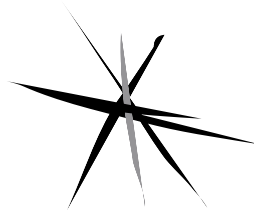

VISTA OIL & GAS S.A.B. DE C.V

Unaudited interim condensed consolidated financial statements

For the nine months period ended September 30, 2018

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

Unaudited interim condensed consolidated statements of financial position
(Amounts expressed in thousands of U.S. dollars)

	Notes	As of September 30, 2018	As of December 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	8	$ 782,297	$ -
Goodwill	23	12,579	-
Cash held in escrow account		-	652,566
Investments in associates		2,572	-
Trade and other receivables	10	12,046	-
Prepaid expenses		-	128
Total non-current assets		**$ 809,494**	**$ 652,694**
Current assets			
Related parties	19	$ 1,148	$ -
Inventories	12	1,550	-
Recoverable taxes		152	-
Prepaid expenses		1,811	-
Trade and other receivables, net	10	78,625	-
Cash and cash equivalents	13	123,312	2,666
Total current assets		**$ 206,598**	**$ 2,666**
Total assets		**$ 1,016,092**	**$ 655,360**

	Notes	As of September 30, 2018	As of December 31, 2017
Equity and liabilities			
Equity			
Share capital	14	$ 513,943	$ 25
Sponsor warrants		14,840	14,840
Stock options		2,550	-
Employee benefit plan		(2,678)	-
Retained earnings (accumulated losses)		(67,881)	(5,095)
Equity attributable to equity holders of the parent company		**$ 460,774**	**$ 9,770**
Total equity		**$ 460,774**	**$ 9,770**

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

	Notes	As of September 30, 2018	As of December 31, 2017
Liabilities			
Non-current liabilities			
Deferred income taxes		$ 157,982	$ 38
Provisions	15	18,688	-
Loans and borrowings	11	294,374	-
Interest payable to Class A shareholders		-	2,550
Redeemable Class A common stock net from offering expenses		-	642,080
Labor obligations		3,670	86
Trade and other payables		-	550
Total non-current liabilities		**$ 474,714**	**$ 645,304**

	Notes	As of September 30, 2018	As of December 31, 2017
Current liabilities			
Provisions	15	$ 3,272	$ -
Loans and borrowings	11	4,529	-
Salaries and other contributions	16	4,078	-
Trade payable	18	43,568	276
Tax payable other than income tax	17	8,059	9
Income tax payable		17,098	-
Related parties	19	-	1
Total current liabilities		**$ 80,604**	**$ 286**
Total liabilities		**$ 555,318**	**$ 645,590**
Total shareholders' equity and liabilities		**$ 1,016,092**	**$ 655,360**

The accompanying notes are an integral part of these financial statements

Unaudited interim condensed consolidated statements of profit or loss

(Amounts expressed in thousands of U.S. dollars)

	Notes	Period from January 1 to September 2018 30, 2018	Period from March 22, to September 30, 2017	Period from July 1 to September 30, 2018	Period from July 1 to September 30, 2017
Revenues	5	$ 227,233	$ -	$ 116,947	$ -
Revenues		**$ 227,233**	**$ -**	**$ 116,947**	**$ -**
Cost of sales:					
Operating expenses		(57,607)	-	(26,279)	-
Depreciation		(57,217)	-	(29,445)	-
Royalties		(33,970)	-	(17,133)	-
Gross profit		**$ 78,439**	**$ -**	**$ 44,090**	**$ -**
Selling expenses		(13,208)	-	(7,207)	-
Administrative expenses		(18,228)	(1,409)	(7,921)	(1,403)
Other operating expenses, net	6	(12,186)	(705)	(3,980)	(705)
Operating profit (loss)		**$ 34,817**	**$ (2,114)**	**$ 24,982**	**$ (2,108)**
Interest income		3,776	-	1,320	-
Interest expense		(12,319)	-	(7,455)	-
Amortized cost		(14,496)	(774)	(9,100)	(774)
Unwinding of present value discount of future decommissioning expense		(498)	-	(498)	-
Foreign exchange loss, net		(10,580)	(2)	(118)	(2)
Financial results, net		**$ (34,117)**	**$ (776)**	**$ (15,851)**	**$ (776)**
Equity method		(448)	-	(448)	-
(Loss) Profit before income tax		**$ 252**	**$ (2,890)**	**$ 8,683**	**$ (2,884)**
Current Income taxes	9	(29,417)	-	(13,289)	-
Deferred income taxes	9	(33,621)	-	(17,752)	-
Net loss		**$ (62,786)**	**$ (2,890)**	**$ (22,358)**	**$ (2,884)**
Earnings per share attributable to equity holders of the Company	7				
Basic loss per common share - (In U.S. dollars per share):		**$ (1.21)**	**(0.14)**	**(0.32)**	**(0.06)**
Diluted loss per common share - (In U.S. dollars per share):		**$ (1.01)**	**(0.12)**	**(0.28)**	**(0.06)**

The accompanying notes are an integral part of these financial statements

Unaudited interim condensed consolidated statement of changes in shareholder' equity
(Amounts expressed in thousands of U.S. dollars)

	Share capital	Sponsor warrants	Stock option	Retained earnings (Accumulated deficit)	Benefit plan	Non-controlling interest	Total shareholders' equity
Balances as of January 1, 2018	**$ 25**	**$ 14,840**	**-**	**$ (5,095)**	**-**	**-**	**$ 9,770**
Capital increase obtained from initial public offering net of reimbursements and offering expenses	513,918	**-**	**-**	**-**	**-**	**-**	**513,918**
Stock options	-	**-**	2,550	-	-	-	**2,550**
Benefit plan	-	**-**	-	-	(2,678)	-	**(2,678)**
Non-controlling Interest arising on business combination	-	**-**	**-**	-	-	1,307	**1,307**
Acquisition of non-controlling interest	-	**-**	**-**	-	-	(1,307)	**(1,307)**
Net loss	-	**-**	-	(62,786)	-	-	**(62,786)**
Balances as of September 30, 2018	**$ 513,943**	**$ 14,840**	**$ 2,550**	**$ (67,881)**	**$ (2,678)**	$ -	**$ 460,774**

Unaudited interim condensed consolidated statement of changes in shareholder' equity

From March 22, 2017 to period ended September 30, 2017

	Share capital	Retained earnings (accumulated deficit)	Total shareholders' equity
Incremental capital contribution effective on March 22, 2017	$ 1	$ -	**$ 1**
Capital increase due to issue of Serie B	25	-	**25**
Share to founding shareholders	14,840	-	**14,840**
Net loss	-	(2,890)	**(2,890)**
Balances as of September 30, 2017	**$ 14,866**	**$ (2,890)**	**$ 11,976**

The accompanying notes are an integral part of these financial statements

Unaudited interim condensed consolidated statements of cash flows

(Amounts expressed in thousands of U.S. dollars)

	Period from January 1 to September 30, 2018	Period from March 22 to September 30, 2017	Period from July 1 to September 30, 2018	Period from July 1 to September 30, 2017
Cash flows from operating activities				
(Loss) Profit before income taxes	$ 252	$ (2,890)	$ 8,683	$ (2,884)
Adjustments to reconcile profit for the period/year to net cash flows provided by operating activities				
Items not affecting cash flows:				
Depreciation, depletion and amortization	57,217	-	29,445	-
Foreign exchange loss	10,580	2	118	2
Other expenses	(2,307)	-	(2,337)	-
Labor obligation	(82)	-	(82)	-
Stock options	2,550	-	1,650	-
Items related with financing activities:				
Interest income	(3,776)	-	(1,320)	-
Interest expense	12,319	-	7,455	-
Amortization of capitalized offering expenses	14,496	774	9,100	774
Unwind on discount on decommissioning	498	-	498	-
Equity method	448	-	448	-
	92,195	**(2,114)**	**53,658**	**(2,108)**
Changes in operating assets and liabilities:				
Trade and other receivables	(30,892)	-	(3,942)	-
Trade and other payables	19,529	1,755	(2,807)	1,755
Prepaid expenses	1,676	(138)	3,346	(135)
Other current assets	184	-	1,445	-
Inventories	2,631	-	991	-
Provisions	(4,203)	-	(8,039)	-
Sundry creditors	-	847	-	838
Income tax	(9,788)	-	(346)	-
Tax liabilities	1,556	4	(338)	4
Net cash flows generated by / (used in) operating activities	**72,888**	**354**	**43,968**	**354**
Cash flows from investing activities				
Acquisitions, net of cash acquired	(691,967)	-	5,283	-
Investment in property, plant and equipment	(52,675)	-	(41,218)	-
Acquisitions of non-controlling interest	(1,307)	-	-	-
Other currents assets	2,307	-	-	-
Net cash flows generated by / (used in) investing activities	**(743,642)**	-	**(35,935)**	**-**

	Period from January 1 to September 30, 2018	Period from March 22 to September 30, 2017	Period from July 1 to September 30, 2018	Period from July 1 to September 30, 2017
Cash flows from financing activities				
Capital contribution	-	25	-	-
Redeemable Class A common stock net of offering expenses (Note 14)	(204,590)	640,585	(1,215)	640,585
Private investment in public equity net of issuance expenses	71,426	-	861	-
Proceeds from loans and borrowings	542,934	-	294,084	-
Payments of borrowings	(248,850)	-	(248,850)	-
Interest income	3,776	831	(5,074)	831
Interest expense	(7,790)	-	1,320	-
Sponsor Warrants	-	14,840	-	14,840
Net cash flows generated by / (used in) financing activities	**156,906**	**656,281**	**41,126**	**656,256**
Net increase (decrease) in cash and cash equivalents	**(513,848)**	**656,635**	**49,159**	**656,610**
Cash and cash equivalents at the beginning of the period	655,232	-	74,805	25
Effect of exchange rate changes on cash and cash equivalents	(18,072)	(2)	(652)	(2)
Cash and cash equivalents at the end of the period	**$ 123,312**	**$ 656,633**	**$ 123,312**	**$ 656,633**

Notes to the unaudited interim condensed consolidated financial statements
(Amounts expressed in thousands of U.S. dollars)

Note 1. Corporate and Company information

1.1 General information and Company structure and activities

Vista Oil & Gas, S.A.B. de C.V. ("VISTA" or the "Company") was organized as a corporation with variable capital stock under the laws of Mexico on March 22, 2017. Until April 4th, 2018, the Company was a special purpose acquisition company established for the purpose of effecting a merger, asset acquisition, share purchase, share exchange, participation or interest purchase, combination, consolidation, reorganization or other similar business combination, however denominated, with one or more businesses (the ''Initial Business Combination'').

On August 15, 2017, the settlement date of the Initial Public Offering ("IPO") in the Mexican Stock Exchange, the Company obtained funds for an amount of $ 650,017 (including Deferred Subscription Fees, as that term is defined in Note 2.4.10). The Company reimbursed part of it to the shareholders and used the other part of those funds, among other things, to finance the Initial Business Combination, as described below.

From its inception until April 4, 2018, all of the Company´s activities had been related to its constitution, the IPO and the efforts aimed at detecting 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. de C.V. ("VISTA I"), concluded, for a total cash consideration of $ 736,006, the Initial Business Combination (hereinafter the "Initial Business Combination" – Note 23) through the acquisition of:

(i) 58.88% equity interest in Petrolera Entre Lomas, S.A. ("PELSA");
(ii) 3.85% direct interest in the Concessions for Exploitation operated by PELSA;
(iii) 100% of interest in the Concessions for Exploitation of 25 de Mayo- Medanito;
(iv) 100% of interest in the Concessions for Exploitation of Jagüel de los Machos;
(v) 100% of Apco Oil & Gas International, Inc. ("APCO") and
(vi) 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); (1)
  d. A non-operational 45% stake in the Coiron Amargo Sur Oeste evaluation lot (operated by O&G Development Ltd. S.A.); (1)

ii. In the Golfo San Jorge basin
  a. a non-operating participation of 16.94% in the concession for exploitation Sur Río Deseado Este (operated by Pentanova Energy); and (1)
  b. a non-operating participation of 44% in the Sur Río Deseado Este exploration contract (operated by Quintana E&P Argentina S.R.L.). (1)

iii. In the Northwest basin
  a. A non-operating participation of 1.5% in the concession for exploitation Acambuco (operated by Pan American Energy). (1)

(1) Participation obtained as a result of the acquisition of Apco Oil & Gas International, Inc

As a result of the acquisitions described above, as of April 4, 2018, the main activity of the Company is 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 stake (0.32%) of PELSA for a total cash consideration of $ 1,307.

The registered address and the main office of the Company are located in Mexico City (Mexico), in the street of Javier Barros Sierra N° 540 Torre 2, 2nd floor, Lomas de Santa Fe, Delegación Álvaro Obregón, ZIP Code 01210, Mexico City.

Note 2. Basis of preparation and significant accounting policies

2.1 Basis of preparation and presentation

The unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively the Company) for the nine month period to September 30, 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and were authorized for issuance by the Company's Chief Financial Officer Pablo Vera Pinto on October 25, 2018 and the Company's Board of Directors; subsequent events have been considered through that date (See Note 25).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements as at December 31, 2017.

The unaudited interim condensed consolidated financial statements were applicable are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2017; however, as result of the Company's business combination further described below, several new accounting policies have been adopted. Note 2.4 describes a summary of our principal accounting policies; in addition, effective January 1, 2018, the Company adopted new standards IFRS 15, "Revenues from Contracts" and IFRS 9, "Financial instruments", as well as several other amendments and interpretations that apply for the first time in 2018, but that do not have an impact on the unaudited interim condensed consolidated financial statements of the Company.

The preparation of these unaudited interim condensed consolidated financial statements in accordance with IAS 34 requires the use of critical estimates and assumptions that affect the amounts reported for certain assets and liabilities, as well as certain income and expenses. It also requires that management exercise judgment in the application of the Company's accounting policies.

The unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities as well as the purchase price allocation based on the acquisition method of accounting as disclosed below.

The unaudited interim condensed consolidated financial statements of the Company are presented in thousands of U.S. dollars, according to the provisions of the IAS 21. The Company's functional and reporting currency is the U.S. dollar, which is the currency used in these unaudited interim condensed consolidated financial statements.

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

IFRS 16, Leases: IFRS 16 was issued in January 2016 and 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 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 recognize 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 recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, among others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion and will be presented as financing cash flows. Variable lease payments that do not depend on an index or rate are not included in the lease liability and will continue to be presented as operating cash flows.

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 recognize 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, which is effective for annual periods beginning on or after January 1, 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17. This standard has not been early adopted by the Company

The Company plans to adopt IFRS 16 and will apply the modified retrospective method.
The Company has yet to complete its evaluation and in the process of quantifying the effects of IFRS 16 and developing its accounting policy under the new standard.

IFRIC 23 "Uncertainty over Income Tax Treatments": IFRIC 23 was issued in June 2017. It 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. This standard has not been early adopted by the Company, The Company has yet to complete its evaluation of whether this standard will have a material impact on its consolidated financial statements.

IFRS 9 "Financial instruments": application guidance modified in October 2017, in relation to the classification of financial assets in the case of contractual terms that change the timing or amount of contractual cash flows to determine whether the cash flows that could arise due to that contractual term are solely payments of principal and interest on the principal amount. It is effective for annual periods beginning on or after January 1, 2019, early adoption is permitted. This standard has not been early adopted by the Company, The Company has yet to complete its evaluation of whether this standard will have a material impact on its consolidated financial statements.

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. The Company has yet to complete its evaluation of whether this standard will have a material 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 annual reporting period 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.

IAS 28 "Investments in associates and joint ventures": amended in October 2017. Clarifies that IFRS 9 applies to other financial instruments in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. It is applicable to annual periods beginning on or after January 1, 2019, early adoption is permitted. Since the Company does not have any associate nor joint venture, the amendments will not have an impact on its financial statements.

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 consequences 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 consolidated financial statements.

2.3 Basis of consolidation

The 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. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Specifically, the Company controls an entity if, and only if, the Company has the following:

- 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 23 below).

Intercompany transactions, balances and unrealized gains on transactions between Company of the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company, as of September 30, 2018 the Company does not have non-controlling interests.

The details evidencing the control exercised by the Company at the end of the period/year 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
	09-30-18	12-31-17	01-01-17		
Vista Holding I, S.A. de C.V.	100%	100%	-%	Mexico	Holding
Vista Holding II, S.A. de C.V.	100%	100%	-%	Mexico	Holding
Vista Holding III, S.A. de C.V.	100%	-%	-%	Mexico	Holding
Vista Complemento S.A. de C.V.	100%	-%	-%	Mexico	Services
Petrolera Entre Lomas. S.A. (1) (3)	100%	-%	-%	Argentina	Upstream(2)
APCO Oil & Gas International, Inc. (1)	100%	-%	-%	Cayman Island	Holding
APCO Oil & Gas International Inc. Sucursal Argentina (1)	100%	-%	-%	Argentina	Upstream(2)
APCO Argentina, S.A. (1)	100%	-%	-%	Argentina	Holding
Aluvional Infraestructura S.A.	100%	-%	-%	Argentina	To be determined
Aluvional Logística S.A.	100%	-%	-%	Argentina	To be determined

(1) The business was acquired on April 4, 2018.

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

(3) On May 14, 2018, Petrolera Entre Lomas, S.A. changed its name to Vista Oil and Gas Argentina, S.A.

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 arrangement 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 have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Company entity undertakes its activities under joint operations, the Company as a joint operator recognizes in relation to its interest in a joint operation:

- 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/year, 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 a Company entity transacts with a joint operation in which a Company entity 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 a Company entity transacts with a joint operation in which a Company entity 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.

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 Company;
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 profit or loss.

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 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 asset or liability. Amounts classified as a financial asset or liability are subsequently re-measured to fair value with changes in fair value recognized in profit or loss. 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, which includes the separation of the derivatives implicit in main contracts by the Company receiving the investment. Those reserves and oil 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 profit or loss.

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

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in "Other reserves" within equity attributable 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 profit or loss.

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 appropriate.

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. It is recognized at cost less depreciation a 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. 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, the computation of financial costs accrued on loans granted by third parties and other pre-production costs, net of any income obtained from the sale of commercially valuable production during the launching period.

Works in progress are recorded at cost, less any loss due to impairment, if applicable.

The depreciation methods and periods used by the Company are described below.

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.

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 Company depreciates productive wells, machinery and fields 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 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 is valued at cost with recoverability periodically assessed based on geological and engineering estimates of possible and probable reserves that are expected to be proved over the life of each concession.

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 in note 8.

The depreciation method is reviewed, and adjusted if appropriate, at the end of each year.

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 involves 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, 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.

The costs directly associated with the appraisal activity that is carried out to determine the size, characteristics and commercial potential of a reserve after the initial discovery of the hydrocarbons, including the costs of appraisal wells where no hydrocarbons were found, are initially capitalized as an intangible asset.

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 proved 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) it is recognized any loss due to impairment; 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.

2.4.2.3 Rights and Concessions

The rights and concessions are depleted based on production units over the total of the developed and undeveloped proved reserves of the correspondent area. The calculation of the rate of production units for the depreciation / amortization of the exploitation costs of reserves takes into account the expenses incurred to date, together with the authorized future operating expenses.

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 Company of CGUs that are expected to benefit from the synergies of the combination. Each unit or Company 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 transferred in these circumstances is measured based on the relative values of the disposed cash-generating unit.

2.4.4 Impairment of non-financial assets

Intangible assets that have an indefinite useful life and goodwill are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets 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 compared at the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash inflows from other assets or companies of assets (cash generating units or CGUs). Non-financial assets, other than goodwill, 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

Information included in the financial statements is measured in the functional and presentation currency of the Company, which is the currency of the primary economic environment in which the entity operates. The functional currency is the U.S. Dollar, which is the Company's presentation currency.

IAS 29 "Financial reporting in hyperinflationary economies" requires for financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, to be stated in terms of the measuring unit current at the end of the reporting year. In general terms, by applying to non-monetary items the change in a general price index from the date of acquisition or the date of revaluation, as appropriate, to the end of the reporting period. In order to conclude about the existence of a hyperinflationary economy, the standard mentions certain indications to consider including a cumulative rate of inflation in three years that approaches or exceeds 100%.

During the first half of 2018, the Argentine Peso devalued significantly, annual interest rates were raised in excess of 40%, and wholesale price inflation accelerated considerably. Based on the statistics published on July 17, 2018, the 3-year cumulative rate of inflation for consumer prices and wholesale prices reached a level of about 123% and 119%, respectively. On that basis, Argentina was considered a hyperinflationary economy since July 1, 2018.

The Company has evaluated this situation and concluded that it has no impact on their financial statements considering that all Argentine subsidiaries have the U.S. dollar as their functional currency.

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 income statement, 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 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").

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 provision for impairment, 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.

2.4.6.1.3 Impairment of financial assets

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company 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.

2.4.6.1.4 Offsetting of financial instruments

Financial assets and financial liabilities are presented gross in the statement of financial unless both of the following criteria are met: the Company 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 Company 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.

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. Equity instruments issued by a Company entity are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company´s own equity instruments are recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company´s own equity instruments.

2.4.6.2.3 Reimbursable Series A Shares

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

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 subsequently measured at amortized cost using the effective interest method or at FVTPL.

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 Group did not have any financial liability measured at FVTPL as of December 31, 2017.

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.

2.4.6.2.4.1 Trade payables and other payables

Trade payables and other payables are recognized at fair value.

2.4.6.2.4.2 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company 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 Revenues

Revenues from contracts with customers

The Company are in the business of Upstream. Revenue from oil and gas sales are recognized when control of the goods or services are transferred to the off-taker at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The revenue recognition criteria of the main activities of the Company includes revenue from the sale of oil and gas. Revenue from sale of crude oil, natural gas and Liquefied Petroleum Gas is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the inventory. The normal credit term is 30 to 45 days upon delivery.

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.

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.

Trade 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.

Other Revenues – Government grants - Recognition of compensation for injection of surplus gas
Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. There are no unfulfilled conditions or other contingencies attaching to the following grants:

The recognition of income for the injection of surplus gas is accounted in accordance with IAS 20 since it involves a compensation as a result of the production increase committed. This item has been disclosed under Compensation for Surplus Gas Injection, under Revenuer, in the statement of profit or loss. Furthermore, fiscal costs related to the program has been disclosed under Extraordinary Canon, under other operating expenses, in the statement of profit or loss and other comprehensive income.

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

This line item includes crude oil stock, as describe below.

Inventories are stated at the lower of cost or net realizable value. The cost of crude oil is the drilling and production cost, including the appropriate proportion of depreciation, depletion, amortization and overheads based on the normal operating capacity, determined on a weighted average basis.

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 statement of income when the inventories are overstated.

2.4.9 Cash and cash equivalents

For the purpose of presentation in the 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 statement of financial position and there are not disclosed under Cash and cash equivalents in the 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 4th, 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 14.1 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 pertinent decisions of shareholders' meetings and legal or regulatory standards.

a. Issued capital

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

b. Legal reserve

The Company, 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 at nominal value. This reserve is not susceptible of distribution to the shareholders during the existence of the Company, except in the form of dividends. As of September 30, 2018, the Company has not created this reserve.

c. Other reserves

It includes the reserves for stock compensation plans.

d. Retained earnings

Retained earnings comprise accumulated profits or losses without a specific appropriation. Retained earnings can be distributable 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.

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 14), 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 capital companies in favor of their shareholders, when they are individuals or undivided successions residents of Argentina or beneficiary residing abroad of Argentina.

e. Other comprehensive income

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

2.4.12 Employee benefits

2.4.12.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave 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 current salaries and social security payable 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. Employees in Mexico of the Successor Company waived their right to receive the employee profit sharing program, in accordance with the Federal Labor Law.

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 operates several defined benefit plans. 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 income (loss).

2.4.13 Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive 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 consolidated 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, but only when the reimbursement is virtually certain.

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, 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 Provisions and contingent liabilities

2.4.14.1 Provision for well plugging and abandonment

The Company recognizes a provision for well plugging and abandonment 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. Costs related to the restoration of damage in place (after the start of commercial production) that are created continuously during production are provisioned at their net present values and are recognized in profit or loss as production continues.

Changes in estimated times or the cost of well plugging and abandonment 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 well plugging and abandonment and, therefore, any deduction of the asset to which it relates may not exceed the carrying amount of that asset.

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 deposits, if the estimate of the revised value of assets for oil and gas extraction, net of well plugging and abandonment 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 periodic reversion of the discount is recognized in the consolidated income statement and other comprehensive income as a financial cost.

2.4.14.2 Provision for environmental remediation

Provision 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 period include current and deferred tax. Tax is recognized in the consolidated income statement, 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. Management 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 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 Company 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 September 30, 2018 in Argentina (see Note 24.1.1) are 30% and as of September 30, 2018 in Mexico of 30%.

2.4.15.2 Minimum presumed income tax

The subsidiaries of the Company in Argentina assess the minimum presumed income tax in Argentina by applying the current 1% rate over the assets computable at the closing of the year.

This tax is complementary to income tax in Argentina. The subsidiaries in Argentina’s tax liability will be 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 computed against any income tax excess over the minimum presumed income tax that may be generated in the following ten years.

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

As of the end of each reporting period, the Company’s Management analyzed 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 will evaluate the evolution of this recoverability in future fiscal 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.

2.4.16.1 Company as a lessee

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 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 receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). There is no share-based payment 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.

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 dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 7).

Note 3. Significant accounting judgements, estimates and assumptions

The preparation of 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 applied estimates and accounting judgments 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 recognized in the consolidated financial statements.

3.1.1 Revenue Recognition

In the oil and gas business, the fair value of the consideration receivable corresponding to revenues from gas sales is recognized based on the volume of gas delivered and the price established by the Ministry of Energy and Mining (in accordance with applicable resolutions).

3.1.2 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 24, for which elaborates the estimates mainly with the assistance of legal advisors, based on information available to the Management at financial statements date, and taking into account our 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.

3.1.3 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 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.

3.1.4 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 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.

3.1.5 Joint arrangements

Judgement is required to determine when the Company has joint control over an arrangement, which 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 subsidiaries.

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.

3.1.6 Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is, in itself, an estimation process that involves varying degrees of uncertainty depending on how the resources are classified.

These estimates directly impact when the Company defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the consolidated statement of profit or loss and other comprehensive income in the period when the new information becomes available.

3.1.7. 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 Current and deferred Income tax / Minimum presumed income tax

The Company Management has to regularly assess 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 realize 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.

3.2.2 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.

3.2.3 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 (Notes 8 and 23).

3.2.4 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 Company uses a black & sholes model.

Note 4. Segment information

The Executive Management Committee (the "Committee") of the Company has been identified as the Chief Operating Decision Maker ("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 & gas properties, based on its separate production, due to the purpose of making decisions about the location 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 shareholdings 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.

For the period beginning April 4, 2018 to September 30, 2018, all its revenues and operations are derived from external argentine customers, the depreciation of oil & gas properties, operating expenses and property, plant and equipment is fully associated with Argentina. As of September 30, 2018, and, all of its non-current assets are located in Argentina.

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

Note 5. Revenues from contracts with customers

5.1 Disaggregated revenue information

Types of products	Period from January 1st to September 30, 2018	Period from March 22, to September 30, 2017	Period from July 1 st to September 30, 2018	Period from July 1 st to September 30, 2017
Revenue from crude oil sales	$ 177,169	$ -	$ 91,840	$ -
Revenue from natural gas sales	45,988	-	23,290	-
Revenue from liquefied petroleum gas (LPG) sales	4,076	-	1,817	-
Total	**$ 227,233**	**$ -**	**$ 116,947**	**$ -**

5.2 Sales Channels

	Period from January 1st to September 30, 2018	Period from March 22, to September 30, 2017	Period from July 1st to September 30, 2018	Period from July 1st to September 30, 2017
Crude oil refineries	$ 177,169	$ -	$ 91,840	$ -
Industries	46,446		22,938	-
Natural gas distributors	3,618	-	2,169	-
Total	**$ 227,233**	**$ -**	**$ 116,947**	**$ -**

5.3 Performance obligations

The Company’s performance obligations relate to the upstream business. The Upstream business carries out all activities relating to the exploration, development and production of oil and natural gas. Revenues are generated mainly from the sale of produced oil, natural gas and liquefied petroleum gas to third parties at a point in time.

Note 6. Other operating expenses, net

	Period from January 1st to September 30, 2018	Period from March 22, to September 30, 2017	Period from July 1 st to September 30, 2018	Period from July 1 st to September 30, 2017
Restructuring expenses	$ (8,862)	$ -	$ (2,662)	$ -
Other administrative expense	(2,380)	-	(2,528)	-
Other	(944)	(705)	1,210	(705)
Total other operating expenses	**$ (12,186)**	**$ (705)**	**$ (3,980)**	**$ (705)**

Note 7. 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 year.

b) Diluted

Diluted earnings (loss) per share are calculated by adjusting the weighted average of outstanding common shares 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 ordinary shares during the period, no dilutive effect is recorded, being the diluted earnings (loss) per share equal to the basic.

As of September 30, 2018, VISTA has shares that can potentially be diluted and, therefore, presents its [loss/profit] per share, both basic and diluted. The basic loss per share (LPS) is calculated by dividing the net loss by the weighted average number of ordinary shares outstanding during the period. The diluted loss per share (LPS) is calculated by dividing the net loss (after adjusting it with the interest on the convertible preferred shares) by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares they would be issued upon the conversion of all preferred shares with dilution potential in ordinary shares.

	Period from January 1st to September 30, 2018	**Period from March 22, to September 30, 2017**
Basic earnings per share:		
Net loss	$(62,786)	$(2,890)
Weighted average of outstanding shares during the period	51,959	21,080
Basic loss per common share	**(1.21)**	**(0.14)**
Diluted earnings per share:		
Net loss	$(62,786)	$(2,890)
Weighted average of outstanding shares during the period plus the potential dilutive effect of redeemable Class A shares and Sponsor Warrant	70,409	23,160
Diluted loss per common share	**(0.32)**	**(0.12)**

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

Note 8. Property, plant and equipment

	Land and buildings	Wheels, machinery, installations, computer and equipment and furniture	Oil and gas properties	PP&E	Work in process	Materials	Total
Cost							
at December 31, 2017	-	-	-	-	-	-	-
Additions in business combinations	2,203	12,230	211,770	543,151	10,497	16,518	**796,369**
Additions	-	81	-	-	49,586	3,008	**52,675**
Transfers	-	650	163	17,044	(17,857)	-	**-**
Disposals	-	-	-	(9,735)	-	-	**(9,735)**
at September 30, 2018	**$ 2,203**	**$ 12,961**	**$ 211,933**	**$ 550,460**	**$ 42,226**	**$ 19,526**	**$ 839,309**
Depreciation							
at December 31, 2017	-	-	-	-	-	-	**-**
Depreciation charge for the year	(9)	(1,496)	(2,952)	(52,760)	-	-	**(57,217)**
Disposals	-	-	-	205	-	-	**205**
at September 30, 2018	**$ (9)**	**$ (1,496)**	**$ (2,952)**	**$ (52,555)**	**-**	**-**	**$ (57,012)**
Net book value at December 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value at September 30, 2018	**$ 2,194**	**$ 11,465**	**$ 208,981**	**$ 497,905**	**$ 42,226**	**$ 19,526**	**$ 782,297**

Useful lives

Drilling costs applicable to productive wells and to developmental dry holes, as well as tangible equipment costs related to the development of oil and gas reserves, have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to estimate proved developed oil, and gas reserves.

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.

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

Buildings	50 years
Equipment and machinery	10 years
Wells	Unit of production
Vehicles	5 years
Furniture and fixtures and computer equipment	10years
Communication equipment	3 years
Facilities	10 years

Note 9. Deferred income tax assets and liabilities, income tax and minimum presumed income tax expense and liability

a) **Income Tax**

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings, the Company analysis of income tax is as follows;

	Period from January 1st to September 30, 2018	**Period from March 22, to September 30, 2017**	**Period from July 1st to September 30, 2018**	**Period from July 1st to September 30, 2017**
Current income tax	$ 29,417	$ -	$ 13,289	$ -
Deferred income tax	33,621	-	17,752	-
Total income Tax	**$ 63,038**	**$ -**	**$ 31,041**	**$ -**

As of September 30, 2018 there is a significant negative impact on the effective tax rate arising from deferred tax liabilities mainly as a result of the devaluation of the Argentine Peso against the USD of around 30% during the last quarter, as it impacts future tax deduction of some non-monetary assets mainly, property, plant and equipment, additionally there is a significant impact of non-deductible expenses and the lack of recognition of NOL´s.

Note 10. Trade and other receivables

	September 30, 2018	December 31, 2017
Non-current		
Government grant	$ 11,885	$ -
Other	161	-
Trade and other receivables	**$ 12,046**	$ -

	September 30, 2018	December 31, 2017
Current		
Receivables from oil and gas sales, net of allowance	$ 67,040	$ -
Receivables from other sales	4,374	-
Government grant	6,608	-
Other	603	-
Trade and other receivables, net	**$ 78,625**	$ -

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. See note 12 for information regarding the fair value of the trade and other receivable.

The average credit period on sales of goods is 45 days. No interest is charged on outstanding trade receivables.

The Company 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, or when the trade receivables are over 90 days past due, whichever occurs earlier. 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.

The movements in the allowance for the impairment of trade receivables are as follows:

	September 30, 2018
At the beginning	$ 6,161
Allowance for impairment	(313)
Decreases	-
Reversal of unused amounts	-
At the end of the year	**$ 5,848**

Note 11. Financial assets and financial liabilities

11.1 Financial instruments by category

The following chart presents financial instruments by category:

As of September 30, 2018	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit and loss	Total
Assets			
Trade receivables and other receivables, net	72,017	6,608	78,625
Trade and other	161	11,885	12,046
Government bonds	-	17,795	17,795
Cash and cash equivalents	72,821	32,696	105,517
Total	**$ 144,999**	**$ 68,984**	**$ 213,983**
Liabilities			
Trade payables	-	43,568	43,568
Borrowings	298,903	-	298,903
Total	**$ 298,903**	**$ 43,568**	**$ 342,471**

As of December 31, 2017	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit and loss	Total
Assets			
Cash held in escrow account	-	652,566	652,566
Cash and cash equivalents	-	2,666	2,666
Total	**$ -**	**$ 655,232**	**$ 655,232**
Liabilities			
Trade and other liabilities	-	826	826
Redeemable Class A common stock net from offering expenses	644,630	-	644,630
Total	**$ 644,630**	**$ 826**	**$ 645,456**

The income, expenses, gains and losses derived from each of the financial instrument categories are indicated below:

For the period from January 1, 2018 through September 30, 2018:

	Financial assets/liabilities at amortized cost	**Financial assets/liabilities at fair value through profit and loss**	**Total**
Interest income	$ -	$ 3,776	$ 3,776
Interest expense	(12,319)	-	(12,319)
Foreign exchange, net	(10,580)	-	(10,580)
Amortized cost	(14,496)	-	(14,496)
Total	**$ (37,395)**	**$ 3,776**	**$ (33,619)**

For the period from March 22, 2017 through September 30, 2017:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit and loss	Total
Foreign exchange, net	$ -	$ (2)	$ (2)
Amortized cost	(774)	-	(774)
Total	**$ (774)**	**$ (2)**	**$ (776)**

11.2 Borrowings

On July 19, 2018, the Company, through its Argentine subsidiary (Vista Oil & Gas Argentina, S.A.), subscribed a syndicated loan agreement with Banco de Galicia y Buenos Aires, S.A., Itaú Unibanco S.A., Banco Santander Río, S.A. and Citibank, N.A. for an amount of $ 300,000 guaranteed by VISTA and its material subsidiaries; such loan originated debt issue costs for an amount of $ 5,915. 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 and interest on an annual basis at an annual nominal LIBOR rate plus a 450 bps margin.

The proceeds from this loan were used to repay the $260,000 bridge loan guaranteed by Vista subscribed on April 4, 2018, derived from the Initial Business Combination (see Note 23).

During the term of the syndicated loan, the Company has to comply with certain covenants. The syndicated loan agreement also includes financial, affirmative and negative covenants which mainly consist of maximum levels of leverage, as it is usual in the market. As of September 30, 2018, there has been no infringement on said financial, affirmative and negative covenants.

Details of borrowings:

Type of instrument	Company	Currency	Residual value	Interest	Rate	Expiration	Book value as of 09.30.18
Borrowings:	Vista Oil & Gas Argentina, S.A.	US$	$ 300,000	LIBOR	8.13%	July 20, 2023	$ 298,903

Financial borrowings approximate their fair value as they are subjected to a variable rate.

The maturities of the Company's borrowings and its exposure to interest rates are as follow:

	September 30, 2018
Fixed rate	
One to two years	$ 17,265
Two to three years	45,000
Three to four years	45,000
Four to five years	45,000
Floating rates	
One to two years	$ 17,264
Two to three years	45,000
Three to four years	45,000
Four to five years	45,000

Detail of other financial liabilities:

On August 15, 2017, upon completion of the Initial Public Offering, the Company sold 65,000 Series A common shares and 65,0000 optional securities that may be exercised for those Series A common shares (the "Stock Options") generating gross cash inflows for the Company for $650,017. Three optional securities give to the holders the right to acquire a Series A common shares, therefore the optional securities have a dilutive effect.

In accordance with the unanimous resolutions of the shareholders 'meeting dated July 28, 2017, certain capital decreases were approved and, consequently, the Series A common shares could be redeemed in cash and canceled. Therefore, the gross resources obtained in the Initial Public Offering were recognized as a financial liability, including the interest accrued that remains in the Escrow Account minus the costs of the operation that are directly attributable to the account.

On April 4, 2018, around 31.29% of the holders of Series A common shares exercised their redemption rights (Note 14).

11.2.1 Changes in liabilities arising from financing activities

The movements in the borrowings are as follows:

	For the period ended September 30, 2018	For the year ended December 31, 2017
At the beginning of the period / year	$ 642,080	$ -
Proceeds from borrowings, net of debt issue cost	543,203	-
Payment of borrowings	(260,000)	-
Proceed from issuance of Series A Common shares	-	650,017
Offering expenses at IPO	-	(9,988)
Payment of redemption of Series A Common share	(202,914)	-
Capitalized liability related to Series A Common share (1)	(442,491)	-
Accrued interest	12,319	-
Payment of borrowings' interests	(7,790)	-
Amortized cost	14,496	2,051
At the end of the year	**$ 298,903**	**$ 642,080**

(1) Non-cash movement

11.3 Fair value of financial assets and financial liabilities

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

11.3.1 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 value of the financial instruments negotiated in active markets is based on the market quoted prices as of the date of these 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 non-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.

As of September 30, 2018, and December 31, 2017 all the financial assets and liabilities shown above are Level 1.

11.3.2 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 directors 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 September 30, 2018	Carrying amount	Fair Value	Level
Liabilities			
Borrowings – Term loan	$ 298,903 (1)	$ 295,156 (1)	1

(1) Net of 5,626 corresponding to debt issue costs.

As of December 31, 2017	Carrying amount	Fair Value	Level
Redeemable Class A common stock	$ 644,630	$ 650,000	1

11.4 Financial instruments risk management objectives and policies

11.4.1 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.

11.4.1.1 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") mainly. The Company did not use derivative financial instruments to mitigate associated exchange rate risks in the periods/year presented.

The Company collects most of its revenues, mainly resulting from the sale of crude oil and gas in ARS pursuant to prices which are indexed to the U.S. dollar.

Furthermore, a portion of the Company's liabilities (approximately 13%) is denominated in ARS as of September 30, 2018.

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.

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 September 30, 2018, all borrowing is denominated in U.S. dollar and approximately 50% of the indebtedness was subject to variable interest rates, based on Libor rate plus an applicable margin. As of September 30, 2018, the variable interest rate was 8.13%.

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. As of the date of issuance of these financial statements, the Company is not exposed to a significant risk of variable interest rate increases since most of the financial debt is subject to fixed rate.

In the period/year ended September 30, 2018 and December 31, 2017, the Company did not use derivative financial instruments to mitigate risks associated with fluctuations in interest rates.

11.4.1.2 Credit risk

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 doubtful accounts. This allowance represents the best estimate by the Company of possible losses associated with trade receivables. As of September 30, 2018, the Company's trade receivables totaled $67,040, out of which 100%, are short-term receivables.

The Company has the following credit risk concentration regarding its participation on all trade receivables as of and on revenues for the periods/year:

	September 30, 2018
Represents % of total revenues	
Crude Oil	
Shell Cía. Argentina de Petróleo S.A.	40%
Trafigura S.A.	23%
Pampa Energía S.A.	17%
YPF S.A.	15%
Natural Gas	
Rafael Albanesi S.A.	25%
Compañía Inversora de Energía S.R.L	12%
San Atanasio Energía S.A.	12%
Camuzzi Energía S.A.	8%

No other client has a meaningful percentage of the total amount of these receivables or revenues.

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, our 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 to cancel outstanding debts under the Program, the Company suffered a significant delay in the collection of the 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.

11.4.1.3 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 Company management supervises updated projections on liquidity requirements to guarantee the sufficiency of cash and liquid financial instruments to meet operating needs while keeping at all times a sufficient margin for unused credit facilities. 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 meeting 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 and marketable securities.

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 September 30, 2018 and December 31, 2017 is detailed below:

	September 30, 2018	December 31, 2017
Current assets	$ 207,057	$ 2,666
Current liabilities	81,063	286
Index	2.55	9.32

Note 12. Inventories

	September 30, 2018		December 31, 2017	
Stock of crude oil	$	1,550	$	-
Total		**1,550**		**-**

Note 13. Cash and cash equivalents

	September 30, 2018		December 31, 2017	
Banks	$	72,821	$	2,666
Liquid financial instruments		50,491		-
Total	**$**	**123,312**	**$**	**2,666**

Note 14. Share Capital

14.1 Issued capital and reserves

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 of redeemable Series A common shares for an amount of $ 650,017 minus the offering fees of $ 9,988. This Series A redeemable common shares will be redeemable from what happens later between (i) 30 days following the consummation of our Initial Business Combinations or (ii) 12 months following the closing of the IPO and will expire 5 years after the consummation of our Initial Business Combination or before in case of early termination in accordance with the Issuance Act.

On the same date, the Company's sponsors purchased a total of 29,680 Private Stock Options for $14,840 as a whole in a private placement that was made simultaneously with the closing of the Initial Public Offering in Mexico. Three Private placement stock options are susceptible to be exercised in exchange for a share of Series A ordinary capital; consequently, such stock options have a diluted effect on earnings per share. Stock options are not redeemable and may be exercised and may not require cash as long as they are in the possession of the Sponsor or its permitted assignee.

The directors and counselors of the Sponsor and the Company have agreed, subject to limited exceptions, not to transmit, assign or sell any of its Stock Options until 30 days after the conclusion of the Initial Business Combination. As of September 30, 2018, there has been no transmit, assign or sell of sponsor shares.

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 Series A ordinary shares as a result of a potential Initial Business Combination disclosed in Note 23. On April 4, 2018 an amount of 9,500 Series A ordinary shares were fully paid and subscribed for an amount of $ 95,000 through Private Investment in Public Capital ("PIPE"), with a share issue cost of $4,074.

On April 4, 2018, about 31.29% of the holders of the Series A redeemable common shares exercised their redemption rights; as a result, 20,341 shares were redeemed for an amount of $ 204,590, the resources came from the cash held in the escrow account. The holders of remaining Series A redeemable common shares recognized as

a financial liability approved the Initial Business Combination (Note 23) and, as a result, an amount of $ 442,491 net of offer expenses paid for an amount of $19,500, was capitalized on that date, the capitalization of $ 442,491 did not generate cash flow, while the payment of offering expenses were paid using the proceeds held in the escrow account.

As of September 30, 2018, the Company´s variable share capital consisted of 70,409 Series A common shares with a face value of $ 10 each and each granting the right to one vote, issued and fully paid. The variable share capital includes 16,250 of Series B common shares with a face value of $ 10 that were converted into Series A shares after the consummation of the Initial Business Combination, such conversion did not generate cash flow. The variable capital has no limit.

As of September 30, 2018, the authorized common capital of the Company includes 44,659 shares of Series A common shares issued as part of the Initial Public Offering in Mexico and capitalized as Issued capital on April 4, 2018.

The following chart shows a reconciliation of the movements in equity of the Company from January 1, 2018 to September 30, 2018:

	Series A - Publicly traded shares	Series A – Private Offering	Series B	Series C
Balances as of January 1, 2018	$ -	$ -	$ 25	$ 0
Number of shares	-	-	16,250	2
Net value of Series A shares on April 4, 2018	627,581	90,926	-	-
Number of shares	65,000	9,500	-	-
Net value of Series A shares redeemed on April 4, 2018	(204,590)	-	-	-
Number of shares	(20,341)	-	-	-
Net value of Series B shares converted into Series A shares on April 4, 2018	25	-	(25)	-
Number of shares	16,250	-	(16,250)	-
Balance as of September 30, 2018	$ 423,016	$ 90,926	$ -	$ 0
Number of shares	60,909	9,500	1	2

The net income of the Company is subject to the legal requirement that 5% thereof be transferred to a legal reserve until such reserve amounts to 20% of capital stock at nominal value. This reserve may not be distributed to shareholders during the existence of the Company. As of September 30, 2018, the Company has not created such reserve.

Retained earnings and other reserves distributed as dividends, as well as the effects derived from capital reductions, are subject to income tax at the rate in effect at the date of distribution, except for restated shareholder contributions and distributions made from net consolidated taxable income, denominated “Cuenta de Utilidad Fiscal Neta” (“CUFIN”). The Company will not be able to decree dividends until future profits absorb the retained losses.

Share option schemes

The Company has a share option schemes under which options to subscribe for the Company’s shares have been granted to certain senior executives and certain other employees. The share-based payments reserve is used to recognize the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Publicly traded shares

The Company's shares are listed for trading on Mexico Stock Exchange, the listing of the shares with the Mexican Stock Exchange is part of the Company's strategic plan to increase its liquidity and the volume of its shares.

15. 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.

To keep or adjust its capital structure, the Company may adjust the amount of the dividends paid to its shareholders, reimburse capital to its shareholders, issue new shares, conduct stock repurchase programs or sell assets to reduce its debt. 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 and cash equivalents and current financial assets at fair value through profit and loss. The total capital corresponds to the shareholders' equity as shown in the 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Financial leverage ratio as at September 30, 2018 was as follows:

	September 30, 2018
Total borrowings	$ 298,903
Less: cash and cash equivalents, and financial assets at fair value through profit and loss	141,805
Net debt	**157,098**
Total capital attributable to owners	460,774
Leverage ratio	**0.34**

No changes were made in the objectives, policies or processes for managing capital during the period ended September 30, 2018.

15.1 Provision for well plugging and abandonment

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 well plugging and abandonment. The Company has not pledged any assets for settling such obligations.

The well plugging and abandonment 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 properties are expected to cease operations. These provisions have been created based on the Company'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 well plugging and abandonment costs will ultimately depend upon future market prices for the necessary well plugging and abandonment works required that will reflect market conditions at the relevant time. Furthermore, the timing of well plugging and abandonment 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 September 30, 2018 and December 31, 2017 equaled to 10.23% and 4.64%, respectively.

15.2 Provision for contingencies

The Company (directly or indirectly through subsidiaries) is a party to several 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 September 30, 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, management has estimated a probable loss of $115. These amounts have been accrued for in the consolidated statements of financial position within "Provisions for contingencies". This amount remained unchanged at the reporting date.

	September 30, 2018	December 31, 2017
Non-Current		
Provisions for contingencies	$ 115	$ -
Environmental remediation	1,841	-
Asset retirement obligation	15,478	-
Other provisions	1,254	-
Total Non-current provision	**$ 18,688**	**$ -**

	September 30, 2018	December 31, 2017
Current		
Environmental remediation	$ 1,275	$ -
Asset retirement obligation	470	-
Other provisions	1,527	-
Total current provisions	**$ 3,272**	**$ -**

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

	September 30, 2018	December 31, 2017
At the beginning of the period/year	$ 202	$ -
Decreases	(87)	-
At the end of the year	**$ 115**	$ -

Movements of the period/year on the provision for well plugging and abandonment:

	September 30, 2018	December 31, 2017
At the beginning of the period/year	$ 24,975	$ -
Increases	43	-
Unwinding of present value discount of future decommissioning expense	503	-
Decreases	(9,573)	-
At the end of the year	**$ 15,948**	$ -

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

	September 30, 2018	December 31, 2017
At the beginning of the period/year	$ 1,188	$ -
Increases	1,928	-
At the end of the year	**$ 3,116**	$ -

Nota 16. Salaries and social security payable

	September 30, 2018	December 31, 2017
Current		
Payroll contributions	$ 484	$ -
Short term benefits	877	-
Bonus	2,688	-
Other	29	-
Total current	**$ 418**	**$ -**

Note 17. Tax and other than income tax

	September 30, 2018	December 31, 2017
Current		
Value added tax	$ 2,049	$ 9
Royalties	5,335	-
Other	675	-
Total current	**$ 8,059**	**$ 9**

Note 18. Accounts payable and accrued liabilities

	September 30, 2018	December 31, 2017
Current		
Suppliers	$ 25,912	$ -
Accrued liabilities	17,656	276
Accounts payables	**$ 43,568**	**$ 276**

Due to the short-term nature of the current payables, their carrying amount is considered to be the same as their fair value.

Note 19. Related parties transactions and balances

Balances with related parties

	September 30, 2018	December 31, 2017
Other receivables		
Gas y Petróleo del Neuquén S.A.	$ 111	$ -
Coirón Amargo Norte U.T.E.	999	-
Madalena Energy Argentina S.R.L.	38	-
Total	**$ 1,148**	**$ -**

Forward Purchase Agreement

In August 2017, the Company entered into a forward purchase agreement ("FPA"), pursuant to which Riverstone Vista Capital Partners, L.P. ("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 titles ("Optional Title of Purchase on Term"), 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 FPA celebration. Each of the Optional Degrees of the Term Purchase has the same terms as each one of the Optional Titles of Private Placement. There are no other related party transactions.

Note 20. Commitment and contingencies

20.1 Other contractual obligations

On May 22, 2018 through its Mexican subsidiary Vista Holding II, S.A. of C.V. entered into an association agreement with Jagüar Exploración y Producción de Hidrocarburos S.A.P.I. de C.V. (“Jaguar”), a Mexican Company established in 2014 by the Topaz Company, regarding the following areas. On October 16, 2018 the Company obtained the approval of the National Hydrocarbons Commission of Mexico, Vista to acquire a participating interest of 50% in three assets (“Jaguar Areas”), in which Jaguar holds a license, for a consideration of $ 27,495 plus a $ 10,000 of non-reimbursable investment and other contingent payments. Two areas would be operated by Vista and one by Jaguar.

20.2 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 was used as a basis to determine the Company's crude oil sales prices, at US$ 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 actual WTI and the reference limit of $28.50, would be canceled at the time that the WTI was below US$ 28.50.

The cumulative differences represent, as of September 30, 2018, a contingent asset for the Company of approximately US$ 11,508 that will only be recognized as income and will be recorded when its collection becomes virtually certain.

Note 21. Leases

Operating leases

a. As lessee

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 agreements and 2 to 3 years for items of plant and machinery. In the cases of real estate agreement 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 features that these assignments of use have in common are that payments (installments) are established as fixed amounts; there are neither purchase option clauses, except for the cases of machinery lease agreements that has 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 operating assignment of use contracts have cancelable terms and assignment periods of 2 to 3 years. Our general terms and conditions preview possibility of anticipated termination.

As of September 30, 2018, future minimum payments with respect to non-cancellable operating leases of use are as follow:

		September 30, 2018
2018	$	186
2019		745
2020		745
2021		720
2022		701
2023		344
Total future minimum lease payments	**$**	**3,441**

Note 22. Operations in hydrocarbon consortiums

22.1 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%.

As of September 30, 2018, the Company has not started their operations in Mexico.

22.2 Oil and gas areas and participation in joint-operations

As of September 30, 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 Year
		Direct	Indirect		
Argentine production					
25 de Mayo - Medanito S.E.	Río Negro	-	100%	VISTA	2026
Jagüel de los Machos	Río Negro	-	100%	VISTA	2025
Bajada del Palo	Neuquén	-	100%	VISTA	2025
Entre Lomas	Río Negro and Neuquén	-	100%	VISTA	2026
Agua Amarga	Río Negro	-	100%	VISTA	2034/2040
Coirón Amargo Sur Oeste	Neuquén	-	45%	SHELL	2053
Coirón Amargo Norte	Neuquén	-	55%	VISTA	2036
Acambuco	Salta	-	1.5%	Pan American Energy	2034/2040
Sur Río Deseado Este I	Santa Cruz	-	16.94%	Pentanova Energy	2021
Sur Río Deseado Este II	Santa Cruz	-	44%	Quintana	2021

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

		September 30, 2018
Assets		
Non-current assets	$	375,162
Current assets		4,701
Liabilities		
Non-current liabilities		17,900
Current liabilities		40,917

		September 30, 2018
Cost of sales	$	(147,025)
Selling and distribution expenses		(941)
General and administrative expenses		(4,004)
Exploration expenses		(550)
Other operating expenses		(4,943)
Financial results, net		7,871
Total costs and expenses for the period/year	**$**	**(149,182)**

22.3 Investment Commitment

As of September 30th, 2018, the Company was committed to drill and complete (a) in the Province of Río Negro, 22 development wells, 5 step-out wells and 2 exploration wells, in the 25 de Mayo – Medanito S.E and Jagüel de los Machos blocks, (b) in the Province of Río Negro, 12 development wells, 2 step-out wells and 1 exploration well, in the Entre Lomas block, and (c) in the Province of Neuquén, 3 horizontal wells for a total of 35.0 million US Dollars (16.6 million US Dollars at the Company's working interest) in the Coirón Amargo Sur Oeste block, in all cases during the period of 2018 to 2020. In addition, the Company was committed to perform (d) 19 well workovers and abandon 22 wells, in 25 de Mayo – Medanito S.E and Jagüel de los Machos blocks, and (e) 18 well workovers and abandon 3 wells, in the Entre Lomas block, in all cases during the period of 2018 to 2020. Such investment activities were related to the 100% working interest that the Company had in the Entre Lomas UTE, 100% working interest in the 25 de Mayo – Medanito S.E block, 100% working interest in the Jagüel de los Machos block and 50% of the capital expenditures in the Coirón Amargo Sur Oeste block.

Note 23. Business Combination

On April 4, 2018, the Company completed its Initial Business Combination that were 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 business, as disclosed below.

23.1 Acquisition of Upstream Business

On April 4, 2018, the Company, through its Mexican subsidiary Vista I, executed separate share purchase agreements with Pampa Energía ("PAMPA") and Pluspetrol Resources Corporation ("Pluspetrol"), with the main purpose to acquire its "Upstream Business" mainly by obtaining control over the Entre Lomas, Bajada de Palo and Agua Amarga blocks; the share purchase agreement with Pluspetrol was conditioned to the closing of the transaction with PAMPA.

The share purchase agreement with PAMPA (the "PELSA Transaction"), provided the acquisition of the following:

i. 58.88% of 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");
ii. 3.85% direct interest in the EL-AA-BP Concessions operated by PELSA
iii. 100% interest in the 25 de Mayo-Medanito ("Medanito") oil exploitation concession area; and
iv. 100% interest in the Jagüel de los Machos ("Jagüel" or "JDM") oil exploitation concession area.

The share purchase agreement (the "Share Purchase Agreement APCO"), relates to 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").

The share purchase agreement with Pluspetrol (the "APCO Transaction"), provided the acquisition of the following:

i. (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").
ii. a 23% interest in the EL-AA-BP Concessions operated by PELSA;
iii. a 45% non-operating interest in an assessment block in the Neuquina Basin in the Province of Neuquén, Argentina, which is denominated "Coirón Amargo Sur Oeste";
iv. a 55% operating interest in an exploitation concession in the Neuquina Basin in the Province of Neuquén, Argentina, which is denominated "Coirón Amargo Norte";
v. a 1.5% non-operating interest in an exploitation concession in the Northwest Basin in the Province of Salta, Argentina, which is denominated "Acambuco";
vi. a 16.94% 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
vii. 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 a result 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 for an amount of $ 1,307. The acquisition of non-controlling interest of PELSA was part of the business combination strategy of the Company

As a result of the initial business combination the main activity of the Company changed to the "Upstream" business, since the Company was established as a special purpose entity until this date (Note 1).

23.1.1 Consideration transferred

This business combination was performed in exchange for a total consideration of $736,006 in cash.

In connection with the APCO transaction, on April 4, 2018, the Company subscribe 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 $ 11,150. 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 occurred on July 19th, 2018. During the term of the loan, a stock pledge was kept in effect on 100% of Vista's subsidiaries shares.

The loan agreement included affirmative and negative covenants, as it is usual in the market. This loan has been pre-paid on July 19, 2018, when a new financing was obtained through its Argentine subsidiary as explained in item 2). Consequently, the pledge in favor of the co-lenders on the shares was released. As of that date, the remaining amount of deferred expenses related to this loan for $ 11,150 were recognized in profit or loss. During the term the loan was effective, there was no infringement on said affirmative, negative and financial covenants.

The remaining costs related to the transaction of $2,380 were recognized in profit or loss by the Company as they were incurred and were recorded as "other 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.

23.1.2 Assets acquired and liabilities assumed

As a result of the business combination, the Company has preliminarily identified a goodwill amounting to $ 12,579, attributable to the future synergies of the Company and assembled workforce. The Goodwill has been fully allocated to the upstream segment, since this it is the only which the Company operates, as described above. As of September 30, 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.

As of September 30, 2018, and the date of these consolidated financial statements, the Company is still in the process of concluding the allocation of the purchase price corresponding to this operation, consequently, the preliminary values to the identified assets and liabilities and of goodwill, allocated in this transaction, may be subject to change. Any future adjustments arising from the identification of other assets identified during the measurement period may have a future impact on the Company's results and may be subsequently accounted for in accordance with IFRS 3.

Specifically, the Company is in the process of evaluating the fair value of the net assets acquired, as a potential adjustment in the fair value of the oil & gas property and other financial assets and liabilities, whose valuation is in the process of being concluded by the management.
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 as of April 4, 2018:

		Provisional fair value
Total assets acquired, including cash acquired of $ 58,390	$	928,925
Total liabilities		205,498
Net assets acquired		723,427
Goodwill		12,579
Total consideration transferred	**$**	**736,006**

23.1.3 Non-controlling interest

The non-controlling interest (0.32% ownership interest in PELSA) recognized at the acquisition date was measured at its fair value.

23.1.4 Net cash outflow on acquisition of subsidiaries

In the consolidated statement of cash flows:

Cash consideration transferred	$	736,006
Contingent consideration - Asset		14,351
Cash and cash equivalents acquired		(58,390)
Net cash outflow on acquisition of subsidiaries	**$**	**691,967**

23.1.5 Effect of acquisitions on the results of the Company

Included in the loss for the period is $ 33,708 loss attributable to the additional business. Revenue for the period includes $ 222,233.

Had these business combinations been affected at January 1, 2018, the revenue of the Company for the year would have been $ 292,503 and the loss for the year would have been $ 48,334.

Note 24. Tax reform in Argentina

On December 29, 2017, the National Executive Branch passed Act No. 27430 – Income Tax. This Act introduced several modifications in the income tax treatment, the key components of which are described below:

24.1 Income tax

24.1.1. 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 "Income tax rate change" under Income tax of the Consolidated Statement of profit or loss.

24.1.2. 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.

24.1.3. 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.

24.1.4. 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.

24.1.5. 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.

24.2 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.

24.3. 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 25. Events after the reporting period

On October 25, 2018, Vista Oil & Gas, S.A.B. de C.V. (“Vista” or the “Company”) announced that the Province of Neuquén by means of Decree dated September 25, 2018, approved the Addendum to the Joint Venture Agreement for the Coirón Amargo Sur Oeste block, which reflects the assignment from Vista, through its subsidiary APCO Oil & Gas International Inc., to O&G Developments Ltd. S.A., a fully owned subsidiary of Royal Dutch Shell plc (“Shell”), through its subsidiary of its 35% participating interest in such Transitory Union Agreement, as agreed in the Cross Assignment of Rights Agreement dated August 22, 2018 (the “Agreement”).

To this date, the issuance of the Decree from the Province of Neuquén approving the Addendum to the Joint Venture Agreement for the Aguila Mora block, which reflects the assignment from Shell, through its subsidiary O&G, to Vista, through its subsidiary APCO, of its 90% participating interest in such Transitory Union Agreement, as stated in the Agreement, is still pending. Upon issuance of the Decree, the cross assignment of rights under the Agreement between Vista and Shell shall be completed.

With such Agreement, Vista then swaps a 35% non-operated working interest in Coirón Amargo Sur Oeste block (“CASO”), for Shell’s 90% operated working interest in Águila Mora block (“AM”) plus US$10,000,000 contribution to be funded by Shell, in favor of Vista, for the upgrade of the existing water infrastructure, operated by Shell in the Cruz De Lorena block, which will serve Vista’s operations. Therefore, after the swap, Vista retains a 10% working interest in CASO, Shell 80% and Gas y Petróleo de Neuquén (“GyP”) 10%. In AM Vista will hold 90% working interest and become operator, the remaining 10% will be held by GyP. Vista will increase its total net Vaca Muerta acreage by approximately 15,000 acres.