VISTA OIL & GAS S.A.B. DE C.V.

Consolidated Financial Statements as of December 31, 2018
and for the year ended December 31, 2018 and
Financial Statements as of December 31, 2017
and for the period beginning March 22 to December 31, 2017

VISTA OIL & GAS S.A.B. DE C.V.

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(Amounts expressed in thousands of US Dollars)

	Notes	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Revenue from contract with customers	**5**	331,336	-	104,103	-
Cost of sales:					
Operating expenses	**6**	(86,245)	-	(28,556)	-
Crude oil stock fluctuation		(1,241)	-	(1,241)	-
Depreciation, depletion and amortization	**13/14**	(74,772)	-	(11,473)	-
Royalties		(50,323)	-	(16,353)	-
Gross profit		**118,755**	**-**	**46,480**	-
Selling expenses	**7**	(21,341)	-	(8,133)	-
General and administrative expenses	**8**	(27,122)	(3,263)	(7,492)	(1,854)
Exploration expenses	**9**	(637)	-	(457)	-
Other operating income	**10.1**	2,641	1,000	(238)	1,000
Other operating expenses	**10.2**	(18,097)	(741)	(2,615)	(36)
Operating profit (loss)		**54,199**	**(3,004)**	**27,545**	**(890)**
Interest income	**11.1**	2,532	2,548	2,151	831
Interest expense	**11.2**	(15,746)	(2,551)	(4,622)	(831)
Other financial results	**11.3**	(23,416)	(2,050)	5,107	(1,276)
Financial results, net		**(36,630)**	**(2,053)**	**2,636**	**(1,276)**
Profit (loss) before income tax		**17,569**	**(5,057)**	**30,181**	**(2,166)**
Current income tax expense	**15**	(35,444)	-	(6,033)	-
Deferred income tax (expense) benefit	**15**	(11,975)	(38)	18,231	(38)
Net (loss) profit for the year/ period		**(29,850)**	**(5,095)**	**42,379**	**(2,204)**
Other comprehensive income (loss)					
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods					
- Remeasurements loss related to defined benefits plans	**22**	(3,565)	**-**	(6)	**-**
- Deferred income tax benefit	**15**	891	**-**	1	**-**
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(2,674)**	-	**(5)**	-
Other comprehensive loss for the period/year, net of tax		**(2,674)**	-	**(5)**	-
Total comprehensive (loss) income for the period		**(32,524)**	**(5,095)**	**42,374**	**(2,204)**

Notes 1 to 34 are an integral part of these consolidated financial statements.

Consolidated statements of profit or loss and other comprehensive income for the year and the three-month period ended December 31, 2018 and Statements of profit or loss and other comprehensive income for the period beginning March 22 to December 31, 2017 and the three-month period ended December 31, 2017.

(Amounts expressed in thousands of US Dollars)

	Notes	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
(Losses) Earnings per share attributable to equity holders of the parent					
Basic - (In U.S. dollars per share):	**12**	(0.527)	(0.506)	0.602	(0.218)
Diluted - (In U.S. dollars per share):	**12**	(0.527)	(0.506)	0.602	(0.218)

Notes 1 to 34 are an integral part of these consolidated financial statements.

Consolidated statements of financial position as of December 31, 2018 and 2017

(Amounts expressed in thousands of US Dollars)

	Notes	As of December 31, 2018	As of December 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	**13**	820,722	-
Goodwill	**14**	28,484	-
Other intangible assets	**14**	31,600	-
Cash held in escrow account	**20.1**	-	652,566
Trade and other receivables	**16**	20,191	128
Total non-current assets		**900,997**	**652,694**
Current assets			
Inventories	**18**	18,187	-
Trade and other receivables	**16**	86,050	-
Cash, bank balances and other short-term investments	**19**	80,908	2,666
Total current assets		**185,145**	**2,666**
Total assets		**1,086,142**	**655,360**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	**20.1**	513,255	25
Share-based payment reserve		4,021	-
Accumulated other comprehensive loss		(2,674)	-
Accumulated losses		(34,945)	(5,095)
Total shareholders' equity		**479,657**	**(5,070)**
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	**15**	133,757	38
Provisions	**21**	16,186	-
Borrowings	**17.1**	294,415	644,630
Employee defined benefit plans obligation	**22**	3,302	86
Warrants	**17.2**	23,700	14,840
Accounts payable and accrued liabilities	**25**	1,007	550
Total non-current liabilities		**472,367**	**660,144**
Current liabilities			
Provisions	**21**	4,140	-
Borrowings	**17.1**	10,352	-
Salaries and social security payable	**23**	6,348	-
Income tax liability	**15**	22,429	-
Other taxes and royalties payable	**24**	6,515	9
Accounts payable and accrued liabilities	**25**	84,334	277
Total current liabilities		**134,118**	**286**
Total liabilities		**606,485**	**660,430**
Total shareholders' equity and liabilities		**1,086,142**	**655,360**

Notes 1 to 34 are an integral part of these consolidated financial statements.

Consolidated statement of changes in shareholders’ equity for the year ended December 31, 2018 and Consolidated Statement of changes in shareholders’ equity for the period beginning March 22 to December 31, 2017

(Amounts expressed in thousands of US Dollars)

	Share Capital	Share-based payment reserve	Accumulated Losses	Accumulated other comprehensive losses	Non-controlling interest	Total shareholders’ equity
Balances as of March 22, 2017	-	-	-	-	-	-
Loss for the year	-	-	(5,095)	-	-	**(5,095)**
Other comprehensive loss for the year	-	-	-	-	-	-
Total comprehensive loss	-	-	**(5,095)**	-	-	**(5,095)**
-Increase in share capital	25	-	-	-	-	**25**
Balances as of December 31, 2017	**25**	-	**(5,095)**	-	-	**(5,070)**
Loss for the year	-	-	(29,850)	-	-	**(29,850)**
Other comprehensive loss for the year	-	-	-	(2,674)	-	**(2,674)**
Total comprehensive loss	-	-	**(29,850)**	**(2,674)**	-	**(32,524)**
- Capitalization of Series A shares, net of emission costs (Note 20.1)	442,491	-	-	-	-	**442,491**
- Issue of additional Series A, net of emission costs (Note 20.1)	70,739	-	-	-	-	**70,739**
- Recognition of share-based payments (Note 32)	-	4,021	-	-	-	**4,021**
- Non-controlling interest arising on business combination (Note 30.1.3)	-	-	-	-	1,307	**1,307**
- Acquisition of Non-controlling interest (Note 1)	-	-	-	-	(1,307)	**(1,307)**
Balances as of December 31, 2018	**513,255**	**4,021**	**(34,945)**	**(2,674)**	-	**479,657**

Notes 1 to 34 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended December 31, 2018 and Consolidated Statement of cash flows for the period beginning March 22 to December 31, 2017

(Amounts expressed in thousands of US Dollars)

	Notes	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Cash flows from operating activities					
(Loss)/Profit before income taxes		(29,850)	(5,095)	42,379	(2,204)
Adjustments to reconcile net cash flows provided by operating activities:					
Non-cash items related with operating activities:					
Increase in allowances, net	**7/10.2**	1,664	-	1,154	-
Net exchange differences	**11.3**	(3,005)	-	(15,630)	-
Unwinding of discount on asset retirement obligation provision	**11.3**	897	-	394	-
Increase of provisions, net	**21**	1,408	86	990	86
Discount of assets and liabilities at net present value	**11.3**	2,743	-	66	-
Share-based payment expense		4,021	-	1,471	-
Accrued income tax		47,419	38	(15,613)	38
Accrued defined employees' benefits plans	**22**	368	-	-	-
Non-cash items related with investing activities:					
Depreciation	**13**	73,975	-	10,676	-
Amortization of intangible assets	**14**	797	-	399	-
Interest income	**11.1**	(2,532)	-		
Change in fair value of financial instruments	**11.3**	(1,415)	-	(22)	-
Non-cash items related with financing activities:					
Interest expense	**11.2**	15,546	2,053	4,622	1,278
Warrants	**11.3**	8,860	-	5,787	-
Costs of early settlements of borrowings and other financing costs	**11.3**	14,898	-	2,725	-
Changes in working capital:					
(Decrease)/Increase in trade and other receivables		(32,966)	(128)	(13,038)	10
(Decrease)/Increase in inventories		(10,951)	-	364	-
Increase/(Decrease) in accounts payable and accrued liabilities and other payables		34,162	836	29,929	(1,772)
(Decrease)/Increase in employee defined benefits obligation		(727)	-	(368)	-
Increase/(Decrease) in salaries and social security payable		3,576	-	1,238	-
Increase/(Decrease) in other taxes and royalties payable		9,979	-	7,015	-
Increase/(Decrease) in provisions		551	-	(3,266)	-
Income tax paid		(16,642)	-	(6,573)	-
Net cash flows generated by (used in) operating activities		**122,776**	**(2,210)**	**54,699**	**(2,564)**
Cash flows from investing activities					
Business acquisitions, net of cash acquired	**30.4**	(708,136)	-	-	-
Payments for acquisition of property, plant and equipment		(117,837)	-	(64,476)	-
Payments for acquisition of other intangible assets	**14**	(31,486)	-	(31,562)	-
Proceeds from sales of other financial assets		16,680	-	-	-
Proceeds from interest received		2,532	2,549	-	-
Net cash flows generated by (used in) investing activities		**(838,247)**	**2,549**	**(96,038)**	**-**

Consolidated statements of cash flows for the year ended December 31, 2018 and for the period beginning March 22 to December 31, 2017

(Amounts expressed in thousands of US Dollars)

	Notes	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Cash flows from financing activities					
Acquisition of non-controlling interests	**30.4**	(1,307)	-	-	-
Capital contribution		-	25	-	-
Warrants		-	14,840	-	-
Payment of redemption of Series A shares	**17.1.1**	(204,590)	640,028	-	1,161
Proceeds from private investment in public equity	**20.5**	95,000	-	-	-
Payment of issue costs from capitalization of shares	**20.1**	(24,231)	-	(688)	-
Proceeds from borrowings	**17.1.1**	560,000	-	-	-
Payment of issue costs from borrowings	**17.1.1**	(18,280)	-	-	-
Payments of borrowings	**17.1.1**	(260,000)	-	-	-
Payments of borrowings´ interests	**17.1.1**	(5,018)	-	-	-
Net cash flows generated by (used in) financing activities		**141,574**	**654,893**	**(688)**	**1,161**
Net (decrease) increase in cash and cash equivalents		**(573,897)**	**655,232**	**(42,027)**	**(1,403)**
Cash and cash equivalents at the beginning of the year/period		655,232	-	105,523	4,069
Effects of exchange rate changes on cash and cash equivalents		(15,288)	-	2,551	-
Net (decrease) increase in cash and cash equivalents		(573,897)	655,232	(42,027)	(1,403)
Cash and cash equivalents at the end of the year/period		**66,047**	**655,232**	**66,047**	**2,666**
Significant non-cash transactions					
Acquisition of property, plant and equipment through increase in account payables		24,939	-	24,939	-
Capitalization of Series A Shares		442,491	-	-	-
Swap agreement		23,157	-	23,157	-

Notes 1 to 34 are an integral part of these financial statements.

Notes to the consolidated financial statements as of December 31, 2018 and 2017 and for the year ended December 31, 2018 and for the period beginning March 22 to December 31, 2017

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

Note 1. Corporate and Company information

General information and Company structure and activities

Vista Oil & Gas, S.A.B. de C.V. ("VISTA" or the "Company" or the "Group") was organized as a corporation with variable capital stock under the laws of the United Mexican States ("Mexico") on March 22, 2017. The Company adopted the public corporation or "*sociedad anónima bursátil*" form, on July 28, 2017.

The address of the Company's main office is located in Mexico City (Mexico), at Paseo de la Reforma Street No. 243, 18th Floor, Cuauhtémoc, Cuauhtémoc, Postal Code 6500.

The Company´s main purposes are to:

(i) acquire, by any legal means, all kinds of assets, shares, equity interests or interests participation in any kind of commercial or civil companies, associations, firms, trust agreements or other entities within the energy sector or any other industry;
(ii) participate as a partner, shareholder or investor in all businesses or entities, whether mercantile or civil, associations, trust agreements or any other nature;
(iii) issue and place shares representative of its social capital, either through public or private offerings, in national or foreign stock exchange markets;
(iv) issue or place warrants, either through public or private offerings, with respect to shares representing their capital stock or any other type of securities, in domestic or foreign stock exchange markets; and
(v) issue or place negotiable instruments, debt instruments or any other security, either through public or private offerings, in domestic or foreign stock exchange markets

On August 15, 2017, upon the settlement date of its Initial Public Offering ("IPO") in the Mexican Stock Exchange, the Company received funds for an amount of 650,017. The Company reimbursed part of such funds to certain shareholders and used other of such funds, among other amounts, to finance the Initial Business Combination, as described below.

From its inception until April 4, 2018, all the Company´s activities have been related to its constitution, the IPO and the efforts aimed at indentifying and consummating the Initial Business Combination. Before April 4, 2018, the Company did not generate any operating income nor entered into any material transaction.

On April 4, 2018, the Company, through its Mexican subsidiary Vista Holding I, S.A. of C.V. (VISTA I), concluded, for a total consideration of 732,784, the Initial Business Combination (hereinafter the "Initial Business Combination") through the acquisition of the following business located in Argentina:

The PELSA Acquisitions. The acquisition from Pampa Energía S.A. of:

(i) a 58.88% equity interest in Petrolera Entre Lomas S.A. ("Vista Argentina" or "Petrolera Entre Lomas, S.A." or "PELSA"), an Argentine corporation that holds a 73.15% direct operating interest in the Entre Lomas, Bajada del Palo and Agua Amarga oil exploitation concessions located in the Neuquina Basin in the provinces of Neuquén and Río Negro, Argentina (the "EL-AA-BP Concessions");
(ii) a 3.85% direct interest in the EL-AA-BP Concessions operated by PELSA;
(iii) a 100% of interest in the Concessions for exploitation of 25 de Mayo- Medanito, located in the Neuquina Basin in the Province of Rio Negro, Argentina; and
(iv) a 100% of interest in the Concessions for exploitation Jagüel de los Machos; located in the Neuquina Basin in the Province of Rio Negro, Argentina.

The APCO Acquisitions. The acquisition to Pluspetrol Resources Corporation of:

(i) a 100% of APCO Oil & Gas International, Inc. ("APCO"), which have 100% of APCO, and
(ii) a 5% equity interest in APCO Argentina, S.A. ("APCO Argentina").

As a result of the business combination described above, the Company obtained interests in the following oil and gas properties:

(i) In the Neuquén basin:
    a. An operating interest of 100% in the concessions for exploitation Medanito - 25 de Mayo and Jagüel de los Machos (as operator);
    b. An operating interest of 100% in the concessions for exploitation Entre Lomas, Bajada del Palo and Agua Amarga (as operator)

c. An operating share of 55% in the Coirón Amargo Norte exploitation concessions (as operator);
d. A non-operational 45% stake in the Coiron Amargo Sur Oeste evaluation lot (operated by O&G Development Ltd. S.A.);

(ii) In the Golfo San Jorge basin:
a. a non-operating participation of 16.94% in the concessions for exploitation Sur Río Deseado Este (operated by Alianza Petrolera S.A., company controlled by Cruz Energy); and
b. a non-operating participation of 44% in the Sur Río Deseado Este exploration contract (operated by Quintana E&P Argentina S.R.L.).

(iii) In the Northwest basin:
a. A non-operating 1.5% in the concession for exploitation in Acambuco (operated by Pan American Energy).

As a result of the acquisitions described above, as of April 4, 2018, the main activity of the Company is, through its subsidiaries, the exploration and production of oil and gas (*Upstream*).

Additionally, on April 25, 2018, the Company through VISTA I completed the acquisition of the remaining equity interest (0.32%) of PELSA for a total cash consideration of 1,307. This transaction was recognized as an acquisition of non-controlling interest.

On August 22, 2018, VISTA, through its Argentine subsidiary APCO, entered into a cross assignment of rights agreement with O&G Developments Ltd S.A. ("O&G") through which it assigned to O&G a 35% working interest in the Coiron Amargo Sur Oeste ("CASO") evaluation lot and O&G assigned to APCO a 90% of its operated working interest in the exploration permit Águila Mora, located in the Province of Neuquén and in association with Gas y Petróleo del Neuquén S.A. ("GyP"). The transaction was approved on November 30, 2018, therefore, APCO's working interest in CASO was reduced to 10%. As a result of this transaction the Company exchange oil and gas properties and work in progress for an amount of 23,157 and received work in progress for 13,157 and prepaid services for 10,000, no gain or loss was recorded as result of this transaction

On October 29, 2018, VISTA through its Mexican subsidiary Vista Holding II, S.A. de C.V. ("VISTA II") completed the acquisition of 50% working interest in three blocks in which Jaguar Exploration and Production of Hydrocarbons S.A.P.I. of C.V. ("Jaguar") and Pantera Exploración y Producción, S.A.P.I. de C.V. ("Pantera") were licenses, by an amount of 27,495 plus an amount of 1,864 related to total assigned expenses less assigned hydrocarbons value.

As a result of this transaction, which was approved by the National Hydrocarbons Commission ("CNH") on October 2, 2018, VISTA obtained a 50% interest in the following blocks:

(i) CS-01 and B-10, both to be operated by VISTA (subject to CNH's approval of the transfer of operation expected to be obtained approximatelly on mid-year 2019); and
(ii) TM-01 to be operated by Jaguar.

As of the date of these consolidated financial statements the addendum to the license agreements of the three blocks between CNH, Jaguar, Pantera and VISTA necessary to formalize the adquisition was executed.

On October 31, 2018, the Public Registry of the Autonomous City of Buenos Aires registered the re-domiciliation of APCO International from the Cayman Islands to Argentina and its change of name to "APCO Oil & Gas S.A.U." ("APCO SAU"). As a result, with effects as of such date, (i) APCO International was registered as an Argentine entity; (ii) APCO SAU continues APCO International's activity in Argentina; and (iii) the registration of APCO Argentina Branch before the Public Registry was canceled and the entity ceased to exist.

On November 1, 2018, the Board of Directors of Vista Argentina, APCO SAU and APCO Argentina agreed to begin a process of merger by absorption through which Vista Argentina will merge all the activities and operations of APCO SAU and APCO Argentina, setting the effective date of merger on January 1, 2019, therefore, the administration of the merged companies is in charge of Vista Argentina as of that date.

Note 2. Basis of preparation and significant accounting policies

2.1 Basis of preparation and presentation

These consolidated financial statements as of December 31, 2018 and for the year ended December 31, 2018 and the financial statements as of December 31, 2017 and for the period from March 22 to December 31, 2017 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and contingent consideration that have been measured at fair value. The financial statements are presented in U.S. Dollars and all values are rounded to the nearest thousand (U.S. Dollars 000), except when otherwise indicated.

These consolidated financial statements have been approved for issue by the Board of Directors on February 19, 2019.

2.2 New accounting standards, amendments and interpretations issued by the IASB, which are not yet effective and have not been early adopted by the Company

- IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019, with earlier application permitted, but not before an entity applies IFRS 15. A lessee may choose to apply the full retrospective approach or a modified retrospective approach. Moreover, the transitory provisions of the standard allow certain exemptions for the initial application of IRS 16.

IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

Transition to IFRS 16

The Company plans to use the modified retrospective approach to adopt to IFRS 16. The Company will elect to use the exemptions applicable to the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

During 2018, the Company performed a detailed impact assessment of IFRS 16 and concluded that as of January 1, 2019, the lease liability and the corresponding 'right-of-use' asset would amount to aproximately 14,500.

Information on the Company's leases currently classified as operating leases, which are not recognized on the consolidated statement of financial position, is presented in Note 28.

- IFRIC 23 "Uncertainty over Income Tax Treatments": issued in June 2017 clarifies how to apply IAS 12 when there is uncertainty over income tax treatments to determine income tax. According to the interpretation, an entity shall reflect the effect of the uncertain tax treatment by using the method that better predicts the resolution of the uncertainty, either through the most likely amount method or the expected value method. Additionally, an entity shall assume that the taxation authority will examine the amounts and has full knowledge of all related information in assessing an uncertain tax treatment in the determination of income tax. The interpretation shall apply for annual reporting periods beginning on or after January 1, 2019, early application is permitted. The Company is analyzing the impact of the application of IFRIC 23, however, it estimates that it will not have any material impact on the Company's results of operations or financial position.

- Amendments to IFRS 9 "Prepayment Features with Negative Compensation IFRS 9 "Financial instruments": The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ("SPPI") condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9. The Company is analyzing the impact of its application; however, it estimates that it will not have any impact on the Company´s results of operations or financial position as it does not have any prepayment features.

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

The Company will apply these amendments when they become effective and is in assessing the impact on its consolidated financial statements.

- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

• Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event

• Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first year that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company is analyzing the impact of its application; however, it estimates that it will not have any impact on the Company´s results of operations or financial position.

- Improvements to IFRSs – 2015-2017 Cycle:

These improvements include:

• IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments will apply on future business combinations of the Company.

• IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments are currently not applicable to the Company but may apply to future transactions.

• IAS 12 Income Taxes

The amendments clarify that the income tax effects of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

- IAS 23 Borrowing Costs
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete and become part of the general borrowings when calculating the capitalization rate of them.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted. Since the Company's accounting policy is in line with these amendments, the Company does not expect any effect on its financial statements.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

2.3.1 Subsidiaries

Subsidiaries are all entities over which the Company has control, and this happens if and only if it has:

• Power over the entity (for example, present rights that give it the ability to direct the relevant activities of the entity receiving the investment)
• Exposure or rights to variable returns from their involvement with the entity; and
• The ability to use its power over the entity to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:
• the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
• potential voting rights held by the Company, other vote holders or other parties;
• rights arising from other contractual arrangements; and
• any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The relevant activities are those that significantly affect the performance of the subsidiary. The ability to approve the operating and capital budget of a subsidiary, as well as the power to appoint the key personnel of the administration, are decisions that demonstrate that the Company has present rights to direct the relevant activities of a subsidiary.

Subsidiaries are consolidated from the date when the Company acquires control over them until the date when such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Company (see Note 2.3.3 below).

Intercompany transactions and balances on transactions between Group companies are eliminated. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if these results in the non-controlling interests having a deficit balance.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Sstatement of profit or loss and other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position respectively.

The equity interest in the subsidiaries held by the Company at the end of the period are set forth below:

Name of subsidiary	Proportion of ownership interest and voting power held by the Company %		Place of incorporation and operation	Main activity
	December 31, 2018	December 31, 2017		
Vista Holding I S.A. de C.V.	100%	100%	México	Holding
Vista Holding II S.A. de C.V.	100%	100%	México	Holding
Vista Holding III S.A. de C.V.	100%	-%	México	Holding
Vista Complemento S.A. de C.V.	100%	-%	México	Holding
Vista Oil & Gas Argentina S.A. (3)	100%	-%	Argentina	Upstream (1)
APCO Oil & Gas S.A.U. (4)	100%	-%	Argentina	Upstream (1)
APCO Argentina S.A.	100%	-%	Argentina	Holding
Aleph Midstream S.A. (2)	100%	-%	Argentina	Services
Aluvional Infraestructura S.A. (2)	100%	-%	Argentina	Services

(1) Upstream activity refers to the exploration and production of gas and oil.

(2) Companies established after the Initial Business Combination was completed on April 4, 2018.

(3) Formerly known as Petrolera Entre Lomas, S.A.

(4) Formerly known as APCO Oil & Gas Internacional, Inc.

The participation of VISTA in the votes of the subsidiaries companies is the same participation as in the share capital.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions.

2.3.2. Joint arrangements

Under IFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has joint operations and other arrangements but does not have any joint ventures.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement and have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities in the framework of joint operations, it must recognize:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Interest in joint operations and other agreements have been calculated based upon the latest available financial statements or financial information as of the end of each period, taking into consideration significant subsequent events and transactions as well as management information available. When necessary, adjustments are made to the financial statements or financial information to bring their accounting policies into line with the Company's accounting policies.

When the Company transacts with a joint operation in which an entity of the Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Company's consolidated financial statements only to the extent of other parties' interests in the joint operation. When an entity of the Company transacts with a joint operation in which an entity of the Company is a joint operator (such as a purchase of assets), the Company does not recognize its share of the gains and losses until it resells those assets to a third party.

The joint operations are described in Note 29.

2.3.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisitions comprises:

- i) the fair value of the transferred assets,
- ii) the liabilities incurred to the former owners of the acquired business,
- iii) the equity interests issued by the Group,
- iv) the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- v) the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The value of the goodwill represents the excess of:

- i) the consideration transferred,
- ii) the amount of any non-controlling interest in the acquired entity, and
- iii) the acquisition-date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the fair value of the net identifiable assets of the business acquired exceeds those amounts, before recognizing a gain, the Company reassesses if it has correctly identified all the assets acquired and all liabilities assumed, reviewing the procedures used to measure the amounts that will be recognized at the acquisition date. If the evaluation still results in an excess of the fair value of the net assets acquired with respect to the total consideration transferred, the gain on bargain purchase is recognized directly in the statements of profit or loss and other comprehensive income.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration will be recognized at their fair value at the acquisition date. Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognized in the statements of profit or loss and other comprehensive income. The contingent consideration that is classified as equity is not re-measured, while the subsequent settlement is accounted for within stockholders' equity.

When the Company acquires a business, it evaluates the financial assets acquired and the liabilities assumed with respect to their proper classification and designation in accordance with the contractual terms, economic circumstances and conditions pertinent to the date of acquisition.

Those reserves and resources acquired that can be measured reliably are recognized separately at their fair value at the time of acquisition. Other possible reserves, resources and rights, whose fair values cannot be measured reliably, are not recognized separately, but are considered as part of goodwill.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the statements of profit or loss and other comprehensive income.

The Company has up to 12 months to finalize the accounting for a business combination. Where the accounting for a business combination is not complete by the end of the year in which the business combination occurred, the Company reports provisional amounts.

2.3.4. Changes in ownership interests

Changes in the Company's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the consolidated statements of profit or loss and other comprehensive income.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropiate.

2.4 Summary of significant accounting policies

2.4.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Committee.

The Executive Management Committee, is the highest decision-making authority, responsible for allocating resources and setting the performance of the entity's operating segments and has been identified as the body executing the Company's strategic decisions and identified as the Chief Operating Decision Maker ("CODM").

2.4.2 Property, plant and equipment

Property, plant and equipment is measured following the cost model where by, after initial rcognition of the asset, the asset is recognized at cost less depreciation and less any subsequent accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The cost of work in progress whose construction will extend over time includes, if applicable, borrowing costs. Any income obtained from the sale of commercially valuable production during the construction period of the asset is recognized reducing the cost of the work in progess.

Works in progress are valued according to their degree of progress. Works in progress are recorded at cost, less any loss due to impairment, if applicable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

2.4.2.1 Depreciation methods and useful lives

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An asset carrying amount is written down immediately to its recoverable amount if the asset´s carrying amount is greater than its estimated recoverable amount.

The Company depreciates drilling costs applicable to productive wells and to developmental dry holes, productive wells, machinery in the oil and gas production areas according to the units of production method, by applying the ratio of oil and gas produced to estimated proved developed oil and gas reserves, except in the case of assets whose useful life is less than the life of the reserve, in which case, the straight-line method is applied. The acquisition cost of property with proved reserves, including oil and gas properties, is depreciated by applying the ratio of oil and gas produced to estimated total proved oil and gas reserves. Acquisition costs related to properties with unproved reserves and unconventional resources are valued at cost with recoverability periodically assessed based on geological and engineering estimates of reserves and resources that are expected to be proved over the life of each concession and are not depreciated.

The capitalized costs related to the acquisition of property and the extension of concessions with proved reserves have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to the estimated proved oil and gas reserves.

Production facilities (including any significant identifiable component) are depreciated under the unit of production method considering proved develop reserves.

The Company´s remaining items of property, plant and equipment (including any significant identifiable component) are depreciated by the straight-line method based on estimated useful lives, as detailed below.

Land is not depreciated.

The useful lives of the assets not related with the above-mentioned activities are estimated as follows:

Buildings	50 years
Vehicles	5 years
Machinery and instalations	10 years
Computer equipment	3 years
Furnitures	10 years

2.4.2.2 Assets for oil and gas exploration

The Company uses the successful efforts method of accounting for its oil and gas exploration and production activities.

This method involves the capitalization of: (i) the cost of acquiring properties in oil and gas exploration and production areas; (ii) the cost of drilling and equipping exploratory wells that result in the discovery of commercially recoverable reserves; (iii) the cost of drilling and equipping development wells, and (iv) the estimated asset retirement obligations.

The exploration and evaluation activity involve the search for hydrocarbon resources, the determination of its technical feasibility and the evaluation of the commercial viability of an identified resource.

According to the successful efforts method of accounting, exploration costs, such as Geological and Geophysical ("G&G") costs, excluding exploratory well costs and seismic 3D on exploitation concessions, are expensed during the period in which they are incurred.

Once the legal right to explore has been acquired, the costs directly associated with an exploration well are capitalized as intangible exploration and evaluation assets until the well is completed and the results evaluated. These costs include compensation to directly attributable employees, materials and fuel used, drilling costs, as well as payments made to contractors.

Drilling costs of exploratory wells are capitalized until it is determined that proved reserves exists and they justify the commercial development. If reserves are not found, such drilling costs are expensed as an unproductive well. Occasionally, an exploratory well may determine the existence of oil and gas reserves but they cannot be classified as proved when drilling is complete, subject to an additional appraisal activity (for example, the drilling of additional wells) but it is probable that they can be developed commercially. In those cases, such costs continue to be capitalized insofar as the well has allowed determining the existence of sufficient reserves to warrant its completion as a production well and the Company is making sufficient progress in evaluating the economic and operating feasibility of the project.

All these capitalized costs are subject to a technical, commercial and administrative review, as well as a review of impairment indicators at least once a year, which serves to confirm the continuous intention to develop or otherwise extract value from the discovery. When this is no longer the case, costs are expensed.

When proven oil and gas reserves are identified and the administration approves the start-up, the corresponding capitalized expense is evaluated first in terms of its impairment and (if required) any loss due to impairment is recognized; then the remaining balance is transferred to oil and gas properties. With the exception of licensing costs, no amortization is charged during the phase of exploration and evaluation.

The initial estimated asset retirement obligations in hydrocarbons areas, discounted at a risk adjusted rate, are capitalized in the cost of the assets and depreciated using the units of production method. Additionally, a liability at the estimated value of the discounted amounts payable is recognized. Changes in the measurement of asset retirement obligations that result from changes in the estimated timing, amount of the outflow of resources required to settle the obligation, or the discount rate, are added to, or deducted from, the cost of the related asset. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

For exchanges/swaps or parts of exchange/swaps that involve only exploration and evaluation asssets, the carrying value is accounted for at the fair value of the asset given up and no gain or loss is recongised.

2.4.2.3 Rights and Concessions

The rights and concessions are recorded as part of property, plant and equipment and depleted based on production units over the total of the developed and undeveloped proved reserves of the corresponding area. The calculation of the rate of production units for the depreciation / amortization of field development costs take into account expenditures incurred to date, together with the authorized future development expenditures.

2.4.3 Intangible assets

2.4.3.1 Goodwill

Goodwill is the result of the acquisition of subsidiaries. Goodwill represents the excess of the acquisition cost over the fair value of the equity interest in the acquired entity held by the Company on the net identifiable assets acquired at the date of acquisition. After initial recognition, Goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the acquirer's cash-generating units ("CGU") or Group of CGUs that are expected to benefit from the synergies of the combination. Each unit or Group of units that goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

When the goodwill is part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when the gain or loss is determined. Goodwill disposed in these circumstances is measured based on the relative values of the disposed cash-generating unit.

2.4.4 Impairment of non-financial assets

Other non-financial assets with definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset´s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset´s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash inflows from other assets or Groups of assets CGUs. Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

2.4.5 Foreign currency translation

2.4.5.1 Functional and presentation currency

The functional currency for the Company and each of its current subsidiaries is the currency of the primary economic environment in which each entity operates. The functional currency of each of the entities is the U.S. Dollar, which is the Group's presentation currency. Determination of functional currency may involve certain judgements to identify the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions, which determined the primary economic environment.

2.4.5.2 Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates as of at the date of the transaction. Foreign exchange gain and loss resulting from the settlement of any transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss and other comprehensive income, unless they have been capitalized.

The exchange rates used at the end of each reporting period are the selling rate for monetary assets and monetary liabilities, and transactional selling exchange rate for foreign currency transactions.

2.4.6 Financial instruments

2.4.6.1 Other financial assets

2.4.6.1.1 Classification

2.4.6.1.1.1 Financial assets at amortized cost

Financial assets are classified and measured at amortized cost only if the following criteria have been met:

i. the objective of the Company's business model is to hold the asset to collect the contractual cash flows;
ii. the contractual terms, on specified dates, have cash flows that are solely payments of principal and interest on the outstanding principal.

2.4.6.1.1.2 Financial assets at fair value

If any of the above mentioned criteria has not been met, the financial asset is classified and measured at fair value through profit or loss ("FVTPL").

All investments in equity instruments are measured at fair value. For equity investments that are not held for trading, the Company can irrevocably choose at the moment of the initial recognition to present changes in fair value through other comprehensive income. As of December 31, 2018 and 2017, the Company does not have any equity instrument.

2.4.6.1.2 Recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognized in profit or loss. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method.

The Company reclassifies financial assets if and only if its business model to manage financial assets is changed.

Trade and other receivables

Trade receivables and other receivables are recognized at fair value and subsequently measured at amortized cost, using the effective interest method, less allowance for expected credit losses, if applicable.

Receivables arising from services rendered and/or hydrocarbons delivered but unbilled at the closing date of each reporting period are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

Where applicable, allowances for tax credits expected losses have been recognized based on estimates on their un-collectability within their statutory limitation period.

2.4.6.1.3 Impairment of financial assets

The Company recognizes an allowance for Expected Credit Losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on ECLs at each reporting date. The Company analizes each of its clients considering its historical credit loss experience, adjusted for forward-looking factors specific to the debtor and the economic environment.

The Company always measures the loss allowance for trade receivables at an amount equal to ECL. The expected credit losses on trade receivables are estimated on a case by case basis by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company considers a financial asset in default when contractual payments are more than 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECLs, when applicable, are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

2.4.6.1.4 Offsetting of financial instruments

Financial assets and financial liabilities are presented gross in the consolidated statement of financial position unless both of the following criteria are met: the Company currently has a legally enforceable right to set off the recognized amounts; and the Company intends to either settle on a net basis or realize the asset and settle the liability simultaneously. A right of set off is the Company's legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty.

The relevant legal jurisdiction and laws applicable to the relationships between the parties are considered when assessing whether a current legally enforceable right to set off exists.

2.4.6.2 Financial liabilities and equity instruments

2.4.6.2.1 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

A contractual arrangement to issue a variable number of shares is classified as a financial liability and measured at fair value with changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income.

2.4.6.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities and is recognized at the proceeds received, net of direct issue costs.

2.4.6.2.3 Compound instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of these consolidated financial statements, the fair value of the liability component, if any, is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other equity account. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

Reimbursable Series A Shares

After the initial recognition, the funds received from the Series A shares, net of offer expenses, are measured subsequently at their amortized cost using the effective interest rate method. Profits and losses are recognized in the consolidated statements of profit or loss and other comprehensive income when the liabilities are written off.

The amortized cost is calculated taking into account any discount or premium in the acquisition, as well as the commissions or costs that are an integral part of the effective interest rate method. Amortization based on the effective interest rate method is included within financial costs.

2.4.6.2.4 Financial liabilities

All financial liabilities are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method or at FVTPL. Borrowings are recognized initially at fair value, net of transaction costs incurred.

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for trading, or 3) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.4.6.2.5 De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

When an existing financial liability is replaced with another from the same lender in substantially different terms, or the terms of an existing liability are significantly modified, such exchange or modification is treated as a de-recognition of the original liability and recognition of a new liability. The difference in the respective book values is recognized in profit or loss.

2.4.7 Revenue from contracts with customers and other income recognition

2.4.7.1 Revenue from contracts with customers

Revenue from contracts with customers arising from sale of crude oil, natural gas and Liquefied Petroleum Gas ("NGL") is recognized at a point in time when control of the goods are transferred to the customer generally on delivery of the inventory. Revenue from contract with customers are recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The normal credit term is 30 to 45 days upon delivery. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenues from oil and natural gas production in which the Company has a joint interest with other producers are recognized when sales are made to customers and production costs will be accrued or deferred to reflect differences between volumes taken and sold to customers and the Company's ownership interest in total production volumes resulting from the Company's contractual interest in the consortium.

Based on the revenue analysis carried out by the Company's Management, Note 5 has been broken down by (i) type of good and (ii) sales channels. All the revenues of the Company are recognized at a point in time.

2.4.7.2 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. As of December 31, 2017, the Company does not have any contract assets.

Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.4.6.1.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. As of December 31, 2018 and 2017, the Company does not have any contract liabilities.

Other income

Other operating income corresponds to sales of services to third parties The Company recognises revenue from services rendered over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

Interest income

Interest income is recognized using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

2.4.8 Inventories

Inventories are comprised of crude oil stock, raw materials and materials and spare parts, as describe below.

Inventories are stated at the lower of cost or net realizable value. The cost of inventories includes expenditures incurred in the production and other necessary costs to bring them to their existing location and condition. Cost is determined using the first in-first out method.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated direct costs to make the sale.

The assessment of the recoverable value of these assets is made at each reporting date, and the resulting loss is recognized in the consolidated statement of profit or loss and other comprehensive income when the inventories are overstated.

The portion of materials and spare parts for maintenance or improvements on existing assets is disclosed under the heading "Property, plant and equipment".

2.4.9 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

If any, bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position and there are not disclosed under Cash and cash equivalents in the consolidated statement of cash flows since they are not part of the Company's cash management.

2.4.10 Funds in Escrow Account

The amounts held in the Escrow Account represent proceeds from the Initial Public Offering of 650,017 which were converted into U.S. dollars and invested in a U.K. based escrow account (the "Escrow Account") with Citibank N.A. London Branch acting as escrow agent. Such resources are deposited in an interest-bearing account and are classified as restricted assets because such amounts can only be used by the Company in connection with the consummation of an Initial Business Combination.

As of December 31, 2017, the Escrow Account had a fair value of 652,566, from which 2,550, were a result of interest income and are held in the Escrow Account. Interest from the fund of the Escrow Account may be released to the Company to (i) pay tax obligations, (ii) fund working capital in an amount not to exceed 750 annually for a maximum of 24 months, and (iii) in the event of a failure to enter into an Initial Business Combination within 24 months from the closing of this Offering, pay up to 100 in dissolution expenses.

On April 4, 2018 the Company consummated its initial business combination and consequently a portion of the accumulated amounts in the Escrow Account at such date for an amount of 653,781 was used to reimburse Series A shareholders that exercised their redemption rights for an amount of 204,590. The remaining proceeds were capitalized net of their emission expenses deferred for 19,500 and some emission expenses that were paid at the IPO for an amount of 6,700 for a net amount of 422,991.

Note 20.1 provides further details regarding the capitalization of Series "A" proceeds obtained in the IPO.

2.4.11 Shareholders´ equity

Equity's movements have been accounted for in accordance with the decisions of shareholders' meetings and legal or regulatory standards.

a. Share capital

Share capital represents the share capital issued, composed of the contributions that were committed by the shareholders and is represented by shares that comprise outstanding shares at nominal value. Common shares are classified as equity.

b. Legal reserve

In accordance with the Mexican Commercial Companies Act, at least 5% of the net profit for the year must be allocated by the Company to increase the legal reserve until it reaches 20% of the share capital. Since the Company had no profits for the year ended on December 31, 2017, as of December 31, 2018, the Company has not created this reserve.

c. Accumulated losses

Retained earnings comprise accumulated profits or losses without a specific appropriation. Retained earnings can be distributed by the decision of the Shareholders' meeting as dividends, as long as they are not subject to legal restrictions.

These retained earnings / (accumulated losses) comprise prior years' earnings that were not distributed or losses, the amounts transferred from other comprehensive income and prior years' adjustments.

For the Company, similarly, to the effects of capital reductions, these distributions will be subject to the determination of income taxes according to the applicable income tax rate, except for the re-measured contributed capital stock or if these distributions come from the net fiscal profit account ("CUFIN").

For the Argentine subsidiaries, in accordance with Law No. 25,063, dividends distributed in cash or in kind, in excess of the accumulated tax profits at the close of the fiscal year immediately prior to the date of payment or distribution, were subject to a 35% withholding tax as a sole and definitive payment.

The sanction of Law No. 27,430, published on December 29, 2017 (See Note 31), removed this withholding tax on dividends for new profits generated from fiscal years beginning on or after January 1, 2018. That law replaces it with a withholding of 7% for fiscal years 2018 and 2019 and 13% for subsequent fiscal years, on dividends distributed by corporations in favor of their shareholders, when they are individuals or undivided inheritances with residency in Argentina or beneficiary residing abroad of Argentina.

d. Other comprehensive income

It includes gains and losses from the actuarial gains and losses for defined benefit plans and the related income tax effect.

e. Dividends distribution

Dividend distribution to Company shareholders is recognized as a liability in the financial statements in the year in which the dividends are approved by the Shareholders' Meeting. The distribution of dividends is made based on the Company’s stand-alone financial statements.

The Company will not be able to pay dividends until (i) future profits absorb the retained losses and (ii) the restrictions imposed by the credit facility agreement are released, as stated in Note 31.1.2.

2.4.12 Employee benefits

2.4.12.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as “Salaries and other contributions” in the consolidated statement of financial position.

The costs related to compensated absences, such as vacation and holiday bonus and the cost of the bonus, are recognized as they are accrued.

In Mexico, employee profit sharing is paid to the Company’s eligible employees. Employee profit in Mexico is calculated using the same taxable income for income tax, except for the following:
i) Neither tax losses from prior years nor the employee profit sharing paid during year are deductible.
ii) Payments exempt from taxes for the employees are fully deductible in the employee profit sharing computation.

2.4.12.2 Defined benefit plans

Labor costs liabilities are accrued in the periods in which the employees provide the services that trigger the consideration.

The cost of defined contribution plans is periodically recognized in accordance with the contributions made by the Company.

Additionally, the Company has a defined benefit plan described in Note 22. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, depending on one or more factors, such as age, years of service and compensation. In accordance with conditions established in each plan, the benefit may consist in a single payment, or in making complementary payments to those made by the pension system.

The defined benefit liability recognized in the consolidated statement of financial position, at the end of the reporting period, is the present value of the defined benefit obligation net of the fair value of the plan assets, when applicable. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using future actuarial assumptions about demographic and financial variables that affect the determination of the amount of such benefits.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income (loss) in the period in which they arise and past service costs are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

2.4.13 Borrowing costs

General and specific borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

For the periods ended on December 31, 2018 and 2017 the Company did not capitalize any borrowing cost as it does not have qualifying assets.

2.4.14 Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle that obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the present obligation, taking into account the best available information as of the date of the financial statements based on assumptions and methods considered appropriate and taking into account the opinion of each Company's legal advisors. As additional information becomes available to the Company, estimates are revised and adjusted periodically. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as financial costs.

When the Company expects a part or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset.

Contingent liabilities are: i) possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the entity; or ii) present obligations that arise from past events but it is not probable that an outflow of resources will be required to its settlement; or whose amount cannot be measured with sufficient reliability.

Contingent liabilities are not recognized. The Company discloses in notes to the consolidated financial statements a brief description of the nature of material contingent liabilities (See Note 21.3).

Contingent liabilities, whose possibility of any outflow in settlement is remote, are not disclosed unless they involve guarantees, in which case the nature of the guarantee is disclosed.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.4.14.1 Provision for asset retirement obligation

The Company recognizes a provision for asset retirement obligation when there is a current legal or implicit obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

In general, the obligation arises when the asset is installed or the land/environment is disturbed in the location of the well. When the liability is initially recognized, the present value of the estimated costs is capitalized increasing the carrying value of the related assets for the extraction of oil and gas to the extent that they have been incurred due to the development / construction of the well.

Additional provisions that arise due to greater development / construction in the property for oil and gas extraction are recognized as additions or charges to the corresponding assets and when the decommissioning liability is originated.

Changes in estimated times or the cost of asset retirement obligation are treated prospectively by recording an adjustment to the provision and a corresponding adjustment to the properties for oil and gas extraction. Any reduction in the liability for asset retirement obligation and, therefore, any deduction of the asset to which it relates may not exceed the carrying amount of that asset. If it does, any surplus with respect to the carrying amount is immediately transferred to profit or loss.

If the change in the estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying amount of the asset, the Company considers whether or not there is an indication of impairment of the asset in an integral manner and, be so, it undergoes impairment testing. For mature wells, if the estimate of the revised value of assets for oil and gas extraction, net of asset retirement obligation provisions, exceeds the value recoverable, that part of the increase is charged directly to expenses.

Over time, the discounted liability increases with the change in present value, based on the discount rate that reflects the current market assessments and the specific risks of the liability. The unwinding of the discount is recognized in the consolidated statement of profit or loss and other comprehensive income as a financial cost.
The Company recognizes deferred tax assets with respect to the temporary difference between the asset retirement obligation provisions and the corresponding deferred tax liability with respect to the temporary difference in a asset retirement obligation asset.

2.4.14.2 Provision for environmental remediation

Provisions for environmental costs are recognized when it is probable that a cleanup will be carried out and the estimated costs can be estimated reliably. Generally, the timing of recognition of these provisions concur with the commitment of a formal action plan or, if it is before, at the time of the divestment or the closure of the inactive sites.

The amount recognized is the best estimate of the required expense to settle the obligation. If the effect of the value of money over time is material, the recognized value is the present value of the estimated future expense.

2.4.15 Income tax and minimum presumed income tax

2.4.15.1 Current and deferred income tax

The tax expenses for the year include current and deferred tax. Tax is recognized in the consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities. Where tax treatments are uncertain, if it is considered probable that a taxation authority will accept the Company's proposed tax treatment, income taxes are recognized consistent with the Company's income tax filings. If it is not considered probable, the uncertainty is reflected using either the most likely amount or an expected value, depending on which method better predicts the resolution of the uncertainty.

Deferred income tax is recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax liabilities are not recognized if they come from the initial recognition of goodwill.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available and can be used against temporary differences. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax is provided on temporary differences from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax assets and liabilities have not been discounted and are stated at their nominal values.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Income tax rates prevailing as of December 31, 2018 in Argentina and Mexico (see Note 31.1.1) is 30% and as of December 31, 2017 of 30% in Mexico as the Company did not have operations in Argentina in that year.

2.4.15.2 Minimum presumed income tax

The Company´s subsidiaries in Argentina calculate tax on minimum presumed income tax applying the current 1% tax rate to taxable assets estimated at the end of each reporting period.

This tax is complementary to income tax in Argentina. The company and the subsidiaries in Argentina’s tax liability is the higher between the liability of income tax and the liability determined as explained above for this tax.

However, if the minimum presumed income tax exceeds income tax during one fiscal year, such excess may be offset against any income tax excess over the minimum presumed income tax that may be generated in the following ten years.

On July 22, 2016, Law No. 27,260 was published, which eliminates the minimum presumed income tax for the years beginning on January 1, 2019 and later.

As of the end of each reporting period, the Company’s Management analyzes the receivable’s recoverability, and allowances are created as long as it is estimated that the amounts paid for this tax will not be recoverable within the statutory limitation period taking into consideration the Company’s current business plans. The Company’s Management evaluates the evolution of this recoverability in future fiscal years.

For the year and period ended on December 31, 2018 and 2017, the income tax determined was in excess of the presumed income tax determined for those periods, as such no presumed income tax was recognized as of those dates. The Company does not have any presumed income tax asset as other receivables related to previous years.

2.4.16 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the consolidated statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the consolidated statement of profit or loss on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.4.17 Share-based payments

Employees (including senior executives) of the Company may receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Company does not have any share-based payments that are settled in cash.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 32.

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (Stock Option), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The possible dilutive effect of outstanding options is reflected, as applicable; in the computation of diluted earnings per share (further details are given in Note 12).

The Company approved a Long Term Incentive Plan ("LTIP") consisting of a plan to provide for VISTA and its subsidiaries to attract and retain talented persons as officers, directors, employees and consultants. The LTIP include the following mechanisms for rewarding and retaining key personal 1) Stock Option Plan, 2) Restricted Stock Units and 3) Performance Restricted Stock and therefore accounted under IFRS 2 "Shared based payments" as detailed above.

a) Stock Option ("SOP") (equity-settled)

The stock option plan ("SOP") gives the participant the right to buy a quantity of shares over certain period of time. The cost of the equity-settled share purchase plan is measured at grant date, taking into account the terms and conditions on which the share options were granted. The equity-settled compensation cost is recognized in the consolidated statement of profit or loss and other comprehensive income under the caption of salaries and benefits, over the requisite service period.

b) Restricted Stock (equity-settled)

Certain key employees of the Company receive additional benefits for free or a minimum value once the conditions are achieved through a share purchase plan denominated in Restricted Stock (“RSs, which has been classified as an equity-settled share-based payment. The cost of the equity-settled share purchase plan is measured at grant date, taking into account the terms and conditions on which the share options were granted. The equity-settled compensation cost is recognized in the consolidated statement of profit or loss and other comprehensive income under the caption of salaries and benefits over the requisite service period.

c) Performance Restricted Stock (equity settled)

The Company grants Performance Restricted Stock (“PRSs”) to key employees, which entitle them to receive PRSs after having attained certain performance goals over a service period. PRS is classified as an equity-settled share-based payment. The cost of the equity-settled share purchase plan is measured at grant date, taking into account the terms and conditions on which the share options were granted. The equity-settled compensation cost is recognized in the consolidated statement of profit or loss and other comprehensive income under the caption of salaries and benefits, over the requisite service period. As of December 31, 2018 the Company has not granted any PRSs.

2.5 Regulatory framework

A- Argentina

Oil and gas

2.5.1 Amendment of the Argentine Hydrocarbons Law

On October 29, 2014, the Argentine National Congress enacted Law No. 27,007 amending Hydrocarbons Law No. 17,319. This Law incorporates new drilling techniques available in the oil industry, as well as changes mainly related to terms and extensions of exploration permits and exploitation concessions, canons and royalty rates, new legal concepts for the exploration and exploitation of unconventional hydrocarbons in the Continental Shelf and the Territorial Sea, and a promotion regime pursuant to the Executive Branch Order No. 929/13, among other key factors for the industry.

The main changes introduced by Law No. 27,007 are detailed below:

a) It establishes terms for exploration permits and exploitation and transportation concessions, making a distinction between conventional and unconventional, and continental shelf and territorial sea reservoirs.
b) The 12% payable as royalties to the grantor by exploitation concessionaires on the proceeds derived from liquid hydrocarbons extracted at wellhead and the production of natural gas will remain effective. In case of extension, additional royalties for up to 3% on the royalties applicable at the time of the first extension, up to a maximum of 18%, will be paid for the following extensions.
c) It provides for two types of non-binding commitments between the National Government and the Provinces aiming to establish a uniform environmental legislation and to adopt a uniform tax treatment to encourage hydrocarbon activities.
d) It restricts the National Government and the Provinces from reserving new areas in the future in favor of public or mixed companies or entities, irrespective of their legal form. Thus, contracts entered into by provincial companies for the exploration and development of reserved areas before this amendment are safeguarded.
e) The extension of the Investment Promotion Regime for the Exploitation of Hydrocarbons (Decree No. 929/2013) is established for projects representing a direct investment in foreign currency of at least 250,000, increasing the benefits for other type of projects.
f) Reversion and transfer of hydrocarbon exploitation permits and concessions in national offshore areas is established when no association contracts subscribed with Energía Argentina S.A. (“ENARSA”) to the National Secretariat of Energy exist.

2.5.1.1 Withholdings for hydrocarbon exports

On September 4, 2018, pursuant to Decree No. 793/2018, the Argentine Government established until December 31, 2020, a 12% export tax duty on commodities with a cap of ARS 4 for each U.S. Dollar for primary commodities (including oil and gas) and ARS 3 for other manufactured products. Although the Company does not actually export hydrocarbons, the domestic prices are influenced by this regulation.

2.5.2 Gas Market

During the last few years, the National Government has created different programs seeking to encourage and increase gas injection into the domestic market.

2.5.2.1 Natural Gas Surplus Injection Promotion Program for Companies with Reduced Injection (the "IR Program")

In November 2013, pursuant to Resolution No. 60/13, the Commission created the IR Program covering companies with no previous production or with a 3.5 MMm3/day production cap, establishing price incentives for production increases and NGL importation penalties in case of breach of the committed volumes. Furthermore, companies benefiting from this Program and meeting the applicable conditions may request the interruption of their participation in that program and their incorporation into the current one. Resolution No. 60/13 (as amended by the Secretariat of Energy Resolution N° 22/14 and N° 139/14), established a price ranging from 4 US$/MMBTU to 7.5 US$/MMBTU, based on the highest production curve attained.

On March 6, 2014 and January 30, 2015, the Company was registered with this program pursuant to Resolutions No. 20/14, of the Secretariat of Economic Policies and Development Planning of the Ministry of Economy and Public Finances.

On January 4, 2016, the Executive Branch Decree No. 272/15 that dissolved the Commission created pursuant to Executive Decree No. 1,277/12 and provided that the powers assigned to it would be exercised by the Ministry of Energy and Mining ("MEyM").

On May 20, 2016, Executive Decree No. 704/16 authorized the delivery of bonds denominated in U.S. Dollars issued by the Argentine Government (BONAR 2020) for a face value of 6,211 for the settlement of amounts outstanding as at December 31, 2015 under the Program. Furthermore, the Executive Decree imposed restrictions on the transferability of such bonds, with a limit of up 3% per month without penalty until December 31, 2017, except to subsidiaries and/or affiliates, and required the filing of information on a monthly basis.

On April 3, 2018, the MEyM issued Resolution No. 97/18 approving the procedure for the settlement of the outstanding compensations under this program. The beneficiary companies that elected for the application of the procedure included in the aforementioned resolution must declare their adhesion to it within the term of twenty business days, waiving all right, action, appeal and claim, present or future, both in administrative and judicial jurisdiction, in relation to the payment of the obligations arising from the Program.

On May 2, 2018, the Company filed with the MEyM the adhesion form, stating its consent and acceptance of the terms and scope of the aforementioned resolution. The balances outstanding as of December 31, 2017, subject to this settlement, amount to 14,366 for PELSA and 4,667 for APCO that was acquired in April 4, 2018 (Note 30). The resolution establishes an estimated compensation amount of 13,569 for PELSA and of 4,700 for APCO due to the recognition of higher amounts in terms of U.S. dollars than the original amounts in Argentine pesos converted at the prevailing exchange rate. The settlement procedure foreseen by the Resolution establishes that the amounts will be paid in thirty equal monthly and consecutive installments as from January 1, 2019. Because of this resolution, the Company recognized during the year ended December 31, 2018, a net loss of approximately 1,760 for the additional receivable recognized, the Extraordinary canon on SGIC and the recognition of the present value of this receivable according to the new terms net of the gain recognized on the present value of the liability of the Extraordinary canon within financial results. The balance outstanding as of December 31, 2018 is 15,948 and is included in Note 16.

2.5.2.2 Agreement for gas supply to distributors

On November 29, 2017, the Company, together with the main Argentine gas producers, executed with the MEyM the terms for the supply of natural gas to distributors aiming to establish basic conditions for the purchase of gas supply by distributors, effective from January 1, 2018 to December 31, 2019 (the "transition period").

Moreover, it established the continuity of the gradual and progressive path of reduction of subsidies, all within the framework of the process of normalization of the natural gas market, which occurs within the period of validity of such Terms and Conditions until December 31, 2019 considered as the "transition period" until the price of natural gas supply agreements will be the price resulting from the free interaction of supply and demand.

The guidelines established in the Terms and Conditions include, among others, the recognition of the right to transfer to the gas canon the cost of gas acquisition paid by users and consumers; establishes the available volumes that each producer and each basin must make available daily to the distributors for each month, who may express their lack of interest before a certain date set forth in the Terms and Conditions; establishes penalties for non-compliance for any of the parties regarding their obligation to deliver or take gas; establishes gas prices for each basin for the next two years between 2018 and 2019, in US dollars, the parties being able to set prices lower than those established under the applicable free negotiations; establishes payment guidelines for the purchases made by the Distributors to producers; ENARSA assumes the obligation to supply the demand corresponding to areas reached by the subsidies of residential gas consumption contemplated in article 75 of Law 25,565 (corresponding to the areas of lower price of residential gas charged to users and consumers), during the period of transition.

The Terms and Conditions constitute the terms and conditions to consider in the negotiations of their respective individual agreements, without this being construed as an obligation. Additionally, the Terms and Conditions establish guidelines for early termination in the event of non-compliance by the parties.

2.5.3 Oil Market

2.5.3.1 Oil Plus Program ("Petróleo Plus")

The Company participated in the Oil Plus Program, which provided for certain incentives to production companies. On July 13, 2015, the Decree No. 1,330/15 abrogated this program created by Decree 2,014/2008, which rewarded oil production companies that have increased production and reserves and provided that incentives pending liquidation would be settled through the issuance of Government bonds. On November 30, 2016, Decree No. 1,204/16 was published in the Official Gazette, expanding the issuance of Government bonds for the same purpose.

On September 15, 2015, the Company received the amount of 2,020 with BONAD 2018 bonds with a face value of one US dollar each and the amount of 8,081 with BONAR 2024 bonds with a nominal value of one US dollar each, based on Decree 1,330/2015 mentioned above.

2.5.3.2 Argentine Hydrocarbons Industry Transition to International Price Agreement

In December 2015, after then new Government assumed office, official exchange rate significantly depreciated, thus directly affecting on crude oil costs for refiners. On this regard, the Government jointly with Argentine´s producers and refiners, agreed domestic crude oil prices for 2016-year. A price of U.S. Dollars 67.5 and U.S. Dollars 54.9 per barrel was defined for Medanito variety and Escalante variety, respectively for the first seven months and the application of a 2%, 4%, 6%, 8% and 10% discount on the mentioned prices for the rest of the months, respectively.

On January 11, 2017, the Government and Argentine´s producers and refiners signed the Argentina Hydrocarbons Industry Transition to International Price Agreement, aiming to achieve international parity for domestic crude oil price produced and traded in Argentina during 2017.

On March 21, 2017, Executive Order No. 192/2017 created the Crude Oil and Oil Derivatives Import Operations Registry and established canon positions for certain products subject to registration and authorization requirements.

Notwithstanding the foregoing, the agreement provided for the power of either party to abandon the agreement during its term, which was also subject to compliance with certain variables such as the exchange rate or price of Brent crude oil within certain established parameters. During the last quarter of 2017, the price agreement was suspended because it considered this suspension in case the average international price of 10 days exceeds the local price, but it also states that it may be restored if the average price of Brent crude is positioned below the local price for more than 10 days.

Since then, the market players - producers and refiners - began to freely agree on domestic oil prices, generally valid on a calendar-month basis and linked to the Brent international benchmark, while maintaining limits on the exchange rate.

2.5.4 Royalties and other canons

Royalties are applied to the total production of the concessions, and are calculated by applying 12% to production, after discounting certain expenses in order to bring the value of the cubic meter of crude oil, natural gas and liquefied gas at a price from wellhead. Royalties are recorded within the cost of sales.

As of July 2009, as part of the agreement to extend concessions with the Province of Neuquén, mentioned in Note 29.3, an extraordinary canon on production of 3% was included, for the production corresponding to the Neuquén province of the Entre Lomas and Bajada del Palo oil and gas properties.

Likewise, up to the declaration of commerciality of the fields Charco del Palenque and Jarilla Quemada in Agua Amarga, in November 2009 and August 2015, respectively, the joint operation paid to the Province of Río Negro a 6.5% royalty on the monthly production of these fields.

Finally, also as part of the extension agreement of the concession with the Province of Río Negro, mentioned in Note 29.3.1, an additional amount equivalent to 3% of the production corresponding to the Río Negro territory of the Entre Lomas area was included.

B- Mexico

Upstream activities

In 2013, Mexico introduced certain amendments to the Mexican Constitution, which led to the opening of the oil, natural gas, and power sectors to private investment.
As part of energy reform, Petróleos Mexicanos (Pemex) was transformed from a decentralized public entity into a productive state-owned company. In August 2014, the Mexican Congress passed secondary laws to implement the reforms. The reforms allow the Mexican government to grant contracts to private-sector entities in the upstream sector through public tenders. These amendments also allow private-sector entities to obtain permits for the processing, refining, marketing, transportation, storage, import and export of hydrocarbons, including the processing, compression, liquefaction, regasification, transportation, distribution, marketing and retail of natural gas, the transportation, storage, distribution, marketing and retail of oil products, including NGL, and the transportation (through pipelines) and related storage of petrochemicals, including ethane.

The legislation enacted in 2014 includes the Mexican Hydrocarbons Law (*Ley de Hidrocarburos*), which preserves the concept of state ownership over hydrocarbons while located in the subsoil but allows private companies to take ownership over the hydrocarbons once they are extracted. The Mexican Hydrocarbons Law allows private-sector entities holding a permit granted by the Mexican Energy Regulatory Commission to store, transport, distribute, commercialize and carry out direct sales of hydrocarbons, as well as to own and operate pipelines and liquefaction, regasification, compression and de- compression stations or terminals, and related equipment in accordance with technical and other regulations. In addition, private-sector entities may import or export hydrocarbons subject to a permit from the Mexican Ministry of Energy.

Permits granted prior to the enactment of the Mexican Hydrocarbons Law, including their general terms and conditions, will remain in force during their original term, and rights held by permit-holders will not be affected by the new laws and regulations. However, new permits, such as marketing permits granted by the Mexican Energy Regulatory Commission and import and export permits granted by the Mexican Ministry of Energy are required.

Authorized Governmental Agency

The Ministry of Energy (SENER) is responsible for developing the country's upstream policy, including the determination of which areas will be made available through public tenders. They decide the bidding schedule and the contract models that are to apply. Additionally, they approve all non-fiscal terms of the contract. The Ministry of Finance (SHCP) approves all fiscal terms that apply to the contracts. The Ministry of Finance also participates in the audits.

The National Hydrocarbons Commission (CNH) conducts the bidding rounds that award contracts to oil companies and consortiums of companies. They interface with Pemex and private companies and manage all E&P contracts. Contracts for the transportation, storage, distribution, compression, liquefaction, decompression, regasification, marketing, and sale of crude oil, oil products, and natural gas are granted by the Energy Regulatory Commission (CRE).

Market Regulations

In accordance with the *Ley de Ingresos de la Federación para el Ejercicio Fiscal de 2017* (2017 Federal Revenue Law), during 2017 the Mexican Government gradually removed price controls on gasoline and diesel as part of the liberalization of fuel prices in Mexico. To the date of issuance of these financial statements, sales prices of gasoline and diesel have been fully liberalized and are determined by the market.

Federal Environmental Law

The Mexican Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*) enacted on July 7, 2013 regulates environmental liability arising from damages to the environment including remediation and compensation. This liability regime is independent from administrative, civil or criminal liability regimes.

2.6 Reclassifications

Some figures shown in the 2017 consolidated financial statements have been reclassified as originally issued for comparability of presentation with the 2018 consolidated financial statements. The effects of this reclassification were recognized retrospectively in the statement of financial position as of December 31, 2017, in conformity with IAS 8, Accounting Policies, Changes in Accounting Estimates.

	As of December 31, 2017	
	As reported originally	**As reclassified**
Financial Position:		
Shareholders' equity:		
Warrants	14,840	
Non-current liabilities		
Warrants	-	14,840
Statement of profit or loss		
Interest expenses	4,601	2,548
Other financial results		2,053

Note 3. Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires the Company's Management to make future estimates and assessments, to apply critical judgment and to establish assumptions affecting the application of accounting policies and the amounts of disclosed assets and liabilities, income and expenses.

The estimates and accounting judgments used in the preparation of these consolidated financial statements are evaluated on a continuous basis and are based on past experiences and other reasonable factors under the existing circumstances. Actual future results might differ from the estimates and evaluations made at the date of preparation of these consolidated financial statements.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see Note 3.2 below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1.1 Contingencies

The Company is subject to various claims, lawsuits and other legal proceedings that arise during the ordinary course of its business. The Company's liabilities with respect to such claims, lawsuits and other legal proceedings cannot be estimated with certainty. Periodically, the Company reviews the status of each contingency and assesses potential financial liability, applying the criteria indicated in Note 21.3, for which elaborates the estimates mainly with the assistance of legal advisors, based on information available to the Management at the consolidated financial statements date, and taking into account the Company's litigation and resolution/settlement strategies.

Contingencies include outstanding lawsuits or claims for possible damages to third parties in the ordinary course of the Company's business, as well as third party claims arising from disputes concerning the interpretation of legislation.

The Company evaluates whether there would be additional expenses directly associated to the ultimate resolution of each contingency, which will be included in the provision if they may be reasonably estimated.

3.1.2 Environmental remediation

The costs incurred to limit, neutralize or prevent environmental pollution are only capitalized if at least one of the following conditions is met: (a) such costs relate to improvements in safety; (b) the risk of environmental pollution is prevented or limited; or (c) the costs are incurred to prepare the assets for sale and the book value (which considers those costs) of such assets does not exceed their respective recoverable value.

Liabilities related to future remediation costs are recorded when, based on environmental assessments, such liabilities are probable to materialize, and costs can be reasonably estimated. The actual recognition and amount of these provisions are generally based on the Company’s commitment to an action plan, such as an approved remediation plan or the sale or disposal of an asset. The provision is recognized on the basis that a future remediation commitment will be required.

The Company measures liabilities based on its best estimation of present value of future costs, using currently available technology and applying current environmental laws and regulations as well as the Company’s own internal environmental policies.

3.1.3 Business Combinations

The acquisition method involves the measurement at fair value of the identifiable assets acquired and the liabilities assumed in the business combination at the acquisition date.

For the purpose to determine the fair value of identifiable assets, the Company uses the valuation approach considered the most representative for each asset. These include the i) income approach, through indirect cash flows (net present value of expected future cash flows) or through the multi-period excess earnings method, ii) cost approach (replacement value of the good adjusted for loss due to physical deterioration, functional and economic obsolescence) and iii) market approach through comparable transactions method.

Likewise, in order to determine the fair value of liabilities assumed, the Company’s Management considers the probability of cash outflows that will be required for each contingency, and elaborates the estimates with assistance of legal advisors, based on the information available and taking into account the strategy of litigation and resolution / liquidation.

Management´s critical judgment is required in selecting the approach to be used and estimating future cash flows. Actual cash flows and values may differ significantly from the expected future cash flows and related values obtained through the mentioned valuation techniques.

3.1.4 Joint arrangements

Judgement is required to determine when the Company has joint control over an arrangement, that requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Company has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, including the approval of the annual capital and operating expenditure work programme and budget for the joint arrangement, and the approval of chosen service providers for any major capital expenditure as required by the joint operating agreements applicable to the entity’s joint arrangements. The considerations made in determining joint control are similar to those necessary to determine control over investees.

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Company to assess their rights and obligations arising from the arrangement. Specifically, the Company considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Company also considers the rights and obligations arising from:
  - The legal form of the separate vehicle
  - The terms of the contractual arrangement.
  - Other facts and circumstances, considered on a case-by-case basis.

This assessment often requires significant judgement. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially affect the accounting, as set out in Note 2.3.

3.1.5 Functional currency

The functional currency for the parent entity and each of its subsidiaries is the currency of the primary economic environment in which the entity operates. The functional currency of each entity in the Company is the U.S. Dollar. Determination of functional currency may involve certain judgements to identify the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions, which determined the primary economic environment.

3.2 Key sources of estimation uncertainty

The estimates, which have a significant risk of producing adjustments on the amounts of the assets and liabilities during the following year, are detailed below:

3.2.1 Impairment of Goodwill

Goodwill is reviewed for impairment annually or more frequently, if events or changes in circumstances indicate the recoverable amount of the Group of CGUs to which the Goodwill relates should be assessed. In assessing whether goodwill has been impaired, the carrying amount of the Group of CGUs to which Goodwill has been allocated is compared with its recoverable amount. Where the recoverable amount of the Group of CGUs is less than the carrying amount (including goodwill), an impairment is recognized.

The Company carries a Goodwill of 28,484 on its consolidated statement of financial position as of December 31, 2018 and nil as of December 31, 2017 (Note 14), principally relating to the Initial Business Combination (Note 30). Total Goodwill has been allocated to Argentina business segment of the Company as of December 31, 2018.

Determination as to whether a CGU or Group of CGUs containing Goodwill is impaired involves management estimates on highly uncertain matters including determining the appropriate Grouping of CGUs for Goodwill impairment testing purposes. The Company monitors Goodwill for internal management purposes based on its single business segment.

In testing goodwill for impairment, the Group uses the approach described Note 3.2.2, grouping all CGUs to determine the recoverable amount.

As of December 31, 2018, the Group of CGU's with allocated Goodwill was not at risk of impairment according to the impairment test performed as of that date (Note 3.2.2). No impairment losses were recognized during the year 2018.

3.2.2 Impairment of non-financial assets other than Goodwill

Non-financial assets, including identifiable intangible assets, are reviewed for impairment at the lowest level at which there are separately identifiable cash flows that are largely independent of the cash flows of other Groups of assets or CGUs. For this purpose, each owned or jointly operated oil and gas property has been considered a single CGU, as all of each of their assets jointly contribute to the generation of independent cash inflows, which are derived from a single product; thus cash inflows cannot be attributed to individual assets.

In order to evaluate if there is evidence that a CGU could be impaired, both external and internal sources of information are analized, whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable. Examples of these events are: changes in the Group's business plans, changes in the Group's assumptions about commodity prices and discount rates, evidence of physical damage or, for oil and gas assets, significant downward revisions of estimated reserves or increases in estimated future development expenditure or decommissioning costs, the cost of raw materials, the regulatory framework, the projected capital investments and the evolution of the demand. If any such indication of impairment exists, the Group makes an estimate of the asset's or CGU's recoverable amount.

A CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use ("VIU"). Where the carrying amount of a CGU exceeds its recoverable amount, the CGU is considered impaired and is written down to its recoverable amount. Given the nature of the Group's activities, information on the fair value of an asset or CGU is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, unless indicated otherwise, the recoverable amount used in assessing impairment is value in use.

The value in use of each CGU is estimated based on the present value of future net cash flows that these CGUs will generate. The business plans for each CGU, which are approved on an annual basis by executive management, are the primary source of information for the determination of value in use. They contain forecasts for oil, NGL and natural gas production, sales volumes, costs and capital expenditure. As an initial step in the preparation of these plans, various assumptions regarding market conditions, such as oil prices, natural gas prices, foreign currency exchange and inflation rates are set by executive management. These assumptions take into account existing prices, global supply-demand equilibrium for oil and natural gas, other macroeconomic factors and historical trends and variability. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset Group and are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Determination as to whether, and by how much, an asset or CGU is impaired involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil and natural gas. Judgement is required when determining the appropriate Grouping of assets into a CGU. The actual cash flows and the values may differ significantly from the expected future cash flows and the related values obtained through discount techniques and could result in a material change to the carrying values of the Group's assets.

Key assumptions used

The calculation of value in use made the Company for the Bajada del Palo CGU, Agua Amarga CGU, Entre Lomas CGU, Jagüel de los Machos CGU, 25 de Mayo – Medanito CGU, Coirón Amargo Sur Oeste CGU, Coirón Amargo Norte CGU, Acambuco CGU, Sur Río Deseado Este CGU is more sensitive to the following assumptions:

	For the year ended December 31, 2018
Discount rates (post-tax)	11.9%
Discount rates (pre-tax)	17.7%
Crude oil, NGL and natural gas prices	
Crude oil - Brent (USD/bbl.)	
2019	70
2020	71.30
2021	69.60
2022	70
Onwards	67.50
Natural Gas - Local prices (US$/MMBTU)	
2019	4.60
2020	4.60
2021	4.60
2022 and onwards	4.60
NGL – Local prices (US$/Tn.)	
Onwards	430
Foreign Exchange rate (ARS/USD)	
2019	47.00
2020	54.00
2021	60.00
2022 and onwards	74.60
Argentina Inflation Rate (2019-2022 from IMF)	
2019	28.80%
2020	13%
2021	9%
2022 and onwards	5%
US Inflation Rate	
Onwards	+0%

Discount rates: Discount rates represent the current market assessment of the risks specific to the Company, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC), with appropriate adjustments made to reflect the risks and to determine the post-tax rate. The income tax rate used is the current statutory tax rate in Argentina of 30% for 2019 and of 25% for 2020 onwards (based on the modification of the year 2017 income tax law explained in Note 31). The WACC takes into account both cost of debt and cost of equity. For the calculation of the WACC, public market data of certain companies that are considered similar to VISTA according to the industry, region and specialty were used (“Comparables”).

The cost of equity is derived from the expected return on investment by the Company’s investors that arise from the Capital Asset Pricing Model. The cost of debt is derived from the cost of Comparables’ corporate bonds.

Crude oil, natural gas and NGL prices: Forecast commodity prices are based on management’s estimates and available market data.

For crude oil prices, management considered discounts or premium depending on the quality of the crude oil or natural gas produced in each of the CGUs. The evolution of Brent prices was estimated with the median projections of analysts from different banks on the Brent Price for the next five years.

In order to forecast the local price of natural gas at 9,300 kcal/m^3 ("Gas Price"), given that it is decoupled from the international price of gas and is influenced by the Argentina level of supply and demand balances, management used an average of the price received for the sale of gas in each of the CGUs. The Gas Price is adjusted linearly by the calorific value of the gas produced from each of the CGUs.

VISTA's long-term assumption for oil prices is similar to the recent market prices reflecting the judgement that recent prices are consistent with the market being able to produce sufficient oil to meet global demand sustainably in the longer term.

Production and reserves volumes: The estimated future level of production in all impairment tests is based on assumptions about future commodity prices, production and development costs, field decline rates, current fiscal regimes and other factors. Reserves assumptions for value-in-use tests are restricted to proved and probable reserves. To estimate the future level of production the reserve reports audited by external engineers were used adjusting by the temporality of the activity (e.g. drilling new wells and workovers) to adapt to the Vista plans. These assumptions reflect all reserves and resources that management believes a market participant would consider when valuing the asset. In determining the recoverable amount, risk factors may be applied to reserves and resources, which do not meet the criteria to be treated as proved. For each type of reserve, management used a risk factor between 70% and 100% of success from their estimated full potential value.

Foreign exchange and inflation rates: For the evolution of the foreign exchange rate and Argentina inflation rate in ARS, an integral analysis was carried out, incorporating the Company´s own projections, market expectations and the Argentina Executive Branch estimates. With respect to the U.S. inflation rate in U.S. dollars management considered the forecasts of the Board of Governors of the FED (United States Federal Reserve).

Sensitivity to changes in assumptions

With regard to the assessment of value in use as of December 31, 2018, management believes that there are no reasonably possible changes in any of the above key assumptions that would cause the carrying value of the any CGU to materially exceed its recoverable amount.

	As of December 31, 2018
Discount rate	+/- 100 basis points
Carrying amount	- / -
Expected crude oil, natural gas and NGL prices	+/- 10%
Carrying amount	- / (9,707)
Foreign exchange rate (ARS/U.S. Dollars)	+/- 10%
Carrying amount	- / -
Argentina inflation rate	+/- 10%
Carrying amount	- / -

The sensitivity analysis presented above may not be representative of the actual change in the carrying amount as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As of December 31, 2018 and 2017, the net book value of Property, Plant and Equipment and Intangible Assets are shown in Note 13 and 14, respectively.

No impairment losses or recoveries were recognized during the year ended on December 31, 2018 and during the period beginning March 22, 2017 and ended December 31, 2017.

The triggers for the impairment tests of the CGUs were primarily the effect of variability of prices, the macroeconomic situation of Argentina during those periods and variability of the discount rate. The recoverable amount was based on management's estimate of VIU as of December 31, 2018 and 2017.

3.2.3 Current and deferred Income tax

The Company Management has to assess regularly the positions stated in the tax returns as regards those situations where the applicable tax regulations are subject to interpretation and, if necessary, establish provisions according to the estimated amount that the Company will have to pay to the tax authorities. When the final tax result of these items differs from the amounts initially recognized, those differences will have an effect on the income tax and on the deferred tax provisions in the fiscal year when such determination is made.

There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for eventual tax claims based on estimates of whether additional taxes will be due in the future.

Deferred tax assets are reviewed at each reporting date and reduced in accordance with the probability that the sufficient taxable base will be available to allow for the total or partial recovery of these assets.

Deferred tax assets and liabilities are not discounted. In assessing the realization of deferred tax assets, Management considers that it is likely that a portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income in the periods in which these temporary differences become deductible. To make this assessment, Management takes into consideration the scheduled reversal of deferred tax liabilities, the projections of future taxable profits and tax planning strategies.

Assumptions about the generation of future taxable profits depend on Management's estimates of future cash flows. These estimates of future taxable profits are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The carrying amount as of December 31, 2018 and 2017 of the deferred income tax liability, net is 133,757 and 38 and for the Income tax liability is 22,429 and nil, respectively.

3.2.4 Asset retirement obligations

Asset retirement obligations after completion of operations require the Company's Management to estimate the number of wells, long-term well abandonment costs and the time remaining until abandonment. Technology, costs, political, environmental and safety considerations constantly change and may result in differences between actual future costs and estimates.

Asset retirement obligations estimates are adjusted when it is justified by changes in the evaluation criteria or at least once a year.

The carrying amount as of December 31, 2018 of the Asset retirement obligation is 16,253.

3.2.5 Oil and gas reserves

Oil and gas properties are depreciated using the units of production ("UOP") method over total proved developed and undeveloped hydrocarbon reserves. Reserves mean oil and gas volumes that are economically producible, in the areas where the Company operates or has a (direct or indirect) interest and over which the Company has exploitation rights, including oil and gas volumes related to those service agreements under which the Company has no ownership rights on the reserves or the hydrocarbons obtained and those estimated to be produced for the contracting company under service contracts.

The life of each item of property, plant and equipment, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located.

There are numerous uncertainties in estimating proved reserves and future production profiles, development costs and prices, including several factors beyond the producer's control. Reserve engineering is a subjective process of estimating underground accumulations involving a certain degree of uncertainty. Reserves estimates depend on the quality of the available engineering and geological data as of the estimation date and on the interpretation and judgment thereof.

Reserve estimates are adjusted when is justified by changes in the evaluation criteria or at least once a year. These reserve estimates are based on the reports of oil and gas consulting professionals.
The Company uses the information obtained from the calculation of reserves in the determination of depreciation of assets used in the areas of oil and gas, as well as assessing the recoverability of these assets (Note 3.2.1, Note 3.2.2, Note 13 and Note 33).

3.2.6 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black & Sholes model. The carrying amount, assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32.

Note 4. Segment information

The Executive Management Committee (the "Committee") of the Company has been identified as the CODM, which is responsible for the allocation of resources and evaluating the performance of the operating segment. The Committee monitors the operating results of its oil and gas properties, based on its separate production, due to the purpose of making decisions about the allocation of the resources and performance indicators.

The Committee considers the business as one single segment, the exploration and production of natural gas, liquid gas and crude oil (includes all upstream business activities), through its own activities, subsidiaries and share holdings in joint operations, and based on the business nature, customer portfolio and risks involved. The Company did not aggregate any segment, as it has only one.

As of December 31, 2018, all revenues are derived from external Argentine customers.

Accounting criteria used by the subsidiaries to measure results, assets and liabilities of the segment is consistent with that used in these financial statements.

Note 5. Revenue from contracts with customers

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Sales of goods and services	331,336	-	104,103	-
Revenue from contracts with customers	331,336	-	104,103	-

The Group's transactions and the main revenues steams are described in Note 2.4.7. The Company's revenues are derived from contracts with customers.

5.1 Disaggregated revenue information

Types of goods	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Revenue from crude oil	260,079	-	82,910	-
Revenue from natural gas	65,165	-	19,176	-
Revenue from NGL	6,092	-	2,017	-
Revenue from contracts with customers	331,336	-	104,103	-

Sales Channel	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Refineries	260,079	-	82,910	-
Industries	51,240	-	12,115	-
Retail distributors of natural gas	10,254	-	6,632	-
Commercialization of NGL	6,092	-	2,017	-
Natural gas for electricity generation	3,671	-	429	-
Revenue from contracts with customers	331,336	-	104,103	-

5.2 Performance obligations

The Company's performance obligations relate to transfer goods to their customers. The Company ´s upstream business carries out all activities relating to the exploration, development and production of oil and natural gas. Revenue from customers is generated mainly from the sale of produced oil, natural gas and NGL to third parties at a point in time.

Note 6. Operating expenses

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Production costs:				
Consumption of materials and repairs	42,066	-	15,292	-
Fees and compensation for services	25,026	-	6,656	-
Easements and tariffs	7,147	-	2,557	-
Salaries and social security charges	6,709	-	1,908	-
Transportation	2,201	-	1,032	-
Employee benefits	1,388	-	484	-
General expenses	1,708	-	627	-
Total Operating expenses	86,245	-	28,556	-

Note 7. Selling expenses

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Taxes, rates and contributions	10,349	-	3,912	-
Transportation	5,878	-	1,798	-
Tax on bank transactions	4,390	-	1,830	-
Allowance for expected credit losses	539	-	536	-
Fees and compensation for services	158	-	35	-
Other	27	-	22	-
Total selling expenses	21,341	-	8,133	-

Note 8. General and administrative expenses

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Fees and compensation for services	10,363	976	2,012	797
Salaries and social security charges	6,069	1,057	229	690
Share-based payments	4,021	-	1,471	-
Employee benefits	2,239	86	2,106	-
Other personnel expenses	1,703	-	696	-
Taxes, rates and contributions	1,242	-	729	-
Institutional advertising and promotion	239	18	202	-
Depreciation of property, plant and equipment	8	-	2	-
Other	1,238	1,126	45	367
Total General and administrative expenses	27,122	3,263	7,492	1,854

Note 9. Exploration expenses

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Geological and geophysical expenses	637	-	457	-
Total Exploration expenses	637	-	457	-

Note 10. Other operating income and expenses

Note 10.1 Other operating income

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Services to third parties (1)	2,641	1,000	(238)	1,000
Total other operating income	2,641	1,000	(238)	1,000

(1) Corresponds to services provided to customers that does not correspond to the main activity of the Company, these revenues are recognized as disclosed in Note 2.4.7.2.

10.2 Other operating expenses

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Provision for contingencies (Note 21)	(240)	-	(237)	-
Restructuring expenses [1]	(12,018)	-	(1,336)	-
Transaction cost related to the business combinations (Note 30)	(2,380)	-	-	-
Provision for environmental remediation (Note 21)	(1,168)	-	(415)	-
Allowance for obsolesce of inventories	(1,125)	-	(618)	-
Other	(1,166)	(741)	(9)	(36)
Total other operating expenses	(18,097)	(741)	(2,615)	(36)

[1] During 2018 the Company recorded restructuring charges that includes severance payments and other related fees, such charges relates principally to reorganization in the structure of the Company.

Note 11. Financial results

11.1 Interest income

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Financial interests	2,125	2,548	2,125	831
Interest on government notes at amortized cost	407	-	26	-
Total Finance income	2,532	2,548	2,151	831

11.2 Interest expense

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Borrowing interest (Note 17.1.1)	(15,546)	(2,551)	(4,422)	(831)
Other interest	(200)	-	(200)	-
Total Finance costs	(15,746)	(2,551)	(4,622)	(831)

11.3 Other financial results

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Cost of early settlements of borrowings and amortized costs (Note 17.1.1)	(14,970)	(2,052)	(1,216)	(1,278)
Changes in the fair value of Warrants (Note 17.3)	(8,860)	-	(5,787)	-
Foreign currency exchange difference, net	3,005	2	15,630	2
Discount of assets and liabilities at present value	(2,743)	-	(2,743)	-
Changes in the fair value of government bonds and notes and mutual funds	1,415	-	(17)	-
Unwinding of discount on asset retirement obligation (Note 21)	(897)	-	(394)	-
Other	(366)	-	(366)	-
Total Other financial results	(23,416)	(2,050)	5,107	(1,276)

Note 12. Earnings per share

a) Basic

Basic earnings (loss) per share are calculated by dividing the result attributable to the Company's equity interest holders by the weighted average of outstanding common shares during the period / year of the Company.

b) Diluted

Diluted earnings (loss) per share are calculated by adjusting the weighted average of outstanding common shares of the Company, respectively, to reflect the conversion of all dilutive potential common shares.

Potential common shares will be deemed dilutive only when their conversion into common shares may reduce the earnings per share or increase losses per share of the continuing business. Potential common shares will be deemed anti-dilutive when their conversion into common shares may result in an increase in the earnings per share or a decrease in the losses per share of the continuing operations.

The calculation of diluted earnings (loss) per share does not entail a conversion, the exercise or another issuance of shares which may have an anti-dilutive effect on the losses per share, or where the option exercise price is higher than the average price of common shares during the period, no dilutive effect is recorded, being the diluted earnings (loss) per share equal to the basic.

As of December 31, 2018, VISTA has shares that can potentially be dilutive. The basic loss per share (LPS) is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share (LPS) is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period, plus the weighted average number of common shares they would be issued upon the conversion of all instruments with dilution potential in common shares unless such shares are anti-dilutive.

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Net (loss) profit for the period/year	(29,850)	(5,095)	42,379	(2,204)
Weighted average number of outstanding ordinary shares (number of shares)	56,609	10,069	70,409	10,069
Basic and diluted (losses) earnings per ordinary share (U.S. Dollar per share)	(0.527)	(0.506)	0.602	(0.218)

As of December 31, 2018, VISTA has the following potential common shares that are anti-dilutive and are therefore excluded from the weighted average number of common shares for the purpose of diluted earnings per share:

i. 21,666,667 Series A shares related to the 65,000,000 to the Series A Warrants (as defined below) (Note 20.1),
ii. 9,893,333 related to the 29,680,000 Warrants (as defined below) (Note 20.1),
iii. 6,666,667 Series A shares related to the 5,000,000 forward purchase agreement ("FPA") Warrants (as defined below) (Note 20.1),
iv. 500,000 Series A shares, related to a certain private subscription agreement, and
v. 8,750,000 related to the share-based payments granted to employee (Note 32).

Due to the anti-dilutive nature of the potential common shares disclosed above there are no differences with the basic loss per share.

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of authorization of these financial statements.

Note 13. Property, plant and equipment

Changes in property, plant and equipment for the years ended December 31, 2018 and 2017 are as follows:

Cost	Land and buildings	Vehicles, machinery, installations, computer equipment and furniture	Oil and Gas properties [1]	Wells and production facilities	Work in progress [2][3]	Materials	Total
As of March 22, 2017 and December 31, 2017	-	-	-	-	-	-	-
Incorporation by business acquisition of PELSA (Note 30)	296	7,351	59,564	236,406	4,496	4,615	312,728
Incorporation by business acquisition of JdM and Medanito (Note 30)	1,818	1,726	-	78,298	4,254	-	86,096
Incorporation from business combination of APCO (Note 30)	89	2,188	300,997	73,275	1,675	2,162	380,386
Additions	18	1,116	9,000	4,732	117,348	18,085	150,299
Transfers	-	3,459	-	44,090	(32,178)	(15,371)	-
Disposals	-	(175)	(18,255)	(11,839)	(4,902)	-	(35,171)
As of December 31, 2018	**2,221**	**15,665**	**351,306**	**424,962**	**90,693**	**9,491**	**894,338**
Accumulated depreciation							
As of March 22, 2017 and December 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	(14)	(1,529)	(1,426)	(71,006)	-	-	(73,975)
Disposals	-	175	-	184	-	-	359
As of December 31, 2018	**(14)**	**(1,354)**	**(1,426)**	**(70,822)**	**-**	**-**	**(73,616)**
Net book value							
As of December 31, 2018	**2,207**	**14,311**	**349,880**	**354,140**	**90,693**	**9,491**	**820,722**
As of December 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(1) Disposals of Oil and Gas properties of the year 2018 are related to CASO-Aguila Mora swap agreement. This transaction did not generate cash flow

(2) Additions of work in progesss of year 2018 includes wells related to Águila Mora block for 13,157. This transaction did not generate cash flow (Note 29.3.5).

(3) Additions of work in progress of year 2018 includes advances to suppliers for 5,889.

Please refer to Note 3 for the details on impairment testing of oil and gas properties.

Note 14. Goodwill and other intangible assets

Changes in goodwill and other intangible assets for the ended December 31, 2018 and 2017 are as follows:

		Other intangible assets		
	Goodwill	**Software licenses**	**Exploration rights**	**Total**
Cost				
As of March 22, 2017 and December 31, 2017	**-**	**-**	**-**	**-**
Incorporation by business acquisition (Note 30)	28,484	911	-	911
Additions	-	1,805	29,681	31,486
As of December 31, 2018	**28,484**	**2,716**	**29,681**	**32,397**
Accumulated amortization				
As of March 22, 2017 and December 31, 2017	-	-	-	-
Amortization charge for the year	-	(797)	-	(797)
As of December 31, 2018	**-**	**(797)**	**-**	**(797)**
Net book value				
As of December 31, 2018	**28,484**	**1,919**	**29,681**	**31,600**
As of December 31, 2017	**-**	**-**	**-**	**-**

Goodwill arises from the business combinations (see Note 30) principally because the Company's ability to capture unique synergies that can be realized from managing a portfolio of the acquired oil and gas fields.

For impairment testing purposes, the goodwill acquired through business combinations has been allocated to the Bajada del Palo CGU, Jagüel de los Machos CGU, 25 de Mayo – Medanito CGU.

Software licenses are being amortized over the useful economic life of three years.

Exploration rights relates to the acquisition of 50% working interest in three blocks in which Jaguar Exploration and Production of Hydrocarbons S.A.P.I. de C.V. ("Jaguar") and Pantera Exploración y Producción, S.A.P.I. de C.V. ("Pantera") were licensees (See Note 1).

Note 15. Deferred income tax assets and liabilities and income tax expense

The composition of the deferred tax assets and liabilities is as follows:

	As of January 1, 2018	**Change due to business combination**	**Profit (loss)**	**Other comprehensive income (loss)**	**As of December 31, 2018**
Trade and other receivables	-	523	1,253	-	1,776
Employee defined benefit plans	-	1,841	(2,134)	891	598
Provisions	-	5,346	264	-	5,610
Deferred income tax asset	**-**	**7,710**	**(617)**	**891**	**7,984**
Property, plant and equipment	-	(129,907)	(10,329)	-	(140,236)
Borrowings' transaction costs	-	-	(1,351)	-	(1,351)
Intangible assets	-	(74)	19	-	(55)
Financial assets at FVTPL	-	(1)	1	-	-
Inventory	-	-	(40)	-	(40)
Other	(38)	(401)	342	-	(59)
Deferred income tax liabilities	**(38)**	**(130,383)**	**(11,358)**	**-**	**(141,741)**
Net deferred income tax liability	**(38)**	**(122,673)**	**(11,975)**	**891**	**(133,757)**

Deferred tax assets and liabilities are offset in the following cases: a) when there is a legally enforceable right to offset tax assets and liabilities; and b) when deferred income tax charges are associated with the same fiscal authority. The following amounts, determined after their offset, are disclosed in the consolidated statement of financial position:

	As of December 31, 2018	As of December 31, 2017
Deferred income tax asset	7,984	-
Deferred income tax liabilities	(141,741)	(38)
Deferred income tax liabilities, net	**(133,757)**	**(38)**

The breakdown of income tax charge is as follows:

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Current income tax				
Current income tax income / (charge)	(35,444)	-	(6,033)	-
Difference in the estimate of previous fiscal year income tax and the income return	-	-	-	-
Deferred income tax				
Relating to origination and reversal of temporary differences	(11,975)	(38)	18,231	(38)
Income tax (expense) / benefit reported in the consolidated statement of profit or loss	**(47,419)**	**(38)**	**12,198**	**(38)**
Deferred tax charged to OCI	**891**	**-**	**1**	**-**
Total income tax expense	**(46,528)**	**(38)**	**12,199**	**(38)**

Below is a reconciliation between income tax (expense)/ benefit and the amount resulting from application of the tax rate on the profit (loss) before income taxes:

	For the year ended December 31, 2018	For the period from March 22 through December 31, 2017	For the period from October 1 through December 31, 2018	For the period from October 1 through December 31, 2017
Profit (Loss) before income tax	17,569	(5,057)	30,181	(2,166)
Current statutory income tax rate	30%	30%	30%	30%
Income tax at the statutory income tax rate	(5,271)	1,517	(9,054)	650
Items that adjust the income tax (expense) / benefit:				
Non-deductible expenses	(4,540)	-	-	-
Effect of the measurement of property, plant and equipment and intangible assets in their functional currency	(39,124)	-	21,252	-
Unrecognized Tax losses and other assets	(19,908)	(1,555)	-	(688)
Effect related to statutary income tax rate change	21,491			
Adjustment related to current income tax for the prior year	(1,426)	-	-	-
Other	1,359	-	-	-
Total income tax expense	**(47,419)**	**(38)**	**12,198**	**(38)**

Breakdown of the income tax liability:

	As of December 31, 2018	As of December 31, 2017
Current		
Income tax, net of withholdings and advances	22,429	-
Total current	**22,429**	-

Note 16. Trade and other receivables

	As of December 31, 2018	As of December 31, 2017
Other receivables:		
Prepayments, tax receivables and others:		
Prepaid expenses and other receivables	10,646	128
Turnover tax credit	496	-
	11,142	**128**
Financial assets:		
Natural gas surplus injection stimulus program credit (Note 2.5.2.1)	9,049	-
	9,049	**-**
Total non-current other receivables, net	**20,191**	**128**

	As of December 31, 2018	As of December 31, 2017
Trade:		
Current		
Receivables from oil and gas sales	55,032	-
Checks to be deposited	883	-
Trade receivables, net	**55,915**	-
Other receivables:		
Prepayments, tax receivables and others:		
Value Added Tax	10,127	-
Income tax	3,826	
Turnover tax	1,938	-
Prepaid expenses	572	-
	16,463	-
Financial assets:		
Natural gas surplus injection stimulus program credit (Note 2.5.2.1)	6,899	-
Receivables from services to third parties	2,850	-
Advances and loans to employees	1,818	-
Grants on propane	982	-
Related parties (Note 26)	186	-
Price stability program of NGL credit	151	-
Other	786	-
	13,672	-
Other receivables	**30,135**	**-**
Total current trade and other receivables	**86,050**	**-**

Due to the short-term nature of the current trade and other receivables, their carrying amount is considered to be the same as their fair value. For the non-current trade and other receivables, the fair values are also not significantly different to their carrying amounts.

Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days. No interest is charged on outstanding trade receivables.

For the year ended December 31, 2018 a provision for expected credit losses on trade receivables was recognized for an amount of 257. As of December 31, 2017, the Company has not recognized provision for credit losses.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities. The Company has recognized a loss allowance of 100% against all receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable.

As of December 31, 2018 and 2017, trade receivables that were past due amounted to 11,798 and nil respectively, which were due and net for an allowance for expected credit losses of trade receivables of 257, and nil, respectively.

The movements in the allowance for the expected credit losses of trade receivables are as follows:

	As of December 31, 2018	**As of December 31, 2017**
At the beginning	-	-
Net remeasurement of loss allowance	(539)	-
Foreign exchange translation gains and losses	282	-
At the end of the period/year	**(257)**	-

As of the date of these consolidated financial statements, the maximum exposure to credit risk corresponds to the carrying amount of each class of receivables.

Note 17. Financial Assets and financial liabilities

17.1 Financial liabilities: Borrowings

	As of December 31, 2018	**As of December 31, 2017**
Non-Current		
Financial borrowings	294,415	644,630
Total non-current	**294,415**	**644,630**
Current		
Financial borrowings	10,352	**-**
Total current	**10,352**	-
Total	**304,767**	**644,630**

The maturities of the Company's borrowings (excluding finance lease liabilities) and its exposure to interest rates are as follow:

	As of December 31, 2018
Fixed rate	
Less than one year	4,841
One to two years	14,721
Three to five years	132,486
	152,048
Floating rates	
Less than one year	5,511
One to two years	14,721
Three to five years	132,487
	152,719
Total borrowings	**304,767**

See Note 17.4.2 for information regarding the fair value of the borrowings.

Details of borrowings:

Type of instrument	Company	Currency	Amount of principal	Interest	Rate	Expiration	Carrying amount as of December 31, 2018
Financial Borrowings:	Vista Oil & Gas Argentina, S.A.	US dollar	300,000	LIBOR	8.06%	July 20, 2023	304,767

(1) On April 4, 2018, the Company subscribed a bridge loan agreement with Citibank, NA, Credit Suisse AG and Morgan Stanley Senior Funding, Inc., as co-lenders, for an amount of 260,000 in order to pay a portion of the price of acquisition of the shares of APCO and APCO Argentina. Such loan originated transaction costs for an amount of 12,970. The loan had an expiration date on February 11, 2019 and bore interest of 3.25% to be increased on a quarterly basis reaching 5% at the expiration date. The repayment of the entire principal would occur on the final maturity date. The repayment of the entire principal and interest accrued occurred on July 19, 2018. During the term of the loan, a collateral on 100% of Vista's subsidiaries´ shares was put in place.

The loan agreement included affirmative and negative covenants, as it is usual in the market.

During the term the loan was effective, there was no non-compliance on said affirmative, negative and financial covenants.

This loan was prepaid on July 19, 2018, when a new financing was obtained through its Argentine subsidiary as explained in item 2). Consequently, the collateral in favor of the lenders was released. As of that date, the remaining amount of deferred expenses related to this loan for 12,970 were recognized in profit or loss.

(2) On July 19, 2018, the Company, through its Argentine subsidiary (Vista Oil & Gas Argentina, S.A.), subscribed a Syndicated Term Loan agreement with Banco de Galicia y Buenos Aires, S.A., Itaú Unibanco S.A. Nassau Branch, Banco Santander Río, S.A. and Citibank, N.A. for 5 years for an amount of 300,000 guaranteed by VISTA and another one of its subsidiaries. The loan was granted for a term of 5 years. An amount of 150,000 bears interest on a fixed rate interest of 8.00% on an annual basis, while the remaining amount of 150,000, bears interest on an annual basis at an annual nominal LIBOR plus a 450 bps margin per annum. During the term of the loan, a 100% of VISTA Argentina, APCO and APCO Argentina shares were pledged as collateral.

The loan agreement includes affirmative and negative covenants, as it is usual in the market.

During the term of the loan, the Company has to comply with the following financial covenants:

(i) Consolidated Total Debt (all Indebtedness of Vista and its Restricted Subsidiaries as of such date on a Consolidated basis) to Consolidated EBITDA (as defined in the agreement).

(ii) Consolidated Interest Coverage Ratio as of the last day of any fiscal quarter, beginning with the fiscal quarter ending September 30, 2018:

"Consolidated Interest Coverage Ratio" shall mean, for any date of determination, the ratio of (a) Consolidated EBITDA of Vista and its Restricted Subsidiaries for the Test Period ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter most recently ended prior to such date) to (b) Consolidated Interest Expense of Vista and its Restricted Subsidiaries for such period.

(iii) Adjusted Consolidated Net Debt to Adjusted Consolidated EBITDA Ratio of Vista Holding I.

This credit facility includes covenants restricting, but not prohibit, among other things, Vista Argentina, Vista Holding I, APCO Argentina, APCO International, Vista Holding II and the Group's ability to:

- incur or guarantee additional debt;
- create liens on its assets to secure debt;
- dispose of assets
- merge or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets;
- change their existing line of business
- declare or pay any dividends or return any capital, other than certain limited payments;
- make investments;
- enter into transactions with affiliates; and
- change their existing accounting practices

As of December 31, 2018 and 2017, there was no non-compliance of said affirmative, negative and financial covenants.

17.1.1 Changes in liabilities arising from financing activities

The movements in the borrowings are as follows:

	As of December 31, 2018	As of December 31, 2017
Balance at the beginning of the periods/year	**644,630**	**640,028**
Proceeds from the bridge loan	260,000	-
Payment of bridge loan transaction costs	(11,904)	-
Payment of bridge loan	(260,000)	-
Proceeds from the Syndicated term loan	300,000	-
Payment of Syndicated term loan transaction costs	(6,376)	-
Payment of redemption of Series A shares (Note 20.1)	(204,590)	-
Capitalization of liability related to Series A shares (1) (Note 20.1)	(442,491)	2,052
Accrued interest (1) (Note 11.2)	15,546	2,550
Payment of borrowings' interests	(5,018)	-
Costs of early settlements of borrowings and amortized cost (Note 11.3)	14,970	-
At the end of the period/year	**304,767**	**644,630**

(1) Non-cash movement.

17.2 Warrants

Along with the issuance of the Series A common shares at the IPO, the Company placed 65,000,000 warrants to purchase one-third of a Series A common shares at a strike price of 11.5 U.S. Dollar per share (the "Series A Warrants"). These Series A Warrants expire on April 4, 2023 or earlier if, after exercisability, the closing price for a class A common share for any 20 trading days within an applicable 30-trading day period shall equal or exceed the peso equivalent of 18.00 U.S. Dollar and the Company decides to early terminate the exercise period of the warrants. In the event the Company declares an early termination, Vista will have the right to declare that the exercise of the Series A Warrants to be made on a "cashless basis". If the Company elects the cashless exercise, holders of Series A Warrants electing to exercise such warrants shall do so by surrendering warrants and receiving a variable number of Series A shares resulting from the formula set forth in the warrant indenture, which captures the average of the U.S. dollar equivalent of the closing price of the class A shares during a 10-day period.

Substantially at the same time, the Company's sponsors purchased a total of 29,680,000 warrants to purchase one-third of a Series A common share at a strike price of 11.5 U.S. Dollar per share (the "Warrants") for 14,840 in a private placement that was made simultaneously with the closing of the Initial Public Offering in Mexico. The Warrants are identical to and fungible with the Series A Warrants; however, the Warrants may be exercised for cash or on a cashless basis for a variable number of Series A shares at the discretion of VISTA's sponsors or their permitted transferees. If the Warrants are held by other persons, then they will be exercisable by on the same basis as the other warrants.

On August 15, 2018, the exercise period of the aforementioned Warrants commenced.

The liability associated with the warrant will eventually be converted to the Company's equity (Series A common shares) when the warrants are exercised or will be extinguished upon the expiry of the outstanding warrants and will not result in the payment of any cash by the Company.

	As of December 31, 2018	As of December 31, 2017
Non Current		
Warrants	23,700	14,840
Total non current	**23,700**	**14,840**

17.3 Financial instruments by category

The following chart presents financial instruments by category, except for cash and cash equivalent:

As of December 31, 2018	Financial assets/liabilities at amortized cost	Financial assets/liabilities FVTPL	Total financial assets/liabilities
Assets			
Natural gas surplus injection stimulus program credit (Note 16)	9,049	-	9,049
Total non-current Financial assets	**9,049**	**-**	**9,049**
Receivables from oil and gas sales (Note 16)	55,032	-	55,032
Natural gas additional injection stimulus program credit (Note 2.5.2.1)	6,899	-	6,899
Receivables from services to third parties (Note 16)	2,850	-	2,850
Advances and loans to employees (Note 16)	1,818	-	1,818
Grants on propane credit (Note 16)	982	-	982
Related parties (Note 26)	186	-	186
Price stability program of NGL credit (Note 16)	151	-	151
Other (Note 16)	786	-	786
Government bonds and notes (Note 19)	3,404	11,457	14,861
Total current Financial assets	**72,108**	**11,457**	**83,565**
Liabilities			
Accounts payable and accrued liabilities	1,007	-	1,007
Borrowings	294,415	-	294,415
Warrants	-	23,700	23,700
Total non-current Financial liabilities	**295,422**	**23,700**	**319,122**
Accounts payable and accrued liabilities	84,334	**-**	84,334
Borrowings	10,352	**-**	10,352
Total current Financial liabilities	**94,686**	**-**	**94,686**

As of December 31, 2017	Financial assets / liabilities at amortized cost	Financial assets / liabilities at FVTPL	Total financial assets / liabilities
Assets			
Cash held in escrow account	652,566	-	652,566
Total non-current Financial assets	**652,566**	**-**	**652,566**
Cash, bank balances and other short-term investments	2,666	-	2,666
Total current Financial assets	**2,666**	**-**	**2,666**
Liabilities			
Accounts payable and accrued liabilities	550	-	550
Borrowing	644,630	-	644,630
Warrants	-	14,840	14,840
Total non-current Financial liabilities	**645,180**	**14,840**	**660,020**
Accounts payable and accrued liabilities	277	-	277
Total current Financial liabilities	**277**	**-**	**277**

The income, expenses, gains and losses derived from each of the financial instrument categories are indicated below:
For the year ended December 31, 2018:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Total
Interest income (Note 11.1)	2,532	-	2,532
Interest expense (Note 11.2)	(15,746)	-	(15,746)
Foreign exchange, net (Note 11.3)	3,005	-	3,005
Results from financial instruments at fair value	-	(8,860)	(8,860)
Changes in the fair value of government bonds	-	1,415	1,415
Cost of early settlements of borrowings	(14,970)	-	(14,970)
Discount of assets and liabilities at present value	(2,743)	-	(2,743)
Unwinding of discount on asset retirement obligation	(897)	-	(897)
Other financial results	(366)	-	(366)
Total	**(29,185)**	**(7,445)**	**(36,630)**

For the period ended December 31, 2017:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Total
Interest income (Note 11.1)	2,548	-	2,548
Interest expense (Note 11.2)	(2,551)	-	(2,551)
Foreign exchange, net (Note 11.3)	2	-	2
Other financial results	(2,052)	-	(2,052)
Total	**(2,053)**	**-**	**(2,053)**

17.4 Fair values

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

17.4.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Company classifies the fair value measurements of financial instruments using a fair value hierarchy, which reflects the relevance of the variables used to perform those measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (not adjusted) for identical assets or liabilities in active markets.
- Level 2: data different from the quoted prices included in Level 1 observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Asset or liability data based on information that cannot be observed in the market (i.e., unobservable data).

The following table shows the Company's financial assets and liabilities measured at fair value as of December 31, 2018, and 2017:

As of December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at FVTPL				
Government bonds	11,457	-	-	11,457
Total assets	**11,457**	**-**	**-**	**11,457**

As of December 31, 2018	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at FVTPL				
Warrants	-	-	23,700	23,700
Total liabilities	**-**	**-**	**23,700**	**23,700**

As of December 31, 2017	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at FVTPL				
Warrants	-	-	14,840	14,840
Total liabilities	**-**	**-**	**14,840**	**14,840**

The value of the financial instruments negotiated in active markets is based on the market quoted prices as of the date of these consolidated financial statements. A market is considered active when the quoted prices are regularly available through a stock exchange, broker, sector-specific institution or regulatory body, and those prices reflect regular and current market transactions between parties that act in conditions of mutual independence. The market quotation price used for the financial assets held by the Company is the current offer price. These instruments are included in level 1.

The fair value of financial instruments that are not negotiated in active markets is determined using valuation techniques. These valuation techniques maximize the use of market observable information, when available, and rely as little as possible on specific estimates of the Company. If all significant variables to establish the fair value of a financial instrument can be observed, the instrument is included in level 2.

If one or more variables used to determine the fair value could not be observed in the market, the financial instrument is included in level 3.

There were no transfers between Level 1 and Level 2 during the period and year ended December 31, 2018 and 2017.

The fair value of the Series A warrants is determined using the Black & Scholes warrant pricing model by taking into consideration the expected volatility of its common shares in estimating its future stock price volatility. The risk-free interest rate for the expected life of the Warrants is based on the yield available on government benchmark bonds with an approximate equivalent remaining term at the time of the grant. The expected life is based upon the contractual term.

The following weighted average assumptions were used to estimate the fair value of the warrant liability on December 31, 2018:

	December 31, 2018
Annualized volatility	26.675%
Domestic risk-free interest rate	8.5751%
Foreign risk-free interest rate	2.5377%
Expected life of warrants in years	4.27 years
Fair value per Warrant	U.S.$ 0.250

This is a Level 3 recurring fair value measurement. The key level 3 inputs used by management to determine the fair value are the market price and the expected volatility. If the market price were to increase by U.S.$ 0.10 this would increase the obligation by approximately U.S.$ 820 as of December 31, 2018. If the market price were to decrease U.S.$ 0.10 this would decrease the obligation by approximately U.S.$ 828. If the volatility were to increase by 50 basis points this would increase the obligation by approximately U.S.$ 245. If the volatility were to decrease by 50 basis point, this would decrease the obligation by approximately U.S.$ 259 as of December 31, 2018.

Reconciliation of Level 3 fair value measurements:

	As of December 31, 2018
Balance of warrant liability as of December 31, 2017 of VISTA	14,840
Total losses:	
– in profit or loss (Note 11.3)	8,860
Closing balance (Note 17.2)	**23,700**

17.4.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the management consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values as explained in the correspondent notes.

As of December 31, 2018	Carrying amount	Fair Value	Level
Liabilities			
Borrowings	304,767	286,734	2
Total liabilities	**304,767**	**286,734**	

As of December 31, 2017	Carrying amount	Fair Value	Level
Liabilities			
Redeemable Series A shares	644,630	650,000	1
Total liabilities	**644,630**	**650,000**	

17.5 Financial instruments risk management objectives and policies

17.5.1 Financial Risk Factors

The Company's activities are subject to several financial risks: market risk (including the exchange rate risk, the interest rate risk and the price risk), credit risk and liquidity risk.

Financial risk management is encompassed within the Company's global policies, there is an integrated risk management methodology focused on monitoring risks affecting the whole Company. The Company's risk management strategy seeks to achieve a balance between profitability targets and risk exposure levels. Financial risks are those derived from financial instruments the Company is exposed to during or at the closing of each period/year. The Company did not use derivative instruments to hedge any risk according to its risk management internal policies in the periods/year presented.

Financial risk management is controlled by the Financial Department, which identifies, evaluates and covers financial risks. Risk management systems and policies are reviewed on a regular basis to reflect changes in market conditions and the Company's activities. This section includes a description of the main risks and uncertainties, which may adversely affect the Company's strategy, performance, operational results and financial position.

17.5.1.1 Market risks

Foreign exchange risk

The Company's financial situation and the results of its operations are sensitive to variations in the exchange rate between the U.S. Dollars and Argentina peso ("ARS") and other currencies. The Company does not use derivative financial instruments to mitigate associated exchange rate risks in the periods/year presented.

The majority of the Company´s sales are directly denominated in dollars or the evolution of its price follows the evolution of the quotation of this currency. The Company collects a significant portion of its revenues in ARS pursuant to prices which are indexed to the U.S. dollar, mainly revenues resulting from the sale of gas and crude oil.

During the year ended December 31, 2018 the Argentine Peso depreciated by approximately 105%.

The following tables demonstrate the sensitivity to a reasonably possible change in ARS exchange rates against U.S. Dollars, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and monetary liabilities denominated in currencies other that the U.S. Dollar, the functional currency of the Company. The Group's exposure to foreign currency changes for all other currencies is not material.

	As of December 31, 2018
Change in Argentine Peso Rate	+/- 28%
Effect in profit before tax	(12,697) / 12,697
Effect in pre-tax equity	(12,697) / 12,697

Argentine inflationary environment

Inflation in Argentina has been high for several years, but consumer price inflation (CPI) was not reported consistently. Given the differences in geographical coverage, weights, sampling, and methodology of various inflation series, the average CPI inflation for 2014, 2015, and 2016, and end-of-period inflation for 2015 and 2016 were not reported in the IMF's April 2018 World Economic Outlook. The 3-year cumulative inflation using different combinations of retail price indices has been in excess of 100% since late 2017. However, the wholesale price index, which had been available consistently for the past three years, was about 75% on a 3-year cumulative basis in December 2017.

During 2018, the Argentine Peso devalued approximately 100%, annual interest rates were raised in excess of 60%, and wholesale price inflation accelerated considerably. The 3-year cumulative rate of inflation reach a level of around 140%.

Price risk

The Company's financial instruments are not significantly exposed to hydrocarbon international price risks because of the current regulatory, economic, governmental and other policies in force, gas domestic prices are not directly affected in the short-term due to variations in the international market.

Additionally, the Company's investments in financial assets classified as "at fair value through profit or loss" are sensitive to the risk of changes in the market prices resulting from uncertainties as to the future value of such financial assets.

The Company estimates that provided all other variables remain constant, a revaluation/(devaluation) of each market price detailed below would generate the following increase/(decrease) in the fiscal year's income/(loss) in relation to financial assets at fair value through profit or loss detailed in Note 17.3 to these consolidated financial statements:

	As of December 31, 2018
Change in Government bonds	+/- 10%
Effect in profit before tax	1,329 / (1,329)
Change in Mutual funds	+/- 10%
Effect in profit before tax	5,096 / (5,096)

Cash flow and fair value interest rate risk

The management of the interest rate risk seeks to reduce financial costs and limit the Company's exposure to interest rate increases.

Indebtedness at variable rates exposes the Company to the interest rate risk on its cash flows due to the possible volatility they may experience. Indebtedness at fixed rates exposes the Company to the interest rate risk on the fair value of its liabilities, since they may be considerably higher than variable rates. As of December 31, 2018, approximately 50% of the indebtedness was subject to variable interest rates, mainly denominated in US dollar, at Libor rate plus an applicable margin. As of December 31, 2018, the variable interest rate was 8.06%. As of December 31, 2017, the Company does not have any borrowings.

The Company seeks to mitigate its interest-rate risk exposure through the analysis and evaluation of (i) the different liquidity sources available in the financial and capital market, both domestic and (if available) international; (ii) interest rates alternatives (fixed or variable), currencies and terms available for companies in a similar sector, industry and risk than the Company; (iii) the availability, access and cost of interest-rate hedge agreements. On doing this, the Company evaluates the impact on profits or losses resulting from each strategy over the obligations representing the main interest-bearing positions.

In the case of fixed rates and in view of the market's current conditions, the Company considers that the risk of a significant decrease in interest rates is low and, therefore, does not foresee a substantial risk in its indebtedness at fixed rates.

For the years ended December 31, 2018 and 2017, the Company did not use derivative financial instruments to mitigate risks associated with fluctuations in interest rates.

The following chart shows the breakdown of the Company's borrowings classified by interest rate and the currency in which they are denominated:

	As of December 31, 2018
Fixed interest rate:	
U.S dollar	152,048
Subtotal loans granted at a fixed interest rate	152,048
Floating interest rates:	
U.S dollar	152,719
Subtotal loans granted at a floating interest rate	152,719

Based on the conducted simulations, and provided all other variables remain constant, a 1% increase/decrease in variable interest rates would generate the following (decrease)/increase in the period's results of 680.

17.5.1.2 Credit risk

The Company establishes individual credit limits according to the limits defined by the Commercial Department based on internal or external ratings. The Company only operates with high quality credit companies. The Company makes constant credit assessments on its customers' financial capacity, which minimizes the potential risk for bad debt losses. Customer credit risk is managed centraly subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The credit risk represents the exposure to possible losses resulting from the breach by commercial or financial counterparties of their obligations taken on with the Company. This risk stems mainly from economic and financial factors or a possible counterparty default.

The credit risk is associated with the Company's commercial activity through customer trade receivables, as well as available funds and deposits in banking and financial institutions.

The Company has established an allowance for expected credit losses. This allowance represents the best estimate by the Company of possible losses associated with trade receivables.

As of December 31, 2018, the Company's trade and other receivables net of their corresponding ECL totaled 78,636, out of which 88% were short-term receivables.

The Company has the following credit risk concentration regarding its participation on all trade receivables as of December 31, 2018 and 2017 and the income for each year:

	As of December 31, 2018	**As of December 31, 2017**
Percentages on total trade receivables:		
Oil Market		
Trafigura Argentina S.A.	35%	-%
Shell Cía. Argentina de Petróleo S.A.	31%	-%

	For the year ended December 31, 2018	**For the period ended December 31, 2017**
Percentages on revenues from contracts with customers by product:		
Oil Market		
Shell Cía. Argentina de Petróleo S.A.	40%	-%
Trafigura Argentina S.A.	34%	-%
Pampa Energía S.A.	13%	-%
YPF S.A.	12%	-%
Natural Gas		
Rafael G. Albanesi S.A.	26%	-%
Cía. Inversora de Energía S.A.	13%	-%
San Atanasio Energía S.A.	10%	-%

No other single client has a participation on the total amount of these receivables or revenues exceeding 10% in some of the periods presented.

An impairment analysis is performed at each reporting date on a case-by-case basis to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as high, as its customers are concentrated as detailed above.

Set out below is the information about the credit risk exposure on the Company's trade receivables:

As of December 31, 2018	**Current**	**<90 days**	**90–365 days**	**>365 days**	**Total**
Days past due					
Estimated total gross carrying amount at default	44,374	7,965	3,833	-	56,172
Expected credit loss	-	-	(257)	-	(257)
					55,197

As of December 31, 2017, while there were no trade receivables with third parties.

The credit risk of liquid funds and other financial investments is limited since the counterparties are high credit quality banking institutions. If there are no independent risk ratings, the risk control area evaluates the customer's creditworthiness, based on past experiences and other factors.

Additionally, the Company's Natural Gas Promotion Program compensation depends on the Argentine Government's ability and willingness to pay. Before the Government authorized the issuance of dollar-denominated sovereign bonds or an instalments settlement plan to cancel outstanding debts under the Program, the Company suffered certain delays in the collection of such compensation. The Company may not guarantee that it will be able to properly collect the offered compensations, which might give rise to a claim to the Argentine Government. The Natural Gas Promotion Program is no longer in place; therefore, the Company is not generating any new receivables from the Argentina Governments.

17.5.1.3 Liquidity risk

The liquidity risk is associated with the Company's capacity to finance its commitments and conduct its business plans with stable financial sources, as well as with the indebtedness level and the financial debt maturities profile. The cash flow projection is made by the Financial Department.

The Company management supervises updated projections on liquidity requirements to guarantee the sufficiency of cash and liquid financial instruments to meet operating needs. In this way, the aim is that the Company does not breach indebtedness levels or the Covenants, if applicable, of any credit facility. Those projections take into consideration the Company's debt financing plans, the compliance of the covenants and, if applicable, the external regulatory or legal requirements such as, for example, restrictions on the use of foreign currency.

Excess cash and balances above working capital management requirements are managed by the Company's Treasury Department, which invests them in term deposits, mutual funds, selecting instruments having proper currencies and maturities, and an adequate credit quality and liquidity to provide a sufficient margin as determined in the previously mentioned projections.

The Company keeps its sources of financing diversified between banks and the capital market, and it is exposed to the refinancing risk at maturity.

The determination of the Company's liquidity index as of December 31, 2018 and 2017:

	As of December 31, 2018	**As of December 31, 2017**
Current assets	185,145	2,666
Current liabilities	134,118	286
Liquidity Index	1.380	9.322

The following table includes an analysis of the Company financial liabilities, grouped according to their maturity dates and considering the period remaining until their contractual maturity date from the date of the financial statements.

The amounts shown in the table are the contractual undiscounted cash flows.

As of December 31, 2018	**Financial liabilities excluding borrowings**	**Borrowings**	**Total**
Not yet due:			
Less than three months	-	10,352	10,352
Three months to one year	84,334	-	84,334
One to two years	1,007	26,471	27,478
Two to five years	23,700	267,944	291,644
Total	**109,041**	**304,767**	**413,808**

As of December 31, 2017	Financial liabilities excluding borrowings	Borrowings	Total
Less than three months	-	-	-
Three months to one year	277	-	277
One to two years	550	644,630	645,180
Two to five years	14,840	-	14,840
Total	**15,667**	**644,630**	**660,297**

Note 18. Inventories

	As of December 31, 2018	As of December 31, 2017
Materials and spare parts	15,465	-
Crude oil	2,722	-
Total	**18,187**	**-**

Note 19. Cash, bank and other short-term investments

	As of December 31, 2018	As of December 31, 2017
Banks	13,254	2,666
Mutual funds	52,793	-
Government bonds	11,457	-
Notes	3,404	-
Total	**80,908**	**2,666**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, mutual funds and time depostis with a maturity less than three month used by the Company as part of its cash management. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	As of December 31, 2018	As of December 31, 2017
Cash, banks and short-term investments	80,908	2,666
Less / plus		
Cash held in escrow account	-	652,566
Government Bonds and notes	(14,861)	-
Cash and cash equivalents	**66,047**	**655,232**

Note 20. Share Capital and Capital Risk Management

20.1 Share capital

The following chart shows a reconciliation of the movements in equity of the Company for the year ended December 31, 2018:

	Series A - Publicly traded shares	Series A – Private Offering	Series B	Series C	Total
Balances as of January 1, 2018	-	-	25	-	25
Number of shares	-	-	16,250,000	2	16.250,002
Net value of Series A shares on April 4, 2018	627,582	90,238	-	-	717,820
Number of shares	65,000,000	9,500,000	-	-	74,500,000
Net value of Series A shares redeemed on April 4, 2018	(204,590)	-	-	-	(204,590)
Number of shares	(20,340,685)	-	-	-	(20,340,685)
Net value of Series B shares converted into Series A shares on April 4, 2018	25		(25)		-
Number of shares	16,250,000		(16,250,000)		-
Balance as of December 31, 2018	423,017	90,238	-	-	513,255
Number of shares	60,909,315	9,500,000	-	2	70,409,317

1) Series A Publicy Traded Shares

On August 15, 2017, the Company concluded its IPO in the Mexican Stock Exchange. As a result of this IPO, the Company issued on that date 65,000,000 Series A common shares for an amount of 650,017 minus the offering fees of 9,988. This Series A common shares were redeemable during the first 24 months of the IPO or at the shareholders election once the Initial Business Combination were approved.

The funds received form the Initial Public Offering on the Mexican Stock Exchange for 650,017 on August 15, 2017 were invested in a security deposit account located in the United Kingdom (the "Escrow Account") with Citibank N.A. London branch acting as depository. Those funds were deposited in an interest-bearing account and the Company used those amounts in connection with the Initial Business Combination or for reimbursements to Series A shareholders that exercised their redemption rights.

After the initial recognition, the funds received from the Series A shares, net of offer expenses, were measured subsequently at their amortized cost using the effective interest rate method. Profits and losses were recognized in profit or loss when the liabilities are written off, as well as through the amortization process through the method of the effective interest rate.

On April 4, 2018, the Company consummated its Initial Business Combination and consequently the monies accumulated in the Escrow Account for an amount of 653,781 were used to complete the acquisitions related thereto and perform reimbursements of Series A shareholders that elect to do so.

About 31.29% of the holders of the Series A redeemable common shares exercised their redemption rights aforementioned; as a result, 20,340,685 shares were redeemed for an amount of 204,590 (see Note 17.1.1). The resources came from the cash held in the Escrow Account. The holders of remaining Series A redeemable common shares decided not to exercise their reemption right (Note 32) and, as a result, an amount of 442,491 net of offering expenses paid for an amount of 6,700, was capitalized on that date. In addition, on the same date the Company paid deferred offering expenses at IPO for 19,500. The capitalization of 442,491 did not generate cash flow, while the payment of offering expenses was made using the proceeds held in the Escrow Account (see Note 17.1.1).

2) Series A Private Offering

On December 18, 2017, the shareholders' meeting approved an increase in the variable capital stock for an amount of 1,000 through the subscription of 100,000,000 Series A common shares as a result of a potential Initial Business Combination disclosed in Note 31. On April 4, 2018 an amount of 9,500,000 Series A common shares were fully paid and subscribed for an amount of 95,000 through a shares' subscription process approved by the shareholders. In addition, 500,000 Series A common shares amounting for 5,000 were also committed as part of the same subscription process. Aggregate costs associated with the shares' subscription process amount for 4,073.

As disclosed in Note 32, on March 22, 2018, the Company's shareholders' approved 8,750,000 common shares to be held in treasury to be used to implement the Long Term Incentive Plan (LTIP), at the discretion of the Administrator of the Plan, based on the opinion of independent experts.

The remaining Series A common shares issued on December 18, 2017 not used for purposes of completing the shares' subscription process described above or for the LTIP, were cancelled on April 4, 2018 pursuant to the terms approved by the shareholders on December 18, 2017. As part of the LTIP, the Company will enter into a trust agreement (the "Administrative Trust") to deposit the Series A shares to be used thereunder. As of the issuance date of these consolidated financial statements, the Company is in the process to execute such Administrative Trust.

3) Series B

Prior to the Company's initial global offering, by means of unanimous shareholders' resolutions dated May 30, 2017, the shareholders of the Company, among other matters, resolved to increase the variable portion of the capital stock of the Company in the amount of 25,000, through the issuance of ordinary, nominative, shares, with no expression of their nominal par value.

As of December 31, 2018, the Company´s variable share capital consists of 70,409,315 Series A common shares with no face value each and each granting the right to one vote, issued and fully paid. As of December 31, 2018, the authorized common capital of the Company includes 47,476,668 Series A common shares in its treasury; which can be used in connection with the Warrants, the Forward Purchase Agreements and LTIP.

4) Series C

The variable portion of the capital stock is of unlimited amount pursuant to the bylaws and the applicable laws, whereas, the fixed portion of the Company's capital stock is divided into two class C shares.

20.1.1 Forward purchase agreement

On August 15, 2017, the Company agreed to enter into a forward purchase agreement (the "FPA") pursuant to which Riverstone Vista Capital Partners, L.P. ("RVCP") agreed to purchase a total of up to 5,000,000 series A shares and up to 5,000,000 warrants ("FPA Warrants") for a total purchase price of 50,000 (or $10 per unit) in exchange for an advance payment of RCVP. The FPA warrants when issued, will be subject to the same terms than the Warrants.

On February 15, 2018 (as amended and restated on March 29, 2018), the Company entered into a subscription agreement (the "Subscription Agreement") with Kensington Investments, B.V. ("Kensington"), whereby it agreed to purchase 500,000 additional series A shares for an aggregate amount of 5,000. As disclosed in Note 34, on February 13, 2019 the Company performed the closing of the transaction.

20.2 Capital risk management

On managing capital, the Company aims to safeguard its capacity to continue operating as an on-going business with the purpose of generating return for its shareholders and benefits to other stakeholders and keeping an optimal capital structure to reduce the cost of capital.

In line with industry practices, the Company monitors its capital based on the leverage ratio. This ratio is calculated by dividing the net debt by the total capital. The net debt equals the total indebtedness (including current and non-current indebtedness) minus cash, bank balances and short-term investments. The total capital corresponds to the shareholders' equity as shown in the consolidated statement of financial position including all reserves, plus the net debt.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, conduct stock purchase programs or sell assets to reduce its debt.

Financial leverage ratios as at December 31, 2018, is as follows:

	As of December 31, 2018
Total borrowings	304,767
Less: cash, bank balances and short-term investments	(80,908)
Net debt	223,859
Total capital attributable to owners	479,657
Leverage ratio	**47.00%**

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2018 and 2017.

Note 21. Provisions

	As of December 31, 2018	As of December 31, 2017
Non-Current		
Asset retirement obligation	15,430	-
Environmental remediation	756	-
Total Non-current provision	**16,186**	-
Current		
Environmental remediation	2,968	-
Asset retirement obligation	823	-
Provisions for contingencies	349	-
Total Current provisions	**4,140**	-

Movements of the period/year on the provision for contingencies:

	As of December 31, 2018	As of December 31, 2017
At the beginning of the period/year	-	-
Increases for business combination (Note 30)	202	-
Increases (Note 10.2)	240	-
Exchange differences	(84)	-
Amounts incurred due to payments/utilization	(9)	-
At the end of the period/year	**349**	**-**

Movements of the period/year on the provision for asset retirement obligation:

	As of December 31, 2018	As of December 31, 2017
At the beginning of the period/year	-	-
Increases for business combination (Note 30)	26,788	-
Unwinding of discount (Note 11.3)	897	-
Decreases [(1)]	(11,839)	-
Increase from change in estimates capitalized	407	-
At the end of the period/year	**16,253**	**-**

(1) Mainly related to the increase in the discount rate due to the change in the macroeconomic conditions and cost efficiencies.

Movements of the period/year on the provision for environmental remediation:

	As of December 31, 2018	As of December 31, 2017
At the beginning of the period/year	-	-
Increases for business combination (Note 30)	5,046	-
Increases	1,168	-
Decreases [(1)]	(2,490)	-
At the end of the period/ year	**3,724**	**-**

(1) Includes exchange differences.

21.1 Provision for Environmental remediation

The Company undertakes environmental impact studies for new projects and investments and, to date, environmental requirements and restrictions imposed on these new projects have not had any material adverse impact on the Company´s business.

The Company has performed a sensitivity analysis relating to the discount rate. The 1% increase or decrease in the discount rate would not have a significant impact on the Company's results of operations.

21.2 Provision for asset retirement obligation

In accordance with the regulations applicable in the countries where the Company (directly or indirectly through subsidiaries) performs oil and gas exploration and production activities, the Company must incur costs associated with asset retirement obligation. The Company has not pledged any assets for settling such obligations.

The asset retirement obligation provision represents the present value of decommissioning costs relating to oil and gas properties, which are expected to be incurred up to the end of each concession, when the producing oil and gas wells are expected to cease operations. These provisions have been created based on the Group's internal estimates or Operator's estimates, as applicable. Assumptions based on the current economic environment have been made, which management believes form a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual asset retirement obligation costs will ultimately depend upon future market prices for the necessary asset retirement obligation works required that will reflect market conditions at the relevant time. Furthermore, the timing of asset retirement obligation is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

The discount rate used in the calculation of the provision as of December 31, 2018 equaled to 10.03%.

The Company has performed a sensitivity analysis relating to the discount rate. The 1% increase or decrease in the discount rate would not have a significant impact on the Company's results of operations.

21.3 Provision for contingencies

The Company (directly or indirectly through subsidiaries) is a party to several civil, commercial, tax and labor proceedings and claims that arise in the ordinary course of its business. In determining a proper level of provision to estimate the amounts and probability of occurrence, the Company has considered its best estimate with the assistance of legal and tax advisors.

The determination of estimates may change in the future due to new developments or unknown facts at the time of evaluation of the provision. As a consequence, the adverse resolution of the evaluated proceedings and claims could exceed the established provision.

As of December 31, 2018, the Company is involved in various claims and legal actions arising in the ordinary course of business. Out of the total claims and legal actions in the aggregate claimed amount of 391, as of such date management has estimated a probable loss of 349. These amounts have been accrued for in the statements of financial position within "Provisions for contingencies". As of December 31, 2017 there were no claims and legal actions identified.

In addition, certain proceedings are considered to be contingent liabilities related to labor, civil, commercial and other actions which, based on the plaintiffs' claims, as of December 31, 2018 amount to a total of 42, and which the Company has not recognized them as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. See Note 27 for additional details on the main contingent assets as of December 31, 2018.

There are no individual claims or other matters, that individually or in the aggregate, have not been provisioned or disclosed by the Company, which amounts are material to the financial statements.

The Company, bearing in mind the opinion of the Company's legal counsel, considers that the amount of the provision is sufficient to afford the contingencies that may occur.

Note 22. Employee defined benefits plans obligation

The main characteristics of benefit plans granted only to certain employees from the Entre Lomas joint operation are detailed below.

Compensatory plan: Benefit plan whereby Company employees meeting certain conditions, who have participated in the defined benefit plan in an uninterrupted manner and who, having joined the Company before May 31, 1995, have the required number of years of service, are eligible to receive upon retirement a certain amount according to the provisions of the plan. The benefit is based on the last computable salary and the number of years working for the Company after deducting the benefits from the Argentine pension system managed by Administración Nacional de Seguridad Social ("ANSES"). At the time of retirement, employees are entitled to receive a monthly payment at constant value, which is updated at the end of each year by the Consumer Price Index (CPI) published by the Institute of National Statistics and Census (Instituto Nacional de Estadísticas y Censos or "INDEC") of Argentina. In case that during a certain year the variation of it exceeds 10%, the payment is adjusted provisionally once this percentage has been exceeded.

This plan requires the Company to contribute to a trust fund. The plan calls for a contribution to a fund exclusively by the Company and without any contribution by the employees. The assets of the fund are contributed to a trust fund and invested in US dollar-denominated money market instruments or fixed term deposits in order to preserve the accumulated capital and obtain a return in line with a moderate risk profile. In addition, although there is no target asset allocation for the following years, funds are mainly invested in US government bonds and treasury notes, commercial papers rated A1 or P1, AAAm-rated mutual funds and time deposits in banks rated A+ or higher in the United States of America, in accordance with the Trust Agreement dated on March 27, 2002 entered with The Bank of New York Mellon, duly amended by the Permitted Investment Letter dated on September 14, 2006. The Bank of New York Mellon is the trustee and Willis Towers Watson is the managing agent. In case there is an excess (duly certified by an independent actuary) of the funds to be used to settle the benefits granted by the plan, the Company will be entitled to choose how to to use it, in which case it may have to notify the trustee thereof.

As of the end of each reporting period, the most relevant actuarial information corresponding to the described benefit plans is the following:

	As of December 31, 2018		
	Present value of the obligation	Fair value of plan assets	Net liability at the end of the year
Balances at the beginning of period	-	-	-
Increase for business combination	(14,071)	7,732	(6,339)
Items classified in profit or loss			
Current services cost	(99)	-	(99)
Cost for interest	(446)	(20)	(466)
Reductions	177	-	177
Items classified in other comprehensive income			
Actuarial gains	2,698	-	2,698
Benefit payments	727	(727)	-
Contributions paid	-	727	727
At the end of period	**(11,014)**	**7,712**	**(3,302)**

The fair value of the plan assets at the end of the reporting period by category, is as follow:

	As of December 31, 2018
Cash and cash equivalents	7,712
Total	**7,712**

Estimated expected benefits payments for the next ten years are shown below. The amounts in the table represent the undiscounted cash flows and therefore do not reconcile to the obligations recorded at the end of the year.

	As of December 31, 2018
Less than one year	743
One to two years	825
Two to three years	811
Three to four years	800
Four to five years	783
Six to ten years	3,869

Significant actuarial assumptions used were as follows:

	As of December 31, 2018
Discount rate	5%
Assets return rate	-
Salaries increase	
Up to 35 years old	1%
From 36 to 49 years old	1%
More than 50 years old	1%

The following sensitivity analysis shows the effect of a variation in the discount rate and salaries increase on the obligation amount.

If the discount rate would be 100 basis points higher (lower), the defined benefit obligation would decrease by 1,011 (increase by 1,203) as of December 31, 2018.

If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by 197 (decrease by 183) as of December 31, 2018.

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of each reporting period, based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. Therefore, the presented analysis may not be representative of the actual change in the defined benefit obligation. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note 23. Salaries and social security payable

	As of December 31, 2018	**As of December 31, 2017**
Current		
Salaries and social security contributions	925	-
Provision for gratifications and bonus	4,371	-
Short-term employee benefits	1,052	-
Total current	**6,348**	**-**

Note 24. Other taxes and royalties payable

	As of December 31, 2018	**As of December 31, 2017**
Current		
Value added tax	-	9
Tax withholdings payable	909	-
Royalties	5,467	-
Turnover tax	139	-
Total current	**6,515**	**9**

Note 25. Accounts payable and accrued liabilities

	As of December 31, 2018	**As of December 31, 2017**
Non-current		
Accounts payable:		
Suppliers	-	550
	-	**550**
Accrued liabilities:		
Extraordinary canon on SGIC	1,007	-
	1,007	**-**
Total non-current accounts payables and accrued liabilities	**1,007**	**550**

	As of December 31, 2018	As of December 31, 2017
Current		
Accounts payable:		
Suppliers	73,609	277
	73,609	**277**
Accrued liabilities:		
Concession extension bonus Bajada del Palo payable (Note 29.3.2)	7,899	-
Extraordinary canon on SGIC	769	-
Balances with joint operations	1,023	-
Directors' fees	1,034	-
	10,725	**-**
Total current accounts payables and accrued liabilities	**84,334**	**277**

Due to the short-term nature of the current payables and other payables, their carrying amount is considered to approximate its fair value.

Note 26. Related parties transactions and balances

Note 2.3 provides information about the Company's structure.

The following table provides the total amount of balances and transactions that have been entered into with related parties for the relevant financial period/year.

	As of December 31, 2018	As of December 31, 2017
Other receivables		
Riverstone Vista Capital Partners L.P.	186	-
Total	**186**	**-**

As disclosed in Note 20.1, on May 30, 2017, VISTA entered into a private placement agreement with VISTA´s independent directors and former independent director for the purposes of selling them 132,000 series B shares that were later converted into and as of December 31, 2018 are in the form of 132,000 series A shares representing VISTA´s capital stock.
Finally, as disclosed in Note 20.1, on August 1, 2017 Vista's Sponsor, comprised by Vista Sponsor Holdings, L.P. and the Management Team, purchased of 29,680,000 warrants. Vista Sponsor Holdings, L.P., a limited partnership organized under the laws of Ontario, Canada, is controlled by senior professionals of Riverstone Investment Group LLC ("Riverstone"), a Delaware limited liability company, together with its affiliates and affiliated funds.

Outstanding balances at the period-end/year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2018 and 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each period/ year-end through examining the financial position of the related party and the market in which the related party operates.

Term Purchase Contract

As disclosed in Note 20.1.1, in August 2017, the Company entered into the FPA, pursuant to which RVCP agreed to purchase a total of up to 5,000,000 shares of the ordinary capital of Series A of the Company, plus a total of up to 5,000,000 optional warrants to purchase one-third of a Series A share at a strike price of 11.5 U.S. Dollar per share ("FPA Warrants"), for a total purchase price of up to 50,000 or 10 U.S. Dollars per unit (as a whole, the "Units of the Term Purchase") in exchange for an advance payment of RCVP as consideration for the execution of the FPA. Each of the FPA Warrants has the same terms as each one of the Warrants.

There are no other related party transactions.

Note 27. Commitments and contingencies

Producers and Refiners Agreement

In January 2003, the Argentine Executive branch required oil producers and refiners to sign an agreement to set the price of West Texas Intermediate (WTI), which is used as a basis to determine oil sales prices at U.S. Dolars 28.50 per barrel through April 30 of 2004, the date on which the agreement ended. According to the provisions of the agreement, the differences that were generated between the price of the WTI and the reference limit of 28.50 would be paid at the time that the WTI was below U.S. Dollars 28.50 and PELSA (currently known as Vista Argentina) continued charging U.S. Dollars 28.50, for the time necessary for the payment of the same.

As of December 31, 2018, the cumulative differences between the actual WTI prices and the reference limit of $28.50 was deemed a contingent asset for the Company of approximately 11,608, thus it has not been recorded since its collection has been assessed as not virtually certain.

Asociación de Superficiarios de la Patagonía (ASSUPA)

On July 1, 2004, PELSA was notified about a complaint filed against it. In August 2003, ASSUPA sued 18 companies operating exploitation concessions and exploration permits in the Neuquén Basin, PELSA being one of them, claiming the remediation of the general environmental damage purportedly caused in the execution of such activities, in addition to the establishment of an environmental restoration fund, and the implementation of measures to prevent environmental damages in the future. The plaintiff requested that the Argentine Government, the Federal Environmental Council (Consejo Federal de Medio Ambiente), the Provinces of Buenos Aires, La Pampa, Neuquén, Río Negro and Mendoza and the Ombudsman of the Nation be summoned. It requested, as a preliminary injunction, that the defendants refrain from carrying out activities affecting the environment. Both the Ombudsman's summons as well as the requested preliminary injunction were rejected by the Supreme Court of Justice of Argentina ("CSJN"). PELSA has answered the demand requesting its rejection, opposing failure of the plaintiff. The CSJN gave the plaintiffs a term to correct the defects in the complaint.

On August 26, 2008, the CSJN decided that such defects had already been corrected and on February 23, 2009, ordered that certain provinces, the Argentine Government and the Federal Environmental Council be summoned. Therefore, pending issues were deferred until all third parties impleaded appear before the court.

As of the date of issuance of these financial statements, the provinces of Río Negro, Buenos Aires, Neuquén, Mendoza, and the Argentine government have made their presentations, which are not available to the Company, yet. The Provinces of Neuquén and La Pampa have claimed lack of jurisdiction, which was answered by the plaintiff.

On December 30, 2014, the CSJN issued two interlocutory judgments. The one related to PELSA supported the claim of the Provinces of Neuquén and La Pampa, and declared that all environmental damages related to local and provincial situations were outside the scope of its original jurisdiction, and that only "inter-jurisdictional situations" (such as the Colorado River basin) would fall under its jurisdiction. The Court also rejected precautionary measures and other proceedings related to such request.
PELSA and the Group, considering the opinion of the Group's legal counsel, concluded that it is not probable that an outflow of resources embodying economic benefits will be required to settle this obligation.

Note 28. Leases

Operating leases as lessee

As of December 31, 2018, the Company has entered into operating leases for buildings, office equipment and items of plant and machinery. These leases have an average life from 3 to 5 years for real estate lease and 2 to 3 years for office equipment and items of plant and machinery. In the cases of real estate lease with renewal terms at the option of the lessee, whereby the Company can extend at lease terms based on market prices at the time of renewal. There are no restrictions placed upon the Company as a result of entering into these leases.

The common terms of these lease contracts are that payments (installments) are fixed amounts; there are neither purchase option clauses, except for the cases of machinery lease agreements that have an automatic renewal clause for the term thereof; and there are prohibitions such as: transferring or sub-leasing the building, changing its use and/or making any kind of modifications thereto. All leases have cancelable terms and a term in average of 2 to 3 years. The general terms and conditions of the leases preview possibility of anticipated termination.

As of December 31, 2018 and 2017, future minimum payments with respect to non-cancellable operating leases of use are as follow:

	As of December 31, 2018
2019	8,973
2020	2,776
2021	3,690
2022	2,729
2023	363
Total future minimum lease payments	**18,531**

Total expenses for operating leases of use for the year ended December 31, 2018 and 2017 were 12,307 and 4, respectively.

Note 29. Operations in hydrocarbon consortiums

29.1 General considerations

The Company is jointly and severally liable with the other participants for meeting the contractual obligations under these arrangements.

The production areas in Argentina are operated pursuant to concession production agreements with free hydrocarbons availability.

According to Law No. 17,319, royalties equivalent to 12% of the wellhead price of crude oil and natural gas are paid in Argentina. The wellhead price is calculated by deducting freight and other sales related expenses from the sale prices obtained from transactions with third parties.

In the event of an extension, the payment of an additional royalty of up to 3% will be applicable at the time of the first extension. The rate of royalty for first extension will be 15%. For the following extensions the royalties will be increased to a maximum of 18%.

29.2 Oil and gas properties and participation in joint-operations

As of December 31, 2018, the Company is part of the joint operations and consortia for the exploration and production of oil and gas as indicated below:

Name	Location	Working interest		Operator	Duration Up To
		Direct	Indirect		
Argentine production					
25 de Mayo - Medanito S.E.	Río Negro	-	100%	VISTA Argentina	2026
Jagüel de los Machos	Río Negro	-	100%	VISTA Argentina	2025
Bajada del Palo Este	Neuquén	-	100%	VISTA Argentina	2053
Bajada del Palo Oeste	Neuquén	-	100%	VISTA Argentina	2053
Entre Lomas	Río Negro and Neuquén	-	100%	VISTA Argentina	2026
Agua Amarga (“Charco del Palenque” y “Jarilla Quemada”)	Río Negro	-	100%	VISTA Argentina	2034/2040
Coirón Amargo Sur Oeste	Neuquén	-	10%	O&G Development Ltd. S.A.	2053
Coirón Amargo Norte	Neuquén	-	55%	APCO	2036
Acambuco	Salta	-	1.5%	Pan American Energy	2036
Sur Río Deseado Este I	Santa Cruz	-	16.9%	Cruz Energy	2021

Name	Location	Working interest Direct	Working interest Indirect	Operator	Duration Up To
Sur Río Deseado Este II	Santa Cruz	-	44%	Quintana Argentina S.R.L.	2021
Águila Mora	Neuquén	-	90%	APCO	2019
<u>México production</u>					
Bloque CS-01	Tabasco	-	50%	Vista II	2047
Bloque A-10	Tabasco	-	50%	Vista II	2047
Bloque TM-01	Tabasco	-	50%	Jaguar	2047

Summarized financial information in respect of the Company's joint operations is set out below. The summarized financial information below represents amounts prepared in accordance with IFRSs at their respective working interests, adjusted by the Company for accounting purposes.

	As of December 31, 2018
Assets	
Non-current assets	491,534
Current assets	23,863
Liabilities	
Non-current liabilities	17,496
Current liabilities	94,397

	As of December 31, 2018
Cost of sales	(212,581)
Selling expenses	(1,190)
General and administrative expenses	(5,328)
Exploration expenses	(637)
Other operating income and expenses, net	7,839
Financial results, net	5,503
Total costs and expenses for the period/year	**(206,394)**

29.3 Concessions for oil and gas properties

<u>29.3.1 Entre Lomas area</u>

Entre Lomas joint operation partners are Vista Argentina and APCO SAU with a working interest of 77% and 23%, respectively. Vista Argentina is the operator and participates in the concession for the exploitation of hydrocarbons in the Entre Lomas area, located in the provinces of Río Negro and Neuquén. The concession contract, renegotiated in 1991 and 1994, granted the availability of crude oil and natural gas produced, and determined the term of the concession until January 21, 2016.

PELSA (currently known as Vista Argentina) reached a renegotiation agreement with the Province of Río Negro for the concession of the Entre Lomas Area, signed on December 9, 2014, approved by Provincial Decree No. 1,706 / 2014 and ratified by the Honorable Provincial Legislature in its session of December 30, 2014. Through this agreement PELSA agreed to extend the Entre Lomas Area Concession until January 2026, committing, among other conditions, the payment of a Fixed Bond and a Contribution to Social Development and Institutional Strengthening, the complementary contribution equivalent to 3% of oil and gas production and an important plan for the development and exploration of reserves and resources, and environmental remediation.

In 2009, the Neuquén provincial government negotiated and granted ten-year extension period with various companies. In the third-quarter of 2009, the concession contract for the portion of the Entre Lomas concession located in the Neuquén province

was extended to January 2026. This extension agreement does not apply to the portion of the Entre Lomas concession located in Río Negro province that was negotiated separately. Pursuant to the extension agreement, PELSA and its partners agreed to spend ARS 237 million for future exploitation and exploration activities in that portion of Entre Lomas located in Neuquén province and Bajada del Palo over a 17 year period. Provincial production taxes were increased from the previous rate of 12 percent to 15% and could increase up to a maximum of 18% depending on future increases in product price realizations.

29.3.2 Bajada del Palo area

Prior to December 21, 2018, the Bajada del Palo operating concession, located in the Province of Neuquén, was granted to Vista Argentina, with 77% participation and APCO SAU with the remaining 23%, being Vista Argentina the operator. This concession had been extended for a period of 10 years, through Decree No. 1,117/09, expiring accordingly in the year 2026.

On December 21, 2018, the Province of Neuquén approved the transformation of the exploitation concession in the Bajada del Palo area, operated by Vista Argentina, into two CENCH, Bajada del Palo Oeste (“BPO”) and Bajada del Palo Este (“BPE”). The two concessions are for a term of 35 years, include the payment of fixed royalties of 12% for new production from the shale (shale rock) formations, and this permission replace the concession of conventional exploitation of this area.

The Company committed to pay the Province of Neuquén the following concepts in the framework of the granting of unconventional exploitation concessions for both areas: (i) exploitation bonus for a total of approximately 1,167, (ii) Infrastructure Bond for a total of approximately 2,796; (iii) Corporate Social Responsibility for an amount of approximately 3,935; (iv) an important plan for the development and exploration of reserves (see Note 29.4). Likewise, VISTA paid the amount of approximately 1,102 as stamp tax at the closing of the transaction.

29.3.3 Agua Amarga area (“Charco del Palenque” y “Jarilla Quemada”)

Regarding Agua Amarga, “Charco del Palenque” and “Jarilla Quemada” joint operation partners are Vista Argentina and APCO SAU with a working interest of 77% and 23%, respectively, being Vista Argentina the operator.

In 2007, PELSA (currently known as Vista Argentina) obtained the exploration permit on the Agua Amarga Area located in the Province of Río Negro. Provincial Decree 557/07 and the signing of the respective contract on May 17 of the same year formalized the agreement. Based on the results of the exploration carried out in the Agua Amarga Area, the Province of Río Negro granted the Concession of Exploitation of the Charco del Palenque field, on October 28, 2009, by means of the Provincial Decree N ° 874 and its rectification No. 922, dated November 13, 2009, for exploitation for a term of 25 years.

The enforcement authority of the Province of Río Negro accepted the inclusion of the "Meseta Filosa" sector to the concession previously granted by Charco del Palenque, through Provincial Decree No. 1,665 dated November 8, 2011, published in the Official Gazette No. 4,991 of December 1, 2011.

Subsequently, the enforcement authority of the Province of Río Negro approved the inclusion of the Charco del Palenque Sur sector to the previously granted concession of Charco del Palenque, by means of Provincial Decree No. 1,199 dated August 6, 2015. In addition, in the same date the Provincial Decree No. 1,207 gave PELSA the Exploitation Concession for Exploitation the Jarilla Quemada field.

Both Decrees were published in Official Gazette No. 5,381 of August 17, 2015, whereby the Agua Amarga Exploration Area is divided into the two exploitation concessions mentioned.

The exploitation concession Charco del Palenque is effective until 2034 and the exploitation concession Jarilla Quemada is effective until 2040.

29.3.4 Coirón Amargo Sur Oeste y Coirón Amargo Norte oil and gas properties

Coirón Amargo Joint arrangement (“CA”) had an exploitation concession in the North Area (“Coirón Amargo Norte”) and an evaluation field in the South Area (“Coirón Amargo Sur”), effective until the year 2036 and 2018, respectively.

On July 11, 2016, the joint operators entered into an agreement for assignment of participating interest, through which the area was divided into three oil and gas properties: Coirón Amargo Norte (“CAN”), Coirón Amargo Sur Oeste (“CASO”) and Coirón Amargo Sur Este (“CASE”).

The Company decided not to participate in the CASE join operation.

CA changed its name to CAN. CAN join operators are APCO SAU with a 55% working interest, Madalena Energy Argentina S.R.L. (“Madalena”) with 35% working interest and Gas y Petróleo de Neuquén S.A. (“GyP”) with the remaining 10%. APCO SAU is the operator since that date. The expiration date of the exploitation concession remains in 2036.

Since September 1, 2017 and after the partners of the joint arrangement CAN signed an Operating Committee Minute whereby they approved the implementation of the “Carry Petrolero”, APCO SAU proceeded to include its participation in this joint operation as 61.11%, which is comprised of its contractual share of 55% plus the incremental participation acquired from GyP, of 6.11%. This agreement is about the working interest of GyP (10%), that assumed by APCO and Madalena and the parties agreed that the contributions made and to be made in the future be recognized as greater assets and / or expenses, as appropriate, for the Company and Madalena in terms of the amounts actually disbursed by them, regardless of the contractual participation percentages.

On August 22, 2018, APCO SAU entered into a cross assignment of rights agreement, the Aguila Mora Swap Agreement, whereby: (i) APCO SAU assigned to O&G 35% non-operated working interest in the CASO block, (ii) O&G assigned to APCO a 90% operated working interest in the Águila Mora block.

Joint operators of CASO are actually APCO SAU, O&G and GyP with working interests of 10%, 80% y 10% respectively, being O&G the designated operator. On September 25, 2018 though Decree No. 1,578/18, the evaluation lot of CASO became in an unconventional exploitation concession (“CENCH” by its initials in spanish) for a term of 35 years, expiring accordingly in the year 2053.

As in the CAN area, the CASO joint operators maintain a "Carry Petrolero" agreement for the participation of GyP, accounting APCO SAU its participation in this joint operation for 11.11%.

29.3.5 Águila Mora

On August 22, 2018, APCO SAU entered into a cross assignment of rights agreement, the Aguila Mora Swap Agreement, whereby: (i) APCO SAU assigned to O&G 35% non-operated working interest in the CASO block, (ii) O&G assigned to APCO a 90% operated working interest in the Águila Mora block, plus a 10,000 contribution for the upgrade of an existing water infrastructure for the benefit of the operations of Shell and Vista. The Aguila Mora Swap Agreement was approved by the province of Neuquén on November 22, 2018. Therefore, as of such date, Vista retained a 10% working interest in the CASO block and held a 90% working interest in the Águila Mora block, becoming the operator of the latter, being the remaining 10% of GyP. This transaction was measured at the fair value of participant interest assigned to O&G and no gain or loss was recorded as a result of the transaction.

Located in the province of Neuquén, Águila Mora is an oil and gas property with an exploratory permit until June 2019, which is found in the shale oil window of the Vaca Muerta formation.

APCO SAU maintains a "Carry Petrolero" for the participation of GyP, accounting APCO SAU its participation in this joint operation for 100%.

29.3.6. Jagüel de los Machos

Decree 1769/90 granted an exploitation concession for 25 years over the "Jagüel de los Machos" area to Compañía Naviera Perez Companc S.A.C.F.I.M.F.A (actually, Pampa Energía S.A.). Subsequently, by means of Decree 1708/08 of the Province of Rio Negro, the exploitation concession was extended for ten (10) years, expiring accordingly on September 6, 2025.

On April 4, 2018, 100% of the participation in the area was ceded by Pampa Energía to Vista Argentina, and to date it has been pending approval by the Province of Rio Negro, under the terms of article 72 of Law 17,319.

Jagüel de los Machos is an exploitation concession located in the province of Rio Negro.

29.3.7. 25 de Mayo – Medanito S.E.

Decree 2164/91 reconverted the existing contract to that date on the area "25 de Mayo-Medanito SE" in an exploitation concession for 25 years. Subsequently, by means of Decree 1708/08 of the Province of Rio Negro, the exploitation concession was extended for ten (10) years, expiring accordingly on October 28, 2026.

On April 4, 2018, 100% of the participation in the area was ceded by Pampa Energía to Vista Argentina, and up to date the approval of such assignment by the Province of Rio Negro, under the terms of article 72 of Law 17,319, is still pending

25 de Mayo – Medanito S.E. is an exploitation concession located in the province of Rio Negro

29.3.8. Acambuco

The Company hlds a 1.5% participation interest in the unincorporated joint venture for the exploitation concession for Acambuco in the Noroeste basin located in the Province of Salta. The operator of this assessment block is Pan American Energy which holds a 52% interest. The remaining interests are held by three other partners, YPF which holds 45% interest, and a subsidiary of WPX Energy, Northwest Argentina Corporation, which holds the remaining 1.5% interest. The concession expires in 2036. There are no pending capital commitments.

29.3.9. Sur Rio Deseado Este

Although we consider Sur Río Deseado Este block to be a single block, we have broken down the information into Sur Río Deseado Este I and Sur Río Deseado Este II as detailed below.

We hold a 16.9% participation interest in the joint venture for the exploitation concession for Sur Río Deseado Este I in the Golfo San Jorge basin located in the Province of Santa Cruz. The operator of this assessment block is Alianza Petrolera S.A.

We hold a 44% participation interest in the unincorporated joint venture for the exploration concession for Sur Río Deseado Este II in the Golfo San Jorge basin located in the Province of Santa Cruz, in the same acreage as Sur Río Deseado Este I. The operator of this assessment block is Quintana E&P.

The concessions expires in 2021 and there are no pending capital commitments.

29.3.10 Mexico blocks

As disclosed in Note 1, on October 29, 2018, VISTA through its Mexican subsidiary VISTA II completed the acquisition, of 50% working interest in the following blocks:

(i) CS-01 and A-10, both to be operated by VISTA (subject to CNH's approval of the transfer of operation expected to be obtained approximatelly on mid-year 2019); and
(ii) TM-01 to be operated by Jaguar.

As of the date of these consolidated financial statements the addendum to the license agreements of the three blocks between CNH, Jaguar, Pantera and VISTA necessary to formalize the adquisition was executed.

The concessions expires in 2047.

29.4 Investment Commitment

As of December 31, 2017, the Company had no investment commitment because it was not part of any joint operation.

As of December 31, 2018, the Company was committed to drill and complete: (a) in the Province of Río Negro, 20 development wells, 5 step-out wells and 2 exploration wells in the 25 de Mayo – Medanito S.E and Jagüel de los Machos oil and gas properties for an estimated cost to fulfil this commitment of 43,500 (at the Company´s working interest); (b) in the Province of Río Negro, 12 development wells, 2 step-out wells and 1 exploration well in the Entre Lomas concession, by an estimated cost to fulfil this commitment of 30,500 (at the Company´s working interest); and (c) in the Province of Neuquén, 3 horizontal wells for a total of 35,000 (3,800 at the Company's working interest) in the Coiron Amargo Sur Oeste area.

In addition, the Company was committed to perform: (a) 19 well workovers and abandon 22 wells, in 25 de Mayo – Medanito S.E and Jagüel de los Machos oil and gas properties for an estimated cost to fulfil this commitment of 13,900; and (b) 13 well workovers and abandon 3 wells, in the Entre Lomas oil and gas property, for an estimated cost to fulfil this commitment of 7,400.

Finally in connection to the granting of CENCH in the Bajada del Palo, the Company commited: (a) in Bajada del Palo Oeste área to drill 8 horizontals wells with its related facilities by an estimated amount of 105,600 between the year 2019 and the first semester of 2020; and (b) in Bajada del Palo Este to drill 5 horizontals wells with its related facilities by an estimated amount of 51,800 between the years 2019 and 2021.

29.5 Exploratory well costs

There are no balances nor activity for exploratory well costs for years ended December 31, 2018 and 2017.

Note 30. Business Combinations

On April 4, 2018, the Company completed its Initial Business Combination that was recorded using the acquisition accounting method. The results of the operations acquired have been included in the consolidated financial statements since the date on which the Company obtained control of the respective businesses, as disclosed below.

30.1 Acquisition of PELSA and the 3.85% direct interest in the oil and gas properties operated by PELSA from Pampa Energía S.A.

On January 16, 2018, Pampa Energía S.A. (“PAMPA”) agreed to sell VISTA its direct interest in PELSA and its direct interests in the Entre Lomas, Bajada del Palo and Agua Amarga oil and gas properties.

On April 4, 2018, PAMPA and the Company, through its Mexican subsidiary Vista I, executed a share purchase agreement (the “Share Purchase Agreement PELSA”), for the acquisition of Pampa´s direct interest of

i) 58.88% in PELSA, an Argentine company that holds a 73.15% direct operating interest in the Entre Lomas (“EL”), Bajada del Palo (“BP”), and Agua Amarga (“AA”) oil exploitation concessions in the Neuquina Basin in the provinces of Neuquén and Río Negro, Argentina (the “EL-AA-BP Concessions”) (the “PELSA Transaction”); and
ii) 3.85% direct interest in the EL-AA-BP Concessions operated by PELSA.

On the same date, VISTA assigned all the rights and obligations of the Purchase Agreement related to the acquisition of the 3.85% direct interest in the EL-AA-BP Concessions to PELSA in order for such subsidiary to perfom the purchase.

The main purpose of the business combination was to acquire an upstream business, which became the main activity of the Company after these business combinations, since the Company was established as a special purpose entity until this date (Note 1).

<u>30.1.1 Consideration transferred</u>

This business combination was performed in exchange for a total consideration of 297,588 in cash at the closing date.

The costs related to the transaction of 967 were recognized in profit or loss by the Company as they were incurred, and were recorded as “other operating expenses” in the accompanying consolidated statements of profit or loss and other comprehensive income. The operating results of the acquired business have been included in the consolidated operating results of the Company as of the date of acquisition.

<u>30.1.2 Assets acquired and liabilities assumed as of April 4, 2018</u>

As a result of the business combination, the Company identified a goodwill amounting to 11,999, attributable to the future synergies of the Company and PELSA combined business and assembled workforce. The Goodwill has been fully allocated to the Company´s single business segment, since this it is the only one which the Company operates, as described above. As of December 31, 2018, goodwill is not deductible in Mexico, consequently if these circumstances do not change, it is not expected that there will be tax deductions in the future.

The following table details the fair value of the transferred consideration, the fair values of the acquired assets, the assumed liabilities and the non-controlling interest corresponding to PELSA's acquisitions as of April 4, 2018:

	Notes	
Assets		**Total**
Property, plant and equipment	[A]	312,728
Other intangible assets		494
Trade and other receivables	[B]	27,857
Other financial assets		19,712
Inventories		3,952
Cash and cash equivalents		10,216
Total assets acquired		**374,959**
Liabilities		
Deferred income tax liabilities		56,396
Provisions	[C]	11,085
Employee defined benefits plan obligation		2,856
Salaries and social security payable		1,178
Income tax liability		2,914
Other taxes and royalties payable		3,394
Accounts payable and accrued liabilities		10,240
Total liabilities assumed		**88,063**
Net assets acquired		**286,896**
Goodwill		**11,999**
Non-controlling interest		**(1,307)**
Total consideration (Note 30.1.1)		**297,588**

[A] Property, plant and equipment:

- Oil and gas Property: The Company has valued its interests in proved reserves (both developed and to be developed) and probable reserves in different acquired oil and gas properties. To estimate the future level of reserves, a report audited by external engineers was used adjusting by the temporality of the activity (e.g. drilling new wells and workovers) to adapt to VISTA´s plans. These assumptions reflect all reserves and resources that management believe a market participant would consider when valuing the asset. In all cases, the approach used to determine the oil and gas property's fair value was a combination of the income-based approach through the Indirect Cash Flow method and a valuation methodology for comparable transactions using the multiple US Dollar/acre. The projection period was determined based on the termination of the respective concession contracts. For each type of reserve or resource, management used a risk factor between 100% and 30% of success from their estimated full potential value. An 11.25% discount rate has been used, which was estimated taking the WACC rate in U.S. dollars as a parameter. The other main assumptions used to project cash flows were associated with crude oil, natural gas and NGL prices, foreign exchange and inflation rates, which were based on market participant assumptions.

[B] Acquired Receivables: The fair value of acquired trade and other receivables amounts to 27,857. The gross contractual amount of receivables is 31,504, out of which 3,647 are not expected to be collected.

[C] Contingent Liabilities, provision for Environmental remediation and asset retirement obligation: The Company has recorded 30,646 and 10,071 to reflect the fair value of possible and probable tax, civil and labor contingencies, Environmental remediation and Asset retirement obligation as of the acquisition date, respectively. PELSA is (whether directly or indirectly) involved in several legal, tax and labor proceedings in its ordinary course of business. The fair value was calculated considering the level of probability of cash outflows that would be required for each contingency or provision.

30.1.3 Non-controlling interest

The non-controlling interest (0.32% ownership interest in PELSA) recognized at the acquisition date was measured at its fair value. The Company acquired the remaining 40.80% ownership interest in PELSA through the acquisition of APCO on the same acquisition date (Note 30.3).

30.1.4 Net cash outflow on acquisition of subsidiaries

In the consolidated statement of cash flows:

Cash consideration transferred	297,588
Cash and cash equivalents acquired	(10,216)
Net cash outflow on acquisition of subsidiaries	287,372

30.2 Acquisition of oil and gas properties Jagüel de los Machos and 25 de Mayo-Medanito SE, by PELSA from Pampa Energía S.A.

On January 16, 2018, Pampa Energía S.A. ("PAMPA") agreed to sell VISTA its direct interest 25 de Mayo-Medanito and Jagüel de los Machos oil and gas properties, in the Neuquina Basin in the Province of Río Negro, Argentina. On April 4, 2018, PAMPA and the Company, through its Mexican subsidiary Vista I, executed a purchase agreement (the "Purchase Agreement Oil and Gas Properties"), for the acquisition of the following (the "Oil and gas properties Transaction"):

i. 100% interest in the 25 de Mayo-Medanito ("Medanito") oil exploitation concession area; and
ii. 100% interest in the Jagüel de los Machos ("Jagüel" or "JDM") oil exploitation concession area.

On the same date, VISTA assigned all the rights and obligations of the Purchase Agreement oil and gas properties to PELSA in order for such subsidiary to perfom the purchase.

The main purpose of the business combination was to acquire an upstream business, which became the main activity of the Company, after these two business combinations, since the Company was established as a special purpose entity until this date (Note 1).

30.2.1 Consideration transferred

This business combination was performed in exchange for a total consideration of 85,435 in cash.

The costs related to the transaction of 277 were recognized in profit or loss by the Company as they were incurred, and were recorded as "other operating expenses" in the accompanying consolidated statements of profit or loss and other comprehensive income. The operating results of the acquired business have been included in the consolidated operating results of the Company as of the date of acquisition.

30.2.2 Assets acquired and liabilities assumed as of April 4, 2018

As a result of the business combination, the Company has identified a goodwill for an amount of 5,542 related to this transaction. As of December 31, 2018, goodwill is not deductible in Argentina, consequently any change in the recognition of the business combination, and if these circumstances do not change, it is not expected that there will be tax deductions in the future.

The following table details the fair value of the transferred consideration, the fair values of the acquired assets and the assumed liabilities corresponding to Oil and gas properties' acquisitions as of April 4, 2018:

	Notes	**Total**
Assets		
Property, plant and equipment	[A]	86,096
Deferred income tax asset		1,226
Total assets acquired		**87,322**

	Notes	
Liabilities		
Provisions	[B]	6,406
Salaries and social security payable		1,023
Total liabilities assumed		**7,429**
Net assets acquired		**79,893**
Goodwill		**5,542**
Total consideration (Note 30.2.1)		**85,435**

[A] Property, plant and equipment:

- Oil and gas Property: The Company has valued its interests in proved reserves (both developed and to be developed) and probable reserves in different acquired oil and gas properties. To estimate the future level of reserve, a report audited by external engineers was used adjusting by the temporality of the activity (e.g. drilling new wells and workovers) to adapt to the VISTA´s plans. These assumptions reflect all reserves and resources that management believe a market participant would consider when valuing the asset.. In all cases, the approach used to determine the oil and gas property's fair value was a combination of the income-based approach through the Indirect Cash Flow method. The projection period was determined based on the termination of the respective concession contracts. For each type of reserve or resource, management used a risk factor between 100% and 30% of success from their estimated full potential value. An 11.25% discount rate has been used, which was estimated taking the WACC rate in U.S. dollars as a parameter. The other main assumptions used to project cash flows were associated with Crude oil, natural gas and NGL prices, foreign exchange and inflation rates, which were based on market participant assumptions.

[B] Provision for Environmental remediation and asset retirement obligation: The Company has recorded 3,676 and 2,730 to reflect the fair value of possible and probable environmental remediation and asset retirement obligation as of the acquisition date, respectively. The fair value was calculated considering the level of probability of cash outflows that would be required for each provision.

30.2.3 Net cash outflow on acquisition of subsidiaries

In the consolidated statement of cash flows:

Cash consideration transferred	85,435
Cash and cash equivalents acquired	-
Net cash outflow on acquisition of subsidiaries	85,435

30.3 Acquisition of APCO to Pluspetrol

On April 4, 2018, Pluspetrol Resources Corporation stablished in Cayman Island (“Pluspetrol”) and the Company, through its Mexican subsidiary VISTA I, executed a share purchase agreement (the “Share Purchase Agreement APCO”), for the acquisition of 100% of APCO Oil & Gas International, Inc. ("APCO O&G") and 5% of APCO Argentina, S.A. ("APCO Argentina") (together “APCO Transaction”).

APCO O&G holds (a) 39.22% of the capital stock of PELSA; (b) 95% of the capital stock of APCO Argentina, which holds a 1.58% direct equity interest in PELSA; and (c) 100% of the capital stock of APCO Oil & Gas International Inc. Argentina Branch (“APCO Argentina Branch”).

Through APCO Argentina Branch, APCO O&G indirectly holds: (1) a 23% interest in the EL-AA-BP Concessions operated by PELSA; (2) a 45% non-operating interest in an oil and gas property in the Neuquina Basin in the Province of Neuquén, Argentina, which is denominated “Coirón Amargo Sur Oeste”; (3) a 55% operating interest in an exploitation concession in the Neuquina Basin in the Province of Neuquén, Argentina, which is denominated “Coirón Amargo Norte”; (4) a 1.5% non-operating interest in an exploitation concession in in the Noroeste Basin in the Province of Salta, Argentina, which is denominated “Acambuco”; (5) a 16.95% non-operating interest in an exploitation concession in the Golfo San Jorge Basin in the Province of Santa Cruz, Argentina, which is denominated “Sur Río Deseado Este I”; and (6) a 44% non-operating interest in an exploration agreement in the Golfo San Jorge Basin in the Province of Santa Cruz, Argentina, which is denominated “Sur Río Deseado Este II”.

As of this business combination, VISTA directly and indirectly holds 99.68% of PELSA. The 0.32% remaining equity interest was directly acquired by the Company from PELSA's minority shareholders, to account for 100% of the capital stock of PELSA on April 25, 2018.

The main purpose of the business combination was to acquire an upstream business, which became the main activity of the Company, after these two business combinations, since the Company was established as a special purpose entity until this date (Note 1).

30.3.1 Consideration transferred

This business combination was performed in exchange for a total cash consideration of 349,761.

The costs related to the transaction of 1,136 were recognized in profit or loss by the Company as incurred, and were recorded as "other operating expenses" in the accompanying consolidated statements of profit or loss and other comprehensive income. The results of operations of APCO and APCO Argentina have been included in the consolidated operating results of the Company as of the date of acquisition.

In connection with this transaction, as described in Note 17.1, the Company obtained a bank loan in the amount of 260,000 net of the transaction costs of 12,970.

30.3.2 Assets acquired and liabilities assumed as of April 4, 2018

As a result of the business combination, the Company identified a goodwill for an amount of 10,943 related to this transaction. As of December 31, 2018, goodwill is not deductible in Mexico, consequently, even any change in the recognition of the business combination, and if these circumstances do not change, it is not expected that there will be tax deductions in the future.

The following table details the fair value of the transferred consideration, the fair values of the acquired assets, the assumed liabilities and the non-controlling interest corresponding to APCO´s and APCO Argentina's acquisitions as of April 4, 2018:

	Notes	**Total**
Assets		
Property, plant and equipment	[A]	380,386
Other intangible assets		417
Trade and other receivables	[B]	34,076
Other financial assets		13,579
Inventories		4,409
Cash and cash equivalents		14,432
Total assets acquired		**447,299**
	Notes	
Liabilities		
Deferred income tax liabilities		67,503
Provisions	[C]	12,881
Employee defined benefits plan obligation		3,483
Other taxes and royalties payable		3,349
Salaries and social security payable		1,312
Income tax liability		6,458
Accounts payable and accrued liabilities		13,495
Total liabilities assumed		**108,481**
Net assets acquired (1)		**338,818**
Goodwill		**10,943**
Total consideration (Note 30.3.1)		**349,761**

(1) The remaining total net assets acquired from APCO Oil & Gas International, Inc., after consolidation process and purchase price allocation corresponds to an amount of 851 of total assets related to cash and cash equivalents and receivables, and no liabilities.

[A] Property, plant and equipment:

- Oil and gas Property: The Company has valued its interests in proved reserves (both developed and to be developed) and probable reserves in different acquired oil and gas properties. To estimate the future level of reserves, a report audited by external engineers was used adjusting by the temporality of the activity (e.g. drilling new wells and workovers) to adapt to the VISTA´s plans. These assumptions reflect all reserves and resources that management believe a market participant would consider when valuing the asset. In all cases, the approach used to determine the oil and gas property's fair value was a combination of the income-based approach through the Indirect Cash Flow method and a valuation methodology for comparable transactions using the multiple US Dollar/acre. The projection period was determined based on the termination of the respective concession contracts. For each type of reserve or resource, management used a risk factor between 100% and 30% of success from their estimated full potential value. An 11.25% discount rate has been used, which was estimated taking the WACC rate in U.S. dollars as a parameter. The other main assumptions used to project cash flows were associated with Crude oil, natural gas and NGL prices, foreign exchange and inflation rates, which were based on market participant assumptions.

[B] Acquired Receivables: The fair value of acquired trade and other receivables amounts to 34,076. The gross contractual amount of receivables is 36,590, out of which 2,514 are not expected to be collected.

[C] Contingent Liabilities, provision for Environmental remediation and asset retirement obligation: The Company has recorded 122, 600 and 12,159 to reflect the fair value of possible and probable tax, civil and labor contingencies, environmental remediation and asset retirement obligation as of the acquisition date, respectively. APCO is (whether directly or indirectly) involved in several legal, tax and labor proceedings in its ordinary course of business. The fair value was calculated considering the level of probability of cash outflows that would be required for each contingency or provision.

30.3.3 Net cash outflow on acquisition of subsidiaries

In the consolidated statement of cash flows:

Cash consideration transferred	349,761
Cash and cash equivalents acquired	(14,432)
Net cash outflow on acquisition of subsidiaries	335,329

30.4 Effect of all acquisitions on the cash flow, Goodwill and results of the Company

If all business combinations (Note 30.1, 30.2 and 30.3) were made as of January 1, 2018, the Company's consolidated revenues for the period would have increased to 456,092 and the loss for the period would have been 22,027.

In the consolidated statement of cash flows:

Cash consideration transferred	732,784
Cash and cash equivalents acquired	(24,648)
Net cash outflow on acquisition of subsidiaries (*)	708,136

The Composition of Goodwill is

PELSA	11,999
JDM y Medanito	5,542
APCO	10,943
Total Goodwill	28,484

Note 31. Tax reform

A- Argentina

On December 29, 2017, the National Executive Branch passed Act No. 27,430 – Income Tax. This Act introduced several modifications in the income tax treatment, the key components of which are described below:

31.1 Income tax

31.1.1. Income tax rate

The income tax rate for Argentine companies will be gradually reduced for undistributed earnings from 35% to 30% for fiscal years beginning as from January 1, 2018 until December 31, 2019, and to 25% for fiscal years beginning as from January 1, 2020.

The effect of the application of the income tax rate changes on deferred tax assets and liabilities pursuant to the above-mentioned tax reform was recognized, based on their expected realization year, in “Effect of tax rate change in deferred tax” under Income tax of the Consolidated Statement of profit or loss and other comprehensive income (Note 15).

31.1.2. Tax on dividends

The tax on dividends or earnings distributed by, among others, Argentine companies or permanent establishments to individuals, undivided estates or beneficiaries residing abroad is introduced based on the following considerations: (i) dividends resulting from earnings accrued during fiscal years beginning as from January 1, 2018 until December 31, 2019, will be subject to a 7% withholding; and (ii) dividends resulting from earnings accrued during fiscal years beginning as from January 1, 2020 will be subject to a 13% withholding.

Dividends resulting from benefits gained until the fiscal year prior to that beginning on January 1, 2018 will remain subject to the 35% withholding on the amount exceeding the untaxed distributable retained earnings (equalization tax’ transition period) for all beneficiaries.

31.1.3. Transfer prices

Controls are established for the import and export of goods through international intermediaries different from the exporter at the point of origin or the importer at destination.

Furthermore, the Act sets out the obligation to provide documentation allowing for the verification of the characteristics of the transaction for the import and export of goods and the export of commodities, in both cases when they are conducted through an international intermediary different from the exporter at the point of origin or the importer at destination.

31.1.4. Tax and accounting revaluation

The Act provides that Companies may opt to make a tax revaluation of assets located in Argentina and subject to the generation of taxable earnings. The special tax on the revaluation amount depends on the asset, and will amount to 8% for real estate not accounted for as inventories, 15% for real estate accounted for as inventories, and 10% for personal property and other assets. Once the option is exercised for a certain asset, all assets within the same category should be revalued. The tax result from the revaluation will not be subject to income tax, and the special tax on the amount of the revaluation will not be deductible from such tax.

The Company is currently analyzing the impact of the above-mentioned option.

31.1.5. Adjustment

The reform sets out the following rules for the application of the income tax inflation adjustment mechanism: (i) a cost adjustment for goods acquired or investments made during fiscal years beginning after January 1, 2018 taking into consideration the variations in the Wholesale Domestic Price Index (IPIM) published by the National Institute of Statistics and Censuses (INDEC); and (ii) the application of a comprehensive adjustment when the IPIM variation exceeds 100% in the 36 months preceding the closing of the fiscal period.

The adjustment of acquisitions or investments made in fiscal years beginning as from January 1, 2018 will increase the deductible depreciation and its computable cost in case of sale.

On December 4, 2018, Argentina enacted Law 27,468 which modifies the inflationary adjustment rules for income tax purposes.

The new rules change the index used for purposes of measuring inflation and modify the parameters that need to be verified to trigger an adjustment. The inflation adjustment for tax purposes will now be based on the Consumer Price Index (IPC), and an adjustment will only be triggered for tax years 2018, 2019 and 2020 if the index exceeds 55%, 30% and 15% respectively.

According to that, the inflation adjustment has not been applied to 2018 because the index did not exceed 55%.

In addition, Law 27,468 states that the resulting negative or positive inflation adjustment, corresponding to the first, second or third tax year beginning January 1, 2018, must be allocated one third to the tax year for which the adjustment is calculated and the remaining two thirds, in equal parts, to the following two tax years.

B- Mexico

On January 1, 2019, the Mexican government eliminated the right to offset any tax credit against any payable tax (general offset or compensación universal). As of such date, the right to offset any tax credit will be against taxes of the same nature and payable by the same person (not being able to offset tax credits against taxes payable by third parties). Additionally, by Executive Decree, certain tax benefits related to the value-added tax and income tax were provided to businesses located in the northern border of Mexico.

31.2 Value-added tax

Reimbursement of favorable balances from investments

A procedure is established for the reimbursement of tax credits originated in investments in property, plant and equipment, which, after 6 months as from their assessment, have not been absorbed by tax debits generated by the activity.

31.3 Fuel tax

Certain modifications are introduced to the fuel tax, incorporating a tax on the emission of carbon dioxide. The reform simplifies the fuel taxation structure, keeping the same tax burden effective prior to the reform.

Note 32 – Share-based payments

As of December 31, 2017, the Company did not have any share-based payment scheme.

On March 22, 2018 the Shareholders of the Company authorized the existence of a Long Term Incentive Plan (LTIP) to retain key employees and vested the Board of Directors with authority to administer such plan. On the same Shareholder´s Meeting the Shareholders resolved to reserve 8,750,000 out of 100,000,000 Series A shares issued in December 18, 2017 to be used thereunder.

As per the LTIP approved by the Board, such plan started on April 4, 2018. As part of the LTIP the Company will enter into the Administrative Trust) to deposit the Series A shares to be used thereunder. As of the issuance date of these financial statements, the Company is in the process to execute such Administrative Trust.

The plan has the following benefits paid to certain executives and employees that are considered share-based payments:

32.1 Stock Options (Equity Settled)

The stock option gives the participant the right to buy a quantity of shares over certain period of time at a defined strike price. Stock options will be vested as follows (i) 33% the first year, (ii) 33% the second year and (iii) 34% the third year with respect to the date to which the stock options are provided to the participants. Stock Options are exercisable up to 5 years from the date they are granted. The plan establishes that the number of options to be granted will be determined using a Black Sholes Model. Employees can exercise the option by paying the exercise price in cash or through a cashless exercise.

32.1.1 Movements during the year of Series A shares

The following table illustrates the number of Series A shares and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	For the year ended December 31, 2018	
	Number of Series A shares	WAEP
Outstanding as of beginning of period/year	-	-
Granted during the period/year	1,330,541	10.0
At the end of the period/year	1,330,541	10.0

The following table list the inputs to the models used for the plan for the year:

	For the year ended December 31, 2018
Dividend yield (%)	0.0%
Expected volatility (%)	40%
Risk–free interest rate (%)	1.5%
Expected life of share options (years)	5
Weighted average exercise price (USD)	10.0
Model used	Black-Scholes-Merton

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average fair value of options granted during the year ended December 31, 2018 was 3.7.

In accordance with IFRS 2, the share purchase plans are classified as equity-settled transactions on the grant date. This valuation is the result of multiplying the total number of Series A shares that will be deposited in the Administrative Trust and the price per share.

For the year ended December 31, 2018 the compensation expense recorded in the consolidated statement of operations amounted to 1,238.

All shares are considered outstanding for both basic and diluted (loss) earnings per share purposes, since the shares are entitled to dividend if and when declared by the Company.

32.2 Restricted Stock (Equity Settled)

One or more shares that are given to the participants of the plan for free or a minimum value once the conditions are achieved. Restricted Stock is vested as follows (i) 33% the first year, (ii) 33% the second year and (iii) 34% the third year with respect to the date to which the Restricted Stock are granted to the participants.

32.2.1 Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share during the year:

	For the year ended December 31, 2018	
	Number of Series A Shares	WAEP
Outstanding as of beginning of period/year	-	-
Granted during the period/year	854,750	10.0
At the end of the period/year	854,750	10.0

In accordance with IFRS 2, the share purchase plans are classified as equity-settled transactions on the grant date. This valuation is the result of multiplying the total number of Series A shares that will be deposited in the Administrative Trust and the price per share.

For the year ended December 31, 2018, the compensation expense recorded in the consolidated statement of profit or loss and other comprehensive income amounted to 2,783.

All shares are considered outstanding for both basic and diluted (loss) earnings per share purposes, since the shares are entitled to dividend if and when declared by the Company.

Note 33. **Supplementary information on oil and gas activities (unaudited)**

This information includes the Company's oil and gas production activities carried out in Argentina.

Estimated oil and gas reserves

The Company's reserves estimation as of December 31, 2018 was audited by Gaffney, Cline & Associates. Gaffney, Cline & Associates is an independent petroleum engineering consulting firm. The independent audit covered 100% of the estimated reserves located in areas operated and non-operated by the Company. Gaffney, Cline & Associates audited the proved oil and natural gas reserve estimates in accordance with Rule 4-10 of Regulation S-X, promulgated by the SEC, and in accordance with the oil and gas reserves disclosure provisions of ASC Topic 932 of the FASB. We provided all information required during the course of the audit process to Gaffney, Cline & Associates' satisfaction.

Proved reserves are estimated by the Company's reservoir engineers. Reserves engineering is a subjective process of estimation of hydrocarbon accumulation, which cannot be accurately measured, and the reserve estimation depends on the quality of available information and the interpretation and judgment of the engineers and geologists. Therefore, the reserves estimations, as well as f-uture production profiles, are often different from the quantities of hydrocarbons, which are finally recovered. The accuracy of such estimations depends, in general, on the assumptions on which they are based.

Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

The Company believes that its estimates of remaining proved recoverable oil and gas reserve volumes are reasonable and such estimates have been prepared in accordance with the SEC rules, which were issued by the SEC at the end of 2008.

For comparison purposes, the Company presents technical volumes estimation as of December 31, 2017 and April 3, 2018 that were also audited by Gaffney, Cline & Associates. Gaffney. Vista had no ownership in the oil and gas fields that are the subject of this information before April 4, 2018, therefore, the volumes are not reserves to the interest of Vista before that date. However, Gaffney, Cline & Associates did carry out a reserves audit at the same properties for Pampa and APCO according to the SEC regulations, and it is those volumes, adjusted to the Company's working interest.

The following table sets forth the estimated oil (including crude oil, condensate and natural gas liquids) and natural gas net proved reserves as of December 31, 2018:

	Reserves as of December 31, 2018	
	Crude oil, condensate and natural gas liquids	**Natural Gas**
Reserves category	(millions of barrels)	(billion cubic feet)
PROVED Developed	27.1	103.4
PROVED Undeveloped	7.1	28.2
Total proved reserves (developed and undeveloped)	34.2	131.6

	Technical Volumes as of April 3, 2018	
	Crude oil, condensate and natural gas liquids	**Natural Gas**
Reserves category	(millions of barrels)	(billion cubic feet)
PROVED Developed	26.7	79.0
PROVED Undeveloped	4.5	25.2
Total proved reserves (developed and undeveloped)	31.2	104.2

	Technical Volumes as of December 31, 2017	
	Crude oil, condensate and natural gas liquids	**Natural Gas**
Reserves category	(millions of barrels)	(billion cubic feet)
PROVED Developed	28.1	84.5
PROVED Undeveloped	4.5	25.3
Total proved reserves (developed and undeveloped)	32.6	109.8

Liquids volumes are reported in million barrels (MMBbl) and sales gas volumes are reported in billion Standard Cubic Feet (MMSCF) at standard conditions of 14.7 psia and 60 degrees Fahrenheit.

Note 34. Events after the reporting period

The Company has evaluated subsequent events as of December 31, 2018 to assess the need for potential recognition or disclosure in these financial statements. The Company assessed such events until February 19, 2019, the date these financial statements were available to be issued.

On February 13, 2019 the Company completed the sale of 5,500.000 of series A shares and 5,000,000 million of warrants to purchase series A shares for an aggregate amount of 55,000 to Kensington Investments B.V., pursuant to a Forward Purchase Agreement and certain subscription commitment, disclosed in Note 20.1.1.

After giving effect to this transaction, Vista has:

- 75,909,315 series A shares outstanding, which represent the variable portion of Vista's capital stock, all of which are registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) and listed on the Mexican Stock Exchange;

- 2 series C shares outstanding, which represent the fixed portion of Vista's capital stock, all of which are registered with the Mexican National Securities Registry and listed on the Mexican Stock Exchange; and

- 99,680,000 warrants to purchase series A shares outstanding, which exercise period commenced on August 15, 2018, three of which may be exercised to purchase one series A share at a price of 11.50 per share.