any Notes remain outstanding upon completion of the Offer, subject to completion of the Concurrent Offering, we expect to redeem, satisfy and discharge such Notes pursuant to the optional redemption and satisfaction and discharge provisions of the Indenture. To effect such redemption, we intend to deliver an irrevocable notice of redemption to the Trustee at the completion of the Concurrent Offering, and we intend to use a portion of the net proceeds from the Concurrent Offering for the irrevocable deposit of funds with the Trustee. However, no assurance can be given that such untendered Notes will be redeemed as contemplated or at all. This Statement does not constitute a notice of redemption. The appropriate notice or notices of redemption will be issued at a later date or dates upon the terms and subject to the conditions set forth in the Indenture.

The consideration for the Offer does not reflect any independent valuation of the Notes.

We have not obtained or requested a fairness opinion from any financial advisor as to the fairness of the consideration received by holders of Notes in the Offer or the relative value of Notes. If you tender your Notes, you may or may not receive more or as much value as you would if you choose to keep them, and there may be a reduction in the aggregate principal amount of debt owed to you.

Tendering Notes Will Have Tax Consequences

See “Certain U.S. Federal and Argentine Tax Considerations” for a discussion of certain U.S. federal and Argentine tax considerations of the Offer.

Blocking of Notes

When considering whether to tender any Notes in any of the Offer, Holders should take into account that restrictions on the transfer of the Notes by Holders will apply from the time of such tender. A Holder will, upon tendering Notes in the Offer, agree that the relevant Notes will be blocked in the relevant DTC account from the date the relevant tender of Notes is made until the earlier of (i) the date on which the tender of the Notes is validly withdrawn (including their automatic revocation on the termination of the Offer) in accordance with the terms of the Offer and (ii) the time of settlement on the Early Payment Date or Final Payment Date, as applicable.

THE COMPANY

Overview

We are an integrated energy company, engaged in oil and gas exploration and production, refining, petrochemicals, electricity generation and transmission, and hydrocarbon marketing and transportation. We maintain operations primarily in Argentina, and to a lesser extent in Bolivia, Ecuador and Venezuela. Our operations are currently divided into four business segments that are in turn supported by corporate functions. The four business segments are: (i) Oil and Gas Exploration and Production, (ii) Gas and Energy, (iii) Refining and Distribution, and (iv) Petrochemicals.

Registered Office and Website

Our registered office is located at Maipú 1, 22 S.S. Floor (C1084ABA) Buenos Aires, Argentina. Our telephone number at that address is +54-11 4344-6694. Our website address is www.petrobras.com.ar. The information that is included on or linked to on our website is not a part of this Statement.

THE OFFER

Purpose and Background of the Offer

The principal purpose of the Offer is to acquire any and all of the outstanding Notes. All Notes acquired in the Offer will be surrendered to the Trustee for cancellation.

Position Regarding the Offer

Neither we nor any of our affiliates, the Dealer Managers, the Information Agent, the Tender Agent or the Trustee makes any recommendation, or has authorized any person to make a recommendation, to any Holder regarding whether to tender or refrain from tendering any or all of such Holder's Notes. Holders are urged to evaluate carefully all information contained in this Statement, consult their own investment and tax advisors and make their own decisions about whether to tender Notes, and, if they wish to tender Notes, the principal amount of Notes to tender.

Financing of the Offer

Assuming all outstanding Notes are validly tendered and are not validly withdrawn at or prior to the Early Tender Deadline and that payment for all such tendered Notes is made on the Early Payment Date, the total amount of funds required to pay the aggregate Total Consideration (which includes the payment of the Early Tender Payments) is expected to be approximately U.S.\$312,375,000 plus accrued and unpaid interest on such Notes and fees and expenses in connection with the Offer. We expect to fund consummation of the Offer from the proceeds of the Concurrent Offering. The Offer is conditioned on, among other things, the completion of the Concurrent Offering as described below under the caption "—Conditions to the Offer." No assurance can be given that the Company will complete the Concurrent Offering.

Principal Terms of the Offer

The Company is hereby offering, upon the terms and subject to the conditions set forth in this Statement, to purchase for cash any and all of the outstanding Notes that are validly tendered (and not validly withdrawn) at or prior to the Expiration Time for the consideration described below. Holders who tender their Notes at or prior to the Early Tender Deadline and who do not validly withdraw their Notes at or prior to the Withdrawal Deadline will be eligible to receive the Total Consideration of U.S.\$1,041.25 for each U.S.\$1,000 principal amount of Notes validly tendered and not validly withdrawn at or prior to the Withdrawal Deadline (which includes the Early Tender Payment). Holders validly tendering Notes after the Early Tender Deadline and at or prior to the Expiration Time will be eligible to receive only the Tender Offer Consideration of U.S.\$1,011.25 for each U.S.\$1,000 principal amount of Notes tendered pursuant to the Offer, which is equal to the Total Consideration less the Early Tender Payment. In addition, Holders whose Notes are purchased in the Offer will receive accrued and unpaid interest in respect of their purchased Notes from the last interest payment date to, but not including, the Early Payment Date or the Final Payment Date, as the case may be.

Notes may be tendered and accepted for payment only in principal amounts equal to minimum denominations of U.S.\$2,000 principal amount and integral multiples of U.S.\$1,000 thereof. No alternative, conditional or contingent tenders will be accepted. No Holder may tender less than all of its Notes if that tender would result in the Holder owning Notes in an amount that is not permitted under the Indenture (which provides for denominations of U.S.\$2,000 principal amount and integral multiples of U.S.\$1,000 in excess thereof).

Expiration Time and Early Tender Deadline; Extensions, Amendments and Termination

The Offer will expire at 11:59 p.m., New York City time, August 2, 2016, unless extended or earlier terminated. The deadline for Holders to validly tender Notes and be eligible to receive payment of the Total Consideration pursuant to the Offer is 5:00 p.m., New York City time, on July 19, 2016, unless extended or earlier terminated. We reserve the right to extend the Offer for such period as we may determine, in our sole discretion, from time to time, by giving written or oral notice to the Tender Agent and by making public disclosure by press release following the previously scheduled Early Tender Deadline or Expiration Time (by 9:00 a.m., New York City time, in the case of the Expiration Time), as applicable, for the Offer, subject to applicable law. During any extension of the Offer, all Notes previously tendered will remain subject to the Offer. Any extension of the Offer will not necessarily be accompanied by an extension of the Withdrawal Deadline.

The Company reserves the right, in its sole discretion, subject to applicable law, to:

- waive any and all conditions to the Offer;
- extend or terminate or withdraw the Offer; or
- otherwise amend the Offer in any respect.

If the Offer is terminated, Notes tendered pursuant to the Offer will be returned promptly to tendering Holders or unblocked by DTC. The Company reserves the right (a) to accept for purchase and pay for all Notes validly tendered at or prior to the Expiration Time and to keep the Offer open or extend the Expiration Time and (b) to waive any and all conditions to the Offer for Notes tendered at or prior to the Expiration Time.

Any extension, amendment or termination will be followed as promptly as practicable by a public announcement of the extension, amendment or termination, provided that any extension will be announced as described above. Without limiting the manner in which we may choose to make such announcement, we will not, unless otherwise required by applicable law, have any obligation to advertise or otherwise communicate any such announcement other than by making a release to a nationally recognized news service or through such other means of announcement as we consider appropriate.

Any waiver or amendment to the Offer will apply to all Notes tendered pursuant thereto, regardless of when or in what order those Notes were tendered.

Conditions to the Offer

Notwithstanding any other provision of the Offer, and in addition to, and not in limitation of, our rights to extend or amend the Offer, the payment of any consideration to holders who have validly tendered (and not validly withdrawn at or prior to the Withdrawal Deadline) their Notes pursuant to the Offer on each of the Early Payment Date and the Final Payment Date are subject to the satisfaction of the following conditions:

- (1) the Financing Condition; and
- (2) the General Conditions having been satisfied.

The “General Conditions” with respect to the Offer will not be considered satisfied if any of the following conditions occurs (and, to the extent any such condition has occurred, has not been waived by us):

- (1) there has been threatened or instituted or there is pending any action, suit or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency or other tribunal that directly or indirectly:
 - (a) (i) challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain, prohibit or otherwise affect the making of the Offer, the acceptance for purchase of, or payment for, some or all of the Notes pursuant to the Offer or (ii) otherwise relates in any manner to the Offer; or
 - (b) in the Company’s reasonable judgment, could materially and adversely affect the business, condition (financial or otherwise), assets, income, operations or prospects of the Company and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of the Company or any of its subsidiaries;
- (2) there has occurred any of the following:
 - (a) any general suspension of trading in, or limitation on prices for, securities on any U.S. or Argentine securities or financial markets, on any national securities exchange, or in any over-the-counter market;
 - (b) any significant adverse change in the price of securities of the Company (including, without limitation, the Notes) in the U.S. or Argentine securities or financial markets;
 - (c) a material impairment in the U.S. or Argentine trading markets for debt securities;

- (d) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory;
- (e) the commencement or escalation of a war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, directly or indirectly involving the United States;
- (f) any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that, in the Company's reasonable judgment, could materially affect, the extension of credit by banks or other lending institutions in the United States; or
- (g) any change or changes, or threatened change or changes, in the Company's business, condition (financial or otherwise), assets, income, operations, prospects or share ownership that, in our reasonable judgment, has or is reasonably expected to have a material adverse effect on the Company, taken as a whole, or on the trading in the Notes, the Concurrent Offering or the benefits of the Offer to us.

If we accept any Notes upon the Early Acceptance Date or the Final Acceptance Date, upon such acceptance, the Financing Condition will be deemed met or waived except to the extent that if binding documentation, subject to customary conditions, for a specific financing transaction that would fulfill the Financing Condition has been executed by us at or prior to the time of such acceptance, the Financing Condition shall remain in effect solely to the following extent: settlement of such acceptance shall remain conditioned upon the closing of such financing transaction. No assurance can be given that the Company will complete the Offering. In addition, after the Early Payment Date our obligation to accept further valid tenders prior to the Expiration Time will be conditioned only upon the satisfaction of the conditions described in clause (1)(a)(i) under the General Conditions.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such conditions, including any action or inaction by us. Our failure at any time to assert any of the foregoing conditions will not be considered a waiver of our right to assert such conditions, and our right to assert a condition is an ongoing right which we may assert at any time and from time to time. Our determination concerning any of the events described above will be final and binding upon all persons. We reserve the right, subject to applicable law, in our sole discretion, to waive any of the conditions, in whole or in part, at any time and from time to time.

Acceptance of Notes for Purchase; Payment for Notes

We expect the Early Acceptance Date to be promptly after the Early Tender Deadline, so long as the conditions to the Offer have been satisfied or waived. We expect the Final Acceptance Date to be promptly after the Expiration Time, so long as the conditions to the Offer have been satisfied or waived.

We reserve the right, in our sole discretion:

- to delay acceptance for purchase of Notes tendered under the Offer or payment for Notes accepted for purchase, subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Notes deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Offer; and
- to terminate or withdraw the Offer at any time and not accept for purchase any Notes.

In all cases, payment for Notes accepted for purchase pursuant to the Offer will be made only after timely receipt by the Tender Agent of:

- (1) confirmation of a book-entry transfer of the Notes into the Tender Agent's account at DTC pursuant to the procedures set forth under "—Procedures for Tendering Notes" representing the Notes tendered pursuant to the Offer; and
- (2) a properly transmitted Agent's Message (as defined under "—Procedures for Tendering Notes—Book-Entry Delivery Procedures").

For purposes of the Offer, we will be considered to have accepted for purchase validly tendered Notes, or defectively tendered Notes as to which we have waived the defects, if, as and when we give oral notice promptly confirmed in writing or written notice of acceptance to the Tender Agent, provided, that no waiver in relation to any

defectively tendered Note shall be construed as a waiver of any other defectively tendered Note. Upon the terms and subject to the conditions of the Offer, payment for Notes accepted for purchase in the Offer will be made by us by deposit with the Tender Agent (or upon its instructions, DTC), which will act as agent for the tendering Holders for the purpose of receiving the Tender Offer Consideration and Early Tender Payments and transmitting such monies to the appropriate Holders.

If, for any reason, acceptance for purchase or payment of Notes validly tendered pursuant to the Offer is delayed or we are unable to accept for purchase or pay for validly tendered Notes pursuant to the Offer, then, without prejudice to our rights under “—Expiration Time and Early Tender Deadline; Extensions, Amendments and Termination” and “—Conditions to the Offer” above and “—Withdrawal of Tenders” below, but subject to Rule 14e-1 under the Exchange Act, the Tender Agent may, nevertheless, on our behalf, retain tendered Notes, and such Notes may not be withdrawn.

Notwithstanding anything to the contrary contained herein, in no event will any Early Tender Payments be payable if Notes are not purchased pursuant to the Offer.

If any tendered Notes are not accepted for purchase for any reason pursuant to the Offer, Notes tendered by book-entry transfer into the Tender Agent’s account at DTC pursuant to the procedure set forth under “—Procedures for Tendering Notes—Book-Entry Delivery Procedures,” will be credited to the account maintained at DTC from which such Notes were delivered, promptly following each date on which Notes are accepted for purchase and the date of termination of the Offer.

Holders that tender Notes that are accepted for purchase pursuant to the Offer will be entitled to accrued and unpaid interest on such Notes to, but not including, the Early Payment Date or Final Payment Date, as the case may be. No additional interest will be payable because of any delay by the Tender Agent or DTC or any other person in the transmission of funds to Holders or otherwise.

Notes can be tendered and will be accepted only in principal amounts equal to the minimum authorized denomination for the Notes, and integral multiples in excess thereof. Holders who tender less than all of their Notes must continue to hold Notes in a principal amount not less than the minimum authorized denomination. No alternative, conditional or contingent tenders will be accepted.

Holders that tender Notes purchased in the Offer will not be obligated to pay transfer taxes with respect to the purchase of such Notes.

Procedures for Tendering Notes

General

For a Holder to be eligible to receive either the Total Consideration or the Tender Offer Consideration, as the case may be, the Holder must validly tender its Notes pursuant to the Offer at or prior to the Early Tender Deadline or the Expiration Time, as the case may be, and not validly withdraw those Notes at or prior to the Withdrawal Deadline.

The method of delivery of Notes, including delivery through DTC and any acceptance of an Agent’s Message transmitted through ATOP, is at the election and risk of the person tendering Notes or transmitting an Agent’s Message, and delivery will be considered made only when actually received by the Tender Agent. Notes may be tendered and accepted for payment pursuant to the Offer only in principal amounts of integral multiples of U.S.\$1,000. No alternative, conditional or contingent tenders will be accepted. No Holder may tender less than all of its Notes if that tender would result in the Holder owning Notes in an amount that is not permitted under the Indenture (which provides for denominations of U.S.\$2,000 principal amount and integral multiples of U.S.\$1,000 in excess thereof).

Tender of Notes, Binding Agreement

The tender of Notes by a Holder, pursuant to the procedures set forth below, and the subsequent acceptance of that tender by us, will constitute a binding agreement between that Holder and us in accordance with the terms and subject to the conditions set forth in this Statement, which agreement will be governed by, and construed in accordance with, the laws of the State of New York.

If your Notes either are not validly tendered, or are validly withdrawn and not validly retendered, at or prior to the Early Tender Deadline, you will not be eligible to receive the Total Consideration.

Tender of Notes Held Through DTC

To validly tender Notes that are held through DTC, DTC participants should electronically transmit their acceptance through ATOP (and thereby tender Notes), for which the Offer will be eligible. Upon receipt of such Holder's acceptance through ATOP, DTC will edit and verify the acceptance and send an Agent's Message to the Tender Agent for its acceptance. Delivery of tendered Notes held through DTC must be made to the Tender Agent pursuant to the book-entry delivery procedures set forth below. **There is no letter of transmittal for this Offer.**

Except as provided below, unless the Notes being tendered pursuant to the Offer are deposited with the Tender Agent at or prior to the Expiration Time (accompanied by a properly transmitted Agent's Message, and all other required documents), we may, at our option, reject such tender.

Book-Entry Delivery Procedures

The Tender Agent will establish an account with respect to the Notes at DTC for purposes of the Offer within two business days after the date of this Statement, and any financial institution that is a participant in DTC may make book-entry delivery of the Notes by causing DTC to transfer such Notes into the Tender Agent's account in accordance with DTC's procedures for such transfer. However, although delivery of Notes may be effected through book-entry transfer into the Tender Agent's account at DTC, an Agent's Message, and all other required documents, must, in any case, be transmitted to, and received by, the Tender Agent at its address set forth on the last page of this Statement at or prior to the Early Tender Deadline in order for a Holder to be eligible to receive the Total Consideration with respect to such Notes, or at or prior to the Expiration Time in order for a Holder to be eligible to receive the Tender Offer Consideration with respect to such Notes. Delivery of documents to DTC does not constitute delivery to the Tender Agent. The confirmation of a book-entry transfer into the Tender Agent's account at DTC, as described above, is referred to in this Statement as a "Book-Entry Confirmation."

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the DTC participant tendering the Notes.

Holders desiring to tender Notes must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC.

Tender of Notes Held Through a Custodian

Any beneficial owner whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Notes should contact such broker, dealer, commercial bank, trust company or other nominee promptly and instruct such broker, dealer, commercial bank, trust company or other nominee to tender Notes on such beneficial owner's behalf.

Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners wishing to participate in the Offer should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to participate.

Effect of tendering Notes

By tendering Notes through a Book-Entry Confirmation, and subject to and effective upon acceptance for purchase of, and payment of, the Notes tendered therewith, a tendering Holder (i) represents, warrants and agrees that: such tendering Holder has received and read a copy of this Statement, understands and agrees to be bound by all the terms and conditions of the Offer and has full power and authority to tender such tendering Holder's Notes; (ii) irrevocably sells, assigns and transfers to or upon the order of the Company all right, title and interest in and to all the Notes tendered thereby and represents and warrants that when such tendered Notes are accepted for purchase by the Company, the Company will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right; (iii) waives any and all other rights with respect to the Notes (including, without limitation, the tendering Holder's waiver of any existing or past defaults and their consequences in respect of the Notes and the Indenture); (iv) releases and discharges the Company from any and all

claims such Holder may have now, or may have in the future, arising out of, or related to, the Notes, including, without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to the Notes or to participate in any redemption, discharge, or defeasance of the Notes; (v) upon the Company's request or the request of the Tender Agent, as applicable, agrees to execute and deliver any additional documents necessary or desirable to complete the sale, assignment and transfer of the Notes tendered thereby; and (vi) irrevocably constitutes and appoints the Tender Agent as the true and lawful agent and attorney-in- fact of such Holder with respect to any such tendered Notes, with full power of substitution and re-substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver certificates representing such Notes, or transfer ownership of such Notes on the account books maintained by DTC, together, in any such case, with all accompanying evidences of transfer and authenticity, to the Company, (b) present such Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Tender Agent will have no right to, or control over, funds from the Company, except as agent for the tendering Holders, for the Total Consideration or Tender Offer Consideration, as applicable, and accrued and unpaid interest, for any tendered Notes that are purchased by the Company), all in accordance with the terms and subject to the conditions of the Offer, as described in this Statement.

No Guaranteed Delivery

We have not provided for the tender of Notes by guaranteed delivery in connection with the Offer. Holders must tender their Notes in accordance with the procedures set forth under “—Procedures for Tendering Notes.”

Mutilated, Lost, Stolen or Destroyed Certificate

If a Holder desires to tender Notes pursuant to the Offer, but the certificates evidencing such Notes have been mutilated, lost, stolen or destroyed, such Holder should contact The Bank of New York Mellon, the Trustee for the Notes, to receive information about the procedures for obtaining replacement certificates for Notes.

Other Matters

All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders of Notes will be determined by us, in our sole discretion, and our determination will be final and binding. Conditional or contingent tenders will not be considered valid. We reserve the absolute right to reject any or all tenders of Notes determined by us not to be in proper form or, in the case of the Notes, if the acceptance or payment for such Notes may, in our opinion, be unlawful. We also reserve the absolute right to waive any defect, irregularity or condition of tenders to particular Notes. Our interpretations of the terms and conditions of the Offer will be final and binding. Any defect or irregularity in connection with tenders of Notes must be cured within such time as we determine, unless waived by us. Tenders of Notes will not be considered to have been made until all defects and irregularities have been waived by us or cured. None of the Company, the Dealer Managers, the Information Agent, the Tender Agent, the Trustee or any other person will be under any duty to give notice of any defects or irregularities in tenders of Notes, or will incur any liability to Holders for failure to give any such notice.

Withdrawal of Tenders

Any Notes tendered may be validly withdrawn at or prior to the Withdrawal Deadline, but not thereafter, by following the procedures described herein. Tenders of Notes may not be withdrawn after the Withdrawal Deadline, unless required by applicable law.

If the Company changes the applicable Total Consideration or Tender Offer Consideration, or is otherwise required by law to permit withdrawal, previously tendered Notes may be withdrawn to the extent required by law.

DTC participants may electronically transmit a request for withdrawal of any Notes to DTC. DTC will then edit the request and send a request message (a “Request Message”) to the Tender Agent. If the Notes to be withdrawn have been delivered or otherwise identified to the Tender Agent, a Request Message or a signed notice of withdrawal will be effective immediately upon receipt of such Request Message or written or facsimile notice of withdrawal, even if physical release has not yet then been effected.

For any other withdrawal of a tender of Notes to be effective, a written or facsimile transmission of a notice of withdrawal or a Request Message (as defined below) must be received by the Tender Agent at its address set forth on the last page of this Statement at or prior to the Withdrawal Deadline.

Any notice of withdrawal must:

- (1) specify the name of the Holder of the Notes to be withdrawn;
- (2) contain the description of the Notes to be withdrawn, the certificate numbers shown on the particular certificates representing such Notes (or, in the case of Notes tendered by book-entry transfer, the number of the account at DTC from which such Notes were tendered and the name and number of the account at DTC to be credited with the Notes withdrawn) and the principal amount of such Notes; and
- (3) be signed (other than a notice transmitted through DTC's ATOP system) by the registered Holder of the Notes or be accompanied by documents of transfer sufficient to have the Trustee register the transfer of the Notes into the name of the person withdrawing such Notes.

The signature(s) on the notice of withdrawal (other than a notice transmitted through DTC's ATOP system) of any tendered Notes must be guaranteed by an Eligible Institution, unless the Notes have been tendered for the account of an Eligible Institution.

Withdrawal of Notes may only be accomplished in accordance with the foregoing procedures.

Notes validly withdrawn may thereafter be retendered at any time at or prior to the Expiration Time by following the procedures described under “—Procedures for Tendering Notes”, but if a Holder's Notes are not properly retendered pursuant to the Offer at or prior to the Early Tender Deadline, such Holder will not be eligible to receive the Early Tender Payment.

All questions as to the validity, including time of receipt, of notices of withdrawal will be determined by us, in our sole discretion, and our determination will be final and binding. None of us, the Dealer Managers, the Information Agent, the Tender Agent, the Trustee or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal, or incur any liability for failure to give such notification.

Subject to applicable law, if, for any reason whatsoever, acceptance for purchase of, or payment for, any Notes validly tendered pursuant to the Offer is delayed (whether before or after our acceptance for purchase of the Notes), or we extend the Offer or are unable to accept for purchase or pay for the Notes validly tendered pursuant to the Offer, then, without prejudice to our rights set forth herein, we may instruct the Tender Agent to retain tendered Notes, and those Notes may not be withdrawn, except to the extent that you are entitled to withdrawal rights as described above.

The Notes are debt obligations of the Company and are governed by the Indenture. No appraisal or other similar statutory rights are available to Holders in connection with the Offer.

Additional Amounts

The Company understands that the payment of the Total Consideration, the Early Tender Payment and the Tender Offer Consideration to holders of Notes is not subject to withholding or deduction by the Company for any Argentine taxes. In the event that the Company is required by law to deduct or withhold a portion of the Total Consideration, the Early Tender Payment and the Tender Offer Consideration payable pursuant to the Offer to holders of the Notes, the Company agrees to (i) pay such Additional Amounts as may be necessary to ensure that the amounts received by any such holder of Existing Notes after such withholding or deduction (including any withholding or deduction with respect to such additional amounts) shall equal the amount that such holder of Notes would have received in the absence of such withholding or deduction and (ii) indemnify and hold harmless (on a grossed-up basis) such holder of Notes from any loss that may affect such holder of Notes, including any payment which such holder of Notes may have been obliged to make, in direct connection with any determination by Argentine tax authorities that a withholding tax or deduction was applicable.

MARKET AND TRADING INFORMATION

The Notes are listed on the *Mercado de Valores de Buenos Aires* (“Merval”) and the Official List of the Luxembourg Stock Exchange and admitted for trading on the Mercado Abierto Electrónico S.A. (“MAE”) and the Euro MTF market. To the extent the Notes are traded, prices of the Notes may fluctuate widely depending on the trading volume and the balance between buy and sell orders. Holders are urged to obtain current information with respect to the market prices for the Notes.

Notice of the Offer was published in Luxembourg on the Luxembourg Stock Exchange website, available at www.bourse.lu, on the date the Offer was commenced, and notice of the expiration and results of the Offer, including any amendments thereto, will be provided to the Luxembourg Stock Exchange on or about the Expiration Time or date of amendment, as applicable.

CERTAIN U.S. FEDERAL AND ARGENTINE TAX CONSIDERATIONS

Certain U.S. Federal Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the Offer that may be relevant to a beneficial owner of Notes that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes (a “U.S. Holder”). The summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. The discussion does not deal with special classes of Holders, such as dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organizations, entities classified as partnerships and the partners therein, individuals present in the United States for 183 days or more during the taxable year, persons holding Notes as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction or persons that have a functional currency other than the U.S. dollar. This discussion assumes that the Notes are held as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). The discussion does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation that may be relevant to a Holder in light of the Holder’s particular circumstances.

Sale of the Notes

Sales of Notes pursuant to the Offer by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, a U.S. Holder selling Notes pursuant to the Offer will recognize capital gain or loss in an amount equal to the difference between the amount of cash received (including the Early Tender Payment, but not including amounts received attributable to accrued interest, which will be taxed as such) and the U.S. Holder’s adjusted tax basis in the Notes sold at the time of sale. A U.S. Holder’s adjusted tax basis in a Note generally will equal the amount paid therefor, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Notes. Any gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period for the Notes on the date of sale was more than one year.

An exception to the capital gain treatment described above may apply to a U.S. Holder who purchased Notes at a “market discount.” In general, market discount is the excess, if any, of the principal amount of a Note over the U.S. Holder’s tax basis therein at the time of the acquisition, unless the amount of the excess is less than a specified de minimis amount, in which case market discount is considered zero. In general, unless the U.S. Holder has elected to include market discount in income currently as it accrues, any gain realized by a U.S. Holder on the sale of Notes having market discount in excess of the de minimis amount will be treated as ordinary income to the extent of the lesser of (i) the gain recognized or (ii) the portion of the market discount that has accrued (on a straight-line basis or, at the election of the U.S. Holder, on a constant yield basis) while the Notes were held by the U.S. Holder.

Information Reporting and Backup Withholding

A U.S. Holder who tenders its Notes may be subject to backup withholding unless the U.S. Holder (i) is a corporation (other than an S-Corporation) or comes within certain other exempt categories and demonstrates this fact, or (ii) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding from the proceeds from the Offer will be allowed as a credit against the U.S. Holder’s federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is furnished to the IRS.

Non-U.S. Holders

A beneficial owner of a Note that is not a U.S. Holder (a “Non-U.S. Holder”) will not be subject to U.S. federal income or withholding tax on the proceeds from the Offer, including amounts treated as accrued interest, provided that the Non-U.S. Holder has provided a properly completed form W-8BEN or W-8BEN-E or other IRS Form W-8, signed under penalties of perjury, establishing its status as a Non-U.S. Holder (or satisfies certain documentary evidence requirements for establishing that it is a Non-U.S. Holder). IRS forms may be obtained from the Depository or at the IRS website at www.irs.gov. If you provide an incorrect TIN, you may be subject to penalties imposed by the IRS.

Argentine Tax Considerations

Considering that different foreign taxing jurisdictions that may be applicable to Holders of Notes, this Statement does not consider any potential tax consequences affecting Holders of Notes arising from the repurchase of Notes by the Company pursuant to the Tender Offer. Holders should consult their own tax advisors as to the tax consequences under the tax laws of the relevant jurisdictions applicable to such Holders or to the sale of their Notes, and to the receipt by such Holders of the Total Consideration, the Early Tender Payment or the Tender Offer Consideration, and accrued and unpaid interest thereon. Each Holder is responsible for its own taxes, without recourse to the Company (except in the case of taxes imposed by the the Argentine tax authorities according to the relevant terms and conditions), the Dealer Managers or the Tender Agent with respect to taxes arising from the Tender Offer. The Company understands that the result received by a Holder, who is a foreign beneficiary or individual resident of Argentina –according to the Argentine Income Tax Law-, would be deemed a result of a purchase transaction of the Notes plus the corresponding interest for such Holder, and therefore no subject to withholding tax according to Section 36bis, subsection 3 and 4 of Argentine Law No. 23,576.

DEALER MANAGERS, INFORMATION AGENT AND TENDER AGENT

In connection with the Offer, we have retained Citigroup Global Markets Inc. and Deutsche Bank Securities Inc. as Dealer Managers for the Offer and Global Bondholder Services Corporation as Information Agent and as Tender Agent for the Offer. We have agreed to pay the Information Agent and Tender Agent customary fees for its services in connection with the Offer. We have also agreed to reimburse the Dealer Managers and the Information Agent and Tender Agent for their reasonable out-of-pocket expenses, including the fees and disbursements of counsel, and to indemnify them against specific liabilities, including liabilities under federal securities laws. The obligations of the Dealer Managers to perform their functions are subject to various conditions.

The Dealer Managers may contact Holders by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Offer to beneficial owners. Questions regarding the terms of the Offer may be directed to the Dealer Managers at their addresses and telephone numbers listed on the back cover page of this Statement.

From time to time, the Dealer Managers and their respective affiliates have provided in the past, and may provide in the future, other investment banking, commercial banking and financial advisory services to us and our affiliates for customary fees and expenses in the ordinary course of business. It is anticipated that the Dealer Managers will act as initial purchasers for the Concurrent Offering. In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Dealer Managers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

At any time, the Dealer Managers or an affiliate of the Dealer Managers may trade the Notes and other of our securities for its own accounts, or for the accounts of its customers, and accordingly may hold a long or short position in the Notes or those securities. To the extent the Dealer Managers or their affiliates own or acquire Notes during the Offer, they may tender such Notes pursuant to the terms of the Offer.

None of the Dealer Managers, the Information Agent, the Tender Agent nor any of their affiliates assumes any responsibility for the accuracy or completeness of the information concerning us contained in this Statement or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of that information.

Our directors, officers and regular employees and those of our affiliates (who will not be specifically compensated for such services), the Information Agent and the Dealer Managers may contact Holders by mail, telephone, or facsimile regarding the Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Statement and materials to beneficial owners of Notes.

FEES AND EXPENSES

Tendering Holders of Notes will not be obligated to pay brokers' fees or commissions of the Dealer Managers or transfer taxes on the purchase of Notes by us pursuant to the Offer. We will pay all fees and expenses of the Dealer Managers and the Tender Agent and Information Agent in connection with the Offer.

Brokers, dealers, commercial banks and trust companies will be reimbursed by us for customary mailing and handling expenses incurred by them in forwarding material to their customers. We will not pay any fees or commissions to any broker, dealer or other person (other than the Dealer Managers and the Information Agent and Tender Agent) in connection with the solicitation of tenders of Notes pursuant to the Offer.

MISCELLANEOUS

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any such jurisdiction, we will make a good faith effort to comply with applicable law or seek to have such law declared inapplicable to the Offer, as the case may be. If, after such good faith effort, we cannot comply with any such law, the Offer, as the case may be, will not be made to (nor will tenders be accepted from or on behalf of) Holders residing in such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of us that is not contained in this Statement, and, if given or made, such information or representation should not be relied upon.

None of the Company, the Dealer Managers, the Information Agent, the Tender Agent, the Trustee or any of our or their respective affiliates makes any recommendation to any Holder as to whether to tender Notes. Holders must make their own decision as to whether to tender Notes. Each Holder must decide whether to tender Notes and, if tendering, the amount of Notes to tender. Holders are urged to review carefully all information contained in this Statement.

PETROBRAS ARGENTINA S.A.

July 6, 2016

Any question regarding procedures for tendering Notes or request for additional copies of this Statement should be directed to the Information Agent:

The Information Agent and Tender Agent for the Offer is:

Global Bondholder Services Corporation

65 Broadway – Suite 404
New York, New York 10006
Banks and Brokers call: +1 212-430-3774
Toll-free: +1 866-470-3900
Facsimile: +1 212-430-3775 or +1 212-430-3779

Email: contact@gbsc-usa.com

By Mail:
65 Broadway – Suite 404
New York, NY 10006

By Overnight Courier:
65 Broadway – Suite 404
New York, NY 10006

By Hand:
65 Broadway – Suite 404
New York, NY 10006

Any question regarding the terms of the Offer should be directed to the Dealer Managers.

The Dealer Managers for the Offer are:

Citigroup Global Markets Inc.
390 Greenwich Street, 1st Floor
New York, New York 10013
Attention : Liability Management Group
US Toll-Free: +1 (800) 558-3745
Collect: +1 (212) 723-6106

Deutsche Bank Securities Inc.
60 Wall Street, 2nd Floor
New York, New York 10005
Attention: Liability Management Group
US Toll Free: (855) 287-1922
Collect: (212) 250-7527