

YPF SOCIEDAD ANONIMA
Form 6-K
November 16, 2010

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November, 2010

Commission File Number: 001-12102

YPF Sociedad Anónima
(Exact name of registrant as specified in its charter)

Macacha Güemes 515
C1106BKK Buenos Aires, Argentina
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file
annual reports under cover of Form 20-F or Form 40-F:

Form Form
20-F 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information
contained in this Form, the Registrant is also thereby furnishing the information to the Commission
pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant
in connection with Rule 12g3-2(b): N/A

This Form 6-K is incorporated by reference into the registration statements on Form F-3 filed by YPF Sociedad Anónima with the Securities and Exchange Commission (File Nos. 333-149313 and 333-149486).

YPF Sociedad Anónima

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SOCIEDAD ANONIMA

Financial Statements as of September 30, 2010
and Comparative Information

YPF SOCIEDAD ANONIMA

FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2010 AND COMPARATIVE INFORMATION

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English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (“CNV”), except for the inclusion of Note 12 to the primary financial statements in the English translation. In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA

Macacha Güemes 515 –Buenos Aires City, Argentina

FISCAL YEAR NUMBER 34

BEGINNING ON JANUARY 1, 2010

FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2010 AND COMPARATIVE INFORMATION

(The financial statements as of September 30, 2010 and September 30, 2009 are unaudited)

Principal business of the Company: exploration, development and production of oil and natural gas and other minerals and refining, transportation, marketing and distribution of oil and petroleum products and petroleum derivatives, including petrochemicals, chemicals and non-fossil fuels, biofuels and their components, generation of electric power from hydrocarbons, rendering telecommunications services, as well as the production, industrialization, processing, marketing, preparation services, transportation and storage of grains and its derivatives.

Date of registration with the Public Commerce Register: June 2, 1977.

Duration of the Company: through June 15, 2093.

Last amendment to the bylaws: April 14, 2010.

Optional Statutory Regime related to Compulsory Tender Offer provided by Decree No. 677/2001 art. 24: not incorporated.

Capital structure as of September 30, 2010
(expressed in Argentine pesos)

Subscribed, paid-in and
authorized for stock
exchange listing
(Note 4 to primary
financial statements)

- Shares of Common Stock, Argentine pesos 10 par value, 1 vote per share

3,933,127,930

ANTONIO GOMIS SÁEZ

Director

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2010 AND DECEMBER 31, 2009
(amounts expressed in million of Argentine pesos - Note 1 to the primary financial statements)
(The financial statements as of September 30, 2010 are unaudited)

	2010	2009
Current Assets		
Cash	392	669
Investments (Note 2.a)	3,137	1,476
Trade receivables (Note 2.b)	3,234	2,831
Other receivables (Note 2.c)	3,644	2,490
Inventories (Note 2.d)	3,958	3,066
Total current assets	14,365	10,532
Noncurrent Assets		
Trade receivables (Note 2.b)	40	22
Other receivables (Note 2.c)	1,224	975
Investments (Note 2.a)	686	749
Fixed assets (Note 2.e)	29,020	27,993
Intangible assets	11	12
Total noncurrent assets	30,981	29,751
Total assets	45,346	40,283
Current Liabilities		
Accounts payable (Note 2.f)	6,213	5,857
Loans (Note 2.g)	6,052	4,679
Salaries and social security	316	298
Taxes payable	2,574	1,437
Contingencies	289	341
Total current liabilities	15,444	12,612
Noncurrent Liabilities		
Accounts payable (Note 2.f)	4,696	4,391
Loans (Note 2.g)	1,348	2,140
Salaries and social security	127	110
Taxes payable	162	190
Contingencies	2,276	1,959
Total noncurrent liabilities	8,609	8,790
Total liabilities	24,053	21,402

Shareholders' Equity	21,293	18,881
Total liabilities and shareholders' equity	45,346	40,283

Notes 1 to 4 and the accompanying exhibits A and H to Schedule I and the primary financial statements of YPF, are an integral part of and should be read in conjunction with these statements.

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Director

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009

(amounts expressed in million of Argentine pesos, except for per share amounts in Argentine pesos - Note 1 to the primary financial statements)

(The financial statements as of September 30, 2010 and September 30, 2009 are unaudited)

	2010	2009
Net sales	31,849	24,648
Cost of sales	(20,866)	(16,696)
Gross profit	10,983	7,952
Selling expenses (Exhibit H)	(2,182)	(1,790)
Administrative expenses (Exhibit H)	(1,015)	(776)
Exploration expenses (Exhibit H)	(178)	(422)
Operating income	7,608	4,964
Income (loss) on long-term investments	67	(5)
Other expense, net (Note 2.h)	(23)	(17)
Financial income (expense), net and holding gains (losses):		
Gains (losses) on assets		
Interests	87	69
Exchange differences	176	288
Holdings gains (losses) on inventories	467	(163)
Losses on liabilities		
Interests	(664)	(714)
Exchange differences	(400)	(785)
Net income before income tax	7,318	3,637
Income tax	(2,738)	(1,567)
Net income	4,580	2,070
Earnings per share	11.64	5.26

Notes 1 to 4 and the accompanying exhibits A and H to Schedule I and the primary financial statements of YPF, are an integral part of and should be read in conjunction with these statements.

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Director

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
(amounts expressed in million of Argentine pesos - Note 1 to the primary financial statements)
(The financial statements as of September 30, 2010 and September 30, 2009 are unaudited)

	2010	2009
Cash Flows from Operating Activities		
Net income	4,580	2,070
Adjustments to reconcile net income to net cash flows provided by operating activities:		
(Income) loss on long-term investments	(67)	5
Depreciation of fixed assets	4,114	3,648
Consumption of materials and fixed assets retired	380	443
Income tax	2,738	1,567
Increase in contingencies	706	846
Changes in assets and liabilities:		
Trade receivables	(342)	(81)
Other receivables	(1,346)	(340)
Inventories	(892)	452
Accounts payable	382	(1,219)
Salaries and social security	35	21
Taxes payable	67	(586)
Decrease in contingencies	(441)	(930)
Interests, exchange differences and others	431	721
Dividends from long term investments	8	27
Income tax payments	(1,676)	(734)
Net cash flows provided by operating activities	8,677 (1)	5,910 (1)
Cash Flows used in Investing Activities		
Acquisitions of fixed assets	(5,597)(2)	(3,640)(2)
Investments (non cash and equivalents)	115	34
Net cash flows used in investing activities	(5,482)	(3,606)
Cash Flows used in Financing Activities		
Payment of loans	(9,462)	(10,682)
Proceeds from loans	9,814	11,465
Dividends paid	(2,163)	(2,478)
Net cash flows used in financing activities	(1,811)	(1,695)

Increase in Cash and Equivalents	1,384	609
Cash and equivalents at the beginning of year	2,145	1,215
Cash and equivalents at the end of period	3,529	1,824
Increase in Cash and Equivalents	1,384	609

For supplemental information on cash and equivalents, see Note 2.a.

- (1) Includes (234) and (269) corresponding to interest payments for the nine-month periods ended September 30, 2010 and 2009, respectively.
- (2) Includes 115 and 297 corresponding to payments related with the extension of certain exploitation concessions in the Province of Neuquén (Note 9.c to the primary financial statements), for the nine-month periods ended September 30, 2010 and 2009, respectively.

Notes 1 to 4 and the accompanying exhibits A and H to Schedule I and the primary financial statements of YPF, are an integral part of and should be read in conjunction with these statements.

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Director

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2010 AND COMPARATIVE INFORMATION

(amounts expressed in million of Argentine pesos - Note 1 to the primary financial statements, except where otherwise indicated)

(The financial statements as of September 30, 2010 and September 30, 2009 are unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to General Resolution No. 368 from the Argentine Securities Commission (“CNV”), YPF Sociedad Anónima (the “Company” or “YPF”) discloses its consolidated financial statements, included in Schedule I, preceding its primary financial statements. Consolidated financial statements are supplemental and should be read in conjunction with the primary financial statements.

a) Consolidation policies:

Following the methodology established by Technical Resolution No. 21 of the Argentine Federation of Professional Councils in Economic Sciences (“FACPCE”), YPF has consolidated its balance sheets and the related statements of income and cash flows as follows:

- Investments and income (loss) related to controlled companies in which YPF has the number of votes necessary to control corporate decisions are substituted for such companies' assets, liabilities, net revenues, costs and expenses, which are aggregated to the Company's balances after the elimination of intercompany profits, transactions, balances and other consolidation adjustments and minority interest if applicable.
- Investments and income (loss) related to companies in which YPF holds joint control are consolidated line by line on the basis of YPF's proportionate share in their assets, liabilities, net revenues, costs and expenses, considering the elimination of intercompany profits, transactions, balances and other consolidation adjustments.

Investments in companies under control and joint control are detailed in Exhibit C to the primary financial statements.

b) Financial statements used for consolidation:

The consolidated financial statements are based upon the latest available financial statements of those companies in which YPF holds control or joint control, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between YPF and the related companies, which could have produced changes to their shareholders' equity.

c) Valuation criteria:

In addition to the valuation criteria disclosed in the notes to YPF's primary financial statements, the following additional valuation criteria have been applied in the preparation of the consolidated financial statements:

Salaries and Social Security – Benefit Plans

YPF Holdings Inc., which has operations in the United States of America, has certain defined-benefit plans and postretirement and postemployment benefits.

The funding policy related to the defined-benefit plans as of September 30, 2010, is to contribute amounts to the plan sufficient to meet the minimum funding requirements under governmental regulations, plus such additional amounts as Management may determine to be appropriate.

In addition, YPF Holdings Inc. provides certain health care and life insurance benefits for eligible retired employees, and also certain insurance, and other postemployment benefits for eligible individuals in case employment is terminated by YPF Holdings Inc. before their normal retirement. Employees become eligible for these benefits if they meet minimum age and years of service requirements. YPF Holdings Inc. accounts for benefits provided when the minimum service period is met, payment of the benefit is probable and the amount of the benefit can be reasonably estimated. No assets were specifically reserved for the postretirement and postemployment benefits, and consequently, payments related to them are funded as claims are notified.

The plans above mentioned are valued at net present value, are accrued on the years of active service of employees and are disclosed as non-current liabilities in the "Salaries and social security" account. The actuarial losses and gains related to the changes in actuarial assumptions for each year are recognized in "Other expense, net" account in the statement of income. YPF Holdings Inc. updates the actuarial assumptions at the end of each year.

Recognition of revenues and costs of construction activities

Revenues and costs related to construction activities performed by controlled companies, are accounted by the percentage of completion method. When adjustments in contract values or estimated costs are determined, any change from prior estimates is reflected in earnings in the current period. Anticipated losses on contracts in progress are expensed as soon as they become evident.

2. ANALYSIS OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details regarding the significant accounts included in the accompanying consolidated financial statements are as follows:

Consolidated Balance Sheets as of September 30, 2010 and December 31, 2009

a) Investments:	2010				2009			
	Current		Noncurrent		Current		Noncurrent	
Short-term investments	3,137	(1)	35	(3)	1,476	(1)	150	(3)
Long-term investments	-		733	(2)	-		724	(2)
Allowance for reduction in value of holdings in long-term investments	-		(82)	(2)	-		(125)	(2)
	3,137		686		1,476		749	

(1) Corresponds to investments with an original maturity of less than three months.

(2) In addition to those companies under significant influence and other companies detailed in Exhibit C to the primary financial statements, includes the interest in Gas Argentino S.A. ("GASA"). On May 19, 2009, GASA filed a voluntary reorganization petition ("concurso preventivo"), which was opened on June 8, 2009. As of September 30, 2010, YPF recorded an allowance for the total book value of the investment previously mentioned.

(3) Corresponds to restricted cash as of September 30, 2010, and December 31, 2009, which represents bank deposits used as guarantees given to government agencies.

b) Trade receivables:	2010				2009			
	Current		Noncurrent		Current		Noncurrent	
Accounts receivable	3,353		40		2,963		22	
Related parties	314		-		281		-	
	3,667		40		3,244		22	
Allowance for doubtful trade receivables	(433))	-		(413))	-	
	3,234		40		2,831		22	

c) Other receivables:	2010				2009			
	Current		Noncurrent		Current		Noncurrent	
Deferred income tax	-		428		-		448	
Tax credits, export rebates and production incentives	2,432		32		1,403		16	
Trade	150		-		105		-	
Prepaid expenses	274		81		208		82	
Concessions charges	17		30		17		38	
Related parties	38	(1)	252	(1)	192	(1)	74	(1)
Loans to clients	26		67		30		69	
Trust contributions - Obra Sur	9		120		-		119	
Advances to suppliers	198		-		125		-	
Collateral deposits	184		2		177		4	
Advances and loans to employees	45		-		42		-	
From joint ventures and other agreements	116		-		100		-	
Miscellaneous	249		229		185		142	
	3,738		1,241		2,584		992	
Allowance for other doubtful accounts	(94))	-		(94))	-	

Allowance for valuation of other receivables to their
estimated realizable value

	-	(17)	-	(17)
	3,644	1,224	2,490	975

(1) In addition to the balances with non-consolidated related parties detailed in Note 7 to the primary financial statements, mainly include 253 and 234 with Central Dock Sud S.A., as of September 30, 2010 and December 31, 2009, respectively, for loans granted that accrue in average an annual fixed interest rate of 5.05%.

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d) Inventories:	2010	2009
Finished products	2,432	1,715
Crude oil and natural gas	1,081	989
Products in process	58	59
Raw materials, packaging materials and others	387	303
	3,958	3,066

e) Fixed assets:	2010	2009
Net book value of fixed assets (Exhibit A)	29,060	28,033
Allowance for unproductive exploratory drilling	(3)	(3)
Allowance for obsolescence of material and equipment	(37)	(37)
	29,020	27,993

f) Accounts payable:	2010		2009	
	Current	Noncurrent	Current	Noncurrent
Trade	4,872	35	4,576	40
Hydrocarbon wells abandonment obligations	244	4,300	238	4,016
Related parties	261	-	249	-
Extension of the Concessions - Province of Neuquén	31	-	142	-
From joint ventures and other agreements	356	-	358	-
Environmental liabilities	267	216	179	285
Miscellaneous	182	145	115	50
	6,213	4,696	5,857	4,391

g) Loans:	2010				2009	
	Interest rates	Principal	Current		Current	
	(1)	maturity				
Negotiable Obligations(2)	4.00 – 12.25 %	2011 - 2028	367	618	6	547
Related parties	2.48 – 4.25%	2010 - 2010 -	935	-	912	380
Other financial debts	0.90 – 17.05 %	2010 - 2012	4,750 (3)	730 (3)	3,761 (3)	1,213 (3)
			6,052 (4)	1,348 (4)	4,679 (4)	2,140 (4)

(1) Annual interest rate as of September 30, 2010.

(2) Disclosed net of 57 and 38, corresponding to YPF outstanding Negotiable Obligations repurchased through open market transactions as of September 30, 2010 and December 31, 2009, respectively.

(3) Includes approximately 4,275 corresponding to loans agreed in U.S. dollars, 4,199 accrue fixed interest at rates between 0.90% and 4.69%, and 76 accrue variable interest of LIBO plus 5.25%.

(4) As of September 30, 2010, 6,177 accrue fixed interest, 205 accrue variable interest of BADLAR plus 1.75%, 145 accrue variable interest of BADLAR plus 2%, 797 accrue variable interest of LIBO plus 2% and 76 accrue variable interest of LIBO plus 5.25%.

Consolidated Statements of Income as of September 30, 2010 and 2009

h) Other expense, net:	(Expense) Income
	2010 2009

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Accrual for pending lawsuits and other claims	(67)	(23)
Environmental remediation - YPF Holdings Inc.	(109)	(74)
Miscellaneous	153		80	
	(23)	(17)

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3. COMMITMENTS AND CONTINGENCIES IN RELATED COMPANIES

Laws and regulations relating to health and environmental quality in the United States of America affect nearly all the operations of YPF Holdings Inc. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish in certain circumstances remedial obligations.

YPF Holdings Inc. believes that its policies and procedures in the area of pollution control, product safety and occupational health are adequate to prevent unreasonable risk of environmental and other damage, and of resulting financial liability, in connection with its business. Some risk of environmental and other damage is, however, inherent in particular operations of YPF Holdings Inc. and, as discussed below, Maxus Energy Corporation (“Maxus”) and Tierra Solutions Inc. (“Tierra”), both controlled by YPF Holdings Inc., could have certain potential liabilities associated with operations of Maxus’ former chemical subsidiary.

YPF Holdings Inc. cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent law regulations, as well as more vigorous enforcement policies of the regulatory agencies, could in the future require material expenditures by YPF Holdings Inc. for the installation and operation of systems and equipment for remedial measures, possible dredging requirements, among other things. Also, certain laws allow for recovery of natural resource damages from responsible parties and ordering the implementation of interim remedies to abate an imminent and substantial endangerment to the environment. Potential expenditures for any such actions cannot be reasonably estimated.

In the following discussion, references to YPF Holdings Inc. include, as appropriate and solely for the purpose of this information, references to Maxus and Tierra.

In connection with the sale of Maxus’ former chemical subsidiary, Diamond Shamrock Chemicals Company (“Chemicals”) to Occidental Petroleum Corporation (“Occidental”) in 1986, Maxus agreed to indemnify Chemicals and Occidental from and against certain liabilities relating to the business or activities of Chemicals prior to the selling date, September 4, 1986 (the “selling date”), including environmental liabilities relating to chemical plants and waste disposal sites used by Chemicals prior to the selling date.

As of September 30, 2010, accruals for the environmental contingencies and other claims totaled approximately 574. YPF Holdings Inc.’s Management believes it has adequately accrued for all environmental contingencies, which are probable and can be reasonably estimated; however, changes in circumstances, including new information or new requirements of governmental entities, could result in changes, including additions, to such accruals in the future. The most significant contingencies are described in the following paragraphs:

Newark, New Jersey. A consent decree, previously agreed upon by the U.S. Environmental Protection Agency (“EPA”), the New Jersey Department of Environmental Protection and Energy (“DEP”) and Occidental, as successor to Chemicals, was entered in 1990 by the United States District Court of New Jersey and requires implementation of a remedial action plan at Chemical’s former Newark, New Jersey agricultural chemicals plant. The approved remedy has been completed and paid for by Tierra. This project is in the operation and maintenance phase. YPF Holdings Inc. has accrued approximately 60 as of September 30, 2010, in connection with such activities.

Passaic River, New Jersey. Studies have indicated that sediments of the Newark Bay watershed, including the Passaic River adjacent to the former Newark plant, are contaminated with hazardous chemicals from many sources. These studies suggest that older and more contaminated sediments located adjacent to the former Newark plant generally are

buried under more recent sediments deposits. Maxus, forced to act on behalf of Occidental, negotiated an agreement with the EPA under which Tierra has conducted further testing and studies near the plant site. While some work remains in a pending state, these studies were substantially completed in 2005.

In addition:

- YPF Holdings Inc. has been conducting similar studies under their own auspices for several years.
- The EPA and other agencies are addressing the lower Passaic River in a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project (“PRRP”). Tierra, along with other entities, participated in an initial remedial investigation and feasibility study (“RIFS”) in connection with the PRRP. The parties are discussing the possibility of further work with the EPA. The entities have agreed the allocations of costs associated with the RIFS, based on a number of considerations.
- In 2003, the DEP issued Directive No. 1 to Occidental and Maxus and certain of their respective related entities as well as other third parties. Directive No. 1 seeks to address natural resource damages allegedly resulting from almost 200 years of historic industrial and commercial development along a portion of the Passaic River and a part of its watershed. Directive No. 1 asserts that the named entities are jointly and severally liable for the alleged natural resource damages without regard to fault. The DEP has asserted jurisdiction in this matter even though all or part of the lower Passaic River is subject to the PRRP. Directive No. 1 calls for the following actions: interim compensatory restoration, injury identification, injury quantification and value determination. Maxus and Tierra responded to Directive No. 1 setting forth good faith defenses. Settlement discussions between the DEP and the named entities have been hold, however, no agreement has been reached or is assured.
- In 2004, the EPA and Occidental entered into an administrative order on consent (the “AOC”) pursuant to which Tierra (on behalf of Occidental) has agreed to conduct testing and studies to characterize contaminated sediment and biota in the Newark bay. The initial field work on this study, which includes testing in the Newark Bay, has been substantially completed. Discussions with the EPA regarding additional work that might be required are underway. EPA has notified other companies in relation to the contamination of the Newark Bay. In August 2010, Tierra proposed to the other parties that for phase III of the Newark Bay RIFS the cost sharing be on a per capita basis. As of September 30, 2010, the parties are considering the proposal. Additionally, Tierra, acting on behalf of Occidental, is performing a separate RIFS to characterize sediment contamination and evaluate remediation, if necessary, in certain portions of the Hackensack River, the Arthur Kill River and the Kill van Kull River.
- In December 2005, the DEP issued a directive to Tierra, Maxus and Occidental directing said parties to pay the State of New Jersey’s cost of developing a Source Control Dredge Plan focused on allegedly dioxin – contaminated sediment in the lower six–mile portion of the Passaic River. The development of this plan is estimated by the DEP to cost approximately US\$ 2 million. This directive was issued even though this portion of the lower Passaic River is a subject of the PRRP. The DEP has advised the recipients that (a) it is engaged in discussions with the EPA regarding the subject matter of the directive, and (b) they are not required to respond to the directive until otherwise notified. Additionally, in December 2005, the DEP sued YPF Holdings Inc., Tierra, Maxus and other several companies, besides to Occidental, alleging a contamination supposedly related to dioxin, DDT and other “hazardous substances” discharged from Chemicals’ former Newark plant and the contamination of the lower portion of the Passaic River, Newark Bay, other nearby waterways and surrounding areas. The DEP seeks remediation of natural resources damaged and punitive damages and other matters. The defendants have made responsive pleadings and filings. The Court denied motions to dismiss by Occidental Chemical Corporation, Tierra and Maxus. The DEP filed its Second Amended Complaint in April 2008. YPF filed a motion to dismiss for lack of personal jurisdiction. The motion mentioned previously was denied in September, 2008, and the denial was confirmed by the Court of Appeal. Notwithstanding, the Court denied to plaintiffs’ motion to bar third party practice and allowed defendants to file third-party complaints. Third-party claims against approximately 300 companies and governmental entities (including certain municipalities) which could have responsibility in connection with the claim were filed in February, 2009. DEP filed its Third Amended Complaint in August 2010, adding Maxus

International Energy Company and YPF International S.A. as additional named defendants. In September 2010, Governmental entities of the State of New Jersey and a number of third-party defendants filed their dismissal motions and Maxus and Tierra filed their responses. Resolution on these motions is still pending. DEP has not placed dollar amounts on all its claims, but it has (a) contended that a US\$ 50 million cap on damages under one of the New Jersey statutes should not be applicable, (b) alleged that it has incurred approximately US\$ 113 million in past “cleanup and removal costs,” and is seeking an additional award between US\$ 10 and US\$ 20 million to fund a study to assess natural resource damages and, (c) notified Maxus and Tierra’s legal defense team that DEP is preparing financial models of costs and of other economic impacts. Simultaneously, a mediator began to prepare a work plan for an alternative dispute resolution process to be presented to the parties in November 2010.

- In June 2007, EPA released a draft Focused Feasibility Study (the “FFS”) that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These alternatives range from no action, which would result in comparatively little cost, to extensive dredging and capping, which according to the draft FFS, EPA estimated could cost from US\$ 0.9 billion to US\$ 2.3 billion and are all described by EPA as involving proven technologies that could be carried out in the near term, without extensive research. Tierra, in conjunction with the other parties of the PRRP group, submitted comments on the legal and technical defects of the draft FFS to EPA, as did other interested parties. In light of these comments, EPA decided to initiate his review and informed that a revised remedy proposal will be forthcoming during the third quarter of 2011. Tierra will respond to any further EPA proposal as may be appropriate at that time.
- In August 2007, the National Oceanic Atmospheric Administration (“NOAA”) sent a letter to the parties of the PRRP group, including Tierra and Occidental, requesting that the group enters into an agreement to conduct a cooperative assessment of natural resources damages in the Passaic River and Newark Bay. The PRRP group has declined to do so at this time, citing concerns with matters such as the FFS being revised by EPA as described above. In January 2008, the NOAA sent a letter to YPF S.A., YPF Holdings Inc., CLH Holdings Inc. and other entities, designating them as potentially responsible parties (“PRP”). Such letters have been responded, rejecting the designation as PRP. In November 2008, Tierra and Occidental entered into an agreement with the NOAA to fund a portion of the costs it has incurred and to conduct certain assessment activities during 2009. Approximately 20 other PRRP members have also entered into similar agreements. In November 2009, Tierra declined to extend this agreement for one additional year, citing concerns arising from the Passaic River litigation.
- In June 2008, the EPA, Occidental, and Tierra entered into an AOC, pursuant to which Tierra (on behalf of Occidental) will undertake a removal action of sediment from the Passaic River in the vicinity of the former Diamond Alkali facility. This action will result in the removal of approximately 200,000 cubic yards of sediment, which will be carried out in two different phases. The first phase, which is scheduled to begin in 2011, encompasses the removal of 40,000 cubic yards of sediments and is expected to be completed at the beginning of 2012. The first phase estimated cost is approximately US\$ 45 million. The second phase involves the removal of approximately 160,000 cubic yards of sediment. This second phase will start once the first phase is completed and after according with EPA certain development’s aspects related to it. Pursuant to the AOC, the EPA has required the constitution of a trust fund of US\$ 80 million for the performance of the removal work. YPF Holdings Inc. originally accrued US\$ 80 million with respect to this matter. As of September 30, 2010, US\$ 22 million has been funded (thereby reducing the accrual in a similar amount). An additional US\$ 10 million must be contributed every six months, until the completion of the US\$ 80 million. Notwithstanding, during 2010, letters of credit to provide financial assurance have been issued, in order to avoid the restriction of additional funds pursuant to the AOC. During the removal action, contaminants not produced by the former Diamond Alkali plant, such as PCBs and mercury, will necessarily be removed along with dioxin. Although having recognized the estimated costs related to all works mentioned above, YPF Holdings Inc. and its subsidiaries may seek cost recovery from the parties responsible for such contamination, provided

contaminants' origins were not from the Diamond Alkali plant. However, as of September 30, 2010, it is not possible to make any predictions regarding the likelihood of success or the funds potentially recoverable in a cost-recovery action.

As of September 30, 2010, there are approximately 260 accrued, comprising the estimated costs for studies, the YPF Holdings Inc.'s best estimate of the cash flows it could incur in connection with remediation activities considering the studies performed by Tierra, the estimated costs related to the agreement, and in addition certain other matters related to Passaic River and the Newark Bay. However, it is possible that other works, including interim remedial measures, may be ordered. In addition, the development of new information on the imposition of natural resource damages, or remedial actions differing from the scenarios that YPF Holdings Inc. has evaluated could result in additional costs to the amount currently accrued.

Hudson County, New Jersey. Until 1972, Chemicals operated a chromite ore processing plant at Kearny, New Jersey ("Kearny Plant"). According to the DEP, wastes from these ore processing operations were used as fill material at a number of sites in and near Hudson County. The DEP and Occidental, as successor to Chemicals, signed an administrative consent order with the DEP in 1990 for investigation and remediation work at certain chromite ore residue sites in Kearny and Secaucus, New Jersey.

Tierra, on behalf of Occidental, is presently performing the work and funding Occidental's share of the cost of investigation and remediation of these sites. In addition, financial assurance has been provided in the amount of US\$ 20 million for performance of the work. The ultimate cost of remediation is uncertain. Tierra submitted its remedial investigation reports to the DEP in 2001, and the DEP continues to review the report.

Additionally, in May 2005, the DEP took two actions in connection with the chrome sites in Hudson and Essex Counties. First, the DEP issued a directive to Maxus, Occidental and two other chromium manufacturers directing them to arrange for the cleanup of chromite ore residue at three sites in New Jersey City and the conduct of a study by paying the DEP a total of US\$ 20 million. While YPF Holdings Inc. believes that Maxus is improperly named and there is little or no evidence that Chemicals' chromite ore residue was sent to any of these sites, the DEP claims these companies are jointly and severally liable without regard to fault. Second, the State of New Jersey filed a lawsuit against Occidental and two other entities seeking, among other things, cleanup of various sites where chromite ore residue is allegedly located, recovery of past costs incurred by the state at such sites (including in excess of US\$ 2 million allegedly spent for investigations and studies) and, with respect to certain costs at 18 sites, treble damages. The DEP claims that the defendants are jointly and severally liable, without regard to fault, for much of the damages alleged. In February 2008, the parties reached an agreement for which Tierra will pay US\$ 5 million and will perform remediation works in three sites, with a total cost of approximately US\$ 2 million.

In November 2005, several environmental groups sent a notice of intent to sue the owners of the properties adjacent to the former Kearny Plant (the "Adjacent Property"), including among others Tierra, under the Resource Conservation and Recovery Act. The stated purpose of the lawsuit, if filed, would be to require the noticed parties to carry out measures to abate alleged endangerments to health and the environment emanating from the Adjacent Property. The parties have entered into an agreement that addresses the concerns of the environmental groups, and these groups have agreed, at least for now, not to file suit.

Pursuant to a request of the DEP, in the second half of 2006, Tierra and other parties tested the sediments in a portion of the Hackensack River near the former Kearny Plant. Tierra has submitted work plans for additional sampling requested by the DEP and is presently awaiting DEP comments.

In March 2008, the DEP approved an interim response action work plan for work to be performed at the Kearny Plant by Tierra and the Adjacent Property by Tierra in conjunction with other parties. This Adjacent Property was listed by EPA on the National Priority List in 2007. In July 2010, EPA notified Tierra, along with three other parties, which are considered potentially responsible for this adjacent property and requested to conduct a RIFS for the site. The parties have responded and are awaiting discussion with the EPA as to the

scope of activities. At this time, it is unknown if work beyond what was agreed to with the DEP will be required.

As of September 30, 2010, there are approximately 100 accrued in connection with the foregoing chrome-related matters. The study of the levels of chromium has not been finalized, and the DEP is still reviewing the proposed actions. The cost of addressing these chrome-related matters could increase depending upon the final soil actions, the DEP's response to Tierra's reports and other developments.

Painesville, Ohio. In connection with the operation until 1976 of one chromite ore processing plant ("Chrome Plant"), from Chemicals, the Ohio Environmental Protection Agency ("OEPA") ordered to conduct a RIFS at the former Painesville's Plant area. Tierra has agreed to participate in the RIFS as required by the OEPA. Tierra submitted the remedial investigation report to the OEPA, which report was finalized in 2003. Tierra will submit required feasibility reports separately. In addition, the OEPA has approved certain work, including the remediation of specific sites within the former Painesville Works area and work associated with the development plans discussed below (the "Remediation Work"). The Remediation Work has begun. As the OEPA approves additional projects for the site of the former Painesville Works, additional amounts will need to be accrued.

Over ten years ago, the former Painesville Works site was proposed for listing on the national Priority List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); however, the EPA has stated that the site will not be listed so long as it is satisfactorily addressed pursuant to the Director's Order and OEPA's programs. As of the date of issuance of these financial statements, the site has not been listed. YPF Holdings Inc. has accrued a total of 53 as of September 30, 2010 for its estimated share of the cost to perform the RIFS, the remediation work and other operation and maintenance activities at this site. The scope and nature of any further investigation or remediation that may be required cannot be determined at this time; however, as the RIFS progresses, YPF Holdings Inc. will continuously assess the condition of the Painesville's plants works site and make any required changes, including additions, to its accrual as may be necessary.

- Third Party Sites. Pursuant to settlement agreements with the Port of Houston Authority and other parties, Tierra and Maxus are participating (on behalf of Chemicals) in the remediation of property required Chemicals' former Greens Bayou facility where DDT and certain other chemicals were manufactured. Additionally, the parties have reached an agreement with the Federal and State Natural Resources Trustees concerning natural resources damages, which could require future additional contributions. As of September 30, 2010, YPF Holdings Inc. has accrued 18 for its estimated share of future remediation activities associated with the Greens Bayou facility. Although the primary work was completed in 2009, some follow-up activities and operation and maintenance remain pending.

In June 2005, the EPA designated Maxus as a PRP at the Milwaukee Solvay Coke & Gas site in Milwaukee, Wisconsin. The basis for this designation is Maxus alleged status as the successor to Pickands Mather & Co. and Milwaukee Solvay Coke Co., companies that the EPA has asserted are former owners or operators of such site. Preliminary works in connection with the RIFS of this site commenced in the second half of 2006. YPF Holdings Inc. has accrued 5 as of September 30, 2010 for its estimated share of the costs of the RIFS. YPF Holdings Inc. lacks sufficient information to determine additional costs, if any; it might have in respect of this site.

Maxus has agreed to defend Occidental, as successor to Chemicals, in respect of the Malone Services Company Superfund site in Galveston County, Texas. This site is a former waste disposal site where Chemicals is alleged to have sent waste products prior to September 1986. It is subject of enforcement activities by the EPA. Although Occidental is one of many PRPs that have been identified and have agreed to an AOC, Tierra (which is handling this matter on behalf of Maxus) presently believes the degree of Occidental's alleged involvement as successor to Chemicals is relatively small. Chemicals has also been designated as a PRP with respect to a number of third party sites where hazardous substances from Chemicals' plant operations allegedly were disposed or have come to be

located. At

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several of these, Chemicals has no known relationship. Although PRPs are typically jointly and severally liable for the cost of investigations, cleanups and other response costs, each has the right of contribution from other PRPs and, as a practical matter, cost sharing by PRPs is usually effected by agreement among them. As of September 30, 2010, YPF Holdings Inc. has accrued approximately 2 in connection with its estimated share of costs related to certain sites and the ultimate cost of other sites cannot be estimated at the present time.

- **Black Lung Benefits Act Liabilities.** The Black Lung Benefits Act provides monetary and medical benefits to miners disabled with a lung disease, and also provides benefits to the dependents of deceased miners if black lung disease caused or contributed to the miner's death. As a result of the operations of its coal-mining subsidiaries, YPF Holdings Inc. is required to provide insurance of this benefit to former employees and their dependents. As of September 30, 2010, YPF Holdings Inc. has accrued 12 in connection with its estimate of these obligations.
- **Legal Proceedings.** In 2001, the Texas State Controller assessed Maxus approximately US\$ 1 million in Texas state sales taxes for the period of September 1, 1995 through December 31, 1998, plus penalty and interest. In August 2004, the administrative law judge issued a decision affirming approximately US\$ 1 million of such assessment, plus penalty and interest. YPF Holdings Inc. believes the decision is erroneous, but has paid the revised tax assessment, penalty and interest (a total of approximately US\$ 2 million) under protest. Maxus filed a suit in Texas state court in December 2004 challenging the administrative decision. The matter will be reviewed by a trial de novo in the court action.

In 2002, Occidental sued Maxus and Tierra in state court in Dallas, Texas seeking a declaration that Maxus and Tierra have the obligation under the agreement pursuant to which Maxus sold Chemicals to Occidental to defend and indemnify Occidental from and against certain historical obligations of Chemicals, including claims related to "Agent Orange" and Vinyl Chloride Monomer ("VCM"), notwithstanding the fact that said agreement contains a 12-year cut-off for defense and indemnity obligations with respect to most litigation. Tierra was dismissed as a party, and the matter was tried in May 2006. The trial court decided that the 12-year cut-off period did not apply and entered judgment against Maxus. This decision was affirmed by the Court of Appeals in February 2008. Maxus has petitioned the Supreme Court of Texas for review. This lawsuit was denied. This decision will require Maxus to accept responsibility of various matters which it has refused indemnification since 1998 which could result in the incurrence of costs in addition to YPF Holdings Inc.'s current accruals for this matter. Maxus has paid approximately US\$ 17 million to Occidental, and remains in discussions with Occidental regarding additional costs for US\$ 0.2 million. All pending Agent Orange litigation was dismissed in December 2009, and although it is possible that further claims may be filed by unknown parties in the future, no further significant liability is anticipated. As of September 30, 2010 YPF Holdings Inc. has accrued approximately 1 in respect to this matter.

In March 2005, Maxus agreed to defend Occidental, as successor to Chemicals, in respect of an action seeking the contribution of costs incurred in connection with the remediation of the Turtle Bayou waste disposal site in Liberty County, Texas. The plaintiffs alleged that certain wastes attributable to Chemicals found their way to the Turtle Bayou site. Trial for this matter was bifurcated, and in the liability phase Occidental and other parties were found severally, and not jointly, liable for waste products disposed of at this site. Trial in the allocation phase of this matter was completed in the second quarter of 2007, and pursuant to the court decision, Maxus must pay on behalf of Occidental 15.96% of those costs incurred by one of the plaintiffs. That decision was appealed. In June 2010, the Court of Appeals ruled that the District Court had committed errors in the admission of certain documents, and remanded the case to the District Court for further proceedings. As of September 30, 2010, YPF Holdings Inc. has accrued 15 in respect of this matter.

YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits and environmental situations, the outcomes of which are not expected to have a material adverse effect on YPF's financial condition or its future results

of operations. YPF Holdings Inc. accruals legal contingences and environmental situations that are probable and can be reasonably estimated.

4. CONSOLIDATED BUSINESS SEGMENT INFORMATION

The Company organizes its business into four segments which comprise: the exploration and production, including contractual purchases of natural gas and crude oil purchases arising from service contracts and concession obligations, as well as crude oil intersegment sales, natural gas and its derivatives sales and electric power generation (“Exploration and Production”); the refining, transport, purchase and marketing of crude oil and refined products (“Refining and Marketing”); the petrochemical operations (“Chemical”); and other activities, not falling into these categories, are classified under “Corporate and Other”, which principally includes corporate administrative costs and assets, and construction activities.

Operating income (loss) and assets for each segment have been determined after intersegment adjustments.

	Exploration and Production	Refining and Marketing	Chemical	Corporate and Other	Consolidation Adjustments	Total
Nine-month period ended						
September 30, 2010						
Net sales to unrelated parties	3,502	24,807	1,620	601	-	30,530
Net sales to related parties	674	645	-	-	-	1,319
Net intersegment sales	13,065	1,217	1,369	237	(15,888)	-
Net sales	17,241	26,669	2,989	838	(15,888)	31,849
Operating income (loss)	5,147	2,722	585	(735)	(111)	7,608
Income on long-term investments	61	6	-	-	-	67
Depreciation	3,542	403	79	90	-	4,114
Acquisitions of fixed assets	4,140	950	326	92	-	5,508
Assets	25,251	13,511	2,427	5,313	(1,156)	45,346
Nine-month period ended						
September 30, 2009						
Net sales to unrelated parties	3,416	18,546	1,354	355	-	23,671
Net sales to related parties	534	443	-	-	-	977
Net intersegment sales	10,764	818	747	175	(12,504)	-
Net sales	14,714	19,807	2,101	530	(12,504)	24,648
Operating income (loss)	4,021	1,134	394	(607)	22	4,964
(Loss) income on long-term investments	(26)	21	-	-	-	(5)
Depreciation	3,087	390	90	81	-	3,648
Acquisitions of fixed assets	2,516	610	89	128	-	3,343
Year ended December 31, 2009						