IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) OUTSIDE THE UNITED STATES.

IMPORTANT: **You must read the following disclaimer before continuing**. The following disclaimer applies to the attached preliminary offering memorandum (the "Preliminary Offering Memorandum") following this notice, and you are advised to read this disclaimer page carefully before reading, accessing or making any other use of the Preliminary Offering Memorandum. In accessing the Preliminary Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE PRELIMINARY OFFERING MEMORANDUM WILL BE PREPARED ON THE BASIS THAT ANY OFFER OF SECURITIES IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS DIRECTIVE FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF SECURITIES. THE EXPRESSION PROSPECTUS DIRECTIVE MEANS DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE.

IN ADDITION, THIS DOCUMENT IS FOR DISTRIBUTION ONLY TO PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE "FINANCIAL PROMOTION ORDER"), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.") OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FMSA") IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE PRELIMINARY OFFERING MEMORANDUM RELATES IS ONLY AVAILABLE TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ADDITION, EACH PERSON RECEIVING THIS DOCUMENT (I) MAY ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY, WITHIN THE MEANING OF SECTION 21 OF FSMA, RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE SECURITIES IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY AND (II) MUST COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE SECURITIES IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.THE FOLLOWING PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN

ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: In order to be eligible to view the Preliminary Offering Memorandum or make an investment decision with respect to the securities, investors must be non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States. The Preliminary Offering Memorandum is being sent at your request and by accepting the e-mail and accessing the Preliminary Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are non-U.S. persons (within the meaning of Regulation S under the Securities Act) and that the electronic mail address that you gave us and to which the Preliminary Offering Memorandum has been delivered is not located in the United States, and (2) that you consent to delivery of such Preliminary Offering Memorandum by electronic transmission.

You are reminded that the Preliminary Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Preliminary Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Preliminary Offering Memorandum to any other person. You will not transmit the Preliminary Offering Memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of BCP Securities, LLC and Banco Santander, S.A. as dealer managers (together, the “Dealer Managers”).

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchaser or any affiliate of the Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealer Managers or such affiliate on behalf of the issuer in such jurisdiction.

The Preliminary Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the Dealer Managers nor any person who controls any of them nor any of its respective directors, officers, employees nor any of its agents nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any changes made without knowledge of the agents or any difference between the Preliminary Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Dealer Managers.

SUBJECT TO COMPLETION, DATED SEPTEMBER 5, 2017

PRELIMINARY OFFERING MEMORANDUM **STRICTLY CONFIDENTIAL**

The information contained in this preliminary offering memorandum is not complete and may be changed.

The Province of Jujuy

(A Province of Argentina)

US$
% Notes due

The Province of Jujuy (the "Province") is offering US$ aggregate principal amount of its % notes due 20 (the "Notes"). The Province will pay interest on the Notes on and of each year, beginning on , 2018. The Notes will mature on , . The Notes will be direct, general, unconditional, unsecured and unsubordinated Public External Indebtedness (as defined below) of the Province, ranking without any preference among themselves and equally with all other unsecured, unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness of the Province.

Application has been made to list the Notes on the Luxembourg Stock Exchange, and to have the Notes admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and the Province has also applied to list and trade the Notes on the *Bolsas y Mercados Argentinos S.A.* ("ByMA") and to have the Notes admitted for trading on the *Mercado Abierto Electrónico S.A.* ("MAE").

Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page 8 of this offering memorandum.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") or the securities laws of any other jurisdiction. Unless they are registered, the Notes may be offered only in transactions that are exempt from registration under the Securities Act or the securities law of any other jurisdiction. Accordingly, the Notes are being offered only to persons outside the United States in reliance on Regulation S of the Securities Act. For further details about eligible offerees and resale restrictions, see "Notice to Investors."

Price to investors: % plus accrued interest, if any, from , 2017

The Notes will be issued in registered form in denominations of US$150,000 and in integral multiples of US$1,000 in excess thereof. The Notes will be represented by a permanent global note in fully registered form without interest coupons and will be registered in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream") and deposited with a common depositary for Euroclear or Clearstream on or about , 2017.

Joint Lead Managers

BCP Securities **Santander**

Arranger

34° Sur

Local Placement Agents

BACS Banco de Crédito y Securitización S.A. **Banco Hipotecario S.A.**

The date of this offering memorandum is , 2017.

TABLE OF CONTENTS

Page

IMPORTANT NOTICES

You should rely only on the information contained in this offering memorandum. The Province has not, and the Dealer Managers (as defined below) and the Local Placement Agents (as defined below), have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Province is not, and the Dealer Managers (as defined below) are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum and may have changed since that date.

The Province is relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the section "Notice to Investors" in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

Neither the delivery of this offering memorandum nor any sale made hereunder will, under any circumstances, imply that the information herein is correct as of any date subsequent to the date of the cover of this offering memorandum.

This offering memorandum may only be used for the purposes for which it has been published. This offering memorandum may not be copied or reproduced in whole or in part. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering memorandum, you agree to these restrictions. See "Notice to Investors."

This offering memorandum is based on information provided by the Province and other sources that the Province believes are reliable. The Province cannot assure you that information from other sources is accurate or complete. This offering memorandum summarizes certain documents and other information, and the Province refers you to them for a more complete understanding of what the Province discusses in this offering memorandum. In making an investment decision, you must rely on your own examination of the Province and the terms of the offering and the Notes, including the merits and risks involved.

After having made all reasonable inquiries, the Province confirms that it accepts responsibility for the information it has provided in this offering memorandum and assumes responsibility for the correct reproduction of the information contained herein. To the best of the Province's knowledge and belief, having taken all reasonable care to ensure such is the case, the information contained in this offering memorandum is in accordance with the facts and contains no omission likely to affect their importance.

BCP Securities, LLC and Banco Santander, S.A. will act as dealer managers (together, the "Dealer Managers"), BACS Banco de Crédito y Securitización S.A. and Banco Hipotecario S.A. will act as local placement agents (together, the "Local Placement Agents"), with respect to the offering of the Notes. The Province, the Dealer Managers and the Local Placement Agents are not making any representation to any purchaser of Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

None of the United States Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority has approved or disapproved of the Notes or passed upon or endorsed the merits of this offering or the adequacy or accuracy of this offering memorandum. Any representation to the contrary is a criminal offense.

In connection with the issue of the Notes, the Dealer Managers or the Local Placement Agents (or persons acting on behalf of the Dealer Managers or the Local Placement Agents) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Dealer Managers or the Local Placement Agents (or persons acting on their behalf) will undertake any stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which we received the proceeds of the issue, or no later than 60 days after the date of allotment of the relevant Notes, whichever is the earlier. Any stabilization action will be undertaken in accordance with applicable laws and regulations.

ENFORCEMENT OF CIVIL LIABILITIES

The Province of Jujuy is a federative entity of the Republic of Argentina, and as such, it is a political subdivision of a sovereign federal state. Consequently, it may be difficult for investors or a trustee to obtain, or realize in the United States or elsewhere, judgments against the Province.

To the fullest extent permitted by applicable law, the Province will irrevocably submit to the jurisdiction of any New York state or any U.S. federal court sitting in the City of New York, Borough of Manhattan, and any appellate court thereof, in any suit, action or proceeding arising out of or relating to the Notes or the Province's failure or alleged failure to perform any obligations under the Notes, and the Province will irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined in such New York state or U.S. federal court. The Province will irrevocably waive, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any suit, action or proceeding and any objection to any proceeding whether on the grounds of venue, residence or domicile. To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the Notes or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property considered of the public domain or dedicated to the purpose of an essential public service or otherwise exempt from attachment or seizure under applicable Argentine and provincial law), the Province will irrevocably waive such immunity in respect of its obligations under the Indenture and/or the Notes, and, without limiting the generality of the foregoing, the Province agrees that the waivers set forth in the Indenture shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States, as amended (the "Immunities Act"), and are intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province's appointment of a process agent is not intended to extend to such actions or proceedings. However, under the Foreign Sovereign Immunities Act, it may not be possible to enforce in the United States a U.S. judgment against the Province. In addition, under the laws of the Republic of Argentina ("Argentina"), it may not be possible to obtain in Argentina recognition or enforcement of a U.S. judgment and any attachment or other form of execution (before or after judgment) on the property, and revenues of the Province will be subject to the applicable provisions of the *Código Procesal Civil y Comercial de la Nación Argentina* (the "Code of Civil and Commercial Procedure of Argentina"), Article 11 of the provincial constitution (the "Provincial Constitution"), Provincial Law No. 1,967 ("the Code of Civil and Commercial Procedure of Jujuy"), as ratified by Provincial Law 4,133, Provincial Law No. 5,320 (incorporating certain provisions of Federal Law No. 11,672, as amended), and the applicable budgetary law and Federal Law No. 25,973. See "Description of the Notes—Governing Law" and "—Submission to Jurisdiction."

A judgment obtained against the Province in a foreign court may be enforced in the Supreme Court of Justice of Argentina. Based on existing law, the Supreme Court of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the Supreme Court of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;
- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;
- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) with respect to personal property if such was transferred to Argentina during or after the time the trial was held before a foreign court;
- was issued after serving due notice and giving an opportunity to the defendant to present its case;
- is not subject to further appeal;

- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine Court.

In a March 2014 decision, the Supreme Court of Justice of Argentina held that the enforcement of a foreign judgment did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of Argentina (*i.e.*, that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that an enforcement as such requested by the plaintiff would imply that such plaintiff, pursuant to an individual action filed before a foreign court, would circumvent the public debt restructuring process set forth by the central government of Argentina (the "Federal Government") through emergency legislation enacted in accordance with the Argentine Constitution. In addition, the Supreme Court of Argentina held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment, such as the one sought by the plaintiff, could not be granted as it would be clearly contrary to such legislation.

The enforcement of judgments in the Province is governed by Article 11 of the Provincial Constitution, according to which if a judgment is rendered against the Provincial Government ordering it to settle a debt obligation, such judgment may be enforced and public funds may be attached after the expiration of a three-month term beginning on the date such judgment becomes final and enforceable.

Moreover, Provincial Law No. 5320 (which incorporates certain provisions of Federal Law No. 11,672, as amended) establishes the mechanism for paying judgment amounts against the Province. Under this law, if the budget for the fiscal year in which the judgment amount is due and payable lacks sufficient funds to settle such judgment, the executive branch is required to include an allocation for the judgment amount in the budget for the following fiscal year. As a result, if the date of the judgment that orders payment is earlier than July 31 of the current year, payment will be included in the budget for the year immediately following. If the date of the judgment ordering payment is later than August 1, payment will be included in the succeeding fiscal year.

Lastly, in accordance with Argentine law, it is possible to take legal actions against the Province directly, but attachment or any other form of execution on the property of the Province that is used for the provision of welfare services will not be ordered. According to Article 11 of the Provincial Constitution, a legal action may be taken against the Provincial Government; however, no injunction may be issued against its property or funds, unless such property or funds had been specifically allocated to the fulfilment of an obligation. Furthermore, attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the Province with respect to public property if such property is located in Argentina and is included within the provisions of Articles 234, 235 and 237 of the Argentine Civil and Commercial Code or directly provides an essential public service.

DEFINED TERMS AND CONVENTIONS

Certain Defined Terms and Conventions

The terms set forth below have the following meanings for the purpose of this offering memorandum:

- *"Acuerdo para el Nuevo Federalismo"* means the Agreement for a New Federalism, created in February 2016 by the Federal Government, through Decree No. 406/16. The program is designed to eliminate a 15.0% deduction from co-participation payments to the provinces which was used to partially fund the ANSeS;
- "AFIP" means the *Administración Federal de Ingresos Públicos* (the Argentine Tax Authority);
- "ANSeS" means the *Administración Nacional de la Seguridad Social* (the National Social Security Administration);
- "Argentina" or the "Nation" means the Republic of Argentina;
- "Central Bank" means the *Banco Central de la República Argentina* (Central Bank of Argentina);
- "*Coeficiente de Estabilización de Referencia*" or "CER" means an economic indicator adopted on February 3, 2002, which reflects the value in pesos as indexed to consumer price inflation. The nominal amount of a CER-based financial instrument is converted to a CER-adjusted amount and interest on the financial instrument is calculated on the CER-adjusted balance;
- "*Consejo Federal de Responsabilidad Fiscal"* means the Federal Council of Fiscal Responsibility, which is comprised of representatives from the federal and provincial governments and is responsible for controlling compliance by the provinces and the Federal Government with the Federal Fiscal Responsibility Law;
- "CPI" means Consumer Price Index;
- "DIPEC" means *Dirección Provincial de Estadísticas y Censos* (Provincial Institute of Statistics and Census);
- "Federal Government" means the non financial sector of the central government of Argentina, excluding the Central Bank;
- "Federal Refinancing Agreement" means the *Convenio Bilateral en el Marco del Programa Federal de Desendeudamiento de las Provincias Argentinas*, signed by the Province and the Federal Government on August 18, 2010 to implement the Federal Refinancing Program;
- "Federal Refinancing Program" means the *Programa Federal de Desendeudamiento de las Provincias Argentinas*, which comprises a series of measures adopted by the Federal Government pursuant to Decree No. 660/2010 ("Decree No. 660"), to reduce the indebtedness owed by the provinces to the Federal Government. The Federal Refinancing Program enables the Federal Government to make available funds held in the Fund of Federal Treasury Contributions to reduce, on a pro rata basis, the indebtedness of provinces as of May 31, 2010, and to refinance indebtedness owed to the Federal Government under the outstanding PAF and certain other debt programs and agreements, as applicable. The Province agreed to participate in the Federal Refinancing Program by signing the Federal Refinancing Agreement. This program eliminated CER adjustments on all provincial CER-adjusted indebtedness then owed to the Federal Government and refinanced under this program. See "Public Sector Debt—Background and History";
- "Federal Tax Co-Participation Law" means Federal Law No. 23,548 ("*Ley de Coparticipación Federal de Recursos Fiscales*"), enacted in 1988, as amended. Under the Federal Tax Co-Participation Law, the Federal Government is required to transfer to a federal tax co-participation fund 100% of revenues from consumption taxes levied on various non-basic goods (such as cigarettes and alcohol), 89% of value-added tax revenues, 64% of income tax revenues, 100% of property transfer tax revenues, 80.6% of taxes on prizes, 50% of cooperative tax revenues and 30% of financial transactions

tax revenues. Of all funds eligible for co-participation, 15% are allocated to the federal social security system. The remaining 85% of funds are distributed among the Federal Government, the City of Buenos Aires and the Argentine provinces, as follows: 42.34% to the Federal Government for its other budgetary needs and for transfers to the City of Buenos Aires; 2% to certain provinces (Buenos Aires, Chubut, Neuquén and Santa Cruz) as special compensation; 1% to the *Fondo de Aportes del Tesoro Nacional* (the "Fund of Federal Treasury Contributions") for emergency situations; and 54.66% to the provinces to be shared among them according to percentages set forth in the Federal Tax Co-Participation Law. As of the date of this offering memorandum, the Province was entitled to 2.95% of the funds allocated to Argentine provinces under the co-participation regime (i.e., 2.95% of the 54.66% allocated to the Argentine provinces). The Federal Government pursuant to Decree No. 251/2016, issued on January 26, 2016, granted the Province a financial advance payment of up to P$250,000,000 on account of its resources under the Federal Tax Co-Participation Regime. On May 18, 2016 the Federal Government, the Argentine provinces and the City of Buenos Aires entered into an agreement to reduce the current set off of 15% of co-participation moneys destined to social security obligations and other expenses related to ANSeS, as provided for in the Federal Agreement of August 1992, as amended and supplemented. The reduction will be in an amount of 3% per calendar year, and, as a result, the resulting set off amounts will be as follows: 12% in 2016, 9% in 2017, 6% in 2018, 3% in 2019 and 0% in 2020 and the following years;

- "Federal Tax Co-Participation Regime" means federal tax transfers subject to allocation among the provinces pursuant to the Federal Tax Co-Participation Law;
- "Green Bond Principles" means the voluntary process guidelines for issuing green bonds published by the International Capital Markets Association on June 2, 2017;
- "Gross domestic product" or "GDP" is a measure of the total value of final products and services produced in Argentina or the Province, as the case may be, in a specific year;
- "INDEC" means the *Instituto Nacional de Estadística y Censos* (the National Institute of Statistics and Census);
- "MULC" means *Mercado Único y Libre de Cambios* (Argentine foreign exchange market);
- "Ministry of Economy" means the *Ministerio de Economía de la Provincia* (the Ministry of Economy of the Province);
- "Ministry of Economy and Public Finance" means the *Ministerio de Hacienda y Finanzas Públicas de la Nación* (the Federal Ministry of Economy and Public Finance of Argentina);
- "PAF" means *Programa de Asistencia Financiera* (Financial Assistance Program) created by the Federal Government in 2005 under the Fiscal Responsibility Law. The purpose of the PAF was to assist the Argentine provinces to repay their indebtedness, to the extent that they observed fiscal responsibility parameters established under the Fiscal Responsibility Law. The PAF was implemented through the Trust Fund for Provincial Development;
- "Project" means the development of the Parque Solar de Puna (Puna Solar Farm Project), consisting of the Cauchari solar projects I, II and III;
- "Province," "we," "our" and "us" means the Province of Jujuy, the issuer of the Notes;
- "Provincial Government" means the central government of the Province;
- "Regional Infrastructure Trust Fund" means the *Fondo Fiduciario Federal de Infraestructura Regional*; and
- "Unemployment Rate" (calculated by the INDEC) means the percentage of the Province's labor force that has not worked a minimum of one hour with compensation or 15 hours without compensation during the week preceding the date of measurement. The "labor force" refers to the sum of the population of the provincial area that worked a minimum of one hour with compensation or 15 hours

without compensation during the week preceding the date of measurement, plus the population that is unemployed and actively seeking employment.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All annual information presented in this offering memorandum is based on the period beginning January 1 and ending December 31, unless otherwise indicated. Totals in certain tables included in this offering memorandum may differ from the sum of the individual items in those tables due to rounding.

Prices and figures are stated in current values of the currency presented, unless otherwise indicated.

Preliminary Information

Certain statistical information about the Province included in this offering memorandum is preliminary in nature and reflects the most recent reliable data readily available to the Province as of the date of this offering memorandum. Unless otherwise indicated, the Province's fiscal and statistical information reported herein has been prepared by the Dirección General de Presupuesto (the "General Budget Office") and the Contaduría General de la Provincia (the "General Accounting Office"), which prepare the Province's budget, and by DIPEC, which generates the Province's statistical data. Preliminary financial, economic, statistical and other information presented in this offering memorandum may be materially revised in the future to reflect new or more accurate data as a result of the review by the Province's General Budget Office, General Accounting Office, DIPEC, or other provincial entities. These revisions could reveal that the Province's economic and financial conditions as of any particular date are materially different from, and less favorable than, those described in this offering memorandum. These revisions could materially and adversely affect the market value of the Notes. See "Presentation of Financial and Other Information—Legislative Approval Process."

Legislative Approval Process

Pursuant to Section 137, Subsection 9 of the Provincial Constitution, the Governor of the Province must submit to the Provincial Legislature for its approval the *Informes de Ejecución Presupuestaria y Resultados de la Gestión Financiera* (Reports on Budget Execution and Fiscal Management Results) corresponding to the previous fiscal year. The Provincial Constitution does not establish a specific term for approval of such reports by the Provincial Legislature.

National Information

Certain information presented in this offering memorandum relating to the national economy of Argentina is included only for the purpose of providing context for the information included herein and related to the economy of the Province. Such information has been extracted from the information made public by the Federal Government, including information from its filings with the SEC.

On January 8, 2016, Decree No. 55/2016 was issued by the Federal Government, declaring a state of administrative emergency on the national statistical system and on the INDEC, until December 31, 2016. INDEC ceased publishing statistical data until a rearrangement of its technical and administrative structure was finalized. On June 16, 2016, INDEC published the CPI (as defined below) for the first time since the state of administrative emergency on the national statistical system was declared. In addition, on June 29, 2016, INDEC published revised gross domestic product ("GDP") data for the years 2004 through 2015. See "Risk Factors—Risks Relating to Argentina—An increase in inflation could have a material adverse effect on the Province's economic prospects" and "Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past."

Unconsolidated Information

Generally, the Province does not consolidate the revenues and expenditures of its municipalities or provincial enterprises because neither such municipalities nor provincial enterprises rely on the Province's budgetary resources to finance their budgetary needs. However, pursuant to the Provincial Constitution, the Province is required to transfer a portion of its revenues, to its municipalities in order to finance certain functions delegated to such municipalities by the Province, and these transfers are accounted for as expenditures of the Province during the period in which such transfers are made. With regard to provincial enterprises, capital contributions, loans, advances and transfers from the Province to these enterprises are included within the Province's expenditures, and transfers from these enterprises to the Province are included within the Province's revenues, in the period in which such expenditures are incurred or such transfers are made, as applicable.

Information on Exports

In Argentina, information relating to exports is collected and released by INDEC, and is based mainly on data collected in connection with the issuance of shipping permits by the Argentine Federal Customs Bureau ("*Dirección General de Aduanas*"). Since 1995, export data has also been collected by INDEC in connection with the export of goods that do not require such permits, such as energy. Provincial exports include exports of all goods produced within the territory of the Province, either by growth, extraction or collection, and all goods processed or manufactured entirely within the Province, including those made entirely from raw materials produced outside of the Province and transformed into a different product (as classified under the *Mercosur* rules) within the Province. In addition, data on population, price indexes and GDP provided by INDEC are included in this offering memorandum. See "The Provincial Economy—Primary Production—Exports Originating in the Province."

Provincial Accounting Practices

The Province maintains its books and records in pesos and prepares its budgets and statements of revenues and expenditures in accordance with provincial accounting principles and rules, regulations and practices consistent therewith ("Provincial Accounting Practices"). Provincial Accounting Practices are consistent with those followed by other provinces in Argentina but differ in several material respects from generally accepted accounting principles in Argentina ("Argentine GAAP") and from generally accepted accounting principles in other jurisdictions, including the United States ("U.S. GAAP"). According to Provincial Law No. 4,958, ("Financial Management Law") and other applicable Provincial law, the primary features of Provincial Accounting Practices are: (i) revenues are not accounted for on an accrual basis, but instead are recognized in the period in which they are actually received; (ii) expenditures are accounted for on an accrual basis when the expenditure is incurred but not when paid, except for amortization and interest expenses, which are accounted for as such when paid; (iii) interest and principal amounts payable by the Province in respect of its debt obligations are accounted for during the period in which they are due, (iv) capital investments are recorded at cost, without reduction for depreciation or amortization, and, accordingly, the Province does not record any depreciation or amortization charges in its accounts; (v) capital expenditures and investments in intangible assets are capitalized based on the amounts invested in each fiscal year; (vi) construction contracts are expensed using the percentage of completion method; and (vii) revenues, expenditures and public debt are not adjusted for inflation in the Province's accounts.

Currency of Presentation

Financial information in this offering memorandum relating to Argentine national gross domestic product ("GDP") is presented in both nominal pesos (pesos not adjusted for inflation) and constant pesos that reflect the relative prices prevailing at the relevant date. In the case of presentation of Argentine national GDP figures in constant pesos, the country uses 2004 constant pesos ("2004 Constant Pesos").

Financial information relating to the Province's GDP is presented in 2004 Constant Pesos. Financial information in this offering memorandum relating to historic revenues, expenditures and public debt is presented in nominal pesos, as the Province believes that such presentation is likely to result in less distortion to the period-on-period comparability of such information than those which would result from presenting such analysis in reference to constant peso figures. Information derived from the 2017 budget (the "2017 Budget") is also presented in nominal pesos.

Methodology of Calculation of Gross Domestic Product

The Province's gross geographic product ("GGP") is calculated by DIPEC, pursuant to a methodology substantially similar to that historically employed by INDEC for the calculation of Argentina's GDP. Nevertheless, in 2013, INDEC changed the base year for the calculation of Argentina's GDP and has used 2004 Constant Pesos since then, applying such standard retroactively to all years after 2004.

The Province is in the process of calculating its GGP in 2004 Constant Pesos, that is, it is adjusting its methodology of calculation of GGP to align it with that employed by INDEC. As the Province only has official data available until 2011 (at constant 1993 pesos), GGP information included in this offering memorandum is based on data gathered by the Universidad Nacional de Jujuy ("UNJU"), including information up to 2016. Since

2014, UNJU has been using 2014 Constant Pesos to calculate the Province's GGP and has applied such standard retroactively until 2014, consistently with INDEC's procedure.

Unless otherwise indicated, provincial real GGP refers to the sum of the Province's gross added values of all resident institutional units engaged in production (net of any taxes, and any subsidies, on products not included in the value of their outputs). This real GGP information is used in this offering memorandum to analyze the historical performance of the Province's economy and its different sectors, as the Province believes it provides a more reliable representation of the underlying trends without the distortions created by taxes levied on, and subsidies granted to, products at the commercialization stage.

Rounding

Certain figures included in this offering memorandum have been rounded for ease of presentation. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this offering memorandum may vary slightly from those obtained by performing the same calculation using the non-rounded figures. Certain other amounts that appear in this offering memorandum may similarly not sum to presented totals due to rounding.

EXCHANGE RATES AND EXCHANGE CONTROLS

Unless otherwise specified, references in this offering memorandum to "dollars," "U.S. dollars" and "US$" are to the official currency of the United States of America, and references to "pesos" and "P$" are to Argentine pesos, the official currency of Argentina.

The Province publishes most of its economic indicators and other statistical data in pesos. For figures reflecting flows of peso amounts during a specified period, the average dollar-peso exchange rate for that period is used. For figures reflecting amounts as of a specific date, the exchange rate applicable on that date is used.

Since February 2002, the peso has floated against other currencies, although the Central Bank purchases or sells U.S. dollars on the currency exchange market on a regular basis in order to minimize fluctuations in the value of the peso in relation to the U.S. dollar.

After several years of variations in the nominal exchange rate, in 2012, there was a devaluation of approximately 14% of the peso against the U.S. dollar. This was followed by a further devaluation of the peso against the U.S. dollar of approximately 30% in 2013 and 2014, which included a devaluation of approximately 24% in January 2014. In 2015, there was a devaluation of approximately 52% of the peso against the U.S. dollar, which included a devaluation of 10% from January 1, 2015 to September 30, 2015, and a 38% devaluation in the last quarter of 2015, which was mainly experienced after December 16, 2015, as a consequence of a significant economic reform implemented by the new federal administration. See "Risk Factors—Risks Relating to Argentina—The current administration has implemented significant changes in economic and other policies and announced additional measures, and the unsuccessful or lack of implementation of such additional measures could impact the Argentine and provincial economies and the securities market."

The following table sets forth the annual high, low, average and period-end "reference" exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation. There can be no assurance that the peso will not depreciate or appreciate again in the future. The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

The table below sets forth nominal exchange rate figures:

Nominal Exchange Rates (pesos per U.S. dollar)

	Exchange rates (1)			
	High	**Low**	**Average (2)**	**Period end**
Years ended December 31,				
2011	4.304	3.972	4.130	4.303
2012	4.917	4.305	4.551	4.917
2013	6.518	4.923	5.479	6.518
2014	8.556	6.543	8.119	8.552
2015	13.763	8.554	9.269	13.005
2016	16.039	13.069	14.779	15.850
2017				
January	16.053	15.808	15.907	15.912
February	15.835	15.368	15.598	15.455
March	15.669	15.382	15.524	15.382
April	15.453	15.174	15.360	15.427
May	16.142	15.269	15.698	16.142
June	16.599	15.851	16.117	16.599
July	17.764	16.682	17.169	17.670
August	17.783	17.058	17.417	17.365

Notes:

(1) Central Bank reference exchange rates (Communication "A" 3500 of Central Bank).

(2) Average of daily closing quotes.

Source: Central Bank.

Currency conversions, including conversions of pesos into U.S. dollars, are included for the convenience of the reader only and should not be construed as a representation that the amounts in question have been, could have been or could be converted into any particular denomination, at any particular rate or at all. Unless otherwise indicated, such dollar amounts have been converted from peso amounts at an exchange rate of P$15.8502 per US$1.00, based on the currency bid daily rate published by the Central Bank on December 30, 2016.

As of September 1, 2017, the Peso-Dollar reference exchange rate was P$17.237 to US$1.00.

Exchange Controls

On May 19, 2017, the Central Bank issued Communication "A" 6244, which came into force on July 1, 2017, providing for certain new rules that will govern access to the MULC and that supersede previous rules on the matter. Communication "A" 6244 (as amended by Communication "A" 6312) has replaced all previous rules governing exchange transactions, the general exchange position and the provisions of Decree No. 616/05.

In addition, Communication "A" 6244 (as amended by Communication "A" 6312) sets forth:

(i) the principle of freedom of exchange. According to section 1.1 of this Communication, "all natural or legal persons, estates and other properties may freely trade in the exchange market";

(ii) the maintenance of the obligation to enter into any exchange transaction through an authorized entity (section 1.2);

(iii) the removal of time restrictions to trade in the MULC; and

(iv) the maintenance of the obligation of resident natural or legal persons to comply with the requirements of "Review of Debt Securities and External Liabilities Issued by the Financial Sector and the Non-Financial Private Sector" (Communication "A" 3602, as supplemented) and "Review of Direct Investments" (Communication "A" 4237, as supplemented), even if no funds had flowed into the exchange market and/or no access to such market is expected in the future with respect to reportable transactions.

For further information in relation to all previous and current exchange restrictions and controls investors should seek advice from their legal advisors and analyze the regulations of the Central Bank, Decree No. 616/2005, Resolution No. 365/2005 of the former Ministry of Treasury and Finance, Communication "A" 6037, Communication "A" 6244, Communication "A" 6312, and the Foreign Exchange Criminal Regime (Law No. 19,359, as amended), as further supplemented and amended, available on the website of the Ministry of Justice and Human Rights (http://www.infoleg.gov.ar) or on the Central Bank's website (http://www.bcra.gov.ar). None of the information contained on either such website is deemed to be incorporated by reference into this offering memorandum.

FORWARD-LOOKING STATEMENTS

This offering memorandum may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are statements that are not historical facts, including statements about the Province's beliefs and expectations. These statements are based on the Province's current plans, estimates and projections. Therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. The Province undertakes no obligation to update any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties, including, but not limited to, those set forth in "Risk Factors" in this offering memorandum. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. The information contained in this offering memorandum identifies important factors that could cause such differences. Such factors include, but are not limited to:

- adverse domestic factors, such as increases in inflation rates and salaries, high domestic interest rates, exchange rate volatility, lack of sufficient investment, limited access to credit and/or to foreign currency, political disputes or social unrest, any of which could lead to lower economic growth;
- adverse external factors, such as a decline in foreign investment, changes in international prices (including commodity prices) for goods produced within the Province, changes in international interest rates, recession or low economic growth in Argentina's trading partners, which could decrease the value or quantity of exports from the Province, cause a contraction of the Province's economy and, indirectly, reduce tax revenues and other public sector revenues and adversely affect the Province's fiscal accounts;
- the relationships with the Federal Government and other provinces, in particular, in the context of any possible modification of the tax arrangements between the Federal Government and the provinces of Argentina as established by the Federal Tax Co-Participation Law, pursuant to which the Federal Government agreed to collect certain taxes on an exclusive basis and to distribute a portion of those tax revenues among such provinces, currently the main source of revenue for the Province;
- any material failure by the parties to the Project to construct, implement or operate the Project, or the inability of the Project to generate forecasted levels of cash flows;
- other adverse factors, such as climatic or political events, international or domestic hostilities and political uncertainty, including the effects of the results of the latest Argentine presidential and legislative elections held in October and November 2015 and the upcoming legislative elections to be held in October 2017; and
- the risk factors set forth under "Risk Factors."

Each of these factors could lead to lower economic growth, reduce the Province's revenues thereby affecting the Province's accounts, and adversely affect its financial condition.

SUMMARY

This summary highlights information contained in this offering memorandum, including selected economic and financial data about the Province. It is not complete and may not contain all of the information you should consider before purchasing the Notes. You should carefully read this entire offering memorandum, including "Risk Factors," before purchasing the Notes.

Selected Economic Information
(in millions of pesos unless otherwise indicated)

	2012	2013	2014	2015	2016
NATIONAL ECONOMY					
National nominal GDP (in millions of pesos)(1)(2)	2,637,914	3,348,308	4,579,086	5,854,014	8,050,245
Real GDP (in millions of 2004 Constant Pesos) (1)(2)	703,486	720,407	702,306	720,898	704,711
Rate of change in real GDP at market prices from prior year (2004 Constant Pesos) (1)(2)	(1.0)%	2.4%	(2.5)%	2.6%	(2.2)%
Unemployment rate(3)	6.9%	6.4%	6.9%	5.9%	7.6%
Inflation (as measured by IPC)(4)	10.8%	10.9%	24.0%	14.3%	16.9%
PROVINCIAL ECONOMY					
Nominal GGP (in millions of pesos)(5)	16,329	21,228	27,278	35,734	49,312
Real GDP (in millions of 2004 Constant Pesos) (5)	5,089	5,237	5,292	5,299	5,104
Rate of change of Real GDP (5) (2004 Constant Pesos)	(3.1)%	2.9%	1.1%	0.1%	(3.7)%
Real GDP as a % of National Real GDP	0.7%	0.7%	0.8%	0.7%	0.7%
Unemployment rate (% unemployed) (6)	4.2%	5.0%	6.1%	4.8%	2.6%
PROVINCIAL PUBLIC SECTOR FINANCES					
Current revenues	7,000.3	8,797.7	11,864.6	16,243.4	21,670.0
Current expenditures	6,973.6	9,478.0	12,892.2	17,721.8	24,147.5
Operating balance	**26.7**	**(680.3)**	**(1,027.5)**	**(1,478.4)**	**(2,477.4)**
Capital revenues	645.8	1,097.9	1,446.9	1,681.6	1,226.6
Capital expenditures	900.9	1,416.9	1,888.2	2,434.9	1,992.9
Overall balance	**(228.4)**	**(999.3)**	**(1,468.8)**	**(2,231.7)**	**(3,243.7)**
PROVINCIAL PUBLIC SECTOR CONSOLIDATED DEBT					
Total debt	**4,455.8**	**5,501.2**	**6,980.6**	**8,491.2**	**12,470.8**
Debt as a % of total revenues	58.0	56.0	52.0	47.0	54.0
Debt as a % of Nominal GGP	25.0	24.0	23.0	22.0	24.0

Notes:

(1) Real GDP at market prices is equal to Real GDP plus taxes (including VAT, import duties and others), and minus any subsidies, on products not included in the value of their outputs. Source: INDEC

(2) Series subject only to a review on account of the latest release. 2015 and 2016 figures are preliminary and subject to review by INDEC.

(3) Information from the last quarter of each year. Source: INDEC

(4) INDEC'S CPI. For 2012, 2013 and 2014, data shows twelve-month cumulative inflation rate as of December 31. For 2015 data shows the twelve-month cumulative inflation rate as of October 2015 (compared to October 2014), due to INDEC's discontinuation of the series in 2015. Data for 2016 shows the cumulative inflation rate for the four-month period ended April 30, 2016.

(5) GGP figures may vary in accordance with the statistical review that the Province is currently carrying out following INDEC's revisions to its historical information. Source: UNJU

(6) As a percentage of the economically active population in the San Salvador-Palpalá region. 2016 figures are preliminary. Source: DIPEC

The Province

General

The Province of Jujuy is one of Argentina's 23 provinces and is located in the northwestern region of the country known as "Norte Grande Argentino." The Province has an area of 53,219 square kilometers (approximately 20,548 square miles) and borders with the Province of Salta on its eastern and southern border, with Bolivia on its northern border and with Chile on its western border. The capital of the Province is the city of San Salvador de Jujuy.

According to the last national census (completed in 2010), the Province is the fourteenth most populated province in Argentina, with a population of 673,307 inhabitants, accounting for approximately 1.7% of the country's total population. The estimated population as of July 1, 2017 was 745,252 inhabitants. Approximately 39.4% of the Province's population, or some 265,249 inhabitants, live in the Dr. Manuel Belgrano department, located in the Province's capital city. The Dr. Manuel Belgrano department is the most heavily populated department in the Province followed by El Carmen, with approximately 97,039 inhabitants, or 14.4% of the Province's total population; Ledesma, with around 81,790 inhabitants, or 12.2% of the Province's total population; San Pedro, with around 75,037 inhabitants; Palpalá, with around 52,631 inhabitants; Yavi, with around 20,806 inhabitants, and Santa Bárbara, with 17,730 inhabitants. According to projections based on the 2010 census, the Province's population density in 2016 was 13.67 inhabitants per square kilometer. Generally, the Province's population has grown at a similar rate as that of Argentina as a whole.

National and Provincial governments

On October 25, 2015, presidential and congressional elections took place in Argentina. Daniel Scioli (FPV) obtained 37.1% of the votes, Mauricio Macri (Cambiemos) obtained 34.2% of the votes and Sergio Massa (FR) obtained 21.4% of the votes. Based on these results, a presidential run-off between Daniel Scioli and Mauricio Macri was held on November 22, 2015, electing Macri, with 51.3% of the votes, as the successor to former president Cristina Fernández de Kirchner. Mauricio Macri took office on December 10, 2015, for a term of four years.

National primary and general legislative midterm elections will be held in 2017 amongst Argentina's 24 electoral districts. Provincial primary, general, and municipal elections will also be held in some of these districts. These elections may be run concurrently with, or separately from national elections, as provinces have reserved the right to set the date for their elections with a Provincial Election Call Decree. The national and provincial primaries, known as PASO (the Spanish acronym for primary, open, simultaneous and mandatory elections), were held on August 13, 2017, according to Section 20 of Federal Law No. 26,571. PASOs purpose is to screen candidates from several political parties that will be included in candidate listings for the general election to he held on October 22, 2017.

General elections for national office will take place on October 22, 2017, as provided for in Section 53 of the National Electoral Code. These elections are held to renew half of the seats of National House of Representatives—127 members (elected for a term of four years)—and a third of the National Senate seats—24 senators (elected for a term of six years from eight provinces: Buenos Aires, Formosa, La Rioja, Misiones, San Luis, San Juan, Santa Cruz, and Jujuy). Elections will also be held in 13 districts to elect candidates for provincial and municipal legislative offices. In Jujuy, 24 provincial legislators will be elected in addition to other legislative offices at a municipal level.

The Province's general elections were held on October 25, 2015. Mr. Gerardo Rubén Morales and Mr. Carlos Guillermo Haquim were elected governor and vice-governor, respectively, for the 2015-2019 period. The elected governor and vice-governor were candidates for the front or electoral alliance Frente Cambia Jujuy, made up of twenty national, district, provincial and municipal political parties, including Unión Cívica Radical, PRO, Partido Socialista and parties comprising Frente Renovador, which obtained 58.3% of the total vote, followed by Frente Para la Victoria, mainly comprised by the Partido Justicialista. The Partido Justicialista had previously governed the Province since 1983, the date of Argentina's return to democracy. At present, the administrative duties of the executive branch are performed by ministers in charge of the following areas: Government and Justice; Treasury and Finance; Environment; Security; Economic Development and Production; Education; Labor and Employment; Culture and Tourism; Health and Infrastructure, Public Services, and, Land and Housing.

Provincial Economy

The Province has a diversified economy, which is focused on the following primary sectors: Health, Education and Others, Industrial Manufacturing, Transportation and Telecommunications, Real Estate and Rental Activities, Commerce, Public Administration, Agriculture and Livestock, Construction, Electricity, Gas and Water Supply, Mining, and Financial Intermediation. The composition of the Province's GGP is oriented to services, which account for approximately 66% of the total, while the remaining 33% is comprised by the manufacturing of goods. Although the main drivers of the Province's economy differ significantly from the drivers of Argentina's economy, as a whole, during the period 2012-2016 the provincial economy has exhibited similar trends to the national economy.

The unemployment rate in the San Salvador de Jujuy-Palpalá area was 4.8% in 2012, while the unemployment rate in that area was 2.6% in 2016. The unemployment rate is measured by the DIPIEC through the EPH (Encuesta Permanente de Hogares), that is, the unemployment rate is only calculated for the area of San Salvador de Jujuy-Palpalá, cities which concentrate over 50% of the Province's population.

Solar Energy Project

An emerging sector in the Provincial economy is the renewable energy sector, which the Provincial Government plans to develop by: making it part of the production chain; fostering the activity by way of laws and tax incentives enacted last year; establishing a solar and geo-thermal park in La Puna region to such end; and, creating a company engaged in manufacturing solar water heaters. In particular, the planned development of the Cauchari I, II, and III photovoltaic power generation projects are expected to have a total installed power generation capacity of 300 MW and will require investments of approximately US$541.5 million. According to UNJU's estimates, the development of an installed power generation capacity of 1,000 MW may have an impact of up to 4.0% of GGP by 2025. See "The Provincial Economy—Solar Energy Project."

The Cauchari I, II, and III projects will be developed in La Puna region, Cauchari, Department of Susques, some 278 km southwest of the city of San Salvador de Jujuy, on a plateau in the high-plains surrounded by a chain of inactive volcanoes and mountains of over 5,000 meters above the sea level, near the Cauchari salt flat. This region is known for its high sun radiation.

The Project involves the construction of a solar photovoltaic power station to be incorporated into the national interconnection system by way of the installation of 120 solar energy fields with an installed power generation capacity of 2.5 MW, resulting in a total installed power generation capacity of 300 MW. Through this project, the Province's installed power generating capacity will be increased, while diversifying the national energy matrix, encouraging economic development with positive environmental impact, leveraging land with no alternative use, and generating jobs for the region's and the Province's residents.

Public Sector Finances

The public sector of the Province consists of the central administration of the Province and its decentralized agencies. The central administration of the Province is comprised of the executive, legislative and judicial branches, including provincial ministries, the Public Ministry office and other independent oversight agencies such as the General Accounting Office and the Attorney General's Office. See "The Province of Jujuy—Provincial Government."

For the year ended December 31, 2016, the Province's total current revenues amounted to P$21,670.0 million, the Province's total capital revenues amounted to P$1,226.6 million, the Province's total current expenditures amounted to P$24,147.5 million and the Province's total capital expenditures amounted to P$1,992.9 million, resulting in an overall deficit of P$3,243.7 million for the abovementioned period.

The following table sets out the Province's revenues and expenditures from 2012 to 2016.

Revenues and Expenditures
(in millions of pesos)

	For the year ended December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Current revenues..........	7,002.4	8,797.7	11,864.6	16,243.4	21,670.0
Current expenditures.....	6,973.6	9,478.0	12,892.2	17,721.8	24,147.5
Operating balance.......	**26.7**	**(680.3)**	**(1,027.5)**	**(1,478.4)**	**(2,477.4)**
Capital revenues...........	645.8	1,097.9	1,447.0	1,681.6	1,226.6
Capital expenditures	900.9	1,416.9	1,888.2	2,434.9	1,992.9
Overall balance.......	**(228.4)**	**(999.3)**	**(1,468.8)**	**(2,231.7)**	**(3,243.7)**

Source: The Province's General Accounting Office.

Composition of revenues

The Province's revenues are classified into current and capital revenues, which represented 94.6% and 5.4% of the Province's total revenues in 2016, respectively. The Province's total revenues for 2016 totaled P$22,896.6 million, an increase of 27.7% from P$17,925.0 million in 2015. This increase was mainly due to higher federal tax transfers in the amount of P$3,292.7 million and higher provincial tax revenues of P$654.8 million in 2016 related to the depreciation of the peso. In 2016, 81.3% of the Province's total current revenues were derived from the collection of taxes. Federal taxes accounted for 69.6% and provincial taxes accounted for 11.7% of the Province's total current revenues in 2016. In 2016, 76.9% of the Province's total revenues were derived from the collection of federal and provincial taxes. The balance of total revenues was comprised of federal non-tax transfers, provincial non-tax revenues and capital revenues.

Composition of expenditures

The Province provides a number of public services, primarily related to education, health, safety, justice, investments in public infrastructure and services, and provincial administration in general. The Province's expenditures are classified as either current expenditures or capital expenditures, which accounted for 92.4% and 7.6% of the Province's total expenditures, respectively. The Province's total expenditures in 2016 amounted to P$26,140.3 million, representing an increase of 29.7% compared to P$20,156.7 million in 2015. Personnel expenditures accounted for 59.2% of the Province's total expenditures in 2016. Current expenditures also include transfers to municipalities and represented 28.0% in 2016 of total expenditures, as well as transfers to other governmental bodies and expenditures related to other activities of the executive, legislative and judicial branches, fiscal and public administration costs. In addition, current expenditures include interest on debt. Capital expenditures include real direct investment, transfers to municipalities for public works and loans.

Budget

Pursuant to Section 26 of the Provincial Financial Management Law, each year the executive branch is required to submit a draft budget law for the following year to the Provincial Legislature by October 15. The annual budget represents an estimate of future revenues of the Province based on projections and estimates regarding the level of Argentina's and the Province's economic activity, revenues, expenditures and inflation. The budget also constitutes an authorization of, and a limit on, expenditures and indebtedness that may be incurred by the Province during the relevant period. The Provincial Legislature has broad powers to amend or reject the draft budget law submitted by the executive branch. If the budget for a certain year is not approved, the budget for the previous year will apply, according to the procedure set forth in the Provincial Constitution and in the Provincial Financial Management Law.

2017 Budget

The draft 2017 Budget law was submitted to the Provincial Legislature on December 22, 2016 and enacted through Provincial Law No. 6,001. The 2017 Budget provides for an estimated P$33,035.1 million of total revenues and P$34,064.5 million of total expenditures, resulting in an estimated P$1,029.4 million deficit in its overall balance, compared to an estimated P$3,243.7 million deficit in the overall balance for 2016. The 2017 Budget includes P$35.4 million of interest payments and P$134.6 million of debt repayment.

In drafting the 2017 Budget, the Province assumed that (i) the exchange rate between the Argentine peso and the U.S. dollar would be P$17.9 to US$1.00, (ii) Argentina's real GDP would grow by an annual 3.5%, (iii) annual inflation would be 17.0%, (iv) variation in federal tax transfers would be 32.1%, and (v) variation in provincial tax revenues would be 25.0%. In calculating estimates, the 2017 Budget was adjusted for the expected reference wages and improvements in provincial tax revenues.

Public Sector Debt

The Province primarily resorts to financing agreements to satisfy its financial needs, either directly or through the Federal Government. As of December 31, 2016, the Province's total indebtedness amounted to P$12,470.8 million (equivalent to US$774.6 million, at the exchange rate of US$1.00 = P$16.10), representing 59.7% of the Province's estimated total revenues in 2016.

As of December 31, 2016, the Federal Government held 99.4% of the Province's total indebtedness and the remaining 0.6% was held by other creditors. As of December 31, 2016, 99.3% of the Province's total indebtedness was denominated in pesos, and the remaining 0.8% was denominated in U.S. dollars.

The following table sets out the public consolidated debt position of the Province as of December 31 of each of the years indicated below in pesos and a convenience currency translation into U.S. dollars:

Public Debt by Creditor

	As of December 31,						
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	
	P$ million						US$ million[1]
Federal Government							
National Treasury[2]	884.9	1,137.5	2,063.8	6,708.8	8,220.4	11,398.5	708.0[1]
Provincial Development Trust Fund	2,964.1	3,131.1	3,259.4	81.7	75.9	70.2	4.4
Other trust funds	45.7	45.2	40.1	33.5	39.6	19.4	1.2
Multilateral credit agencies	30.7	27.3	31.3	49.8	71.4	97.5	6.1
Other	11.4	11.4	11.4	11.4	11.4	814.4	50.6
Subtotal Federal Government	**3,936.8**	**4,352.5**	**5,405.9**	**6,885.1**	**8,418.8**	**12,400.0**	**770.2**
Other	69.3	74.5	73.3	74.3	72.3	70.7	4.4
Indirect Debt	14.4	25.8	19.6	19.3	-	-	-
Total[3]	**4,024.0**	**4,455.8**	**5,501.2**	**6,980.6**	**8,491.2**	**12,470.8**	**774.6**

Notes:
(1) In US$ millions. Exchange rate: US$1.00 = P$16.10.
(2) Includes financing under PAF.
(3) Does not include "floating debt" of the Province.
Source: Office of Public Credit.

SUMMARY TERMS AND CONDITIONS OF THE NOTES

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the Notes, see "Description of the Notes" in this offering memorandum.

Issuer	The Province of Jujuy.
Notes Offered	US$ aggregate principal amount of % Notes due .
Final Maturity	, 2022.
Issue Date	The Notes are expected to be issued on , 2017.
Issue Price	% plus accrued interest from , 2017.
Interest Payment Dates	and , beginning , 2018.
Status	The Notes are direct, general, unconditional, unsecured and unsubordinated Public External Indebtedness of the Province. The Notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness of the Province. See "Description of the Notes—General Terms of the Notes—Status."
Covenants	The indenture governing the Notes contains covenants that, among other things, limit the Province's ability to issue or assume any indebtedness secured by a lien, on any of its property or assets unless the Notes are secured equally and ratably with such indebtedness. These covenants are subject to important exceptions and qualifications, which are described under the heading "Description of the Notes" in this offering memorandum.
Use of Proceeds	Pursuant to the Provincial Constitution and Provincial Law No. 6,001, No. 5,949, No. 6,013, and No. 6,019, which authorized the issuance of the Notes, the Province intends to use the net proceeds of the Notes after deducting commissions, fees and expenses payable by the Province to partially fund the development of the Project. See "Use of Proceeds—The Parque Solar de Puna Project."
Further Issuances	The Province may from time to time, without the consent of the holders of the Notes, create and issue additional notes of the same series having terms and conditions which are the same as those of the Notes in all respects, except for the issue date, issue price and first payment date of interest on the Notes; provided, however, that any additional Notes subsequently issued that are not fungible with the previously outstanding Notes shall have a separate ISIN or other identifying number from the previously outstanding Notes
Form and Settlement	The Province will issue the Notes in fully registered form, without interest coupons attached, only in denominations of US$150,000 and in integral multiples of US$1,000 in excess thereof. The Notes

	will be registered in global form in the name of a common depositary of Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”). See “Description of the Notes—Registration and Book Entry System.”
ISIN	The Notes offered hereby and sold pursuant to Regulation S under the Securities Act will have the following ISIN number:
Risk Factors	See “Risk Factors” and the other information in this offering memorandum for a discussion of factors you should carefully consider before deciding to invest in the Notes.
Governing Law	The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.
Listing..	Application has been made to list the Notes on the Luxembourg Stock Exchange, and to have the Notes admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and the Province has also applied to list and trade the Notes on the ByMA and to have the Notes admitted for trading on the MAE.
Trustee, Registrar, Principal Paying Agent and Transfer Agent	The Bank of New York Mellon.

RISK FACTORS

An investment in the Notes involves a significant degree of risk. Before deciding to purchase the Notes, you should read carefully all of the information contained in this offering memorandum, including, in particular, the following risk factors. In addition, because the Province is a political subdivision of Argentina, the Province's economic performance and public finances have historically been and will continue to be significantly affected by national events and conditions, such as and by decisions taken and policies implemented by the Federal Government.

Risks Relating to Argentina

Investing in a developing country such as Argentina, in which the Province is a political subdivision, entails certain inherent risks.

The Province is located in Argentina, which is an emerging market economy. Investing in emerging market economies generally involves risks. These risks are associated with political, social and economic events that may affect Argentina's economic results. In the past, instability in Argentina and in other Latin American and developing countries has been caused by many different factors, including the following:

- adverse external economic shocks;
- dependence on external financing;
- inconsistent fiscal and monetary policies;
- high levels of inflation;
- changes in currency values;
- high interest rates;
- price controls;
- wage increases;
- changes in governmental economic or tax policies;
- fluctuations in Central Bank reserves;
- trade barriers;
- exchange rate and capital controls; and
- political and social tensions.

In 2001 and 2002, Argentina suffered a major political, economic and social crisis, which resulted in a severe economic contraction with significant increases in unemployment and poverty rates. Among other consequences, the crisis caused a large currency devaluation and the Federal Government to default on its external debt. The government imposed numerous emergency measures which affected public companies and other sectors of the economy.

The Argentine economy recovered significantly after the 2001-2002 crisis, although it has been suffering from high inflation and has stagnated in the last four years. This was mainly due to certain monetary and fiscal policies, imposed by the prior administration, which generated macroeconomic distortions and increased capital flight which, in turn, reduced international reserves. The prior administration imposed severe capital and currency controls aimed at constraining the demand for U.S. dollars, but which were unsuccessful in reducing the demand for U.S. dollars and stopping the decline of international reserves. Consequently, such foreign exchange controls, among other things, disincentivized exports and investments and gave rise to the development of an active unofficial U.S. dollar trading market.

After assuming office on December 10, 2015, the Macri administration introduced significant economic and policy reforms aimed at stabilizing the economy, reducing macroeconomic imbalances, eliminating market distortions and fostering economic growth. See "—The current administration has implemented significant changes in economic and other policies and announced additional measures, and the unsuccessful or lack of implementation of such additional measures could impact the Argentine and provincial economies and the securities market." below. In addition, in April 2016 the Macri administration settled claims with certain holdout creditors that did not participate in the Argentine 2005 and 2010 debt restructurings. As of the date of this offering memorandum, although a large majority of claims for principal in litigation have been settled, litigation initiated by some holdout creditors continues in several jurisdictions. See "—Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth."

Argentina has experienced political, social and economic instability in the past and may experience further instability in the future. Any of these factors, individually or taken together, may adversely affect the liquidity, trading markets and value of Argentina's debt securities and Argentina's ability to service its debt. The Province's economic conditions depend, to a large extent, on the macroeconomic and political conditions prevailing in Argentina. Worsening economic conditions in the country could have an adverse effect on the Province's economy, current revenues and ability to service its debt obligations, including the Notes.

The current administration has implemented significant changes in economic and other policies and announced additional measures, and the unsuccessful or lack of implementation of such additional measures could impact the Argentine and provincial economies and the securities market.

Since assuming office, the Macri administration has announced or executed several significant economic and policy reforms, including:

- *INDEC reforms*. On January 8, 2016, based on its determination that INDEC had failed to produce reliable statistical information, particularly with respect to the CPI, GDP, poverty and foreign trade data, the Macri administration declared a state of administrative emergency for the national statistical system and INDEC until December 31, 2016. As of the date of this offering memorandum, INDEC has started publishing certain revised data, including CPI, foreign trade and balance of payment statistics. On June 29, 2016, the INDEC published a revised calculation of the 2004 GDP, which forms the basis of Argentina's real GDP calculation for every year thereafter. The adjustment made by the INDEC resulted in a determination of real GDP growth for the period 2004-2015 of 48.6%, as opposed to a 62.9% growth in real terms for the same period resulting from the information used prior to June 29, 2016. On November 9, 2016, the Executive Board of the International Monetary Fund (the "IMF") lifted its censure on Argentina, noting that Argentina had resumed the publication of data in a manner consistent with its obligations under the Articles of Agreement of the IMF. In March 2017, the INDEC published preliminary estimated GDP data for 2016, which shows a 2.3% contraction as compared to 2015. See "—Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past."

- *Foreign exchange reforms*. The Macri administration eliminated substantially all of the foreign exchange restrictions, including certain currency controls that were imposed by the previous administration. These reforms are expected to provide greater flexibility and easier access to the MULC. See "Exchange Rates and Exchange Controls" for a description of the principal measures adopted as of the date of this offering memorandum.

- *Foreign trade reforms*. The Argentine government eliminated export duties on several agricultural and mining products, and reduced the duty on soybean exports by 5%, from 35% to 30%. Furthermore, the 5% export duty on most industrial exports was eliminated. With respect to payments for imports and services to be performed abroad, the Macri administration eliminated the restrictions on access to the MULC for any new transactions as of April 22, 2016. In addition, the import system was modified by the replacement of the Anticipated Sworn Import Statements (*Declaraciones Juradas Anticipadas de Importación* or DJAI) with a new import procedure that requires certain filings and import licenses for certain goods, including textiles, footwear, toys, domestic appliances and automobile parts. The new import procedure, unlike the previous system, does not contemplate discretionary Federal Government approval of payments for the import of products through the MULC. On January 20, 2017, the Secretary of Commerce increased the term within which the proceeds from the export of goods must be transferred and settled through the MULC from five to ten years.

- *Fiscal policy.* The Macri administration has taken steps to optimize Argentina's fiscal accounts, reducing the primary fiscal deficit by approximately 1.3% of GDP in December 2015. The Argentine government reached an estimated primary fiscal deficit of 4.6% of GDP in 2016, which was within the target of 4.8% established for that year. The 2017 budget of the Federal Government projects a fiscal deficit representing 4.2% of GDP in 2017. The Macri administration's ultimate aim is to achieve a balanced primary budget by 2019.

- *Correction of monetary imbalances*. The Macri administration announced the adoption of an inflation targeting regime in parallel with the floating exchange rate regime and set inflation targets for the next four years. The target for 2019 is an annual inflation rate of 5%. The Central Bank has increased stabilization efforts to offset inflationary pressure caused by previous excess monetary imbalances and to correct relative prices (including exchange rates). In addition, since January 2017, the Central Bank started to use the seven-day repo reference rate as an anchor of its inflation targeting regime. However, inflation during 2016 and in 2017 remains high. See "—An increase in inflation could have a material adverse effect on the Province's economic prospects."

- *State of emergency and reforms in the energy industry*. The Federal Government issued Decree No. 134/2015, effective through December 31, 2017, which declared a state of emergency with respect to the national electricity system. The state of emergency will allow the Federal Government to take actions designed to ensure the supply of electricity to the country, such as instructing the Ministry of Energy to design and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and reliability of the electricity system and rationalize public entities' consumption of energy. In addition, through Resolution No. 6/2016 of the *Ministerio de Energía y Minería de la Nación* (National Ministry of Energy and Mining) and Resolution No. 1/2016 of the *Ente Nacional Regulador de la Electricidad* (National Electricity Regulatory Agency), the Macri administration announced the elimination of certain energy subsidies then in effect and a substantial increase in electricity rates. As a result, average electricity prices have already increased and could increase further. By correcting tariffs, modifying the regulatory framework and eliminating the Federal Government's role as an active market participant, the current federal administration aims to correct distortions in the energy sector and stimulate investment. See "The Federal Government started implementing significant measures to solve the energy sector crisis but the potential result of these measures is uncertain."

- *Retiree Program*. On June 29, 2016, the federal Congress passed Law No. 27,260 establishing the "Historical Reparations Program for Retirees and Pensioners" (the "Retiree Program"). The main terms of this program include (i) payments to more than two million retirees and the retroactive compensation of more than 300,000 retirees, and (ii) the creation of a universal pension system for the elderly, which guarantees an income for all individuals over 65 years of age who are otherwise ineligible for retirement. The Retiree Program will be funded with (i) funds from a tax amnesty program aimed at promoting the voluntary declaration of assets by Argentine residents; (ii) funds from the *Fondo de Garantía de Sustentabilidad* of ANSeS; and (iii) with the proceeds obtained from the liquidation of assets of ANSeS, if funds obtained from (i) and (ii) are not sufficient. The Retiree Program for retirees and pensioners will afford retroactive compensation to retirees in an aggregate amount of more than P$47.0 billion. On April, 2017, the Ministry of Finance and the Argentine Revenue Service Agency (the "*Agencia Federal de Ingresos Públicos*" or "AFIP") announced that approximately USD 116 billion in cash holdings, real estate and securities had been declared. In addition, in June 2016, the federal Congress enacted Law No. 27,253, which established a regime that permits rebates of the value added tax (the "VAT") paid on the purchase of certain staples by retired taxpayers who receive minimum pensions as well as by the beneficiaries of social programs.

- *Income Tax*. In December 2016, the Federal Congress approved an increase in the income tax minimum income threshold by approximately 23%, from P$25,000 to P$30,670 for married workers with at least two children and from P$18,880 to P$23,185 for single workers. The minimum income threshold for the income tax calculations will be subject to automatic adjustments going forward, by reference to increases in the average wages paid to public sector employees. The Federal Congress also passed modifications to the income tax brackets to take the impact of inflation in recent years into account.

- *Tax Amnesty Program*. On July 22, 2016, the Federal Congress passed Law No. 27,260, (the "Tax Amnesty Program") which, among other things, (a) created the Retiree Program; (b) declared a state of emergency in social security disputes; (c) created a universal non-contributory pension system for the elderly, which was granted for life to all individuals over 65 years of age; and (d) established a tax amnesty program. The Tax Amnesty Program provides that individuals and entities residing in Argentina and owning undeclared funds or property located in Argentina or abroad may declare such property until March 31, 2017 without penalty for tax evasion or claims for payment of outstanding tax liabilities with respect to such assets, provided that they can show that such assets were owned by them as of a certain cutoff date (currently July 22, 2016). The disclosure of assets located outside Argentina does not result in an obligation to repatriate such assets under the program. As a result of the disclosure of assets, the disclosing parties become liable to pay certain fines based on the amounts declared, the nature of the disclosed assets and the date of such disclosure. As of December 31, 2016, approximately P$82,000 million had been received for payment of fines under the Tax Amnesty Program.

- *Domestic Capital Markets*: In December 2012 and August 2013, the Argentine Congress established new regulations relating to domestic capital markets. Such regulations generally provide for increased intervention in the capital markets by the government, authorizing, for example, the *Comisión Nacional de Valores* (the "CNV"), to appoint observers with the ability to veto the decisions of the board of directors of companies admitted to the public offering regime under certain circumstances and suspend the board of directors for a period of up to 180 days. In November, 2016, the Argentine executive branch sent a bill to the Argentine Congress to reform the current Capital Markets Law No. 26,831 which, among other changes, proposes the abrogation of this power granted to the CNV and generally seeks to modernize the entire regulatory framework applicable to the Argentine capital markets, incorporating current international practices to contribute to its development. However, as of the date of this offering memorandum, such bill has not yet been passed.
- *Corporate Criminal Liability Bill* (*Proyecto de Ley de Responsabilidad Penal Empresaria*): On July 5, 2017, the House of Representatives approved a bill providing for the criminal liability of corporate entities for criminal offences committed by, among others, its shareholders, attorneys-in-fact, directors, managers, employees, or representatives. According to the bill, a company may be held liable if such offences were committed, directly or indirectly, in its name, behalf or interest, the company obtained or may have obtained a benefit therefrom, and the offence resulted from a company's ineffective control. Companies found liable under this bill may be subject to various sanctions, including, among others, fines ranging from 1% to 10% of annual gross income during the fiscal year immediately preceding the commission of the offence and the partial or total suspension of its activities for up to 10 years. In addition, the bill proposes to extend the criminal liability under the Argentine Criminal Code to cases of bribery committed outside Argentina by Argentine citizens or companies domiciled in Argentina. However, as of the date of this offering memorandum, such bill has not yet been passed, and therefore, the abovementioned provisions could be subject to further changes, as well as new obligations for companies subject to such law could be included.

As of the date of this offering memorandum, the impact that these measures taken by the Macri administration will have on the Argentine economy as a whole, or on the financial industry in particular, cannot be predicted. In addition, there is uncertainty as to which measures announced during the Presidential election campaign the Macri administration will implement and the timing of such implementation, if any. In particular, the Province cannot predict how the Macri administration will address certain political and economic issues that were central during the Presidential election campaign, such as the financing of public expenditures, public service subsidies and tax reforms, or the impact that any measures related to these issues that are implemented by the Macri administration will have on the Argentine economy as a whole. Additionally, in the 2015 elections, political parties opposed to the Macri administration retained a majority of the seats in the Argentine Congress, which requires the Macri administration to seek political support from the opposition for its economic proposals. This creates further uncertainty as to the ability of the Macri administration to pass any measures. Furthermore, the composition of the Argentine Congress may materially change depending on the outcome of the upcoming congressional elections in October 2017. Any result in which the level of support in Congress for a continuation of President Macri's economic policies declines could adversely affect the Argentine economy overall and the investment environment in particular.

The inability of the Macri administration to properly implement measures as a result of lack of political support may adversely affect the Argentine economy and financial condition and, as a consequence, the economy and financial condition of the Province.

An increase in inflation could have a material adverse effect on the Province's economic prospects.

In recent years, Argentina has experienced high inflation rates. According to INDEC inflation was 10.9% in 2010, 9.5% in 2011, 10.8% in 2012, 10.9% in 2013, and 23.9% in 2014; according to the City of Buenos Aires CPI, inflation was 26.6% in 2013, 38.0% in 2014 and 26.9% in 2015; according to the Province of San Luis CPI, inflation was 27.0 % in 2010, 23.3% in 2011, 23.0% in 2012, 31.9% in 2013, 39.0% in 2014 and 31.6% in 2015. According to calculations made by the City of Buenos Aires inflation was 41.0% in 2016; whereas according to the Province of San Luis CPI, the inflation rate in 2016 was 31.4%. On June 15, 2016, the INDEC resumed publishing inflation rates, and published the inflation rate for May to December 2016 of 16.9%, using its new methodology for calculating the CPI. According to INDEC, inflation was 1.3%, 2.5%, 2.4%, 2.6%, 1.3% and 1.9% in January, February, March, April, May and June 2017, respectively.

High inflation rates could negatively affect the Province's economic growth and its ability to service its debt obligations, including the Notes. The current federal administration has implemented several measures aimed at controlling the inflation rate, including its plan to reduce the primary fiscal deficit as a percentage of GDP over time and also reduce the Federal Government's reliance on Central Bank financing. However, the Province cannot assure you that inflation rates will decline or remain stable in the future as the key factors that contribute to inflation are under the control of the Federal Government and, therefore, are not under the control of the Province.

In addition, approximately 7.2% of the Federal Government's outstanding debt is adjusted by reference to the CER, which was linked to the INDEC CPI until 2015, to the City of Buenos Aires CPI between January and March 2016 and to the Province of San Luis CPI until May 25, 2016. Therefore, any significant increase in the inflation rates could increase the federal outstanding debt and, consequently, have an adverse effect on Argentina's financial condition and, consequently, have an adverse effect on the Province's financial condition.

Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past.

During the presidency of Fernández de Kirchner, the INDEC underwent institutional and methodological reforms that gave rise to controversy regarding the reliability of the information that it produced, including GDP, unemployment and poverty data. Reports published by the IMF stated that alternative measures of inflation, including data produced by private sources, showed inflation rates considerably higher than those published by INDEC between 2007 and 2015. The IMF also censured Argentina for failing to make sufficient progress, as required under the Articles of Agreement of the IMF, in adopting remedial measures to address the quality of official data, including inflation and GDP data. In February 2014, the INDEC released a new inflation index, known as the IPCNu, which was intended to measure prices on goods across the country and replaced the previous index that only measured inflation in the City of Buenos Aires and its surrounding areas. Although this new methodology brought inflation statistics closer to those estimated by private sources, differences between official inflation data and private estimates persist.

Following the 2015 presidential elections, the Macri administration appointed Mr. Jorge Todesca, previously a director of a private consulting firm, as head of the INDEC. The INDEC is currently implementing certain methodological reforms and adjusting certain macroeconomic statistics. On January 8, 2016, Decree No. 55/2016 was issued by the Federal Government declaring a state of administrative emergency on the INDEC. Following the declaration, the INDEC stopped publishing certain statistical data until a reorganization of its technical and administrative structure was performed in order to supply adequate and reliable statistical information. During the implementation of these reforms, INDEC used official CPI figures and other statistics published by the Province of San Luis and the City of Buenos Aires.

As of the date of this offering memorandum, INDEC has begun publishing certain revised data, including foreign trade and balance of payment statistics. On June 15, 2016, the INDEC began publishing inflation rates using its new methodology for calculating the CPI, INDEC reported an increase of 15.8% for the months of May through December 2016. On June 29, 2016, the INDEC published the 2016 Revised INDEC Report. Among other adjustments, in calculating GDP for 2004 the INDEC made changes to the composition of GDP that resulted in a downward adjustment of approximately 12.0% for that year. In calculating real GDP for subsequent years based on the revised 2004 GDP, the INDEC used deflators that are consistent with its revised methodology to calculate inflation. By understating inflation in the past, the INDEC had overstated growth in real terms. The adjustments made by the INDEC resulted in a determination of real GDP growth for the period 2004-2015 of 48.6%, as opposed to a 62.9% growth in real terms for the same period resulting from the information used prior to June 29, 2016. Such revised data from the 2016 Revised INDEC Report is included herein. In July and October 2016, an IMF team met officers of INDEC and the Ministry of Economy and Public Finance of Argentina regarding the Federal Government's new inflation and GDP statistics. Following the meeting, on November 9, 2016, the Executive Directors of the IMF lifted the motion of censure, enabling Argentina to borrow from the IMF again. Additionally, on January 1, 2017, the abovementioned state of emergency was lifted.

Notwithstanding the Federal Government's new inflation and GDP statistics, we cannot assure you that the Federal Government may not vary or introduce any other measures that may affect the national statistics system and consequently the Argentine economy. Furthermore, the Province cannot make any assurances that controversies will not arise in the future regarding the inflation rate calculation methodology.

Any reintroduction of exchange controls and restrictions on capital inflows and outflows imposed by the Central Bank may limit the availability of international credit and the liquidity of the market for securities of the Province, such as the Notes.

In 2001 and 2002, following a run on the financial system triggered by the public's lack of confidence in the continuity of the convertibility regime that resulted in massive capital outflows, the Federal Government implemented exchange controls and restrictions on the transfer of foreign currency in an attempt to prevent capital flight and a further depreciation of the peso. These exchange controls substantially limited the ability of issuers of debt securities, among others, to accumulate or maintain foreign currency in Argentina or make payments abroad. Although several of such exchange controls and transfer restrictions were subsequently suspended or terminated, in June 2005 the Federal Government issued a decree that established new controls on capital flows, which in turn resulted in a decrease in the availability of international credit for Argentine companies and provinces.

In addition, from 2011 until President Macri took office in December 2015, the Federal Government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Furthermore, new regulations issued from 2012 until President Macri took office subjected certain foreign exchange transactions to prior approval by Argentine tax authorities. During the Fernández de Kirchner administration, through a combination of foreign exchange and tax regulations, the Argentine authorities significantly curtailed access to the foreign exchange market by individuals and private-sector entities.

The extensiveness of exchange controls introduced in the past, and in particular after 2011 during the Fernández de Kirchner administration, gave rise to an active unofficial U.S. dollar trading market, and the peso/U.S. dollar exchange rate in such market substantially differed from the official peso/U.S. dollar exchange rate.

As of the date of this offering memorandum, substantially all exchange controls have been eliminated or relaxed by the Macri administration.

Notwithstanding the measures recently adopted by the Macri administration, the Central Bank and the Federal Government may impose new exchange controls and restrictions on transfers abroad, which may further discourage lending by foreign investors and have an adverse effect on the economy and the Province, especially if access to domestic capital markets is also substantially constrained. In addition, new exchange controls could impact the Province's ability to make payments under the Notes. See "Exchange Rates and Exchange Controls."

Federal Government measures affecting the Argentine and provincial economies may have a material adverse effect on the Province's economic and financial position.

In recent years, the Federal Government has increased its direct intervention in the economy, including, among other things, production, import and export restrictions, exchange rate and capital controls, price controls, higher tax rates and changes in the tax laws. In addition, in November 2008, the Federal Government enacted Law No. 26,425, which declared the nationalization of the *Administradoras de Fondos de Jubilaciones y Pensiones* (Pensions and Retirement Fund Administrators).

In April 2012, the Federal Government, pursuant to Decree No. 530/2012, ordered a temporary 30-day intervention of Argentine oil company YPF S.A. ("YPF") and sent a bill to the Federal Congress, for the expropriation of 51.0% of the shares of YPF represented by Class D shares and which belonged to Repsol YPF S.A. ("Repsol") and its controlling or controlled affiliates, which was duly approved. In February 2014, Argentina and Repsol signed the "Amicable Solution and Expropriation Agreement" to reciprocally waive their claims and to compensate Repsol. This agreement, which sets compensation payable by Argentina at approximately US$5.0 billion through U.S. dollar-denominated sovereign bonds, was approved by the Federal Congress pursuant to Law No. 26,932 dated April 24, 2014. Argentina delivered the agreed amount of bonds to Repsol in May 2014, thus ending the dispute between the parties. Immediately after receiving such bonds, Repsol sold substantially all of them to JPMorgan Chase & Co.

In September 2014, the Fernández de Kirchner administration enacted Law No. 26,991 (the "Supply Law"), which amended Law No. 20,680. The Supply Law enables the Federal Government to intervene in certain markets when it considers that any party to such market is trying to impose prices or supply restrictions in such market. The Supply Law applies to all economic processes linked to goods, facilities and services which, either directly or indirectly, satisfy basic needs of the population ("Basic Needs Goods") and grants broad powers to the relevant enforcing agency to become involved in such processes. It also empowers the enforcing agency to order the sale, production, distribution and/or delivery of Basic Needs Goods throughout the country in case of a shortage of supply.

In February 2015, the Fernández de Kirchner administration sent a bill to Congress in order to revoke certain train concessions, return the national rail network to state control and provide powers to review all concessions currently in force. The bill was enacted on May 20, 2015 as Law No. 27,132.

On September 23, 2015, the federal Congress passed Law No. 27,181, limiting the sale of the Federal Government's shares in Argentine companies (now deemed of public interest) without the prior approval of two-thirds of the members of Congress, with the exception of the federal government's shares in YPF (the latter do not require such supermajority approval to be sold).

In addition, on May 18, 2016, the federal Congress passed Law No. 27,251 barring companies from laying off workers for a 180-day period, which was later vetoed by President Macri. The law has returned to the federal Congress where it will need special majorities to override the veto.

The current federal administration has implemented measures to foster the role of the private sector in the economy, relaxing certain policies of direct intervention in the economy that were established by the prior administration. However, the Province cannot assure you that the Federal Government will not adopt other measures to increase its direct intervention in the economy in the future, such as expropriations, nationalizations, enforced renegotiations or modifications to existing contracts, new tax rules, supporting modifications to laws, rules and policies that affect the economy. If such or similar measures are adopted by the Federal Government, they may have a material adverse effect on the economy of Argentina and, in turn, on the Province's economic and financial condition, the value of its bonds and its ability to service its debt obligations, including the Notes.

The intervention of the Central Bank in the foreign exchange market may have a negative impact on the level of international reserves and a material adverse effect on the Argentine and provincial economies and the Province's ability to service its debt obligations, including the Notes.

The Central Bank regularly intervenes in the foreign exchange market in order to manage the currency and prevent sharp shifts in the value of the peso. Purchases of pesos by the Central Bank could cause a decrease in the international reserves of the Central Bank.

The level of international reserves deposited in the Central Bank decreased significantly, to US$25.5 billion as of January 20, 2016, down from US$47.4 billion as of November 1, 2011, reducing the Federal Government's capacity to intervene in the foreign exchange market. Recently, the Central Bank adopted measures aimed at increasing the level of international reserves by entering into agreements with various foreign and Argentine entities. As of October 17, 2016, the international reserves reached US$39.3 billion, surpassing US$39 billion for the first time since May 2013. As of December 31, 2016, the level of international reserves was US$38.8 billion. Additionally, as of July 2017, the international reserves amounted to US$47.8 billion.

Purchases of pesos by the Central Bank could cause a decrease in the international reserves of the Central Bank. A significant decrease in the Central Bank's international reserves may have an adverse impact on Argentina's and the Province's ability to withstand external shocks to the economy.

Fluctuations in the value of the peso could have a material adverse effect on the economies of Argentina and its provinces and their ability to service their respective debt obligations.

After several years of variations in the nominal exchange rate, in 2012, there was a devaluation of approximately 14% of the peso against the U.S. dollar. This was followed by a further devaluation of the peso against the U.S. dollar of approximately 30% in 2013 and 2014, which included a devaluation of approximately 24% in January 2014. In 2015, there was a devaluation of approximately 52% of the peso against the U.S. dollar, which included a devaluation of 10% from January 1, 2015 to September 30, 2015, and a 38% devaluation in the last quarter of 2015, which was mainly experienced after December 16, 2015, as a consequence of a significant economic reform implemented by the new federal administration. In 2016, the peso lost 21.9% of its value against the U.S. dollar.

A significant depreciation of the peso would, among other things, increase the cost of servicing the Province's foreign currency denominated debt, including the Notes. A significant appreciation of the peso against the Dollar also presents risks for the Argentine and provincial economies, including the possibility of a reduction in exports (as a consequence of the loss of external competitiveness). Any such appreciation could also have a negative effect on economic growth and employment and reduce tax revenues in real terms. Accordingly, either a significant depreciation or appreciation could have a material adverse effect on the Argentine and the provincial economy and the Province's ability to service its debt obligations, including the Notes.

In turn, the high inflation recorded during the past years, with formal and "*de facto*" exchange controls and foreign trade restrictions imposed during the Cristina Fernández de Kirchner administration, resulted in an increasingly overvalued real official exchange rate. This overvaluation caused distortions in prices, a loss of competitiveness of Argentine production, impeded investment and resulted in economic stagnation.

From time to time, the Central Bank may intervene in the foreign exchange market in order to maintain the currency exchange rate. Additional volatility, appreciations or depreciations of the peso or reduction of the Central Bank's reserves as a result of currency intervention could adversely affect the Argentine economy and the provinces' (including the Province) ability to service their debt obligations, including the Notes.

Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth.

In 2005 and 2010, Argentina conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of these exchange offers, Argentina restructured over 92% of its indebtedness. In 2012, plaintiffs in New York obtained a U.S. District Court order enjoining Argentina from making interest payments in full on the bonds issued pursuant to the 2005 and 2010 exchange offers ("Exchange Bonds") unless Argentina paid the plaintiffs in full, under the theory that the former payments violated the *pari passu* clause in the 1994 Fiscal Agency Agreement (the "FAA") governing those non-performing bonds. The Second Circuit Court of Appeals affirmed the so-called *pari passu* injunctions, and on June 16, 2014, the U.S. Supreme Court denied Argentina's petition for a writ of certiorari and the stay of the *pari passu* injunctions was vacated on June 18.

In 2014, the Federal Government took a number of steps intended to continue servicing the bonds issued in the 2005 and 2010 exchange offers, which had limited success.

The Macri administration engaged in negotiations with holders of defaulted bonds in December 2015 with a view to bringing closure to fifteen years of litigation. In February 2016, the Federal Government entered into an agreement to settle with certain holders of defaulted debt and put forward a proposal to other holders of defaulted debt, including those with pending claims in U.S. courts, subject to two conditions: (i) obtaining approval by the Federal Congress and (ii) lifting of the pari passu injunctions. On March 2, 2016, the U.S. District Court agreed to vacate the pari passu injunctions, subject to two conditions: (i) repealing of all legislative obstacles to settlement with holders of defaulted debt securities issued under the FAA; and (ii) full payment to holders of pari passu injunctions with whom the Federal Government had entered into an agreement in principle on or before February 29, 2016. The U.S. District Court's order was affirmed by the Second Circuit Court of Appeals on April 13, 2016. On March 31, 2016, the Federal Congress repealed the legislative obstacles to the settlement and approved the settlement proposal. On April 22, Argentina issued US$16.5 billion of new debt securities in the international capital markets and applied US$9.3 billion of these proceeds to satisfy settlement payments on agreements with holders. The U.S. District Court vacated all pari passu injunctions upon confirmation of such payments.

On December 22, 2016, in a case involving certain creditors that had not responded to the February 2016 settlement proposal and alleged a continued violation of the *pari passu* clause, the District Court found that no continued *pari passu* violation existed although the plaintiffs' bonds remained unpaid while Argentina was paying its consenting creditors as well as the newly issued bonds. In its ruling, the District Court also found that under New York law claims relating to non-performing bonds not tendered pursuant to the 2005 and 2010 exchange offers become time-barred after six years.

As of the date of this offering memorandum, litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly.

Although the vacating of the *pari passu* injunctions removed a material obstacle to access to capital markets by the Federal Government, future transactions may be affected as litigation with holdout bondholders continues, which in turn could affect the Federal Government's ability to access international credit markets, and thus could have a material adverse effect on Argentina's and the Province's economies.

The Argentine economy and provincial economy remains vulnerable to external shocks that could be caused by significant economic difficulties of Argentina's and/or the Province's major regional trading partners or by more general "contagion" effects, which could have a material adverse effect on economic growth.

The Argentine and provincial economies may be affected by "contagion" effects. International investors' reactions to the events occurring in one emerging market country sometimes appear to follow a "contagion" pattern in which an entire region or investment class is disfavored by international investors. Argentina, including the Province, could be adversely affected by negative economic or financial developments in other emerging market countries. In the past, the Province has been adversely affected by such contagion effects on a number of occasions, including the 1994 Mexican financial crisis, the 1997 Asian financial crisis, the 1998 Russian financial crisis, the 1999 devaluation of the Brazilian Real and the 2001 collapse of Turkey's fixed exchange rate regime. The Province cannot assure you that similar events in the future will not have an adverse effect on its economic growth and its ability to service its public debt, including the Notes.

Considering recent international turmoil, Argentina's and the Province's economies remain vulnerable to external shocks, including those relating to or similar to the global economic crisis that began in 2008 and the recent uncertainties surrounding European sovereign debt. For example, the challenges faced by the European Union to stabilize some of its member economies, such as Greece, Ireland, Italy, Portugal and Spain, have had international implications affecting the stability of global financial markets, which has hindered economies worldwide. Although economic conditions vary from country to country, investors' perceptions of events occurring in one country may substantially affect capital flows into and investments in securities from issuers in other countries, including Argentina.

If interest rates increase significantly in developed countries, including the United States, Argentina and other emerging economies may find it more difficult and costly to obtain credit and refinance their current debt, which could negatively affect their economic growth. Also, if these countries fall into a recession, the Argentine economy would be impacted by a decline in its exports, particularly of its main agricultural commodities.

Argentina is also particularly affected by events in the economies of its main regional trading partners, such as Brazil (whose currency has recently depreciated by approximately 25% against the U.S. dollar), or countries such as the United States and China, which are either regional trading partners or have a significant bearing on world economic cycles.

The economy of Brazil, Argentina's largest export market and the principal source of Argentina's imports, is currently experiencing heightened negative pressure due to the uncertainties stemming from its ongoing political crisis. The Brazilian economy contracted by 3.6% in 2016, mainly due to a 10.2% contraction in gross fixed capital formation. A further deterioration of economic conditions in Brazil may reduce demand for Argentine exports and increase demand for Brazilian imports. While the impact of Brazil's downturn on Argentina cannot be predicted, the Province cannot rule out the possibility that the Brazilian political and economic crisis could have further negative impacts on the Argentine economy and that of its provinces and local governments. A decline in Brazilian demand for imports could have a material adverse effect on the Province's economic growth.

The economy of Brazil is currently experiencing heightened negative pressure due in part to the uncertainties stemming from the ongoing political crisis, including the impeachment of the Brazilian President Dilma Rousseff, which resulted in the Senate of Brazil removing her from office for the remainder of her term. Further, as of May 2017, Mr. Michel Temer, the current President of Brazil, who was acting vice-president and replaced Ms. Rousseff following her impeachment, is under investigation by the Federal Supreme Court of Brazil for corruption and obstruction of justice charges.

As for the Chinese economy, although it has grown significantly in recent years, the rate of growth has declined and the Chinese economy may not be able to sustain the same growth rate in the future. Adverse economic conditions, including economic instability, a slowdown in overall economic growth in China, or an economic downturn or recession, may result in reduced demand by China for the Province's exports. Further, the renminbi, the legal currency in China, is not a freely convertible currency and therefore restrictions on currency exchange implemented by the Chinese government may limit the ability of the Province's trading partners to pay for the Province's exports. The value of the renminbi against other foreign currencies is subject to changes in the Chinese government's policies and international economic and political developments. Recently, on August 11, 2015, the Chinese government reformed the quotation mechanism of the central parity of renminbi against the US dollar to enhance renminbi exchange rate flexibility. The Chinese government may decide to further revalue the renminbi against the US dollar or other currencies, or allow the renminbi to enter into a full or limited free float, which could result in an appreciation or depreciation in the value of the renminbi against the US dollar or other currencies. Any devaluation of the renminbi against the US dollar could negatively affect the volumes of the Province's exports to China.

On November 8, 2016, Mr. Donald J. Trump was elected to become the 45th president of the United States and took office on January 20, 2017. As a candidate, President Trump espoused an inclination to consider greater restrictions on free trade and limitations on immigration. Changes in social, political, regulatory and economic conditions in the United States or in laws and policies governing foreign trade could create uncertainty in the international markets and could have a negative impact on emerging market economies, including the Argentine economy, which in turn could have a negative impact on the Province's economic and financial results.

The United Kingdom voted in favor of leaving the European Union on June 23, 2016 (the "Brexit"). On March 29, 2017, Article 50 of the Lisbon Treaty was triggered, which provides for a mechanism for the voluntary and unilateral withdrawal of a country from the European Union. The triggering of Article 50 initiates a two-year period of negotiation for the United Kingdom to leave the European Union. This period can only be extended by a unanimous decision of the European Council, in agreement with the United Kingdom. This negotiation will determine the future terms of the United Kingdom's relationship with the European Union. Depending on the terms of Brexit, if any, the United Kingdom could lose access to the single EU market and to the global trade deals negotiated by the European Union on behalf of its members. The perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally, and could contribute to instability in global financial and foreign exchange markets. In addition, Brexit could lead to additional political, legal and economic instability in the European Union.

In addition, on December 4, 2016 in a referendum Italy voted to, among other things, revise Title V of the Italian constitution and overhaul the structure of the Italian parliamentary system. Italian voters rejected the constitutional changes submitted to the referendum vote by the government, prompting Prime Minister Matteo Renzi to resign. The Italian referendum vote has caused, and is anticipated to continue to cause, political uncertainty and instability, including the possibility of a new government being elected that takes positions or actions adverse to the Italian economy or the European Union.

These and other uncertainties could have a material adverse effect on the Province's fiscal condition or prospects. It is unclear at this stage what the impacts of these decisions will ultimately be for the Province or the trading price of the Notes. All these factors could have a negative impact on Argentina's economy and consequences on the Province's economic growth and ability to make payments under its debt obligations, including the Notes.

The Federal Government started implementing significant measures to solve the energy sector crisis but the potential result of these measures is uncertain.

Following Argentina's 2001-2002 economic crisis, the subsequent freeze of gas and electricity tariffs in pesos and the significant devaluation of the peso against the U.S. dollar, there has been a lack of investment in gas and electricity supply and transport capacity in Argentina. At the same time, demand for non-liquefied natural gas and electricity has increased substantially.

The Macri administration has announced various measures, including Decree No. 134/2015 of December 16, 2015, which placed the national electricity system in a state of emergency until December 31, 2017. The Macri administration also announced that it would review the energy subsidy policies, and on January 25, 2016, pursuant to Resolution No. 6/2016 and Resolution No. 31/2016, the Argentine Ministry of Energy approved the "Quarterly Reprogramming of

Summer" for the wholesale electricity market, thus increasing rates by almost 200% on average, and the elimination of some natural gas subsidies and adjustments to natural gas rates.

Certain provincial governments, municipalities, hospitals, companies and residents, among others, have filed claims with the National Ministry of Energy and with competent courts against the new electricity and gas tariffs. In some cases, intervening courts have agreed to their demands or ordered public services providers to suspend the application of the new tariffs, arguing, in general, that the increased tariffs are arbitrary, illegal and/or unconstitutional. The Federal Government has been holding formal meetings with several provinces to assess the situation and the impact that the rise in electricity and gas tariffs may have on their economy and financial situation. As a result of those meetings, an understanding has been recently announced by the Federal Government with respect to natural gas and electricity involving limitations on the increase in tariffs and the establishment of differential rates or discounts in certain cases.

On August 18, 2016, the Supreme Court ruled and confirmed the suspension of the increased residential gas tariffs, arguing that the increased tariffs cannot be established without previously holding public hearings (a requirement that was not fulfilled by the Federal Government when increasing the tariff). The Supreme Court ruling did not address industries and businesses, to which gas tariff increases will be applicable. On September 16, 2016, the Ministry of Energy conducted a public hearing and informed that a new gas tariff scheme would be announced during October 2016. In addition, on September 6, 2016, the Supreme Court reversed a Federal Court of Appeals ruling that suspended the increase in residential electricity tariffs in certain districts of Buenos Aires province, arguing that the plaintiffs lacked standing to initiate the proceeding. As of the date of this offering memorandum, there are other claims initiated in other jurisdictions, which may reach the Supreme Court for resolution. On October 28, 2016, a non-binding public hearing was conducted by the Ministry of Energy and Mining and the National Electricity Regulating Agency (the *Ente Nacional Regulador de la Electricidad* or "ENRE") to present tariff proposals submitted by distribution companies covering the greater Buenos Aires area (with approximately 15 million inhabitants) for the 2017-2021 period in the framework of the Integral Tariff Review (as defined below). On February 1, 2017, the ENRE enacted several resolutions which, among other policy changes, implement a reduction of electricity subsidies for electricity distributors Empresa Distribuidora y Comercializadora Norte S.A. and Empresa Distribuidora Sur S.A., and an increase in electricity tariffs for residential users of said companies. The amount of the increase varies between 61% and 148% depending on the amount of electricity consumption. On December 14, 2016, eight non-binding public hearings (in Buenos Aires, Mendoza, Neuquén, Mar del Plata, Formosa, Santiago del Estero and Puerto Madryn) were conducted by the Ministry of Energy and Mining and ENRE to present tariff proposals for electricity transmission at the national and regional levels and the seasonal reference prices of capacity and energy in the wholesale electricity market, as well as a proposal to reduce subsidies for the 2017-2021 period. The determination of the final tariffs and reference prices is pending.

Although the state of emergency is expected to allow the Federal Government to take measures to guarantee the supply of electricity, it is impossible to guarantee that the restrictions on the supply of energy will not continue. If the Federal Government fails to address the negative effects on energy generation, transportation and distribution in Argentina with respect to both the residential and industrial supply, resulting in part from the pricing policies of the prior Federal Government administrations, it could weaken confidence in and adversely affect the Argentine economy and financial condition and lead to social unrest and political instability. Furthermore, if the investment that is required to increase non-liquefied natural gas production and energy generation, transportation and distribution capacity fails to materialize on a timely basis, economic activity in Argentina could be curtailed and this could affect the economic and financial condition of the Province.

Future crises in Argentina's financial sector could threaten the financial system and lead to renewed political and social tensions, adversely affecting the Argentine economy.

During 2001 and the first half of 2002, Argentina experienced a massive withdrawal of deposits from the Argentine financial system in a short period of time, as depositors lost confidence in the Federal Government's ability to repay its foreign debt and maintain the convertibility regime. This precipitated a liquidity crisis within the Argentine financial system, which prompted the Federal Government to impose exchange controls and restrictions on the ability of depositors to withdraw their deposits. A future run on deposits could create liquidity or solvency problems for financial institutions, resulting in a contraction of available credit, and could bring about similar or other Federal Government measures that lead to renewed political and social tensions.

Increases in the Federal Government's public expenditures could have a material adverse effect and long-standing negative consequences on Argentina's economic prospects.

In recent years, the Federal Government significantly increased its public expenditures. In 2014, the Federal Government registered a primary balance deficit of P$38.6 billion, and its public expenditures increased by 44.7% as compared to 2013, from P$961.8 billion in 2013 to P$1.39 trillion in 2014. The Federal Government received financial assistance from the Central Bank and ANSeS to meet its financing needs. In 2015, the primary balance deficit was P$104.8 billion. Public spending totaled P$1.85 trillion, a 32.6% increase when compared to 2014. In 2016, the primary balance deficit was P$343.5 billion. Public spending totaled P$2.73 trillion.

The current federal administration has committed to address fiscal solvency and has undertaken steps to curb the fiscal deficit by reducing gas and transport subsides. However, changes in these policies have had a negative impact on consumer purchasing power and have led to higher prices. The implementation of similar measures in the future by the current federal administration could increase these negative effects. Furthermore, the Federal Government's primary fiscal balance could be negatively affected if public expenditures increase faster than revenues in the future. Moreover, weaker fiscal results of Argentina than those envisaged could have a material adverse effect on the Federal Government's ability to access long-term financing and, in turn, limit the Province's ability to access international financial markets.

Foreign shareholders of companies operating in Argentina have initiated investment arbitration proceedings against Argentina that have resulted and could result in arbitral awards and/or injunctions against Argentina and its assets and, in turn, limit its financial sources.

In response to the emergency measures implemented by the Government during the 2001-2002 economic crisis, a number of claims were filed before the International Centre for Settlement of Investment Disputes ("ICSID") against Argentina. Claimants alleged that the emergency measures were inconsistent with the fair and equitable treatment standards set forth in various bilateral investment treaties by which Argentina was bound at the time.

As of the date of this offering memorandum, there are six final awards issued by ICSID tribunals against Argentina in an aggregate total of US$850.1 million, and Argentina is seeking the annulment of two additional awards for an aggregate total of US$421.9 million. In addition, a claimant in one of these cases is seeking the annulment of one award for an aggregate total of US$13.4 million. There are five ongoing cases against Argentina before ICSID with aggregate claims totaling US$1.6 billion, and in one of these cases the ICSID tribunal has already ruled that it has jurisdiction. There are five additional cases with claims totaling US$997.0 million in which the parties agreed to suspend the proceedings pending settlement discussions. A successful completion of these negotiations could lead additional ICSID claimants to withdraw their claims, although the Province and/or Argentina can offer no assurance to this effect.

Claimants have also filed claims before arbitral tribunals under the rules of the United Nations Commission on International Trade Law ("UNCITRAL") and under the rules of the International Chamber of Commerce ("ICC").

As of the date of this offering memorandum, there was one final outstanding UNCITRAL award against Argentina for a total of US$7.4 million and Argentina is seeking the annulment of two additional awards for an aggregate amount of US$21.1 million. As of such date, there were three ongoing cases against Argentina before UNCITRAL and ICC tribunals with claims totaling US$625.4 million, including one case with a US$508.7 million claim in which the tribunal had already ruled that it has jurisdiction. There was one additional case with a claim of US$168.7 million in which the parties agreed to suspend the proceedings pending settlement discussions.

In October 2013 and May 2016, Argentina settled two final awards issued by an UNCITRAL tribunal that awarded a claim against Argentina for US$104.0 million and US$189.5 million, respectively.

The Province is not a party to any of these proceedings and, as such, cannot give any assurance that Argentina will prevail in having any or all of those cases dismissed, or that if awards in favor of the plaintiffs are granted, that it will succeed in having those awards annulled. Any awards rendered against Argentina could have a material adverse effect on the Argentine and provincial economies and the Province's ability to service its debt obligations, including the Notes.

Risks Relating to the Province

The Province is a political subdivision of Argentina and, as a result, the Province's economic performance is subject to general economic conditions in Argentina and to decisions and measures adopted by the Federal Government, which it does not control.

Because the Province is a political subdivision of Argentina, the Province's economic performance and public finances are subject to general economic conditions in Argentina and may be significantly affected by national events, and by decisions and measures adopted by the Federal Government, including those related to inflation, monetary policy and taxation. The Province does not control any of these events or decisions. As a result, you should also carefully consider the economic and other information periodically made public by Argentina. The Province does not take part in the formulation of such information.

Moreover, the interests of the Province may not always be aligned with those of the Federal Government or other Argentine provinces and, as a result, the Province cannot assure you that future decisions or measures adopted by the Federal Government will not have an adverse effect on the Province's economy that may affect its ability to service its debt obligations, including the Notes.

Growth rates in developing economies tend to be very volatile. A sudden and significant decline in the growth rate of the Province could have a material adverse effect on the Province's public finances and its ability to service its debt obligations, including the Notes.

The economy of the Province, like that of Argentina, has experienced significant volatility in recent decades, including numerous periods of low or negative growth and high and variable levels of inflation.

On March 27, 2014, the Federal Government announced a new methodology for calculating GDP using 2004 as the base year as opposed to 1993, which was the base reference year under the prior methodology of calculating GDP. In addition, in June 2016, INDEC published revised national GDP data for 2004 through 2015 and in March 2017 it published preliminary estimated GDP data for 2016. According to the revised data, the Argentine economy experienced a slowdown in 2014 in real terms, with GDP decreasing at a rate of 2.5%, growth of 2.6% in 2015 and a slowdown of 2.3% in 2016, each compared to the preceding year. In real terms, the Province's GDP registered a 0.9% increase in 2012, a 1.5% increase in 2013, a 0.5% increase in 2014, a 0.1% increase in 2015 and a 1.9% decrease in 2016, in each case compared to the prior year. No assurances can be given that the rate of growth experienced in any past year will be achieved in subsequent years or that the economy will not contract as it did in 2016. If economic conditions in Argentina were to slow down or contract, if inflation were to accelerate further, or if the Federal Government's measures to attract or retain foreign investment and international financing in the future are unsuccessful, such developments could adversely affect Argentina's economic growth and in turn affect the Province's economy and financial condition.

In most cases, these factors are outside the control of the Province. If the Province's economic growth slows, stops or contracts, the Province's revenues may decrease significantly, the market price of the Notes may be adversely affected and the Province's ability to service its public debt, including the Notes, may be materially adversely affected.

Increases in total expenditures could have a material adverse effect on the Province's ability to pay its debt obligations, including the Notes.

Total expenditures of the Province increased by 38.4% in 2013, 35.7% in 2014, 36.4% in 2015 and 29.7% in 2016, each year as compared to the year before. Personnel expenditures, which consist mainly of wages, payroll contributions and other benefits paid to employees of the general administration of the Province, make up the largest component of the Province's total expenditures, representing, on average, approximately 59.0% of total expenditures for the year ended at December 31, 2016.

Wage negotiations take place every year in the Province, usually beginning in February or March. Although during the years 2012 through 2015 wage negotiations took place once per year, in 2016, due to a higher inflation rate for that year, a new wage increase was negotiated for the second half of the year. In 2016, wages paid by the Province to its employees increased by 32.3% from 2015. In March 2017, the Province agreed to a wage increase of 10% for all public employees under the Province's administration. A reopening of negotiations is expected to take place in July or August 2017. The Province cannot assure you that public employees will not request further compensation increases or that further increases will not be granted, or that additional personnel will not be hired. Such increases could have an adverse effect on the Province's public finances and its ability to service its debt, including the Notes.

In addition, Argentine public sector employees have in the past exerted significant pressure on their employers to increase salaries and provide more benefits. In the future, the Federal Government or Provincial Government may adopt new measures ordering employers to increase salaries and provide additional benefits to their employees and/or employers may succumb to pressure from their employees to such ends. Any such increase may result in higher expenditures for the Province, thereby adversely affecting its financial condition and ability to pay its debt obligations, including the Notes.

The Province's limited sources of financing and investment may have an adverse effect on its economy and ability to service its obligations, including the Notes.

The Province's primary source of financing is the Federal Government. The Province cannot assure you that foreign investors and lenders will be willing to invest in or lend money to the Province in the future, or that the Province will be able or willing to access international capital markets. The Province cannot assure you either that local sources of financings will remain available. The loss or limitation of these sources of financing or the Province's inability to attract or retain foreign investment in the future could adversely affect the Province's economic growth and public finances and its ability to service its debt obligations, including the Notes.

The Province's economy relies on the production and export of commodities. A decline in international prices for the Province's principal commodity exports, or adverse developments in the economies of the Province's major trading partners, could have a material adverse effect on the Province's economy and public finances.

The Province has historically relied on commodities, particularly the production and export of agricultural products such as sugar and tobacco. These two subsectors represent, together, approximately 15% of the GDP of the Province and directly employ more than 20,000 employees. Furthermore, mining exports, in particular lithium and silver, represent more than 50% of the Province's total exports.

The global market for commodities is highly competitive, subject to transportation and other costs, and sensitive to global economic cycles. A decline in international prices for these and other commodities or, in the case of agricultural products, negative weather conditions affecting their production could materially adversely affect the economy of the Province. For example, such declines could have a negative effect on the Province's own revenue and on the export tax revenues that the Federal Government shares with the Province. If international commodity prices continue to decline or do not increase further in the future, or if export tax revenues were to decrease, Argentina's economy, and consequently, the Province's economy, financial condition and ability to pay its debt obligations, including the Notes, could be adversely affected.

In addition, the Macri administration has eliminated export taxes on many agricultural products, and it reduced from 35% to 30% export taxes on soy. The Province cannot predict whether or not the Federal Government will implement a new reduction on export taxes in the future, which may cause an additional decrease in export tax revenues that the Federal Government shares with the Province.

Furthermore, weak, flat or negative economic growth of any of the Province's other major trading partners, such as Belgium or China could adversely affect the Province's economy. During the 2012-2016 period, Belgium has been the Province's largest export market, representing 24.8% of total exports in 2016, and China is the third largest, representing 15.6% of total exports in 2016. Any decline in demand of major export markets for Provincial exports could have a negative impact on the Province's economic and financial results. See "—Risks Relating to Argentina— The Argentine economy and provincial economy remains vulnerable to external shocks that could be caused by significant economic difficulties of Argentina's and/or the Province's major regional trading partners or by more general "contagion" effects, which could have a material adverse effect on economic growth."

A significant depreciation of the currencies of the Province's trading partners or trade competitors may adversely affect the competitiveness of provincial exports and cause an increase in provincial imports, thus adversely affecting the Province's economy.

The depreciation of the currencies of one or more of the Province's trading partners, particularly Brazil, or trade competitors relative to the peso may result in provincial exports becoming more expensive and less competitive. Such events may also cause an increase in the number of cheaper products being imported into the Province. A decrease in exports and an increase in imports may have a material adverse effect on the Province's economic growth, its financial condition and the ability of the Province to service its debt obligations, including the Notes.

A suspension, interruption or delay of federal tax transfers or financial assistance from the Federal Government or any modification of the Federal Tax Co-Participation Regime in a manner that is unfavorable to the Province may have a material adverse effect on the Province's public finances and its ability to meet its debt service obligations, including the Notes.

The Federal Tax Co-Participation Law currently governs the Federal Tax Co-Participation Regime. Under this law, the Federal Government is currently required to transfer to the provinces 100.0% of revenues from consumption taxes levied on various non-basic goods (such as cigarettes and alcohol), 89.0% of value-added tax revenues, 64.0% of income tax revenues, 100.0% of property transfer tax revenues, 83.8% of taxes on prizes, 50.0% of cooperative tax revenues, 100.0% of minimum presumed income tax revenues and 30.0% of financial transactions tax revenues.

During 2016, transfers from the Federal Government under the Federal Tax Co-Participation Regime represented 43.8% and other Federal Government transfers represented approximately 15.3% of Province's total revenues. A modification of the Federal Tax Co-Participation Regime is subject to the consent of all of the provinces of Argentina, the City of Buenos Aires and the Federal Government. Modifications have been postponed in several instances due to the importance of the revenues involved and the fact that no government was willing to reduce its participation in the regime. The Federal Government, the provinces and the City of Buenos Aires have not been able to come to an agreement regarding changes to the regime.

In February 2016, the Federal Government, through Decree No. 406/16, created the *Acuerdo para el Nuevo Federalismo* ("Agreement for a New Federalism") program which is designed to eliminate a 15.0% deduction from co-participation payments to the provinces which was used to partially fund ANSeS. Additionally, on May 18, 2016 the Federal Government, the Argentine provinces and the City of Buenos Aires entered into an agreement to eliminate the current reduction of 15% of the resources of co-participation monies destined to social security obligations and other expenses in charge on ANSeS, as provided for in the Federal Agreement of August 1992, as amended and supplemented, and reassigned to the provinces. The agreement provides that starting in 2016 the current reduction of 15% will be prorated by 3% per year over the following calendar years, resulting in the following scheduled deductions: 12% in 2016, 9% in 2017, 6% in 2018, 3% in 2019 and 0% starting in 2020. The Province cannot assure you that the current Federal Tax Co-Participation Regime or the referred agreement will not be suspended or interrupted or that it will not be modified in a way that is unfavorable to the Province. Any such event could have a material adverse effect on the Province's public finances and its ability to meet its debt service obligations, including the Notes.

If the Federal Council of Fiscal Responsibility were to determine that the Province's budget did not comply with the Federal Fiscal Responsibility Law, the Province could be subject to sanctions.

In August 2004, the Federal Congress adopted Law No. 25,917 ("Federal Fiscal Responsibility Law"), which became effective on January 1, 2005 and the Province adhered to this law through Provincial Law No. 5,427. This law establishes a fiscal regime for the Federal Government and the provinces relating to transparency in public administration, expenditures, fiscal balances and indebtedness and, in particular, requires balanced budgets. In 2009, the Federal Congress enacted Law No. 26,530, which suspended for 2009 and 2010 some of the general rules of the Federal Fiscal Responsibility Law, including the prohibition on the use of proceeds of new indebtedness to fund current expenditures and the freeze on new borrowings if debt service obligations exceed 15.0% of current revenues (net of transfers to municipalities). National budget laws for 2012, 2013, 2014, 2015 and 2016 extended this suspension to each of such years. The Federal Fiscal Responsibility Law also created the *Consejo Federal de Responsabilidad Fiscal* ("Federal Council of Fiscal Responsibility"), which is comprised of representatives from the Federal and Provincial governments and is responsible for controlling compliance by the provinces and the Federal Government with the Federal Fiscal Responsibility Law. As of the date of this offering memorandum, the Federal Council of Federal Fiscal Responsibility has never imposed sanctions on any province for non-compliance with the Federal Fiscal Responsibility Law. However, if the Federal Council of Federal Fiscal Responsibility determines that the Province's budget does not comply with the currently applicable sections of the Federal Fiscal Responsibility Law, the Province could be subject to sanctions, including restrictions on federal tax benefits for the Provincial private sector, limitations on guaranties from the Federal Government, denial of authorizations for further borrowings and limitations on federal transfers (other than federal tax transfers mandated by law, including Federal Tax Co-Participation Regime transfers). For the fiscal year ended on December 31, 2016, the Province was in compliance with the Fiscal Responsibility Law, as amended by Law 26,530, including the provisions related to increases in expenditures, indebtedness and the maintenance of a balanced budget.

The Province will use the net proceeds from the offering of the Notes to capitalize the three development companies owned by JEMSE that are expected to develop the Project. We cannot assure you that the Project will be successfully developed, constructed, maintained and/or operated, or that the Project will generate forecasted levels of cash flows.

The Province will use the net proceeds from the offering of the Notes to capitalize the three development companies owned by Jujuy, Energía y Minería Sociedad del Estado ("JEMSE") that are expected to develop each of the Cauchari solar projects, I, II and III that constitute the Puna Solar Farm Project. Other funding for the development of the Project is expected to be provided by the Export-Import Bank of China through subsidiary credits in which the Federal Government is the direct debtor. As of the date of this offering memorandum, the Province is negotiating with the Federal Government an agreement under which the Province would have the subsidiary obligation to repay the Federal Government for any payment made under these credits. The Province expects that payments under the agreement with the Federal Government will be secured by way of Federal Tax Co-Participation funds, to secure up to the principal, interest, commissions, and other charges related to the loans. There can be no assurance as to when or if such agreement will be finalized, and if finalized, what the terms of such agreement will be. See "Use of Proceeds."

While the Notes are general unsecured obligations of the Province, the Project, if successfully developed, constructed, maintained and operated, will represent a material portion of the Province's economy. The Province expects to use its indirect ownership interest in the three development companies owned by JEMSE to cause these entities to successfully develop, construct, maintain and operate the Project; however, the Province will not exercise any direct control over the development, construction, maintenance or operation of the Project, which will be directly controlled and managed on a daily basis by JEMSE (the EPC contractor will be Power China). Therefore, we cannot assure you that the Project will be successfully developed, constructed, maintained and/or operated, or that the Project will generate forecasted levels of cash flows. Any material failure by the parties to the Project to develop, construct, maintain and/or operate the Project, or the inability of the Project to generate forecasted levels of cash flows, would have a material adverse effect on the economy and financial condition of the Province and its ability to pay its debt obligations, including the Notes.

The Project, if successfully developed, will have no operating history and will be subject to many operational risks.

The Project, if successfully developed, will have no operating history. The operation of the Project will involve many risks, including, among others:

- the possibility that the Project will perform below expected levels of output efficiency or fail to conform to its design specifications;
- interruptions or prolonged shutdowns of operations due to wear and tear, defects, design errors or the breakdown or failure of equipment or processes, unexpected maintenance or future construction requirements, or shortages of replacement equipment;
- unanticipated costs of operations and maintenance;
- labor disputes or labor shortages, including our inability to hire and retain personnel with the necessary expertise to operate the Project;
- failure to obtain or renew required governmental permits;
- inability to comply with the operating standards and limits established by applicable governmental permits, or with current or future environmental, health and or regulations;
- operator error that could result in loss of life, bodily injury or destruction of property;
- disruption or failure of our information and processing systems;
- the effects of actions by third parties, such as generation companies and other transmission companies and users;

- force majeure events, such as catastrophic events including fires, earthquakes, lightning, explosions, droughts, floods, terrorist acts, sabotage, acts of war or other occurrences that could result in personal injury, loss of life, environmental damage or severe damage to, or destruction of, the Project, and suspension of its operations;
- government exercise of eminent domain power or similar events of expropriation;
- changes in law or governmental permit requirements, including, but not limited to, required changes in the fees to be received for generating capacity and output, other terms and conditions of applicable agreements with governmental suppliers and off-takers, the imposition or modification of obligations with respect to third parties, and the imposition of obligations to increase the generating capacity of the Project;
- existence of liens, encumbrances, and other imperfections in title affecting real estate interests;
- inflation and cost increases in excess of projections; and
- litigation or claims against the Project or the parties to the Project.

The occurrence of any of the foregoing or other events could temporarily or permanently disrupt the Project, significantly reduce or eliminate its revenues or significantly increase the costs of operating the Project, including maintenance and repair costs, thereby materially affecting the financial condition of the Province and its ability to make payments on its debt obligations, including the Notes.

Any revisions to the Province's official financial or economic data resulting from a subsequent review of such data by DIPIEC or any other Provincial entity could reveal a different economic or financial situation in the Province, which could affect your evaluation of the market value of the Notes.

Certain financial, economic and other information presented in this offering memorandum may subsequently be materially revised to reflect new or more accurate data as a result of the review by the Province's General Accounting Office, DIPIEC or any other Provincial entity that reviews the Province's official financial and economic data and statistics. These revisions could reveal that the Province's economic and financial conditions as of any particular date are significantly different from those described in this offering memorandum. These differences could affect your evaluation of the Province's conditions and impact in the market value of the Notes.

The Province keeps its books and records in pesos and prepares its budgets and revenue and expense statements in accordance with reporting standards that differ from the accounting principles in effect in other jurisdictions.

The Province keeps its books and records in pesos and prepares its budgets and revenue and expense statements in accordance with the Province's accounting standards. Other Argentine provinces apply these accounting standards, but these standards differ from the generally accepted accounting principles of Argentina ("Argentine GAAP") and the generally accepted accounting principles of other jurisdictions, such as the United States ("U.S. GAAP"). The main features of the Province's accounting standards include the following: (i) revenues are not recorded in the Province's budgets and revenue and expense statements based on the accrual method, but are recognized in the period they are received; (ii) expenses are recorded in budgets and revenue and expense statements based on the accrual method and not at the moment of payment; (iii) capital investments are measured at cost, without deduction for depreciation or amortization and, therefore, the Province does not record any depreciation or amortization charges in its books; (iv) capital expenditures and investments in intangible property are not capitalized; instead, they are recorded as an expense in the year they are incurred; and (v) construction contracts are recorded as an expense using the degree of progress method. No assurance can be given that a reconciliation among the Province's accounting standards, Argentine GAAP and U.S. GAAP will not identify material quantitative differences among the Province's budgets and statements prepared in accordance with the Province's accounting standards, Argentine GAAP and U.S. GAAP. In particular, the Province does not restate its revenue, expense or public debt data for inflation, as required under certain circumstances by Argentine GAAP, since Argentine GAAP is not legally applicable to the Argentine provinces. The financial information on historical revenues and expenses contained in this offering memorandum is stated in pesos at nominal value, as the Province considers that disclosing the information in such manner will result in a smaller distortion in the comparison of such information from one period to another than the distortion that would result from presenting such discussion in constant amounts in pesos. No assurances can be made, however, that such form of disclosure will accurately reflect the trends underlying the variations by line item. Increases in total expenditures could have a material adverse effect on the Province's ability to pay its debt obligations, including the Notes.

Measures adopted by the Federal and Provincial Government and claims by workers and labor unions may exert pressure on the Province to increase salaries and/or grant additional employee benefits or discontinue the reforms launched, all of which could increase the Province's expenditures.

In the past, the Federal and Provincial Government have passed laws, regulations and decrees ordering private companies to maintain certain salary levels and provide certain benefits to their employees.

Additionally, both public sector and private sector employees have in the past exerted significant pressure on their employers to increase salaries and provide more benefits. In the future, the Federal Government may adopt new measures ordering companies to increase salaries and provide additional benefits to their employees and/or employers may succumb to pressure from their employees to such ends. Any such increase or the discontinuance of the current reforms launched by the Provincial Government may result in higher expenditures for the Province, therefore reducing its financial results.

The Province has experienced a fiscal deficit since 2011. If the Province were to require financial assistance from the Federal Government in the future and if the Federal Government does not provide such assistance or if the Province is unable to secure financing elsewhere, the Province may not be able to meet its debt service obligations, including on the Notes.

The Province's fiscal balance may be insufficient to meet the Province's debt service obligations, including the Notes. The overall balance of the Province has been negative since 2012 in an amount of P$228.4 million, P$999.3 million, P$1,468.8 million, P$2,231.7 million and P$3,243.7 million, in each of 2012, 2013, 2014, 2015 and 2016, respectively. Although the Federal Government has provided financial assistance in the past to the Province to cover such deficits, financial assistance may not be received in the future, in which case, if the Province were unable to secure alternative sources of financing elsewhere, the Province may not be able to meet its debt service obligations, including on the Notes.

In addition, the Province cannot assure you that foreign investors and lenders will be willing to lend money to the Province in the future, or that the Province may also be able or willing to access international capital markets. The Province also cannot assure you that any local sources of financings will remain available to it. The loss or limitation of these sources of financing or the Province's inability to attract or retain foreign investment in the future could adversely affect the Province's economic growth and public finances and ability to pay its debt obligations, including the Notes.

The revenues and expenditures contained in the Province's 2017 Budget may differ materially from actual results.

The Province's budget for 2017 is based on estimates and assumptions regarding the future economic performance of Argentina and the Province, which are subject to uncertainties, many of which are beyond the control of the Province. These estimates and assumptions may be incomplete or inaccurate as of the date of this offering memorandum and unanticipated events and circumstances may occur which may alter the assumptions used for such estimates. If any of the estimates and assumptions contained in the Province's yearly budget for 2017 or any later year proves to be incorrect, the budgeted revenues and expenditures may differ materially and adversely from actual results. See "Budget."

Adverse climatic factors or natural disasters could adversely affect the economic activities of the Province.

Adverse climatic factors or natural disasters could adversely affect the economic activities of the Province, particularly in sectors which depend upon the sustainable enjoyment of geographic and natural conditions of the Province, such as sugar, tobacco and other agriculture products, mining products, and the Project.

A reduction in the economic activity of the Province caused by adverse climactic factors or by natural disasters could have an adverse effect upon the public finances of the Province, and its ability to fulfill its obligations under the debt instruments, including the Notes.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina's and the Province's economy and financial condition.

Further, a lack of a solid institutional framework and corruption has been identified as a significant problem for Argentina. In Transparency International's 2015 Corruption Perceptions Index survey of 167 countries, Argentina was ranked 107, the same position that it held in 2014. In the World Bank's Doing Business 2016 report, Argentina ranked 121 out of 189 countries, up from 124 in 2015.

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment, the Macri administration has announced several measures aimed at strengthening Argentina's institutions and reducing corruption. These measures include the reduction of criminal sentences in exchange for cooperation in corruption investigations, increased access to public information, the seizing of assets from corrupt officials, increasing the powers of the Federal Anticorruption Office (*Oficina Anticorrupción*) and the passing of a new public ethics law, among others.

In the case of the Province, in December 2015 a new public ethics law was sanctioned, applicable to its public officers and employees and a Provincial Anticorruption Office was created.

The Federal Government's and the Province's ability to implement these initiatives is uncertain as it would require the involvement of the judiciary branch, which is independent, as well as legislative support. The Province cannot give assurances that the implementation any of these measures will be successful.

Political environment in the Province may create uncertainties that could impact the economy and financial condition of the Province.

Prior to the Morales administration assuming office in 2015, the Provincial government had been substantially controlled by the Partido Justicialista ("PJ") since 1983. Since taking office, the Morales administration has introduced significant economic and policy reforms aimed at stabilizing the economy and fostering economic growth. See "The Province of Jujuy— Major Reforms Introduced by the Provincial Government since October 2015" below. As of the date of this offering memorandum, the impact that these measures taken by the Morales administration will have on the Provincial economy and political environment cannot be predicted. Furthermore, the composition of the Provincial government may materially change prior to the maturity of the Notes. Any result in which the level of support in the Provincial government for a continuation of Governor Morales' economic and political policies declines could adversely affect the Provincial economy overall and the investment environment in particular. In addition, there can be no assurance that the measures adopted by the Morales administration will not be challenged in the local courts and/or to the effect that any such challenges will have in the Provincial economy and political environment.

In addition, the political and social environment in the Province depends on several factors and conditions some of which are not under the control of the Province. For example, certain left-wing social leaders have had significant national and international media coverage and several human rights groups have expressed certain degree of concern related to judicial proceedings involving such leaders (including the Organization of American States (OAS)).

These conditions could weaken confidence in and adversely affect the Provincial economy and financial condition, lead to social unrest and political instability. Any of these factors, individually or taken together, may adversely affect the liquidity, trading markets and value of the Province's debt securities and its ability to service its debt.

Risks Relating to the Notes

The market price of the Notes may be adversely affected by, among other things, developments in the international financial markets and any failure by the Province to allocate an amount equal to the net proceeds from the sale of the Notes to the Project.

The market price of the Notes will depend on many factors. The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. Argentine securities markets are, to varying degrees, influenced by economic and market conditions in other emerging market countries, especially those in Latin America. Although economic conditions are different in each country, investors' reaction to developments in one country may affect the securities markets and the securities of issuers in other countries, including Argentina. For example, the market price of the Notes may be adversely affected by political conditions in Argentina as well as political events elsewhere in the world, such as the United Kingdom's referendum vote in favor of leaving the European Union. We cannot assure you that the market for Argentine securities will not continue to be affected negatively by events elsewhere, particularly in emerging markets, or that such developments will not have a negative impact on the market price of the Notes.

In addition, the market price of the Notes may also be impacted if the Province does not use the net proceeds from the Notes to develop the Project as described under "Use of Proceeds" and/or otherwise fail to align with the Green Bond Principles with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Even though we believe the Notes to be aligned by the Green Bond Principles, there is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable" and therefore no assurance can be provided to investors that the Project will meet all investor expectations regarding environmental impact and sustainability performance. Accordingly, each potential purchaser of the Notes should determine for itself the relevance of the information contained in this offering memorandum regarding the use of proceeds of the Notes and alignment with the Green Bond Principles.

There is no prior market for the Notes; if one develops, it may not be liquid. In addition, a listing of the Notes on a securities exchange cannot be guaranteed.

There currently is no market for the Notes. The Province cannot promise that such a market will develop or if one does develop, that it will continue to exist. If a market for the Notes were to develop, prevailing interest rates and general market conditions could affect the price of the Notes. This could cause the Notes to trade at prices that may be lower than their principal amount or their initial offering price.

In addition, although application will be made to list the Notes on the Luxembourg Stock Exchange, and to trade on the Euro MTF Market, and the Province will apply to list and trade the Notes on ByMA and trade the Notes on the MAE, the Notes offered hereby may not be so listed and traded. Moreover, even if a tranche of Notes is so listed and traded at the time of issuance, the Province may decide to delist the Notes and/or seek an alternative listing for such Notes on another stock exchange, although there can be no assurance that such alternative listing will be obtained. Further, liquidity may be limited if the Province makes large allocations to a limited number of investors.

The Province's credit ratings may not reflect all risks of investing in the Notes.

The Province's credit ratings are an assessment by rating agencies of the Province's ability to pay its debt when due. Consequently, real or anticipated changes in the Province's credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the Notes. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

There is no assurance that any rating will remain in effect for any given period of time or that it will not be lowered or withdrawn by a rating agency if, in its judgment, circumstances so warrant. If any rating with respect to the Notes is revised or withdrawn, then the liquidity or the market value of the Notes may be adversely affected. A rating on the Notes does not address the possibility of the occurrence of a default or the likelihood of payment by the Province of any redemption premium, additional amounts or any other payments under the Notes.

The rating agencies rating the Notes have been hired by the Province to provide their ratings on the Notes. A rating agency may have a conflict of interest where, as is the case with the ratings of the Notes, the issuer of a security pays the fee charged by the rating agency for its rating services.

It is possible that other rating agencies not hired by the Province may provide an unsolicited rating that differs from (or is lower than) a rating provided by a rating agency of the Notes. As of the date of this offering memorandum, the Province is not aware of the existence of any unsolicited rating provided (or to be provided at a future time) by any rating agency not hired to rate the Notes; however, there can be no assurance that an unsolicited rating will not be issued prior to or after the issuance date, and none of the Province, the Trustee, the Dealer Managers or the Local Placement Agents is obligated to inform investors (or potential investors) in the Notes if an unsolicited rating is issued. Consequently, each investor (or potential investor) should monitor whether an unsolicited rating of the Notes has been issued by a non-hired rating agency and should consult with its financial and legal advisors regarding the impact of such an unsolicited rating. If any non-hired rating agency provides an unsolicited rating on the Notes that differs from (or is lower than) the rating thereon provided by a rating agency, then the liquidity or the market value of the Notes may be adversely affected.

The Notes will be effectively subordinated to the Province's secured indebtedness.

The Notes will be direct, general, unconditional, unsecured and unsubordinated Public External Indebtedness of the Province, ranking without any preference among themselves and equally with all other unsecured, unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External

Indebtedness of the Province. The claims of secured creditors will have priority in right of payment to any claim of the holders of the Notes with respect to the assets assigned to such creditors as security.

As of June 30, 2017, the Province had total outstanding financial indebtedness of approximately P$13,361.2 million, all of which was secured indebtedness. The indenture governing the Notes will contain covenants that, among other things, will limit the Province's ability to incur secured indebtedness or create liens on its assets. However, these covenants are subject to important exceptions and qualifications. Any future indebtedness of the Province that is secured with federal tax co-participation payments or other assets will similarly be effectively senior to the Notes to the extent of such collateral.

The Notes are subject to restrictions on resales and transfers.

The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes may be offered and sold only (a) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; (b) pursuant to an exemption from registration under the Securities Act; or (c) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. For certain restrictions on resale and transfer, see "Plan of Distribution" and "Notice to Investors."

There can be no assurances that the credit ratings granted to the Notes may not be downgraded, suspended or cancelled by the rating agencies.

Any credit rating granted to the Notes may change following its issuance. Such credit rating is limited in its scope and does not consider all of the risks related to the investment in the Notes. The credit rating only reflects the considerations that were taken into account at the moment of issuing such credit rating. There can be no assurances that such credit rating be maintained for a certain period of time or that such credit rating may not be downgraded, suspended or cancelled upon the credit rating's consideration or if circumstances will so require. Any credit rating downgrade, suspension, or cancellation may have an adverse effect on the market price and the negotiation of the Notes.

It may be difficult for you to obtain or enforce judgments against the Province.

The Province is a political subdivision of a sovereign entity. Consequently, while the Province has irrevocably submitted to the jurisdiction of U.S. state or federal courts sitting in the Borough of Manhattan, the City of New York, with respect to the Notes, which are governed by New York law, it may be difficult for holders of Notes or the Trustee in respect of the Notes to obtain or enforce judgments of courts in the United States or elsewhere against the Province. See "Enforcement of Civil Liabilities."

If holders of the Notes obtained a foreign judgment against the Province, it may be difficult for holders to have that judgment recognized and enforced in Argentine courts in light of the March 6, 2014 decision of the Supreme Court of Justice of Argentina in Claren Corporation vs. Estado Nacional. In that case, the Supreme Court of Argentina held that the enforcement of a foreign judgment sought by Claren Corporation did not satisfy one of the requirements set forth in the Code of Civil and Commercial Procedure of Argentina (i.e., that a foreign judgment cannot contravene Argentine law principles of public policy), given the fact that such an enforcement as requested by the plaintiff would imply that such plaintiff, pursuant to an individual action filed before a foreign court, would circumvent the public debt restructuring process set forth by the Federal Government through emergency legislation enacted in accordance with the Argentine Constitution. In addition, the Supreme Court of Justice of Argentina held that such norms were part of Argentine public policy and, therefore, that the enforcement of a foreign judgment such as the one sought by the plaintiff could not be granted as it would be clearly contrary to such legislation.

Following this decision, the enforceability of a foreign judgment in Argentina against the Province may be subject to a strict interpretation of local public order principles and a similar award or decision may be expected. The Province cannot assure you that you will be able to obtain or enforce judgments against the Province, including with respect to the Notes.

The Notes will contain provisions that permit the Province to amend the payment terms of the Notes without the consent of all Holders.

The Notes will contain provisions regarding voting on amendments, modifications and waivers, which are commonly referred to as "collective action clauses." Under these provisions, certain key terms of the Notes may be amended, including the maturity date, interest rate and other payment terms, without your consent. See "Description of the Notes—Meetings, Amendments and Waivers – Collective Action."

Argentina may restrict remedies available to creditors in the future.

To protect debtors affected by the economic crisis, since 2001, the Federal Government adopted measures that temporarily suspended proceedings to enforce creditors' rights, including mortgage foreclosures and bankruptcy petitions. Such limitations have restricted creditors' ability to collect defaulted loans. Most of these measures have been rescinded. However, it is possible that in any future adverse economic environment, the government may adopt new measures that restrict the ability of creditors to enforce their rights in respect of Argentine debtors, which could also have a material adverse effect on the Argentine financial system.

USE OF PROCEEDS

The Province estimates that the gross proceeds from the offering, before commissions and other expenses payable by the Province, will be approximately US$.

The Parque Solar de Puna Project

Pursuant to the Provincial Constitution and Provincial Law No. 6,001, No. 5,949, No. 6,013, and No. 6,019, which authorized the issuance of the Notes, the Province intends to use the net proceeds from the offering of the Notes after deducting commissions, fees and expenses payable by the Province, to partially fund the development of the Project. The proceeds will be used to capitalize the three development companies owned by JEMSE that are expected to develop each of the Cauchari solar projects, I, II and III that constitute the Puna Solar Farm Project. Other funding for the development of the Puna Solar Farm Project is expected to be provided by the Export-Import Bank of China through subsidiary credits in which the Federal Government is the direct debtor. As of the date of this offering memorandum, the Province is negotiating with the Federal Government an agreement under which the Province would have the subsidiary obligation to repay the Federal Government for any payment made under these credits. The Province expects that payments under the agreement with the Federal Government will be secured by way of federal Tax Co-Participation funds, to cover up to the principal amounts, interest, commissions, and other charges related to the loans. See "Risk Factors—Risks Relating to the Province—The Province will use the net proceeds from the offering of the Notes to capitalize the three development companies owned by JEMSE that are expected to develop the Project. We cannot assure you that the Project will be successfully developed, constructed, maintained and/or operated, or that the Project will generate forecasted levels of cash flows;" "The Provincial Economy—Solar Energy Project;" and "Public Sector Debt—Project-Related Indebtedness."

The Project is currently expected to be fully operational by May 2018. Once built, the Project will consist of a solar electricity generation facility which is expected to have a total installed power generation capacity of 300 MW. A minimum of 85% of electricity generated by the Project is expected to come from solar energy resources.

Management of Net Proceeds

The net proceeds from the sale of the Notes will not be held in a segregated account. An amount equal to the net proceeds from the sale of the Notes will be recorded in a designated account in the Province's financial records, in order to track the use and allocation of funds relating to the Project.

While the Province intends to use the net proceeds from the sale of the Notes after deducting commissions, fees and expenses payable by the Province, to partially fund the development of the Project, any balance of issuance proceeds not allocated to the Project will be held in accordance with the Province's normal liquidity management policy, which comprises investments in cash, short term deposits and other short term liquidity instruments.

Payments of principal and interest on the Notes will be made from general funds and will not be directly linked to the performance of the Project.

Periodic Reporting

The Province will report annually, initially within one year of the issuance and until full allocation, on amounts equal to the net proceeds from the sale of the Notes issued in order to provide to investors:

- the aggregate amount allocated to the Project; and
- any remaining balance of funds which have not yet been utilized.

Furthermore, the Province will confirm that the use of proceeds from the sale of the Notes conforms to the Green Bond Principles.

Where possible, the Province will report on the environmental and social (where relevant) impacts resulting from the Project, including total megawatt/gigawatt capacity of clean energy produced (MW/GW), the number of solar panels installed and operating, and any similar information that the Province deems relevant.

Further Information

For the benefit of the Province, Sustainalytics, an environmental consultant, has been engaged to provide a second party opinion, which provides investors with an independent assessment of the environmental credentials of the Project as well as the alignment with the Green Bond Principles.

The Green Bond Principles are voluntary process guidelines for the issuance of green bonds developed by a committee of issuers, investors and other participants in the green bond market. The Green Bond Principles have four core components: (1) use of proceeds; (2) process for project evaluation and selection; (3) management of the proceeds; and (4) reporting.

We believe the Notes to be in alignment with these components, as certified by Sustainalytics.

Neither the Dealer Managers nor the Local Placement Agents make any assurances as to (i) whether the Notes will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors; (ii) whether the net proceeds from the issuance of the Notes will be used for the Project; or (iii) the characteristics of the Project, including its environmental and sustainability criteria.

THE PROVINCE OF JUJUY

General

The Province of Jujuy is one of Argentina's 23 provinces and is located in the northwestern region of the country known as "Norte Grande Argentino." The Province has an area of 53,219 square kilometers (approximately 20,548 square miles) and borders with the Province of Salta on its eastern and southern border, with Bolivia on its northern border and with Chile on its western border. The capital of the Province is the city of San Salvador de Jujuy.

The following map illustrates the location of the Province in Argentina:

Population

According to the last national census (completed in 2010), the Province is the fourteenth most populated province in Argentina, with a population of 673,307 inhabitants, accounting for approximately 1.7% of the country's total population. The estimated population as of July 1, 2017 was 745,252 inhabitants. Approximately 39.4% of the Province's population, or some 265,249 inhabitants, live in the Dr. Manuel Belgrano department, located in the Province's capital city. The Dr. Manuel Belgrano department is the most heavily populated department in the Province followed by El Carmen, with approximately 97,039 inhabitants, or 14.4% of the Province's total population; Ledesma, with around 81,790 inhabitants, or 12.2% of the Province's total population; San Pedro, with around 75,037 inhabitants; Palpalá, with around 52,631 inhabitants; Yavi, with around 20,806 inhabitants, and Santa Bárbara, with 17,730 inhabitants. According to projections based on the 2010 census, the Province's population density in 2016 was 13.67 inhabitants per square kilometer. Generally, the Province's population has grown at a similar rate as that of Argentina as a whole.

Constitutional Framework and Relationship between Federal and Provincial Governments

The Argentine Federal Constitution (the "Argentine Constitution") establishes a representative, republican, and federal system of government and sets forth a division of powers between the federal and the provincial governments and the City of Buenos Aires.

Each province enacts its own constitution, which must respect the form of government set forth in the Federal Constitution, appoints its authorities and retains all powers not delegated to the Federal Government.

The provinces have jurisdiction over matters of purely provincial or local concern, including, among others:

- health and education;
- provincial courts;
- provincial security forces; and
- the borrowing of money on their own account, subject to federal approval and control requirements.

The jurisdiction of the Federal Government is limited to those matters that are expressly delegated to it by the Argentine Constitution, which include, among others:

- regulation of international trade and commerce and inter-provincial commerce;
- legislation regarding civil, commercial, criminal, mining (including general hydrocarbon policies), employment, and social security matters;
- issuance of currency;
- regulation of banks and banking activities;
- national defense and foreign affairs; and
- customs and the regulation of shipping and ports.

Unless otherwise agreed, the Federal Government does not guarantee, nor is it responsible for, the financial obligations of any province.

Under the Argentine federal system, each province retains significant responsibility for the rendering of public services and other functions within its territory that require public expenditures, while relying primarily on a centralized tax-collection system run by the Federal Government as a source of public revenues. This centralized system, which is called the Federal Tax Co-Participation Regime, dates back to 1935, when the provinces agreed to delegate their constitutional power to collect several categories of taxes to the Federal Government, in exchange for periodic transfers to the provinces of a portion of the related tax revenues. This taxation regime has been amended several times, and at present it is governed by the Federal Tax Co-Participation Law. This fiscal system includes, inter alia, income tax, value-added tax, a tax on financial transactions and several specific excise taxes levied on the consumption of goods and services (See "Public Sector Finances—Main Sources of Revenue—Federal Tax Co-Participation Regime").

Political Parties

Historically, the main traditional political parties in Argentina were the *Partido Justicialista* ("PJ") and *Unión Cívica Radical* ("UCR"). During the most recent national elections held in 2015, several new coalitions were created, including Cambiemos led by Mauricio Macri, the current president of Argentina. The Cambiemos coalition's main party is *Propuesta Republicana* ("PRO"), which was founded in 2005 as an alliance for the national legislative elections of that year, following an electoral agreement among several political parties including, among others, the UCR, the *Coalición Cívica* party and *Argentinos por una República de Iguales* ("ARI") party. Other nationally significant political parties include:

- FPV, founded in 2003 by former president Néstor Kirchner with the support of a group of governors and members of the PJ. FPV sought to attract voters from other political parties that had historically been disinclined to support the PJ. The FPV governed Argentina from May 25, 2003 until December 9, 2015;
- Generación para un Encuentro Nacional ("GEN"), founded in 2007 and currently led by Margarita Stolbizer;
- Frente Amplio Progresista ("FAP"), a coalition formed by a series of small political parties. Hermes Binner ran for president, whereas Margarita Stolbizer, leader of GEN, ran for governor of the Province of Buenos Aires in the elections of 2011; and
- Frente Renovador ("FR"), founded in 2013 by Sergio Massa as a split off from the PJ, in the Province of Buenos Aires, together with a number of other mayors, to participate in the mandatory, simultaneous and open primary elections held on August 2013 and in the midterm elections held in October 2013. For the 2015 presidential elections, the FR and the former governor of the province of Córdoba, Juan Manuel de la Sota, formed the Unidos por una Nueva Alternativa ("UNA") coalition.

On October 25, 2015, presidential and congressional elections took place in Argentina. Daniel Scioli (FPV) obtained 37.1% of the votes, Mauricio Macri (Cambiemos) obtained 34.2% of the votes and Sergio Massa (FR) obtained 21.4% of the votes. Based on these results, a presidential run-off between Daniel Scioli and Mauricio Macri was held on November 22, 2015, electing Macri, with 51.3% of the votes, as the successor to former president Cristina Fernández de Kirchner. Mauricio Macri took office on December 10, 2015, for a term of four years.

National primary and general legislative midterm elections will be held in 2017 amongst Argentina's 24 electoral districts. Provincial primary, general, and municipal elections will also be held in some of these districts. These elections may be run concurrently with, or separately from national elections, as provinces have reserved the right to set the date for their elections with a Provincial Election Call Decree. The national and provincial primaries, known as PASO (the Spanish acronym for primary, open, simultaneous and mandatory elections), were held on August 13, 2017, according to Section 20 of Federal Law No. 26,571. PASOs purpose is to screen candidates from several political parties that will be included in candidate listings for the general election to he held on October 22, 2017.

General elections for national office will take place on October 22, 2017, as provided for in Section 53 of the National Electoral Code. These elections are held to renew half of the seats of National House of Representatives—127 members (elected for a term of four years)—and a third of the National Senate seats—24 senators (elected for a term of six years from eight provinces: Buenos Aires, Formosa, La Rioja, Misiones, San Luis, San Juan, Santa Cruz, and Jujuy). Elections will also be held in 13 districts to elect candidates for provincial and municipal legislative offices. In Jujuy, 24 provincial legislators will be elected in addition to other legislative offices at a municipal level.

Provincial Government

The Provincial Constitution is the Province's fundamental law, and its most recent amendment was enacted on October 22, 1986. According to the Provincial Constitution, the government of the Province has general responsibility for the administration of governmental activities within the Province, other than those activities that are delegated to the Federal Government or to municipalities within the Province.

The provincial government is organized into an executive branch, a legislative branch and a judicial branch, as described below.

Executive Branch

The executive branch consists of a governor and a vice-governor, each elected by a simple majority of the popular vote for a four-year term. In turn, both of them may be reelected for an additional term, but may not be successively or reciprocally re-elected, unless a legal interval has elapsed. The governor has the power to appoint and remove ministers, whose number, powers and duties are set forth by a special law upon proposal of the governor. Moreover, the governor appoints, subject to confirmation by the provincial legislature, the Province's attorney general, among other positions. The governor also presents the statement of fiscal results for the previous fiscal year and budget bills before the Provincial Legislature.

The Province's general elections were held on October 25, 2015. Mr. Gerardo Rubén Morales and Mr. Carlos Guillermo Haquim were elected governor and vice-governor, respectively, for the 2015-2019 period. The elected governor and vice-governor were candidates for the front or electoral alliance *Frente Cambia Jujuy*, made up of twenty national, district, provincial and municipal political parties, including *Unión Cívica Radical*, PRO, *Partido Socialista* and parties comprising *Frente Renovador*, which obtained 58.3% of the total vote, followed by *Frente Para la Victoria*, mainly comprised by the *Partido Justicialista*. The *Partido Justicialista* had previously governed the Province since 1983, the date of Argentina's return to democracy. At present, the administrative duties of the executive branch are performed by ministers in charge of the following areas: Government and Justice; Treasury and Finance; Environment; Security; Economic Development and Production; Education; Labor and Employment; Culture and Tourism; Health and Infrastructure, Public Services, and, Land and Housing.

The executive branch also has a General Secretariat of the Government (*Secretaría General de la Gobernación*) whose officials are also appointed by the governor. In turn, the Attorney General's Office reports to the governor.

Legislative Branch

The Province's legislative branch is composed of a House of Representatives known as the "Legislature", which has 48 members directly elected by the Province's citizens through a proportional representation system. The vice-governor serves as president of the Legislature. Members of the Legislature are elected for four-year terms by popular vote and may be re-elected. The most recent legislative elections for the Provincial Legislature were held on October 25, 2015, with the UCR of the *Frente Cambia Jujuy* alliance having obtained 58.5% of the votes, thus defeating *Frente Para la Victoria*, with 35.6% of the votes.

The following table shows the composition of the Province's Legislature by political party:

Party Composition of the Province's Legislature
(as of May 31, 2017)

Parties	Number of seats	%
Unión Cívica Radical	20	41.7
Partido Justicialista	13	27.1
Bloque Peronista	4	8.3
Frente Primero Jujuy	3	6.3
Frente Unidos y Organizados	3	6.3
Eva Perón	2	4.2
Independent members	3	6.3
Total	**48**	**100.0**

Source: The Province's Legislature.

Judicial Branch

The judicial branch of the Province is comprised of the Superior Court of Justice of the Province and other courts as set forth by law, which have jurisdiction over civil, commercial, administrative, labor, family, and criminal matters within the Province. The governor appoints the members of the Superior Court of Justice of the Province and other magistrates, in agreement with the Legislature. The current government of the Province has undertaken a significant judicial reform in order to provide increased transparency to the magistrate selection process. This was established by Provincial Law No. 5,893, pursuant to which the Superior Court of Justice of the Province shall create an Examination Court ("Tribunal de Evaluación") vested with authority to examine the selection procedure of candidates for magistrate, attorney general, and ombudsman in the judicial branch of the Province. This Examination Court shall be comprised by representatives of the Superior Court of Justice, members of the Province's executive and legislative branches, representatives of the Bar Association, and representatives of the association of magistrates and officers. As of the date of this offering memorandum, 13 vacancies have been filled following this process.

The Province also has two courts with jurisdiction over federal matters.

Oversight Agencies

Section 10 of the Provincial Constitution provides for the existence of the following "oversight agencies:" the *Fiscalía de Estado* (Attorney General's Office), the *Contaduría General* (Province's General Accounting Office), the *Tesorería General* (General Treasury), and the *Tribunal de Cuentas* (Court of Auditors).

The Province's Attorney General's Office is the sole body vested with authority to give legal advice, defend, and oversee the legality of the acts of the Province's executive branch and the provincial public administration in general. It is also vested with the authority to be a party in any judicial matter of any nature or jurisdiction, in which the Province or its agencies, instrumentalities, or entities, is involved as interested party, being also entitled to bring actions before administrative and mining authorities and ordinary or special courts at the federal or provincial level.

The General Accounting Office of the Province is the body that governs accounting in the public administration and is in charge of the internal control over the economic and financial management of revenues. Some of the duties of the Province's General Accounting Office include: setting governmental accounting standards applicable to the provincial public sector and establishing the accounting methodology to be employed; establishing the frequency, structure, and features of the financial statements to be prepared; procuring that the financial systems can actually be developed and legally deployed; operating the management's informational requirements; and, giving advice and technical assistance to all entities comprising the provincial public sector.

The General Treasury is the body that governs the system of revenues, payments and custody of cash and cash equivalents that comprise public revenues. It is headed by a general treasurer and collects revenues from the provincial administration. The General Treasury also makes all payments and disbursements of funds which are authorized by the General Accounting Office.

The Court of Auditors is a constitutional oversight agency of administrative and independent nature, vested with jurisdictional powers and authority by the Provincial Constitution (Chapter II, Section 10(a), Articles 199 *et. seq.*). The Court of Auditors is governed by the provisions of Provincial Law No. 4,376 and has jurisdiction over the entities comprising the treasury administration, municipalities, decentralized agencies, autonomous governmental institutions (*entidades autárquicas*), state-owned companies, contribution and subsidy benefits, and, in general terms, over entities that receive, hold, or administer funds, goods, or securities of the Provincial Government. Among other duties, it is in charge of: (i) originally approving or disapproving the collection and investment of public revenues by the Province's officers and administrators, according to the Provincial Constitution and Provincial Law No. 4,376; and (ii) pursuant to the pre-emptive intervention authority granted by the Provincial Constitution, overseeing the acts relating to the administration of the governmental agencies which are subject to the Province's General Budget Law and which compromise expenditures, and raising objections when the applicable legal provisions are infringed or violated.

Autonomous Governmental Institutions and Decentralized Agencies

Autonomous Oversight Agency of Urban Planning (Ente Autárquico Regulador de Planificación Urbana)

This entity has budgetary, financial, functional and administrative autonomy and develops its activities throughout the Province. It was created by Provincial Law No. 5,694, enacted in 2011 to handle, in coordination with the corresponding municipalities, the rearrangement and urban planning of all municipalities and municipal commissions by reviewing, preparing, proposing, coordinating, and executing province-wide public policies.

Ombudsman Office (Defensoría del Pueblo)

The Ombudsman Office is a one-person, independent body. According to Provincial Law No. 5,111, enacted in 1999, its mission is to defend, protect, and further human rights and other rights, guarantees, and interests of individuals and the community in the face of the actions, circumstances or omission of any officer or agent of the provincial or municipal public administration, involving the illegitimate, faulty, irregular, abusive, arbitrary, discriminatory, negligent, seriously inconvenient, or inappropriate exercise of their duties. In addition, the Ombudsman will exercise the duties established by law, with functional and institutional independence from all governmental branches. It has the legal standing of a plaintiff and priority in its administrative submissions and can request reports and lodge petitions with public authorities and service providers.

Anticorruption Office (Oficina Anticorrupción)

The Anticorruption Office is an independent administrative agency created by Federal Law No. 24,759 to prevent and investigate conduct prohibited by the Inter-American Convention against Corruption, as well as violations of the duties of public officers and the Province's code of public ethics. Its scope of action embraces the Province's executive, legislative, judicial branches, and governmental agencies, as well as all other institutions, associations or enterprises administering or receiving public funds, or funds originating in the provincial government, all in accordance with

Provincial Law No. 5,885, enacted in 2015. As part of the first measures adopted since taking office, Governor Gerardo Morales submitted a set of bills to fight against corruption, watch for governmental transparency, and foster specialization in the exercise of jurisdictional duties and competence to fill public offices. Following approval of the bills by the Legislature, the new laws introduced large-scope reforms, the practical effects of which have started to be perceived, both in connection with the enhancement of the government's institutional quality and with the administration of justice. The Province's Anticorruption Office, created by Provincial Law No. 5,885, is an autonomous entity, independent from the other branches and with its own budget. The Province's anticorruption officers are appointed by the Governor, pending the Legislature's approval. They are removed by impeachment. Additionally, the Province's Anticorruption Office has an associate officer, proposed to the Governor by the leading opposition party, in order to guarantee adequate checks and balances to ensure that the actions taken by the Anticorruption Office are unbiased.

The scope of action of the Anticorruption Office is sufficiently broad to investigate and prevent actions embracing a considerable portion of international statutory anticorruption provisions in general, and anti-bribery and anti-money laundering policies, in particular. The Anticorruption Office is the enforcement authority mandated by Public Ethics Provincial Law No. 5,153 (as amended by Provincial Law No. 5,887 in 2015, the "Public Ethics Law") and, as such, is in charge of overseeing sworn declarations by officers and agents administering or managing public funds. The Anticorruption Office acts *ex officio* or at the request of individuals or governmental agencies. Since the beginning of its operations on January 22, 2016, the Anticorruption Office has handled, and initiated substantive investigations in, over 150 cases reported by individuals and several provincial or municipal agencies. In addition to its investigation duties, the Anticorruption Office has developed several programs and actions for the prevention of corruption and the promotion of transparency and integrity in public offices.

Provincial Highway Department (Dirección Provincial de Vialidad)

As a decentralized and autonomous agency, the Provincial Highway Department, created in 1958 with Provincial Law No. 2,418, is entrusted with the duties of global planning of layouts; public works and operations on the provincial highway network; allocating, overseeing, and auditing the use of resources; and, investigating and fostering new technological developments in roadway materials, equipment, works, and operations. Some of the functions of this department are: (i) executing public works and highway services, (ii) articulating multi-annual structured plans following the network and corridor system criteria and the programmed annual budget; (iii) taking ownership and exercising full jurisdiction over the highway network; (iv) preserving and enhancing the road infrastructure; (v) reviewing and reshaping accesses and bypasses to major cities and diversions and connections to other locations; (vi) boosting provincial, municipal and private initiatives and involvement by awarding toll concessions, stock ownership plans, and other proposals; and (vii) articulating the regulatory framework for actions, works, and operations to guarantee users' safety.

Jujuy Institute of Housing and Urban Development (Instituto de Vivienda y Urbanismo de Jujuy)

Created by Provincial Law No. 3,354, enacted in 1977, the *Jujuy Institute of Housing and Urban Development* is an autonomous entity of the Provincial government with legal standing and financial independence. Its main mission is to develop an active province-wide housing policy to meet the demands of people without access to the real estate market, so as to foster a balanced urban development that is both free of environmental risk and meets the infrastructure demands of Jujuy's families.

Major Reforms Introduced by the Provincial Government since October 2015

New Procedures on Sworn Statements

Provincial Law No. 5,885, enacted in December 2015, which created the Anticorruption Office, is in turn, articulated with the Public Ethics Law. According to the Public Ethics Law, the Anticorruption Office was established as enforcement authority of the new scheme, under which, for the first time in the Province's history, sworn statements have legitimate practical efficiency. Since the beginning of its operations, the Anticorruption Office has developed the procedures and technological tools to allow those individuals subject to the Public Ethics Law to comply with their constitutional obligation to present their sworn statements, and put in place an on-line mechanism for *citizens* to have easy access to their content.

New Law on Access to Public Information

The legal framework that governs the right of access to public information was approved with the enactment of Provincial Law No. 5,886 in 2015. Such legal framework embraces public transparency—one of the pillars on which the Governor's ruling plan is based—for its main goal is providing widespread access to governmental agencies' information in order to foster a state system that is closer to the people, creates new room for engagement, and enhances accountability requirements for public officers.

Creation of Courts with Competence over Criminal-Financial Matters and Crimes against the Public Administration

Provincial Law No. 5,898, enacted in 2015, is another recent law enacted to foster an adequate control over and an efficient criminal prosecution of corruption and money laundering. It fulfills the need for courts with jurisdiction over criminal-financial matters and crimes against the public administration. This amendment to the subject-matter jurisdiction of criminal courts was driven by a substantial need to have magistrates specialized in matters that warrant a complex and comprehensive approach. Hence, the measure seeks to achieve increased capacity in the administration of justice, as it involves specifically qualified magistrates and officers who are more competent in a given area of law. In particular, Provincial Law No. 5,898 provides for the creation of two controlling courts with jurisdiction over criminal-financial matters and crimes against the public administration. It is to be comprised by two (2) magistrates and two prosecutors, specialized in the matter. Some of the crimes that will be subject to the jurisdiction of these specialized courts include asset concealment, money laundering, and crimes against the economic and financial system.

Magistrate Selection Process

Another measure proposed by the Governor in furtherance of improving the administration of justice is a magistrate selection process based on merit-based standards and a public contest. This is the spirt of Provincial Law No. 5,893, enacted in 2015, which provides for an assessment of the competency, capacities, and values of candidates for several judicial and magistrate positions, while guaranteeing equal opportunities to all individuals seeking to exercise such functions. This new magistrate selection process is consistent with the principles of the Provincial Constitution, the mandates of the Argentine Constitution, and the international commitments undertaken by Argentina.

Geographic and Political-Administrative Division

Geographic and Political-Administrative Division

The Province is divided into 16 departments which are listed in the following table:

Department	Area in square kilometers
Cochinoca.........................	7,837
Dr. Manuel Belgrano........	1,917
El Carmen.........................	912
Humahuaca.......................	3,792
Ledesma	3,249
Palpalá..............................	467
Rinconada.........................	6,407
San Antonio......................	690
San Pedro	2,150
Santa Bárbara	4,448
Santa Catalina...................	2,960
Susques.............................	9,199
Tilcara	1,845
Tumbaya...........................	3,442
Valle Grande	962
Yavi..................................	2,942

Map of Provincial Departments

Municipalities

The Provincial Constitution establishes a municipal system and sets forth provisions regulating the organization of municipalities and ensuring the institutional, political, administrative, economic and financial autonomy of all the municipalities in the Province. Any population centre within the Province with a stable population of over three thousand (3,000) inhabitants constitutes a municipality, in accordance with section 183 of the Provincial Constitution. Communities whose stable, legally determined population does not reach the minimum amount to be considered municipalities are called "municipal commissions".

There are 21 municipalities and 39 municipal commissions within the Province. Each municipality has its own government, which is responsible for providing basic local services such as sanitation, public lighting, road maintenance and other services. Some municipal governments also supplement provincial public health and social welfare services.

Municipalities finance their activities through revenues derived from taxes, assessments, duties, contributions, royalties, fees and other levies (assessments for health and safety inspections at businesses, street-cleaning assessments, contributions for improvements, etc.), services rendered by municipal agencies, revenues derived from provincial and national tax co-participation and other revenues derived from activities within the jurisdiction of the municipalities.

The Provincial Constitution sets forth for municipalities a mandatory tax co-participation regime of the federal taxes received by the Province through the provincial tax co-participation regime (the "Provincial Tax Co-participation Regime"). The Provincial Tax Co-participation Regime for Municipalities, which establishes amounts to be distributed and the percentages, among other matters, is established by Provincial Law No. 5,329, as amended, which regulates the application of the tax co-participation percentages guaranteed by section 83 of the Provincial Constitution.

THE PROVINCIAL ECONOMY

The National Economy

The national economy has fluctuated over the last five years. Argentina experienced considerably high growth rates in 2011 (up 6.0% from 2010). Between 2012 and 2015, however, real GDP fluctuated. Specifically, real GDP decreased by 1.0% in 2012, increased by 2.4% in 2013, decreased by 2.5% in 2014, and, according to preliminary estimates released by INDEC in March 2017, real GDP increased by 2.6% in 2015 and decreased by 2.3% in 2016.

The Federal Government's fiscal balance deteriorated in 2012, from a surplus of P$4,920 million in 2011 (0.2% of the national GDP) to a deficit of P$4,375 million in 2012 (0.2% of the national GDP). The primary fiscal deficit amounted to P$22,479 million in 2013 (0.7% of the national GDP), and P$38,562 million in 2014 (0.9% of the national GDP). In 2015, the fiscal deficit deteriorated further to P$104,797 million (1.8% of the national GDP). In 2016, the primary fiscal deficit amounted to P$359,382 million (4.6% of the national GDP).

Since 2012, accelerated inflation, combined with certain exchange controls put in place by the government to anchor the nominal exchange rate, had a negative effect on Argentina's competitiveness and also had an adverse impact on its current account and the Central Bank's ability to raise and maintain international reserves. Argentina's macroeconomic indicators declined as a result of a combination of several adverse factors, including, but not limited to, an exchange rate lag, paired with a constant loss of competitiveness, and the ongoing lack of availability or credibility of official inflation and poverty statistics in Argentina. See "Risk Factors—Risks Related to Argentina—Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth."

Furthermore, since 2010, Argentina's international reserves have declined significantly, mainly due to an exchange rate lag. The level of international reserves amounted to US$46,400 million as of December 2011, US$43,300 million as of December 2012, US$30,600 million as of December 2013, US$31,400 million as of December 2014, and US$25,600 million as of December 2015, which was a record low over the past 10 years. International reserves improved during 2016, totaling US$38.8 billion as of December 31, 2016. As of July 2017, the international reserves amounted to US$47.8 billion.

Argentina's Public Sector Debt

Argentina's total gross public indebtedness is comprised of foreign currency and peso-denominated debt directly owed by the Federal Government. It does not include direct indebtedness of the provinces or other entities that are not backed by the Federal Government.

As of December 31, 2016, the Federal Government's total gross public debt increased by 14.4% to US$275.4 billion (50.4% of nominal GDP) from US$240.7 billion as of December 31, 2015 (53.5% of nominal GDP).

In 2005 and 2010, Argentina offered its creditors certain debt swap options to restructure a portion of its sovereign debt that had been in default since 2001. As a result of such offers, Argentina restructured more than 92% of its outstanding debt under either the 2005 or the 2010 debt swaps. The holdout creditors who refused the debt swap options offered by Argentina in 2005 and 2010 sued Argentina in several jurisdictions, including the United States, Italy, Germany, and Japan. Judgments have been rendered in many of the proceedings initiated in the United States and Germany. See "Risk Factors—Risks Related to Argentina—Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth."

In early 2016, the Macri administration announced that the Federal Government had entered into preliminary agreements with a group of bondholders and had submitted a proposal to the remaining ones, including those with pending lawsuits being litigated in U.S. courts. As a result of those negotiations, on April 22, 2016, Argentina issued new debt securities in the international capital markets in the aggregate principal amount of US$16.5 billion, US$9.3 billion of which would be used to make the payments agreed upon with holders of unpaid bonds in the aggregate principal amount of US$8.2 billion.

As of the date of this offering memorandum, suits brought by bondholders who refused Argentina's offer are still being litigated in several jurisdictions, but the amounts involved have been significantly reduced.

Economy of the Province

Introduction

The Province has a diversified economy, which is focused on the following primary sectors: Health, Education and Others, Industrial Manufacturing, Transportation and Telecommunications, Real Estate and Rental Activities, Commerce, Public Administration, Agriculture and Livestock, Construction, Electricity, Gas and Water Supply, Mining, and Financial Intermediation. The composition of the Province's GGP is oriented to services, which account for approximately 66% of the total, while the remaining 33% is comprised by the manufacturing of goods. Although the main drivers of the Province's economy differ significantly from the drivers of Argentina's economy, as a whole, during the period 2012-2016 the provincial economy has exhibited similar trends to the national economy.

In line with the national economy, the provincial economy experienced a 3.1% decline in real terms in 2012, which was mostly attributable to the deceleration of several sectors, such as, Real Estate and Rental Activities, Industrial Manufacturing, Construction, Agriculture and Livestock, Commerce, and Transportation and Telecommunications.

In 2013, the Province's GGP in real terms rose by 2.9% compared to 2012 **-** in spite of the poor growth experienced by the regional and the major global economies. This improvement was mainly attributable to the growth experienced by Health, Education and Others, Real Estate and Rental Activities, Transportation and Telecommunications, within the services sector and by Construction, within goods manufacturing sector.

In 2014, the Province's GGP increased by 1.1% in real terms. This increase was revealed by changes to both the services and the goods manufacturing sectors. Health, Education and Others, Commerce and Public Administration were the sectors with most remarkable growth amongst service sectors, while Industrial Manufacturing and Mining were the sectors with most remarkable growth amongst goods manufacturing sectors. This increase was partially offset by declines in Real Estate and Rental Activities, amongst the service sectors, and by Agriculture and Livestock and Construction, among the goods manufacturing sectors.

In 2015, the Province's GGP experienced 0.1% growth. The sectors with most outstanding growth within services were Health, Education and Others, Transportation and Telecommunications, Commerce and Public Administration, while the sector with most outstanding growth within goods manufacturing was Industrial Manufacturing. These increases were partially offset by declines in Real Estate and Rental Activities and Financial Intermediation, within services sectors, and in Agriculture and Livestock, Construction and Mining, within the goods manufacturing sectors.

In 2016, the Province's GGP fell considerably by 3.7%, in line with the deceleration of growth at a national level, with declines in virtually all sectors, especially in Health, Education and Others, and Commerce, amongst the services sectors, and in Industrial Manufacturing and Construction, amongst the goods manufacturing sectors.

The unemployment rate in the San Salvador de Jujuy-Palpalá area was 4.8% in 2012, while the unemployment rate in that area was 2.6% in 2016. The unemployment rate is measured by the DIPIEC through the EPH (*Encuesta Permanente de Hogares*), that is, the unemployment rate is only calculated for the area of San Salvador de Jujuy-Palpalá, cities which concentrate over 50% of the Province's population.

Main Economic Initiatives undertaken by the Provincial Government since October 2015

The Province expects to conclude the bankruptcy proceedings of La Esperanza sugar mill and move forward with the sale of this mill to foster the development of the forestry and porcine sectors, allowing for savings in the Province's expenditures and the development of the San Pedro micro-region. This initiative will also lead to an increase in sugar-related industries, such as bio-ethanol production. The fruit-and-vegetable sector is one of the most significant ones within the agricultural sector. The Province plans to initiate reservoir building and canal lining works that will ensure and increase the irrigation area by 50.0%, benefiting these activities.

In 2017, the Province expects to commence the construction of a lithium-cell manufacturing facility, which will turn the Province, jointly with *Instituto Tecnológico del Litio*, into an international industry benchmark.

The industrial sector is also expected to experience growth in the next years, due to the actions taken by the Ministry of Production leading to the consolidation of areas with existing established industries in Palpalá and the creation of Perico and San Pedro-Arrayanal industrial parks. The area in which the Snopek Park is established, in Palpalá, has been equipped with basic infrastructure and will soon become an industrial park. The area of Perico industrial park is being enlarged from 20 to 120 hectares, as the demand for projects surpassed the supply of land. The municipality of San Pedro is completing a 120-hectare industrial park project, integrating the Arrayanal industrial forestry park. The metalworking, the paper, and the cement industries are amongst the most relevant ones within this sector.

In the logistics sector, the Province is consolidating its position within the bi-oceanic railway corridor that extends from Brazil passing through Paraguay to Chilean ports and vice versa, as well as within the South-North railway corridor that enters Bolivia through La Quiaca. Projects are underway to increase and improve the cargo flow. In this regard, the Province plans to build a cargo transfer center in La Quiaca, a logistics center in Palpalá, a cargo transfer center in Libertador General San Martin, and a logistics center in El Pongo.

In order to make the Province-based companies more competitive, the government is seeking to restore the free zones in La Puna and Perico. La Puna free zone is a free-trade retail area, while Perico free zone is a free-trade industrial area. Through these actions, the provincial government seeks to offer a productive alternative to the residents of these areas, improving the quality of their lives and fostering the creation of jobs.

Another emerging sector is the renewable energy sector, which the Provincial Government plans to develop by: making it part of the production chain; fostering the activity by way of laws and tax incentives enacted last year; establishing a solar and geo-thermal park in La Puna region to such end; and, creating a company engaged in manufacturing solar water heaters. In particular, the planned development of the Cauchari I, II, and III photovoltaic power generation projects are expected to have a total installed power generation capacity of 300 MW and will require investments of approximately US$541.5 million. According to UNJU's estimates, the development of an installed power generation capacity of 1,000 MW may have an impact of up to 4.0% of GGP by 2025. See "—Solar Energy Project" below.

Solar Energy Project

The Cauchari I, II, and III projects will be developed in La Puna region, Cauchari, Department of Susques, some 278 km southwest of the city of San Salvador de Jujuy, on a plateau in the high-plains surrounded by a chain of inactive volcanoes and mountains of over 5,000 meters above the sea level, near the Cauchari salt flat. This region is known for its high sun radiation.

The Project involves the construction of a solar photovoltaic power station to be incorporated into the national interconnection system by way of the installation of 120 solar energy fields with an installed power generation capacity of 2.5 MW, resulting in a total installed power generation capacity of 300 MW. Through this project, the Province's installed power generating capacity will be increased, while diversifying the national energy matrix, encouraging economic development with positive environmental impact, leveraging land with no alternative use, and generating jobs for the region's and the Province's residents.

Competitive Advantages of the Project:

- The site high radiation level.
- The scarce variation in radiation among the several months of the year allows for stable and almost steady production throughout the year.
- Low room temperatures increase the plant efficiency.
- The availability of land with no other alternative use allows maximizing the project's positive impact.
- The minimum distance to the evacuation line reduces average evacuation costs.

National Initiative

Federal Law No. 27,191 was enacted in October 2015 (subsequently regulated by Decree No. 531/2016), amending the Federal Law for the Promotion of Renewable Energy Sources No. 26,190. Among other measures, the law increased by 20% the renewable component target in respect of Argentina's aggregate demand for energy and established that such goal should be reached by December 31, 2025. The first milestone (8%) is to be achieved by December 31, 2017, with that percentage increasing proportionally every two years, until reaching the aforementioned 20%.

In addition, the law provides several incentives for construction projects of renewable energy generation capacity, including tax benefits (early VAT refund, accelerated depreciation for income tax purposes, import duty relief, etc.) and the creation of a fund for the development of renewable energy that will be used, among other things, as guarantee of payment for the energy delivered for such projects.

On July 25, 2016, the Ministry of Energy and Mining enacted Resolution No. 136-E/2016 ("Resolution 136"), calling for a national and international bidding process – known as Renovar program (Round 1) – for the assessment and potential award of "Power Purchase Agreements" or "PPAs" denominated in United States dollars. Resolution 136 also approved the bidding specifications and set a ceiling on tax benefits.

JEMSE, an enterprise wholly owned by the Province, submitted the Project split into three conduits, naming each division of the solar power station Cauchari I, Cauchari II and Cauchari III projects. Through Resolution No. 213 enacted on October 7, 2016 by the Ministry of Energy and Mining, JEMSE was awarded the right to enter into a PPA for 300M with Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima ("CAMMESA") under the terms set forth in Resolution 136.

Business Models

Revenues from this Project are mainly expected to be derived from the sale of energy through PPAs entered into with CAMMESA to supply residential and public lighting demand. In addition, should there be an excess in generation in respect of the generation committed under the PPAs and should CAMMESA fail to exercise the option of purchasing such excess, such excess may be allocated to: (i) the sale of energy through power purchase agreements entered into with large users to meet their demand; or (ii) spot sales of energy in the Wholesale Electricity Market ("WEM") to supply demand peaks.

At present, the Project has a PPA in place in Argentina, for a price of 60 USD/MWh. With that price and in view of the energy that will be generated by the Project (2,800 equivalent hours per annum), the projected annual average revenues derived from this Project are expected to amount to US$55 million.

Given the nature of this source of energy, which is not subject to a consumable resource that needs to be procured, the flow of outlays associated with the Project will be mainly fixed, due to its administration, operation and maintenance structure, and a significant insurance component. Such outlays are estimated in an annual average of US$7 million.

Investment

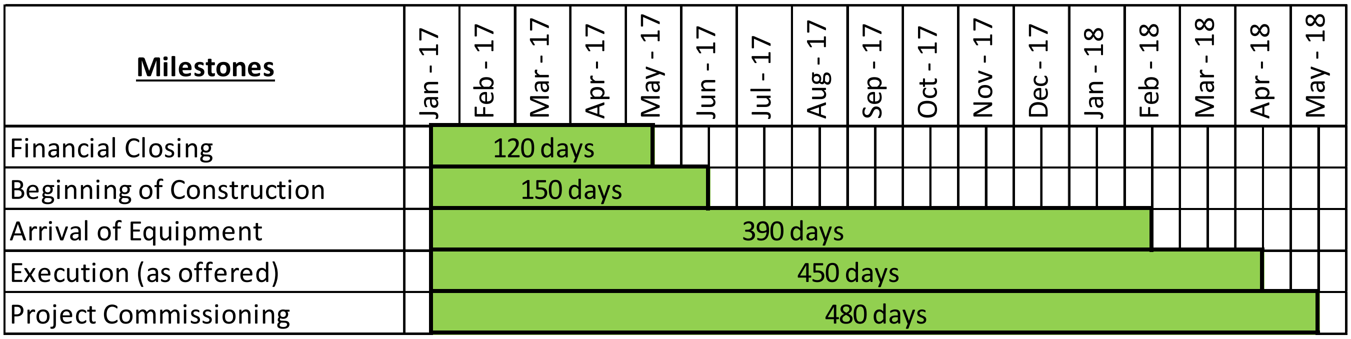
The Project will require an investment of approximately US$541.5 million, broken down as follows:

- US$357 million in the photovoltaic power station (CAPEX).
- US$33 million in the transformer substation.
- US$92 million in taxes and duties associated to the investment.
- US$52 million in financing fees and service of interest during the project life-cycle.
- US$7.5 million in start-up expenses.

Three enterprises, namely, Cauchari I, Cauchari II and Cauchari III, were created for the development of the Project, all of which are wholly owned by JEMSE. The Export-Import Bank of China will finance 61% of the Project costs (or US$331.5 million) by way of a loan agreement entered into by such bank with the Federal Government in May 2017. The Federal Government and the Province are negotiating an agreement under which the Province would have the subsidiary obligation to repay the Federal Government for any payment made under the loan from the Export-Import Bank of China. The remaining 39% (US$210 million) is expected to be financed with the proceeds from the issuance of the Notes offered hereby.

The following table includes an estimated project schedule, showing a term during which each of the milestones described is expected to occur.

Estimated Project Schedule



Note: Expected commissioning of the Project is May 2018.

Gross Domestic Product

The Province's GGP is calculated by DIPIEC, following a methodology substantially similar to that that has been historically employed by INDEC in calculating Argentina's GDP. Nevertheless, in 2013, INDEC changed the base year for the calculation of Argentina' GDP and has used 2004 Constant Pesos since then, applying such standard retroactively to all years after 2004. The Province is in the process of calculating its GGP in 2004 Constant Pesos, that is, it is adjusting its methodology of calculation of GGP to align it with that employed by INDEC. As the Province only has official data available until 2011 (at constant 1993 pesos), this section of the offering memorandum is based on data gathered by UNJU, including information until 2016. Since 2014, the UNJU has been using 2014 Constant Pesos to calculate the Province's GGP and has applied such standard retroactively until 2014, consistently with INDEC's procedure. See "Presentation of Financial and Other Information—Methodology of calculation of Gross Domestic Product."

The following table shows the national GDP and the GGP, in current and constant pesos and the Province's GGP for the years 2012 through 2016, as a percentage of the national GDP in real terms.

Gross Domestic Product

	2012	2013	2014	2015	2016
NATIONAL ECONOMY					
National nominal GDP (in millions of pesos)(1)(2)	2,637,914	3,348,308	4,579,086	5,854,014	8,050,245
Real GDP (in millions of 2004 Constant Pesos) (1)(2)	703,486	720,407	702,306	720,898	704,711
Rate of change in real GDP at market prices from prior year (2004 Constant Pesos) (1)(2)	(1.0)%	2.4%	(2.5)%	2.6%	(2.2)%
PROVINCIAL ECONOMY					
Nominal GGP (in millions of pesos)(4)	16,329	21,228	27,278	35,734	49,312
Real GGP (in millions of 2004 Constant Pesos)(4)	5,089	5,237	5,292	5,299	5,104
Rate of change in real GGP at market prices from prior year (4) (2004 Constant Pesos)	(3.1)%	2.9%	1.1%	0.1%	(3.7)%
Real GDP at market prices as % of nominal national GDP at market prices	0.7%	0.7%	0.7%	0.7%	0.6%

Notes:

(1) Real GDP at market prices is equal to Real GDP plus taxes (including VAT, import duties and others), and minus any subsidies, on products not included in the value of their outputs. Source: INDEC

(2) Series subject only to a review on account of the latest release. 2015 and 2016 figures are preliminary and subject to review by INDEC.

(3) Information from the last quarter of each year. Source: INDEC

(4) GGP figures may vary in accordance with the statistical review that the Province is currently carrying out following INDEC's revisions to its historical information. Source: UNJU

Main Sectors of the Provincial Economy

Health, Education and Others was the most significant services-related sector of the Province's economy in 2016, accounting for 16.8% of the Province's GGP. It was followed by Industrial Manufacturing, within the goods manufacturing sector, which accounted for 15.5% of the Province's GGP.

The following sectors, in order of significance, in 2016:

- Transportation and Telecommunications, accounting for 13.9% of the Province's GGP;
- Real Estate and Rental Activities, accounting for 12.7% of the Province's GGP;
- Commerce, accounting for 12.1% of the Province's GGP;
- Public Administration, accounting for 10.0% of the Province's GGP;
- Agriculture and Livestock, accounting for 8.6% of the Province's GGP;
- Construction, accounting for 5.7% of the Province's GGP;
- Electricity, Gas and Water Supply, accounting for 2.5% of the Province's GGP;
- Mining, accounting for 1.4% of the Province's GGP; and
- Financial Intermediation, accounting for 0.8% of the Province's GGP.

The following table shows the distribution of the Province's GGP by main sub-sector of the provincial economy.

Province's GGP by main sub-sector of the provincial economy
(in millions of pesos)

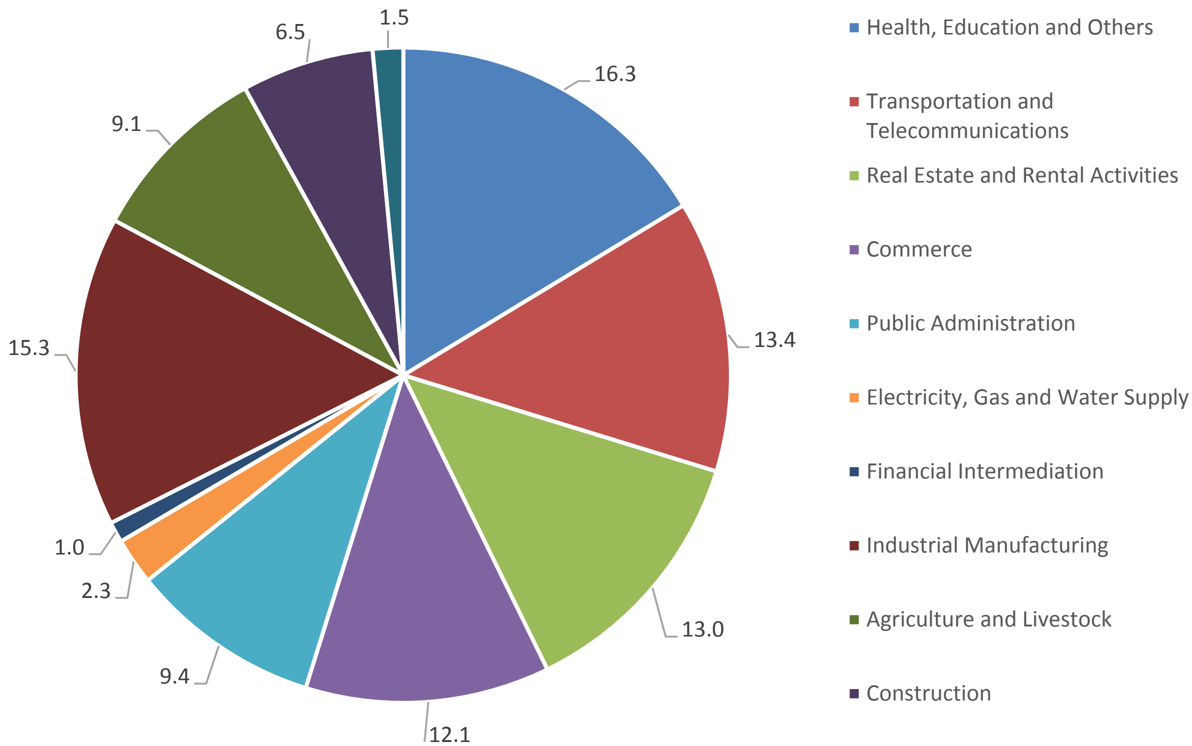
	2012		2013		2014		2015		2016	
	GGP	%	GGP	%	GGP	%	GGP	%	GGP	%
Services										
Health, Education and Others	784,795	15.4	825,442	15.8	869,253	16.4	912,748	17.2	858,129	16.8
Transportation and Telecommunications	653,063	12.8	704,769	13.5	704,909	13.3	720,105	13.6	711,795	13.9
Real Estate and Rental Activities	643,397	12.6	749,646	14.3	701,355	13.3	641,878	12.1	650,179	12.7
Commerce	630,510	12.4	614,659	11.7	631,888	11.9	646,387	12.2	617,708	12.1
Public Administration	452,230	8.9	475,323	9.1	491,540	9.3	517,731	9.8	510,336	10.0
Electricity, Gas and Water Supply	112,986	2.2	116,563	2.2	118,885	2.2	126,413	2.4	125,135	2.5
Financial Intermediation	81,177	1.6	42,027	0.8	57,891	1.1	43,005	0.8	38,550	0.8
Goods Manufacturing										
Industrial Manufacturing	779,177	15.3	765,027	14.6	803,078	15.2	837,787	15.8	792,083	15.5
Agriculture and Livestock	534,860	10.5	505,095	9.6	469,437	8.9	431,358	8.1	437,821	8.6
Construction	328,660	6.5	364,775	7.0	361,400	6.8	348,070	6.6	291,358	5.7
Mining	88,287	1.7	73,223	1.4	82,665	1.6	73,073	1.4	70,651	1.4
Total	**5,089,141**	**100**	**5,236,550**	**100**	**5,292,301**	**100**	**5,298,555**	**100**	**5,103,745**	**100**

Source: UNJU's School of Economic Sciences.

The Province's GGP has experienced 2.8% growth in real terms over the last 20 years; in the 2012-2016 period, the Province's GGP fell by (0.5)% mainly as a consequence of declines in 2012 and 2016. Real GGP was P$5,089.1 million, and current GGP was P$16,329.0 million in 2012. Real GGP was P$5,103.1 million, and current GGP was P$49,312.5 million in 2016.

The following chart shows the distribution of GGP by main sub-sector of the provincial economy.

Average Contribution by Main Sector of the Provincial Economy (2012-2016)



Services Sectors

Health, Education and Others

In addition to Health and Education, certain other services of less relative significance in respect of the product were grouped into a category, such as, community and social services, hotels and restaurants, and general housekeeping activities. These sectors accounted for 16.8% of the Province's GGP in 2016. In the 2012-2016 period, this sector experienced average growth of 2.1%, mainly attributable to the growth experienced by the Health sector (6.3%) and the Community Services sector (2.6%) over the period.

Transportation and Telecommunications

This sector accounted for 13.9% of the Province's GGP in 2016 and experienced average growth of 1.4% over the 2012-2016 period. In 2012, the sector declined by 2.0%, grew by 7.9% in 2013, with zero and 2.2% growth in 2014 and 2015, respectively, followed by a 1.2% decline in 2016. The fall in 2016 was mostly attributable to a decline in industrial manufacturing and commerce, as these sectors are the ones that generate the largest demand for transportation services. The sector includes services related to several means of transportation (land, railroad, pipeline, sea and air) and supplementary activities (storage, services related to the logistics chain, infrastructure, etc.). The Telecommunications sector includes postal services, radio and TV broadcasting services, telephony services, telecommunications and Internet.

Real Estate and Rental Activities

This sector accounted for 12.7% of the Province's GGP in 2016 and experienced an average decline of 2.1% over the 2012-2016 period. This sector experienced a decline of 13.4% in 2012, an increase of 16.5% in 2013, declines of 6.4% and 8.5% in 2014 and 2015, respectively, and a 1.3% increase in 2016. The fall in this period is basically attributable to the decline experienced by the rental sector, as it is the most relevant one within the category. In addition to rental property, this sector also includes rental of transportation, machinery and other equipment, personal effects and household goods, IT services and related activities, research and development, business activities (legal and bookkeeping, tax advice, market research, advertising, architecture, and engineering).

Commerce

This sector accounted for 12.1% of the Province's GGP in 2016 and experienced a 1% decline over the 2012-2016 period. This sector mainly consists of wholesale and retail trade, in general, automobile and other machinery maintenance and repair, and repair of personal effects and household goods. The sector experienced declines of 2.3%, 2.5% and 4.5% in 2012, 2013 and 2016, respectively, and increases of 2.3% and 2.8% in 2014 and 2015, respectively. Changes over the period were mainly attributable to increased wholesale consumption in the 2014-2015 period, for during the 2012-2016 period there were declines in consumption, in general, and in the item Supermarkets, Clothing and Automobile, in particular.

Public Administration

This sector consists of the Province's Public Administration and Defense and Mandatory Social Security Plans, that is, all matters concerning the public administration. This sector accounted for 10.0% of the Province's GGP in 2016 and experienced 2.6% growth over the 2012-2016 period, which is basically attributable to budgetary increases in several items of the provincial administration, coupled with the hiring of public employees over the period.

Electricity, Gas, and Water Supply

This sector, which includes the sale of electricity, gas and water for the Province, experienced 3.9% growth, on average, over the 2012-2016 period. The sector grew by 8.9%, 3.2%, 2.0% and 6.3% in 2012, 2013, 2014 and 2015, respectively, and fell by 1.0% in 2016. The decline in 2016 was mainly due to a fall in consumption as a consequence of the tariff adjustments implemented at a national level and due to a fall in consumption by the industrial and commercial segments. This sector accounted for 2.5% of the Province's GGP in 2016. Within the Electricity, Gas and Water Supply sector, electricity is the most significant component, followed by water and gas in the third place.

Financial Intermediation

This sector accounted for 0.8% of the Province's GGP in 2016 and, on average, experienced a 1.3% decline over the 2012-2016 period. This sector is characterized by strong volatility and last year, declined by 10.4%, mainly due to a fall in deposits. The sector embraces units mainly engaged in financial transactions, that is, transactions purporting to the creation, settlement or change of ownership of financial assets. It also includes insurance and retirement plans, facilitation of financial transactions, units engaged in monetary control activities and monetary authorities.

Goods Manufacturing Sectors

Industrial Manufacturing

This sector experienced, on average, a 0.1% fall over the 2012-2016 period, with a 2.5% decline in 2012, 1.8% decline in 2013 and a 5.5% decline in 2016, partially offset by increases of 5.0% in 2014 and 5.3% in 2015. Within the goods manufacturing sector, the Province has an industrial sector which accounted for 15.5% of the Province's GGP in 2016, with the sugar, paper, alcohol, cement, steel and metalworking sectors having significant presence and the sugar and paper sub-sectors being the most significant ones within the Province's industrial sector. The sector embraces activities concerning the physical and chemical transformation of materials, substances or components into new products. The materials, substances or components so transformed may be raw materials of agricultural, livestock, forestry or fishing origin, may be derived from mining and quarry exploitation, or may be goods manufactured by other manufacturing activities.

Agriculture and Livestock

This sector accounted for 8.6% of the Province's GGP in 2016 and experienced a 4.8% fall, on average, over 2012-2016, with declines in all years comprising the period, except for 2016, when the sector grew by 1.5%, mainly due to an increase in the sown area in the face of the better outlook for the tobacco and sugar sector. Sugar and tobacco are amongst the most significant productive clusters within the agricultural sector, for they comprise the agricultural and industrial chain, employ a significant amount of labor and were amongst the Province's main exporters in 2016. As of 2015, the tobacco sector had approximately 12,000 jobs, directly and indirectly, and almost 90.0% of its output was exported to several countries, particularly, China. This sector has strong influence on several provincial departments, such as, El

Carmen, San Antonio and Palpalá. The sugar sector is also a major employer as it hires 5,000 workers, directly and indirectly, and has strong influence in the area known as Ramal Jujeño, particularly, in two departments of the Province, Ledesma and San Pedro.

Construction

This sector accounted for 5.7% of the Province's GGP in 2016 and experienced a 2.8% decline over the 2012-2016 period, with a 4.2% fall in 2012, an 11% increase in 2013 and subsequent declines of 0.9%, 3.7% and 16.3% in 2014, 2015 and 2016, respectively. This sector embraces the construction of buildings, including housing units, and other structures, such as, roads, highways, industrial premises, ports, airports, train and subway stations, by building companies, as well as the expenses incurred in repairing existing structures and works (both residential and non-residential). The decline is attributable to last years' downturn in construction activity, both private and public construction.

Mining

This sector accounted for 1.4 % of the Province's GGP in 2016 and experienced a 1.8% decline over the 2012-2016 period. The sector rose by 11.1% in 2012, fell by 17.1% in 2013, rose by 12.9% in 2014, and declined by 11.6% and 3.3% in 2015 and 2016, respectively. In recent years, the mining sector has experienced considerable growth mostly due to the development of lithium through Sales de Jujuy's production. In 2016, the sector accounted for 1.4%; however, such share would amount to 3% if we add the industrialization of mining products. With the start-up of a new lithium facility by private investors from Exar, output is estimated to reach 4.0% of GGP in 2019. In 2017, this sector's exports are expected to reach approximately US$420 million.

Exports Originating in the Province

In Argentina, information relating to exports is collected and released by INDEC, and is primarily based on data collected in connection with the issuance of shipping permits by the Argentine Federal Customs Bureau. Since 1995, export data has also been collected in connection with the export of goods that do not require such permits, such as energy. Provincial exports include exports of goods produced within the Province, either grown, extracted or collected, and all goods processed or produced completely in the Province, including those made entirely from raw materials produced outside of the Province and transformed within the Province into a different product (as classified under the Mercosur rules).

From 2012 to 2016, provincial exports fell by 10.0% from US$609 million in 2012 to US$548 million in 2016, mainly as a consequence of a decline in primary products, as both manufactured goods of agricultural origin and manufactured goods of industrial origin increased. Total variation in the Province's exports (in tons) for the period 2012-2016 was positive (53.7%), exhibiting a strong recovery vis-à-vis 2014's record low in the volume of exports. In 2015, there was a 5.3% increase in the exported volume, that is, in quantities, but an 11.0% decline in monetary terms, due to a fall in prices of the products exported by the Province. In 2014, there was a 12.0% decline as well, paired with a decline in volume. In 2013 exports decreased by 32.4% and the volume of exports fell by 16.7%.

In 2016, the Province's exports accounted for 0.9% of Argentina's total exports, that is, the Province's exports accounted for US$458 million of Argentina's total exports for US$57,733 million. The Province ranks sixteenth among Argentine provinces in terms of total exports. Out of the Province's total exports in 2016, 39.2% mainly corresponds to silver and lead, 17.2% to lithium, 10.6% to legumes, particularly, beans, and 9.2% to tobacco. Exports in 2016 rose by 70.4% vis-à-vis 2015, mainly, as a result of a 240.0% increase in manufactured goods of industrial origin from 2015 to 2016 and a 68.5% increase in manufactured goods of agricultural origin from 2015 to 2016. The increase in manufactured goods of industrial origin in 2016 was mainly attributable to an increase in lithium exports (the Province began exporting lithium in 2015, with total exports of lithium accounting for US$5 million in 2015 and US$90 million in 2016). The increase in manufactured goods of agricultural origin in 2016 was mainly attributable to an increase in the volume of exports of agricultural goods, including tobacco.

Classification of Exported Products

Below is a detail of the Province's main exports during the five-year period ended December 31, 2016:

- primary products, consisting mainly of agricultural products, which accounted on average for 74.2% of the Province's total exports from 2012 to 2016. Silver has been the main exported item and accounted for 29.3% of provincial exports over that 5-year period;

- manufactured goods of agricultural origin, which accounted on average for 13.8% of the Province's total exports, with sugar being the main exported item with a 9.6% share in the Province's total exports during the period under review; and
- manufactured goods of industrial origin, consisting mainly of lithium, which accounted on average for 17.1% of the Province's total exports in 2016. The growth of lithium share in exports is remarkable for lithium was not exported in 2014 and lithium exports commenced in 2015. The Province expects that lithium exports will increase significantly in 2018 and 2019. Lead accounts for 3.9% of the Province's total exports within this category.

The following tables include information about the Province's main exports for the indicated periods.

Exports by Groups of Products (1)
(in millions of US$)

	For fiscal year ended December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Primary Products	480.1	305.9	294.7	238.5	341.8
Manufactured Goods of Agricultural Origin	59.9	55.9	25.2	44.8	75.5
Manufactured Goods of Industrial Origin	69.1	49.5	41.7	38.5	130.9
Total	**609.1**	**411.3**	**361.6**	**321.8**	**548.2**

Notes:
(1) As measured in FOB terms.
Source: INDEC.

Exports by Groups of Products (1)
(as a % of total exports)

	For fiscal year ended December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Primary Products	78.8%	74.4%	81.5%	74.1%	62.3%
Manufactured Goods of Agricultural Origin	9.8%	13.6%	7.0%	13.9%	13.8%
Manufactured Goods of Industrial Origin	11.3%	12.0%	11.5%	12.0%	23.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Notes:
(1) As measured in FOB terms.
Source: INDEC

Main Products Exported by the Province in 2016

	Volume in US$	**% of the total**
Silver and derivatives	205,948,693	39.2%
Lithium	90,307,362	17.2%
Legumes	56,005,919	10.6%
Sugar and confectionery products	50,286,335	9.6%
Tobacco	48,493,870	9.2%
Lead	20,848,096	4.0%
Citric fruits	20,423,284	3.9%
Others	33,634,926	6.4%
Total	**525,948,485**	**100.0%**

Notes:
(1) As measured in FOB terms.
Source: INDEC

Destination of Exports

The main destinations for the Province's exports in 2016 were: Belgium (as it is a distribution center for most of the European Union), Japan and Brazil, which individually accounted for 24.8%, 15.6% and 11.7%, respectively, and collectively, 52.1%, of total exports in 2016. Concerning MERCOSUR's countries, the main destination for the Province's exports in 2016 was Brazil, which accounted for 11.7% of total exports. As for Asia, the main destination for the Province's exports in 2016 was Japan (15.6%), followed by China (7.3%). The main destination in North America was the United States, accounting for 5.0% of the Province's total exports.

Belgium was the main destination for the Province's exports in the 2012-2016 period, accounting for 24.8% of the Province's exports in 2016. The main products exported to Belgium were silver, chemical products, and tobacco. During the period 2012-2016, the Province's exports to Belgium increased by 213.4%, from US$43.4 million in 2012 to US$136.0 million in 2016.

China was the second most important destination for the Province's exports during the 2012-2016 period. In 2016, China accounted for 15.6% of the Province's exports. The most important product exported to China is tobacco, followed by juice and sugar. During the 2012-2016 period, the Province's exports to China fell by 47.7%, from US$76.8 million in 2012 to US$40.2 million in 2016, due to certain issues in the Chinese market and competitiveness issues in the sector.

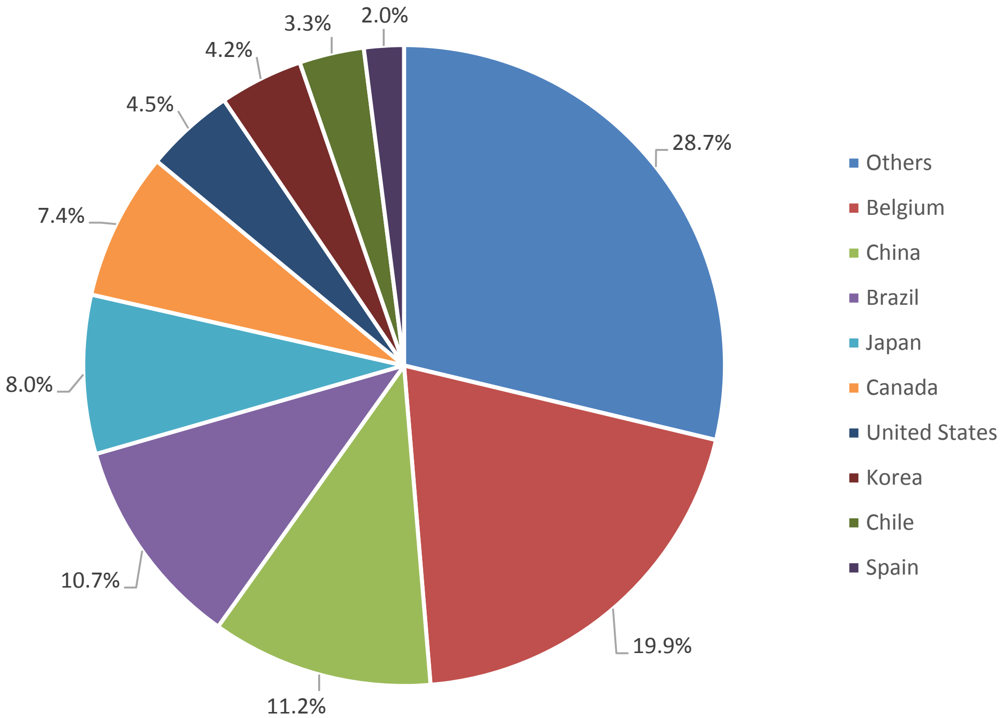
The following tables show a detail of the Province's exports by geographic destination for the indicated periods:

Geographic Distribution of Exports
(US$ millions)

	As of December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Belgium	43.4	64.8	92.6	85.0	136.0
China	76.8	49.3	58.8	24.5	40.2
Brazil	40.9	36.2	47.4	42.5	64.0
Japan	35.0	32.2	17.2	19.6	85.6
Canada	80.4	29.7	16.3	28.5	18.9
United States	29.1	15.9	8.6	21.2	27.2
Korea	18.5	16.3	23.4	4.9	33.3
Chile	20.2	22.9	5.8	7.6	19.0
Spain	9.0	4.9	8.7	6.5	16.1
Others	255.8	139.0	82.8	81.3	108.0
Total	**609.1**	**411.2**	**361.6**	**321.6**	**548.3**

Notes:
(1) As measured in FOB terms.
Sources: INDEC and DIPIEC.

Geographic Distribution of Exports (2012-2016)
(as a % of total exports)



Source: INDEC

Economically Active Population and Employment

The economically active population of the Province is 355,000 people, of which 340,800 are currently employed, while 14,200 are unemployed. The public sector has approximately 95,000 national, provincial, and municipal agents. The Province estimates that formal jobs account for 47.0% of workers, of which 59.4% are in the public sector and 40.6% are in the private sector. Informal jobs account for 53.0% of workers in the Province.

INDEC prepares a series of indexes used to measure the social, demographic and economic characteristics of the Argentine population based on data collected in the EPH.

In the Province, the EPH is conducted on an ongoing basis in the San Salvador de Jujuy-Palpalá area. Its quarterly results are used to prepare the main ratios of the employment market: activity rate, employment rate, unemployment rate, etc., and poverty and extreme poverty ratios.

Labor Force and Employment

San Salvador-Palpalá	As of October 31,				
	2012	2013	2014	2015	2016(2)
Population of reference (in thousands)......	701,252	710,121	718,971	727,780	736.542
Activity rate (% EAP)...............................	41.9	41.3	40.0	41.5	41.7
Employment rate (% employed)	39.9	39.3	38.1	39.5	40.6
Unemployment rate (% unemployed)	4.8	5.1	4.6	4.8	2.6

Note:
(1) As a % of the economically active population.
(2) Preliminary.
Sources: EPH, INDEC, and DIPIEC

With regard to an analysis of employment, INDEC's EPH, uses a series of basic definitions. First inhabitants are classified into the following categories: (i) the "economically active population" or "EAP" comprises those persons who have an occupation or who do not have an occupation but are actively looking for work (that is, employed plus unemployed individuals); (ii) "the employed" are those individuals who have at least one job (that is, in the week used as a reference these individuals have worked at least one hour); (iii) "the unemployed" are those individuals who are unemployed and are actively looking for work; and (iv) "hourly under-employed population" are those persons who work less than 35 hours a week for involuntary reasons and may or may not be looking to work more hours.

Using these classifications, INDEC's EPH calculates rates that show how the labor market is performing. One such rate is the level of activity, which is a percentage showing the economically active population against the total population (aged 14 or more). Another indicator is the rate of employment, which is determined by dividing total population by the total number of employed individuals (aged 14 or more). The unemployment rate, in turn, represents the percentage of unemployed individuals in the economically active population. Lastly, there is the hourly underemployment rate that is obtained by dividing the total economically active population by the total number of underemployed individuals.

Based on information as of the third quarter in each year, the activity rate in the area of San Salvador de Jujuy-Palpalá declined from 41.9% in 2012 to 41.7% in 2016.

The unemployment rate in the area of San Salvador de Jujuy-Pálpala declined by 45.8% during the 2012-2016 period, from 4.8% in 2012 down to 2.6% in 2016.

Informal Sector

The Province's economy has an informal sector that provides employment to many people. The term "informal sector" refers to economic activities that take place outside of government supervision for tax and other purposes. The informal sector includes small businesses that are the result of individual or family initiatives. It generally involves the production and exchange of goods and services without the appropriate business permits, without reporting such transactions for tax purposes and without complying with labor regulations or appropriate warranties for suppliers and end users. The informal sector provides economic opportunities, although limited, for the urban poor sector. The statistical details compiled by INDEC and DEC through the EPH allow this information to be estimated through a variable: the number of workers who pay no contributions and are therefore not subject to pension-related discounts.

The Province of Jujuy does not have measurements about the rate of informal wage-earners; however, the area of San Salvador de Jujuy-Palpalá ranked first in the country with the largest number of informal jobs, including 6,500 stallholders and craftsmen. There are two big markets, with almost 1,400 stalls, in which several products are sold. Both markets are visited by around 1,000 people per day, according to the last survey conducted by CAME in 465 cities of the 24 jurisdictions. As per an old report from CEPAL, in 2006, the informal sector was made up of 131,000 people, accounting for approximately 53.0% of the employed population.

Poverty

The sole source of data relating to poverty consists of statistics compiled by INDEC, as part of the EPH. Poverty indicators are calculated on the basis of the percentage of households that do not earn enough income to cover the so-called basket of goods and services (consisting of certain goods and services required to meet food and other needs that are deemed essential). The basket is valued at market prices and the resulting threshold is called the "poverty line."

The estimates compiled by INDEC are available until June 30, 2013. However, such figures are affected by the same lack of credibility associated to the price estimates calculated by such agency over the last 8 years. This circumstance is attributable to the fact that the estimated market prices for the basket of goods are based on questionable information. The current government has declared the emergency of Argentina's statistics system to address this problem.

On June 30, 2016, INDEC ceased reporting the poverty index resuming its publication in the second quarter of 2016, with the report of disaggregated data at the national and regional level only. As revealed by data for the second quarter of 2016, 32.2% of Argentina's population is poor, including 6.3% of extremely poor people.

The following table shows the percentages of households and persons with annual income below the poverty line in San Salvador de Jujuy and Argentina for the indicated periods.

Poverty in San Salvador de Jujuy and Argentina
(as a % of the total)

		Poverty			
		San Salvador de Jujuy		Argentina	
Period		Households	People	Households	People
2010	First six-month period	10.3	14.0	8.1	12.0
	Second six-month period	7.9	9.6	6.8	9.9
2011	First six-month period	6.1	8.1	5.7	8.3
	Second six-month period	6.1	8.0	4.8	6.5
2012	First six-month period	3.9	4.1	4.8	6.5
	Second six-month period	3.4	4.8	4.0	5.4
2013	First six-month period	4.2	5.2	3.7	4.7
	Second six-month period	n.a.	n.a.	n.a.	n.a.
2016	First six-month period	n.a.	n.a.	n.a.	n.a.
	Second six-month period	20.0	26.0	23.1	32.2

Notes:
n.a. Not available.
Source: DIPIEC on the basis of the EPH and INDEC

The Federal Government has increased spending on poverty reduction programs throughout Argentina, including the following social welfare programs:

- *Asignación Universal por Hijo* ("Universal Child Allowance"), administered by ANSeS, which distributes P$966 per month per child (up to a maximum of five children per household) to parents who are employed in the informal sector or unemployed.
- *Programa Ingreso Social con Trabajo, Argentina Trabaja* ("Social Inclusion with Employment, Argentina Works"), which was designed to increase worker participation in the formal economy through cooperation with employers and providing registered workers with additional income per child, health and social benefits. This program provides workers with opportunities in the janitorial and construction fields; and
- *Plan Nacional de Seguridad Alimentaria* ("National Food Plan"), which is aimed at providing food assistance according to the needs and traditions of each region by promoting food production among households and welfare networks, strengthening the management of the plan through decentralization of funds, fostering the integration of national, provincial and municipal resources, implementing food and nutritional education measures and developing action plans targeted at certain risk groups.

In addition, the provincial government also has social welfare programs in place aimed at assisting vulnerable members of the population. Some of these programs rely on federal funding, while others are fully funded by the Province. The most relevant of these programs include:

- *Programa de Asistencia Directa Frente a Situaciones de Riesgo Inmediato* (Program for Direct Assistance In Immediate Risk Situations)
- *Proyecto Ayudar a Personas* ("Helping People" Project)
- *Proyecto de Prevención y Asistencia en Emergencias y Contingencias* (Project for the Prevention and Aid in Emergencies and Contingencies)
- *Programa de Educación Nutricional* (Nutritional Education Program)
- *Proyecto de Huertas y Granjas Orgánicas Familiares y Comunitarias* (Family and Community Organic Gardens and Farms Project)
- *Programa Comer en Casa* ("Eat at Home" Program) (Food Aid)
- *Proyecto de Asistencia Nutricional Escolar* (School Nutritional Aid Project)
- *Programa de Deporte Adaptado* (Adapted Sports Program)

The EPH is a national program designed to produce social indicators on a consistent and ongoing basis, run by INDEC, in association with DIPIEC. The EPH seeks to survey the population's socio-demographic and socio-economic features. The EPH has been conducted in Argentina since 1973, at first, in its original version, that is, twice a year (May and October). Since 2013, the EPH has become an ongoing survey producing poverty data on a six-month basis.

Since 2016, INDEC has reassumed the compilation and release of poverty and extreme poverty indicators. However, in the face of the statistics emergency declared by the Federal Government (by way of Executive Decrees No. 181/15 and 55/16), INDEC embarked in a review of the 2007- 2015 series and found many inconsistencies.

As a result of such review and in the light of the countless factors that led to discard prior results as not faithfully mirroring Argentina's socio-economic reality, INDEC found that the series released subsequently to the first quarter of 2007 up to and including the fourth quarter of 2015 should not be considered and should be discarded for comparative purposes and for reviewing Argentina's labor market and socio-economic levels. In the second half of 2016, 20.1% and 3.6% of the Province's households were poor and extremely poor, respectively. Out of the total population, 25.7% was poor and 4.5% was extremely poor over the same period.

The following table shows the percentages of poverty and extreme poverty in the Province for the second half of 2016.

Percentages of Poverty and Extreme Poverty
(second half of 2016)

Geographic area	Poverty		Extreme Poverty	
	Households	Individuals	Households	Individuals
Total 31 urban areas	21.5%	30.3%	4.5%	6.1%
Non-urban areas	22.2%	31.2%	4.2%	5.6%
Northwest	24.2%	31.6%	4.2%	5.3%
Jujuy – Palpalá	20.1%	25.7%	3.6%(1)	4.5%(1)

Note:
(1) Variation Ratio (VR) above 12%.
Source: INDEC.

The following table shows the households and individuals with annual income below the poverty line in the Province for the second half of 2016.

Households and Individuals with Annual Income Below the Poverty Line
(second half of 2016)

Total		Poverty		Extreme Poverty	
Households	**Individuals**	**Households**	**Individuals**	**Households**	**Individuals**
8,874,330	27,308,394	1,906,215	8,277,085	401,122	1.657.221
4,010,162	12,549,312	892,247	3,909,921	166,610	706.340
716,831	2,615,397	173,569	826,675	29,867	139.590
92,035	334,232	18,508(1)	85,907(1)	3,333(1)	15.958(1)

Notes:
(1) Variation Ratio (VR) above 12.0%.
Source: INDEC.

Environment

The Ministry of Environment was recently created with the enactment of Provincial Law No. 5,875 and Decree No. 77/15, which provides for a reorganization of Provincial Government environmental policies in order to prioritize and strengthen this area in public policy. Some of the commitments undertaken are aimed at protecting the Province's cultural heritage, the substantial biological diversity existing in the Province, and related cultural values. In furtherance of these policies, Argentina's Ministry of Environment and Sustainable Development and the Province's Ministry of Environment signed an Environmental Cooperation Commitment that seeks to establish a collaboration framework to coordinate, execute, and implement actions, projects, and programs aimed at: (i) establishing environmental standards within the territory; (ii) managing natural resources in a sustainable manner; (iii) strengthening controls over activities that cause contamination and/or a potential negative impact on the environment or any of its components, and contributing to potential remediation actions; (iv) contributing to urban solid waste management and to the strengthening of related public policies; (v) developing clean production and environmental education programs, and (vi) encouraging the design and implementation of plans for climate change adaptation and greenhouse gas mitigation.

"Jujuy Verde: Carbono Neutral 2030" Initiative

The Province's government, through the Ministry of Environment, has committed to making increased efforts and contributions to reduce greenhouse gases. In this regard, the Province has developed and implemented an initiative known as *Jujuy Verde Carbono Neutral 2030* (Green Jujuy Carbon Neutral 2030) as part of the Province's climate policy, in order to develop greenhouse gas adaptation and mitigation plans by sub-sector. The initiative was made official through Decree No. 1,169.

The *Jujuy Verde Carbono Neutral 2030* initiative defines an operating framework to align strategies within the social, economic, and environmental sectors in order to develop a more sustainable Province, institutionalizing climate change policy as medium and long-term public policy. This initiative involves all of the Province's sectors and major players, namely: the public sector, businesses, civil society organizations, environmental organizations, and native communities.

PROVINCIAL ENTITIES

Throughout the 1980s, provincial enterprises were a major part of the provincial economy, being engaged in, among other industries, banking, electricity, water, gambling, and insurance, which represented an important part of the provincial economy. During the 1990s, in the context of the free-market reforms adopted by the Federal Government, the Province privatized most of its enterprises, which substantially reduced its participation in these industries. As such, the annual results of operations of these Provincial enterprises are not material, and are therefore not consolidated with the Province's results of operations. In addition, these enterprises operate as separate legal entities from the Province and the Province has no subsidiary liability for their debts or obligations.

As of the date of this offering memorandum, the primary enterprises in which the Provincial government has ownership are as follows:

- JEMSE, an enterprise wholly-owned by the Province, was created by Decree-Agreement No. 7,626-P-11, as approved by Provincial Law No. 5,675. It is mainly engaged in the investigation, prospecting, exploration, exploitation, industrialization, and commercialization of minerals and liquid and gaseous hydrocarbons and their derivatives, as well as in the generation, transportation, distribution and/or commercialization of any kind of energy from renewable and/or alternative sources. JEMSE will own the three development companies that are expected to develop each of the Cauchari solar projects, I, II and III that constitute the Puna Solar Farm Project.

  The following is a summary of JEMSE's basic financial information.

JEMSE's Revenues, Expenses, Net Income (Loss) and Capital
(in millions of pesos)

	For fiscal year ended December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Revenues	298,240.0	15,474,016.5	1,992,192.2	14,679,208.7	-
Expenses	285,755.0	10,580,471.0	16,210,335.4	884,001.0	977,284.4
Net Income (loss)	**12,485.1**	**4,893,545.5**	**(14,218,143.1)**	**13,795,207.7**	**(977,284.4)**
Capital	2,012,485.1	7,676,138.8	1,042,363.9	75,918,765.9	76,174,661.5

Source: JEMSE.

- *Agua Potable y Saneamiento de Jujuy Sociedad del Estado* is an enterprise wholly-owned by the Province that was created following the nationalization of Agua de los Andes S.A. with the enactment of Provincial Law No. 5,890. It is mainly engaged in the collection, purification, transportation, distribution, and commercialization of drinkable water, and in the collection, treatment, disposal, and commercialization of sewerage throughout the Province of Jujuy. Its activities are financed by the Provincial Government. Accordingly, this enterprise's main business is operation, maintenance and administration.
- *Gestión Integral de Residuos Sólidos y Urbanos Sociedad del Estado* ("GIRSU") is an enterprise wholly-owned by the Province, created by Provincial Law No. 5,954, which sets forth the basic environmental protection principles and obligations governing the comprehensive management of domestic waste generated Province-wide, whether of residential, urban, commercial, healthcare, sanitary, industrial, or institutional origin, except for waste governed by specific rules and regulations. However, as of the date of this offering memorandum, this enterprise has not been registered. The Province expects to register it on or about December 2017.
- *Banco de Desarrollo de Jujuy Sociedad del Estado* is a bank wholly-owned by the Province. This bank is mainly engaged in the business of brokering in the supply and demand of financial resources to satisfy individuals' and businesses' financing needs, and delivering services preferably to clients and neighbors of the Province, and other locations and regions where the bank operates. The bank may also act as collection agent for taxes, duties, contributions, and other federal, provincial, and/or municipal government revenues. The bank may also engage in credit operations and other financial arrangements on behalf of the Provincial Government.

- *Jujuy Digital S.A.P.E.M.* was created by Provincial Law No. 6,000 to engage, on its own account or on behalf of or in association with, third parties in several activities within the country or abroad, such as delivery of wholesale telecommunication services and audio-visual communication services with radio electrical spectrum resources allocated to provincial governments; import, export, purchase and sale, distribution, consignment, and representation of products related to the delivery of telecommunication, broadcasting and audio-visual communication services; project development and execution of civil or electrical infrastructure works as needed to develop the activities inherent to its corporate purpose; provision of consulting, integration, training, implementation and advisory services in its field; and provision and commercialization of supplies for these activities. The Provincial Government, according to the specific requirements for this sub-type of sociedad anónima (corporation) set forth in Section 308 of the Argentine General Companies Law No. 19,550, will own a number of shares representing no less than fifty one (51%) of the capital stock. However, as of the date of this offering memorandum, this enterprise has not been registered. The Province expects to register it on or about December 2017.

PUBLIC SECTOR FINANCES

Scope and methodology

The following table sets out the Province's revenues and expenditures from 2012 to 2016.

Revenues and Expenditures
(in millions of pesos)

	For the year ended December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Current revenues	7,002.4	8,797.7	11,864.6	16,243.4	21,670.0
Current expenditures	6,973.6	9,478.0	12,892.2	17,721.8	24,147.5
Operating balance	**26.7**	**(680.3)**	**(1,027.5)**	**(1,478.4)**	**(2,477.4)**
Capital revenues	645.8	1,097.9	1,447.0	1,681.6	1,226.6
Capital expenditures	900.9	1,416.9	1,888.2	2,434.9	1,992.9
Overall balance	**(228.4)**	**(999.3)**	**(1,468.8)**	**(2,231.7)**	**(3,243.7)**

Source: The Province's General Accounting Office.

The public sector of the Province consists of the central administration of the Province and its decentralized agencies. The central administration of the Province is comprised of the executive, legislative and judicial branches, including provincial ministries, the Public Ministry office and other independent oversight agencies such as the General Accounting Office and the Attorney General's Office. See "The Province of Jujuy—Provincial Government."

The Province has an integrated financial administration system and maintains its budget in accordance with the accounting principles set forth under applicable rules and regulations. These accounting principles are generally consistent with the accounting principles followed by other Argentine provinces and the Federal Government. The Province's budgets and accounts reflect the consolidated results of the entities and instrumentalities that comprise the Province's general administration. See "Presentation of Financial and Other Information—Provincial Accounting Practices."

Provincial Social Security System

The Province does not administer its own social security regime. Similar to other provinces, the Province transferred its pension fund to the Federal Government pursuant to the provisions of Chapter Two, Article 6 of the *Pacto Federal para el Empleo, la Producción y el Crecimiento* (Federal Pact for Employment, Production and Growth, the "Social Security Pact"), between the Federal Government and certain provinces dated August 12, 1993. Following the execution and delivery of this agreement, the social security systems of several provinces were taken over by Argentina's social security authority, ANSeS. Funding for this regime consists, among other revenues, of a 15% withholding that the Federal Government applies to all the resources that are covered by the federal agreement for payment to the provinces under the framework of the Federal Tax Co-Participation Regime.

Main sources of revenues

The Province's revenues are classified into current and capital revenues, which represented 94.6% and 5.4% of the Province's total revenues in 2016, respectively. The Province's total revenues for 2016 totaled P$22,896.6 million, an increase of 27.7% from P$17,925.02 million in 2015. This increase was mainly due to higher federal tax transfers in the amount of P$3,292.7 million and higher provincial tax revenues of P$654.8 million in 2016 related to the depreciation of the peso. In 2016, 81.3% of the Province's total current revenues were derived from the collection of taxes. Federal taxes accounted for 69.6% and provincial taxes accounted for 11.7% of the Province's total current revenues in 2016. In 2016, 76.9% of the Province's total revenues were derived from the collection of federal and provincial taxes. The balance of total revenues was comprised of federal non-tax transfers, provincial non-tax revenues and capital revenues.

The table below shows a breakdown of the Province's total revenues by source for the periods indicated.

Total Revenues
(in millions of pesos)

	For the year ended December 31,									
	2012		2013		2014		2015		2016	
	P$	%(1)	P$	%(1)	P$	%(1)	P$	%(1)	P$	%(1)
Current Revenues										
Federal Source Revenues										
Federal tax transfers	4,843.2	63.3	6,302.4	63.7	8,666.3	65.1	11,786.1	65.8	15,078.8	65.9
Federal Tax Co-Participation Regime payments	3,323.2	43.5	4,354.4	44.0	6,007.0	45.1	7,608.1	42.4	10,037.0	43.8
Other federal tax transfers	1,520.0	19.9	1,948.0	19.7	2,659.3	20.0	4,178.0	23.3	5,041.8	22.0
Federal non-tax transfers	1,420.8	18.6	1,409.5	14.2	1,668.1	12.5	2,360.8	13.2	3,508.3	15.3
Subtotal Federal Source Revenues	**6,263.9**	**81.9**	**7,711.8**	**77.9**	**10,334.4**	**77.6**	**14,146.9**	**78.9**	**18,587.1**	**81.2**
Provincial Source Revenues										
Provincial tax revenues										
Gross revenue tax	512.0	6.7	797.9	8.1	1,129.9	8.5	1,540.6	8.6	2,039.4	8.9
Real estate tax	38.2	0.5	54.8	0.6	82.2	0.6	97.9	0.5	132.0	0.6
Stamp tax	79.1	1.0	98.7	1.0	146.6	1.1	234.3	1.3	356.2	1.6
Other tax revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal Provincial Tax Revenues	**629.3**	**8.2**	**951.4**	**9.6**	**1,358.7**	**10.2**	**1,872.8**	**10.4**	**2,527.6**	**11.0**
Provincial Non-Tax Revenues										
Charges for services rendered	16.5	0.2	26.6	0.3	38.0	0.3	44.9	0.3	154.7	0.7
Revenues from property	0.8	0.0	0.5	0.0	0.8	0.0	1.0	0.0	116.3	0.5
Other	91.9	1.2	107.5	1.1	132.8	1.0	177.9	1.0	284.4	1.2
Subtotal Provincial non-tax revenues	**109.2**	**1.4**	**134.5**	**1.4**	**171.6**	**1.3**	**223.7**	**1.2**	**555.4**	**2.4**
Subtotal Provincial Source Revenues	**738.1**	**9.7**	**1,085.9**	**11.0**	**1,530.2**	**11.5**	**2,096.5**	**11.7**	**3,083.7**	**13.5**
Subtotal Current Revenues	**7,002.4**	**91.6**	**8,797.7**	**88.9**	**11,864.6**	**89.1**	**16,243.4**	**90.6**	**21,670.0**	**94.6**
Capital Revenues										
Federal capital transfers	608.3	8.0	1,060.9	10.7	1,412.5	10.6	1,618.9	9.0	1,174.4	5.1
Other capital revenues	37.5	0.5	37.1	0.4	34.4	0.3	62.7	0.3	52.3	0.2
Subtotal Capital Revenues	**645.8**	**8.4**	**1,097.9**	**11.1**	**1,447.0**	**10.9**	**1,681.6**	**9.4**	**1,226.6**	**5.4**
Total Revenues	**7,648.2**	**100.0**	**9,895.5**	**100.0**	**13,311.6**	**100.0**	**17,925.0**	**100.0**	**22,896.7**	**100.0**

Notes:
(1) As a percentage of total revenues.
Source: The Province's General Accounting Office.

Current revenues

Current revenues of the Province amounted to P$21,670.0 million in 2016 and represented 94.6% of the Province's total revenues. Current revenues included federal tax and non-tax revenues and provincial tax and non-tax revenues.

Federal source revenues

Federal source revenues include federal tax transfers and federal non-tax transfers. Federal source revenues contributed an estimated P$18,587.1 million and accounted for 85.7% of the Province's current revenues in 2016. Federal transfers amounted to P$10,037.0 million and derived mainly from the Federal Tax Co-Participation Regime; other federal tax transfers totaled P$5,041.8 million, with the balance being comprised of federal contributions and other federal non-tax transfers.

The table below shows the composition of provincial revenues derived from federal current transfers for the periods indicated:

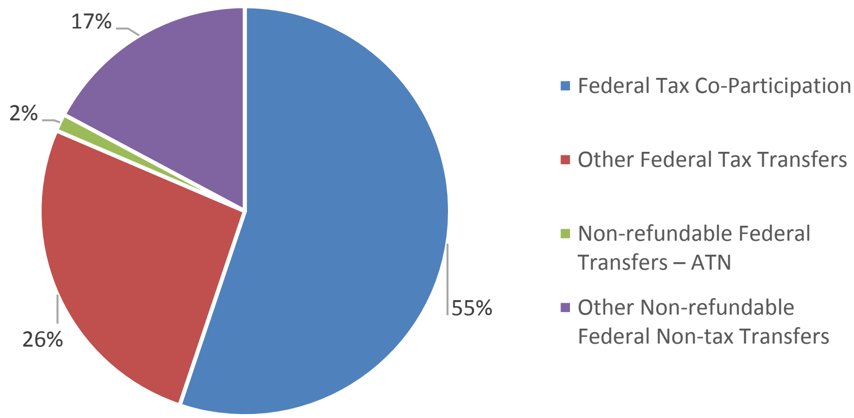
Composition of Federal Transfers
(in millions of pesos)

	For fiscal year ended December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Federal tax transfers					
Federal Tax Co-Participation	**3,323.2**	**4,354.4**	**6,007.0**	**7,608.1**	**10,037.0**
Other federal tax transfers					
Conurbano Bonaerense Fund Excess (Law No. 24,621)	470.0	631.3	931.6	1,334.5	1,528.8
Educational Financing Law No. 26,075	381.9	469.6	588.6	1,414.6	1,856.2
Social Basic Infrastructure Fund (Law No. 24,073)	242.5	321.7	466.5	605.4	690.9
Law No. 24,699	122.0	167.8	228.8	288.0	307.6
Housing Fund (FONAVI)	112.8	151.9	205.2	253.0	319.8
Highway Fund	36.6	46.1	62.4	81.4	101.5
Infrastructure Works Fund (Law No. 23,966)	21.9	28.9	39.8	49.1	62.1
Small Taxpayers' Simplified Scheme	32.2	37.3	35.4	47.8	58.0
F.E.D.E.I (Laws Nos. 23,966 and 24,699)	19.2	21.0	26.3	29.7	39.8
School transfers	26.9	26.0	27.2	27.8	28.6
Fund for the Offset of Fiscal Imbalances	26.4	26.4	26.4	26.4	26.4
Solidarity Plan Transfers	7.3	7.3	7.3	7.3	8.3
Other	20.3	12.6	13.8	13.0	13.9
Sub-total other federal tax transfers	**1,520.0**	**1,947.9**	**2,659.3**	**4,096.6**	**5,041.8**
Total federal tax transfers	**4,843.2**	**6,302.4**	**8,666.3**	**11,786.1**	**15,078.8**
Federal non-tax transfers					
Non-refundable federal transfers – ATN	418.2	2.7	1.6	5.8	6.5
Other non-refundable federal non-tax transfers	1,002.5	1,406.8	1,666.5	2,355.0	3,501.8
Total federal non-tax transfers	**1,420.8**	**1,409.5**	**1,668.1**	**2,360.8**	**3,508.3**
Total federal transfers	**6,263.9**	**7,711.9**	**10,334.4**	**14,146.9**	**18,587.1**

Source: The Province's General Accounting Office.

The following chart sets out a breakdown of the average participation of each federal source revenue for the period 2012 to 2016.

Average Composition of Federal Transfers (2012-2016)
(as a percentage of total federal transfers)



Source: The Province's General Accounting Office

Federal tax transfers

Federal Tax Co-Participation Regime

Under the federal constitution, both the federal and provincial governments are authorized to levy taxes. In 1935, the federal and provincial governments entered into a coordinated tax arrangement pursuant to which the Federal Government agreed to collect certain taxes on an exclusive basis and to distribute a portion of those tax revenues among the provinces. In exchange, the provincial governments agreed to limit the types of taxes they collected. This coordinated taxation regime has been extended and modified several times since its inception. Currently, the "shared" or "co-participated" taxes are income taxes, value-added taxes and several excise taxes levied on consumption and taxes on financial transactions.

The Federal Tax Co-Participation Law No. 23,548 and two agreements entered into between the federal and provincial governments in 1992 and 1993, currently govern the Federal Tax Co-Participation Regime. This scheme was reflected in the 1994 amendments to the federal constitution, which granted constitutional recognition to the Federal Tax Co-Participation Regime. The current allocation of taxing powers between the Federal Government and the provinces is as follows:

- federal and provincial governments are both authorized to levy taxes on consumption and impose other indirect taxes;
- the Federal Government may also levy direct taxes (such as income taxes) in exceptional cases;
- taxes collected by the Federal Government (except those collected for specific purposes) are to be shared between the federal and provincial governments;
- the Federal Government has the exclusive right to levy taxes on foreign trade, which are excluded from the Federal Tax Co-Participation Regime; and
- the provinces retain all taxing and other powers that are not expressly delegated to the Federal Government in the Federal Constitution.

Under the Federal Tax Co-Participation Regime, the Federal Government is currently required to transfer to a federal tax co-participation fund 64% of income tax revenues, 89% of value added tax revenues; 100% of revenues from the presumptive minimum income tax, 30% of banking debits and credits tax revenues and the revenues from excise tax and other minor taxes.

Of the annual tax revenue to be distributed to the provinces, 15% is deducted to be transferred to the federal pension system (such percentage will be amended pursuant to the agreement dated May 18, 2016 discussed below), and the remaining 85% is distributed as follows: 40.24% is transferred to the Federal Treasury; 1.0% is retained in a special reserve for emergency situations and financial constraints for the provinces (ATN); and the remaining 58.76% is allocated to the provinces and the City of Buenos Aires to be shared according to the secondary distribution percentages set forth in the Federal Tax Co-Participation Law, which was established following negotiations among the Federal Government and the provinces. Under this law, the Province is entitled to receive 2.95% of the funds allocated to the provinces as secondary distributions, subject to certain deductions or special allocations. Pursuant to Provincial Law No. 5,329, the Province is required to transfer a certain percentage of that amount to the municipalities to cover a portion of their expenditures (including personnel expenses). After transfers to the municipalities, the Province's use of the remaining Federal Tax Co-Participation Regime payments is discretionary. On average, the Province transfers to municipalities 8.0% of total funds received under the Federal Tax Co-Participation Regime.

In fiscal years 2012 through 2016 the Province received P$3,323.2 million, P$4,354.4 million, P$6,007.0 million, P$7,608.1 million and P$10,037.0 million, respectively, as payments under the Federal Tax Co-Participation Regime.

On several occasions, the provinces have requested the reimbursement of the 15% deduction from payments made under the Federal Tax Co-Participation Regime set forth pursuant to the "Agreement between the Federal Government and the Provincial Governments" dated August 12, 1992. In November 2015, the Supreme Court of Argentina ruled against the Federal Government in connection with cases brought by the Argentine provinces of Santa Fe and San Luis, whereby the 15% deduction from co-participation payments assessed on the provinces to fund the ANSeS was declared unconstitutional. This ruling was also applied to the province of Córdoba. The Court concluded that between 1992 and 2005, such deduction occurred with the agreement of said provinces. However, since 2006, such deduction was made by the Federal Government without the consent of the provinces. The rulings include an order to return to those provinces the co-participation payments deducted since 2006. The Court's decision also urges the enactment of a new revenue sharing regime. An additional ruling issued by the Supreme Court of Argentina in November 2015 granted to the provinces of Córdoba, Santa Fe, and San Luis an injunction suspending the 15% deduction of the shared taxes carried to fund the ANSeS from those provinces.

On May 18, 2016, the Federal Government, the Argentine provinces and the City of Buenos Aires entered into an agreement to reduce the current deduction of 15% of the resources of the Federal Tax Co-Participation Regime destined to social security obligations and other expenses in charge of ANSeS, as provided for in the Federal Agreement of August 1992. The agreement provides that starting in 2016 the current deduction of 15% will be prorated by 3% over the following calendar years, resulting in the following scheduled reductions: 12% in 2016, 9% in 2017, 6% in 2018, 3% in 2019 and 0% in 2020 and the following years. The Federal Government may apply up to 50% of the additional amounts that each year will correspond to the Provinces and the City of Buenos Aires to compensate credits in its favor with respect to the Provinces and the City of Buenos Aires. This agreement was ratified by the Federal Congress through Law No. 27,260 and by the Provincial Legislature through Provincial Law No. 10,433. The terms of the agreement are effective as from January 1, 2016.

The Federal Government agreed to transfer to the Province P$226.2 million corresponding to the increased transfers applicable for the months of January 2016 through July 2016, in five equal monthly installments starting in August 2016. In addition, the Federal Government agreed to increase the daily transfers of tax co-participation payments by 3% from August 1, 2016, which the Province has been receiving since that date.

The agreement also provides that the Federal Government will instruct the *Fondo de Garantía de Sustentabilidad* of ANSeS to grant to the Provinces and the City of Buenos Aires a loan to be secured by Federal Tax Co-Participation Regime payments and within the terms and conditions provided for therein. On August 2, 2016, the Province entered into such loan with *Fondo de Garantía de Sustentabilidad* of ANSeS and borrowed an aggregate principal amount of P$803 million. The loan bears interest at a rate of 15% per annum for 2016 and 2017, and 12% for 2018 and 2019 and is secured by Co-Participation Regime Payments. Interest payments are due yearly and the maturity date is August 24, 2020. In January 2017, the Province entered into another loan from the *Fondo de Garantía de Sustentabilidad* of ANSeS in an aggregate principal amount of P$535 million with substantially similar terms and conditions to those set forth in the 2016 loan described above.

In July 2016, the Province brought a legal action against the Federal Government seeking the reimbursement of the 15.0% deduction from payments made under the Federal Tax Co-Participation Regime set forth pursuant to the "Agreement between the Federal Government and the Provincial Governments" dated August 12, 1992. This action was filed with Argentina's Supreme Court of Justice to recover revenues under the Co-Participation Regime. The total amount claimed is approximately P$11,232.2 million (interest calculated at the borrowing rate), broken down as follows (the estimated amounts are based on the definition of the applicable interest rate and the statute of limitations and are subject to the judgment finally rendered in each of the actions):

- the claim for withholding of funds under the Federal Tax Co-Participation Regime attributable to ANSeS, for a total amount of P$6,062.9 million;
- the claim for withholding of funds under the Federal Tax Co-Participation Regime attributable to AFIP, for a total amount of P$1,398.0 million;
- the claim for withholding of funds under the Federal Tax Co-Participation Regime on account of "check tax," for a total amount of P$3,771.3 million.

The Province has used part of its revenues from federal tax transfers, including part of the Federal Tax Co-Participation Regime payments, as collateral for certain outstanding obligations, most of which are owed to the Federal Government. Under these security arrangements, the Federal Government is entitled to withhold a portion of the Province's federal tax transfers to cover principal and interest payments on the secured obligations.

Other federal tax transfers – Special Allocation Schemes

The Federal Government also distributes to the Province other tax revenues that are not included in the Federal Tax Co-Participation Regime described above, pursuant to specific statutes and special allocation schemes. The principal tax transfers include the following:

- *Conurbano Bonaerense Fund Excess Law No. 24,621.* The Federal Government is required to transfer fixed amounts out of income tax collected to the pension system, to the Aportes del Tesoro Nacional (ATN) fund and also to each of the provinces. The Federal Government must also transfer to the Conurbano Bonaerense Fund an annual amount equal to 10% of all net revenues transferred to the provinces (up to a maximum amount of P$650 million). Once that amount has been covered, the balance is distributed among the provinces. The Province received P$1,528.8 million from the Conurbano Bonaerense Fund Excess for the year ended December 31, 2016.
- *Educational Financing Law No. 26,075*. The Educational Financing Law was enacted to boost investments in education, science and technology, streamline the use of resources in order to provide equal learning opportunities, support policies aimed at enhancing teaching quality, and improve scientific-technological research, strengthening the strategic role of education, science and technology in Argentina's economic, social and cultural development. The Province received P$1,856.2 million from this fund for the year ended December 31, 2016.
- *Social Basic Infrastructure Fund Law No. 24,073.* Of the net transfers to the provinces, 4% is allocated to the Social Basic Infrastructure Fund, used for funding infrastructure projects in the Province. The Province received P$690.9 million from the Social Basic Infrastructure Fund for the year ended December 31, 2016.
- *Housing Fund (FONAVI).* The Federal Government is required to transfer 42% of revenues from the federal tax on fuels to the Fondo Nacional de la Vivienda (the National Housing Fund, or "FONAVI") in order to fund the construction of low-income housing throughout the country. Under current federal law, the Province is entitled to 4% of the funds transferred to FONAVI, which amounted to a total of P$319.8 million for the year ended December 31, 2016.
- *Funds Law No. 24,699.* This law was enacted pursuant to several fiscal agreements among the Federal Government and the provinces, and it establishes that a fixed amount of the income taxes collected by the Federal Government and a variable amount of the value-added tax, depending on the amounts collected by the

Federal Government, are to be distributed among the provinces. The Province received P$307.6 million from this fund for the year ended December 31, 2016.

- *Highway Fund.* The Federal Government is required to transfer 14% of revenues from the federal tax on fuels to the Fondo de Vialidad (the Highway Fund). The Highway Fund distributes these funds to the provinces on the basis of the road construction and maintenance expenditures of each province, as well as other factors such as population size and fuel consumption. The Province received P$101.5 million from this fund for the year ended December 31, 2016.

- *Infrastructure Works Fund Law No. 23,966.* This law established a tariff on petroleum and natural gas. The monies collected thereunder are to be distributed among the Federal Government, the provinces and a national housing fund. Of the funds distributed to the provinces 30% are to be used for infrastructure, electric and public works. The Province received P$62.1 million from this fund for the year ended December 31, 2016.

- *Small Taxpayers' Simplified Scheme Law No. 24,977.* This tax law was created in order to simplify payments from small taxpayers and the amounts collected by the Federal Government are to be distributed among ANSeS and the provinces. The Province received P$58.0 million from this fund for the year ended December 31, 2016.

- *F.E.D.E.I Laws Nos. 23,966 and 24,699.* These laws imposed additional new tariffs on petroleum and natural gas, and the amounts collected thereunder are to be distributed among the Federal Government and the provinces. Of the funds distributed to the provinces, 10.0% are to be transferred to the Fondo Especial de Desarrollo Eléctrico del Interior (Special Fund for the Development of the Electrical Infrastructure of the Interior), a special purpose fund for the development of electric infrastructure in low-income areas. The Province received P$39.8 million from this fund for the year ended December 31, 2016.

- *School Transfers.* Since 1992, the Federal Government has been required to transfer an annual sum to the Province as partial compensation for provincial expenditures incurred in the administration of the public schools within the provincial territory. The Province bears with its own funds the higher costs currently derived from the referred transfer. The Province received P$28.6 million from this fund for the year ended December 31, 2016.

- *Fund for the Offset of Fiscal Imbalances.* Under the fiscal agreements, the Federal Government was authorized to withhold a fixed monthly amount of all funds eligible for co-participation prior to their allocation to the provinces and to transfer such funds to the provinces under the Fondo Compensador de Desequilibrios Fiscales (Fund for the Offset of Fiscal Imbalances). The Province received P$26.4 million from this fund for the year ended December 31, 2016.

- *Social Security Plan Transfers.* These transfers arise from two federal programs, Programa Social Comunitario and Programa Social Nutricional, which are designed to supply the provinces with funding to provide adequate levels of nutrition to their disadvantaged populations. The Province received P$8.3 million from this fund for the year ended December 31, 2016.

- *Other*. The Province received P$13.9 million in other transfers related to other Federal Government programs for the year ended December 31, 2016.

Federal non-tax transfers

Other transfers from the Federal Government

In addition to the tax transfers received by the Province under the tax revenues-sharing schedule described above, the Province records other payments or transfers from the Federal Government. These are discretional transfers made by the Federal Government to the provinces under programs sponsored by the several departments. These transfers include, but are not limited to, *Fondo Nacional de Incentivo Docente* (Federal Teacher's Incentive Fund), *Plan de Seguridad Alimentaria* (Food Safety Plan), *Programa de Obras de Infraestructura* (Infrastructure Works Program), *Compensaciones de Educación* (Teachers' Offset Fund), *Programa Federal de Salud* (Federal Health Program), *Sistema Integrado de Transporte Automotor* (Integrated Transportation System). These revenues are accounted for as "Transfers" in the provincial budget, and further classified into "current transfers" or "capital transfers," based on their ultimate purpose.

- *Non-refundable federal transfers.* Since 1988, the Federal Government has provided discretionary transfers to the provinces, known as *Aportes del Tesoro Nacional* ("ATN"), to meet special or emergency needs or to finance certain expenditures of national interest. In 2015, the Province received a total of P$5.8 million of these transfers and P$6.5 million in 2016.
- *Other non-tax and non-refundable transfers from the Federal Government.* This includes transfers from the Federal Government through certain different national programs that are directed to various sectors such as education, health and social aid, to assist with current expenses such as the Federal Fund for Incentivizing Teaching Activities, the Federal Health Program, and the Food Safety Plan. The Province received P$2,355.0 million and P$3,501.8 million for these transfers in 2015 and 2016, respectively.

Provincial source revenues

Provincial source revenues include provincial tax revenues and provincial non-tax revenues. Provincial source revenues contributed P$2,619.4 million and accounted for approximately 14.2% of the Province's current revenues in 2016. Provincial source revenues were comprised mainly of gross revenues tax, real estate tax, and stamp tax. The Province's municipalities and municipal commissions are in charge of the assessment, collection and inspections in respect of the automobile tax set forth under local laws.

Provincial non-tax revenues mainly consist of charges for services rendered, accounting for 27.9% of total Provincial non-tax revenues in 2016, revenues from property, accounting for 20.9% of total Provincial non-tax revenues in 2016, and other Provincial non-tax revenues including mining fees, accounting for 51.2% of total Provincial non-tax revenues in 2016.

The table below shows the composition of provincial revenues for the periods indicated:

Composition of Provincial Revenues
(P$ million)

	For fiscal year ended December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Gross revenues tax	512.0	797.9	1,129.9	1,540.6	2,039.4
Stamp tax	79.1	98.7	146.6	234.3	356.2
Real estate tax	38.2	54.8	82.2	97.9	132.0
Sub total tax revenues	**629.3**	**951.4**	**1,358.7**	**1,872.8**	**2,527.6**
Non-tax revenues	109.2	134.5	171.6	223.7	555.4
Total	**738.5**	**1,085.9**	**1,530.2**	**2,096.5**	**3,083.7**

Source: The Province's General Accounting Office.

Provincial tax revenues

Historically, the largest source of the Province's revenues from provincial sources has been the collection of taxes. The Province currently collects the following main taxes:

Gross revenues tax. The gross revenues tax is the single most important source of provincial tax revenue, and in 2016 accounted for 77.9% of total provincial tax revenues. This tax is levied at a general tax rate of between 3.0% and 3.5% when the taxpayer's annual, taxable, non-taxable, and exempt income, accrued during the fiscal year immediately preceding the fiscal year under review and derived from the development of any activity within or outside the Province, exceeds P$50 million per year. The general tax rate is reduced to 1.6% and 1.8% when taxpayers are engaged in manufacturing food products and in developing or manufacturing other products, respectively, and have established their own production or industrial facilities in the Province. However, a wide range of rates have been established for different activities in order to boost certain sectors of the provincial economy, such as certain agricultural and industrial activities. In 2016, revenues from gross revenues tax were P$2,039.4 million. Between 2012 and 2016, provincial tax revenues derived from gross revenues taxes increased 298.0%, from P$512.0 million in 2012 to P$2,039.4 million in 2016, mainly due to the higher general tax rate applied since 2013, as well as inflation. In 2016, gross revenues tax revenues grew by 32.4% compared to 2015.

Real estate tax. The real estate tax is determined by applying a tax assessment on the appraised fiscal value of urban and rural real estate located in the Province, which consists of (i) a fixed tax amount ranging from P$165 to P$2,800 for urban properties and from P$200 to P$11,000 for rural and semi-rural properties and (ii) a variable amount ranging from 0.6% to 1.15% on the appraised value (a percentage of the market value) for urban properties. Both the applicable tax rate and the applicable tax base depend on a variety of factors, including the property's location (urban or rural), the property's condition (vacant, built, or improved). In addition, all real estate properties that are historical monuments or are owned by federal, provincial, or municipal governments, religious facilities, non-profit organizations, universities, public libraries, health care organizations, free social assistance, and firefighting services, among others, are exempt from the real estate tax. In 2016, revenues from the real estate tax totaled P$132.0 million, or 5.0% of the Province's tax revenues, which represented a 34.7% increase compared to 2015 primarily due to payment campaigns and collection efforts. Provincial revenues derived from real estate tax rose by 246.0% from P$38.2 million in 2012 to P$131.9 million in 2016. This increase was mainly attributable to an increase in the taxable base as adjusted for appraisal adjustments, identification of improvements and the increase in real estate tax minimum thresholds. The Province is conducting a process to adjust the valuation of property for tax purposes, which, once in place, is expected to result in a significant increase in revenues from this tax.

Stamp tax. The Province levies a stamp tax on certain agreements and transactions entered into or having effects within the Province and which are documented in private or public instruments. The tax rate to be levied on most legal documents, contracts and transactions is 1.0% of the value of the underlying agreement or transaction. The Province collected P$358.9 million in stamp taxes during the year ended December 31, 2016, or 13.7% of the Province's tax revenues. Compared to the previous year, revenues derived from this tax rose by 51.5% due to an increase in the tax rate from 0.8% in 2015 to 1.0% in 2016. Provincial revenues derived from stamp tax increased by 350.0% from P$79.7 million in 2012 to P$356.2 million in 2016. This increase was mainly attributable to an increased value of taxable transactions and an increase in minimum tax thresholds.

The Province's level of tax revenues during any given period depends on the level of tax collection, which, in turn, is hampered by tax evasion. The Province has programs in place to control tax evasion. These programs include, but are not limited to, audits, data cross-checks with other tax collection agencies (such as AFIP) and municipal cadastral authorities.

The Province has established several tax amnesty and incentive plans for the collection of overdue taxes under certain conditions, which, along with other efforts to strengthen tax enforcement, have provided significant additional funds to the Province in recent years. These programs provide attractive features to taxpayers, including discounts on the interest rate applicable to past-due tax obligations and flexible payment plans. The latest amnesty and incentive plan was launched by way of Provincial Law No. 5,948, with positive results, as a high percentage of taxpayers managed to settle their debts, with the ensuing increase in efficiency of tax debt recovery and management efforts. As a result of these efforts, the Province ranks first in the Federal Government's tax collection improvement ranking. As of June 30, 2016, overdue taxes had been settled for over P$184 million under these plans, mainly in connection with gross revenues tax and real estate tax.

During the years 2016 and 2017, the Province made certain amendments to the Provincial Tax Code No. 5,791 and its related tax laws and regulations. Some of the amendments to the tax code were made in order to bring the tax code into line with recent changes to the new civil code, including the inclusion of two concepts, "real estate value" and "reference rental value," for the purposes of assessing the stamp tax due on the transfer of real property and on lease agreements, adjusting them to market values. In addition, a gross revenues tax "Simplified Regime" for small taxpayers is now under consideration. A readjustment of the classification and amount of fines for breaches of formal duties has also been implemented. Furthermore, changes were introduced to the calculation basis of the tax on sales of new cars by authorized dealers, as the difference between the sale and the purchase price, at a 10.0% tax rate, and then, at a 15.0% tax rate in 2017, following the guidelines established by other provinces in connection with applicable court orders. With regard to changes to tax laws in 2016 and 2017, fiscal valuations were also increased for real estate tax purposes. With respect to the gross revenues tax, new and increased monthly thresholds were established for activities with historically high rates of tax avoidance, such as restaurants, discos, parking garages, and motels.

Provincial non-tax revenues

The Province derives non-tax revenues from a variety of sources, including but not limited to:

Charges for services rendered: In 2016, the Province derived P$154.7 million in revenues from charges for services rendered. The following is a breakdown of the majority of these revenues:

- P$91.7 million in hospital services recovered from *Instituto de Seguros de Jujuy* (Jujuy Institute of Insurance);
- P$46.6 million in additional services rendered by the Province;
- P$10.9 million in hospital services recovered from the retirees' health insurance.

Revenues from Property: This item consists of interest income on the Province's financial investments, and totaled P$116.3 million in 2016. In each year from 2012 through 2015, revenues from property totaled P$1.0 million or less, with the significant increase in 2016 as a result of increased interest income from certain financial investments.

Other: This item mainly consists of the following revenues:

- *Mining Fees:* In 2016, the Province recorded P$65.7 million in mining fees, with P$11.2 million of that total being attributable to the commencement of lithium exploitation. In 2015, the Province had P$27.0 million in revenues from mining fees, mainly due to a rise in the number of requests for for exploration permits and the results of increased mining exploitation.
- *Fondo Provincial de Salud* (Provincial Health Fund): P$35.6 million.
- *Fondo Provincial de Vialidad* (Provincial Highway Fund): P$33.6 million.
- *Fondo Especial de Seguridad Vial* (Special Safety Fund at Highways): P$14.1 million, including fines charged by the provincial police.
- *Fees and duties charged by the Department of Transport*: P$13.9 million, including but not limited to fees for the use of terminals, the rental of stores at terminals, etc.

Revenues from Gambling Activities: In 2016, the Province derived revenues from gambling activities in the amount of P$431.4 million, compared to P$325.8 million in 2015, an increase of 32.4% from 2015 to 2016. Gambling related revenues have increased by 54.5% from 2013 to 2016. The increase has mainly been attributable to Argentina's inflationary environment and to the opening of new gaming facilities. These revenues are held and applied by *Banco de Desarrollo de Jujuy*, in its capacity as regulatory authority, and are not transferred to the Province's Treasury.

Capital revenues

The Province mainly derives capital revenues from transfers of funds and loan repayments. In 2016, the Province received an estimated P$1,226.6 million in capital revenues. These revenues are mostly derived from federal transfers.

Federal Transfers

The majority of such revenues is derived from the *Fondo Federal Solidario* (the "Federal Solidarity Fund"), which was created by the Federal Government through Decree No. 206/09 to finance works contributing to the improvement of health, educational, hospital, housing and highway infrastructure in provinces and municipalities. The funds comprising the Federal Solidarity Fund cannot be used to finance current expenditures. The Federal Solidarity Fund is funded by 30.0% of the revenues generated from taxes collected by the Federal Government in connection with the export of soybeans. Its proceeds, pursuant to the percentages set forth in the Federal Tax Co-Participation Law, are used for infrastructure expenditures in provinces and municipalities that participate in the program. The Province adhered to this fund through the approval of Decree-Agreement No. 2,861 – H 2009. The revenues from the Federal Solidarity Fund in the fiscal year ended December 31, 2016 amounted to P$562.8 million. The remainder of federal transfers come from non-reimbursable transfers for capital expenditures, primarily for Federal Government public works, and other transfers from certain decentralized institutions.

Revenues from federal transfers (including transfers from the Federal Solidarity Fund) amounted to P$1,174.4 million during the year ended December 31, 2016, compared to P$1,618.9 million during 2015, accounting for a 93.1% increase from 2012 to 2016 and a 27.5% decline from 2015 to 2016.

Other capital revenues

Other capital revenues mainly include the Province's own capital resources. Other capital revenues amounted to P$52.3 million in 2016 compared to P$62.7 million in 2015, registering an increase of 39.6% from 2012 to 2016 and a decline of 16.6% from 2015 to 2016.

Composition of expenditures

The Province provides a number of public services, primarily related to education, health, safety, justice, investments in public infrastructure and services, and provincial administration in general. The Province's expenditures are classified as either current expenditures or capital expenditures, which accounted for 92.4% and 7.6% of the Province's total expenditures, respectively. The Province's total expenditures in 2016 amounted to P$26,140.3 million, representing an increase of 29.7% compared to P$20,156.7 million in 2015. Personnel expenditures accounted for 59.2% of the Province's total expenditures in 2016. Current expenditures also include transfers to municipalities and represented 28.0% in 2016 of total expenditures, as well as transfers to other governmental bodies and expenditures related to other activities of the executive, legislative and judicial branches, fiscal and public administration costs. In addition, current expenditures include interest on debt. Capital expenditures include real direct investment, transfers to municipalities for public works and loans.

The following chart shows the composition of the Province's expenditures for the periods indicated:

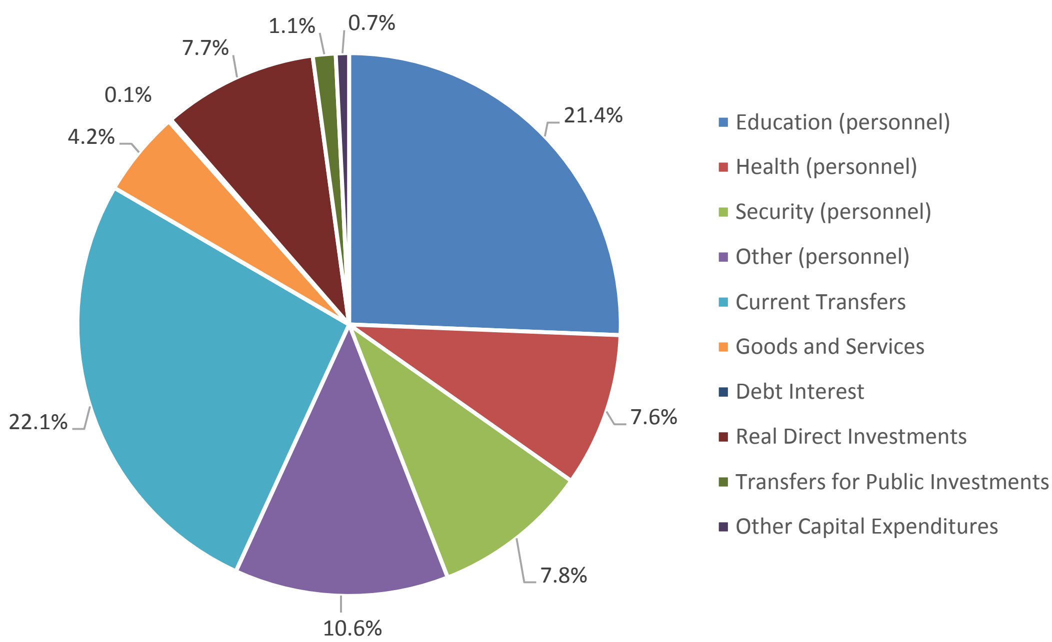
Total Expenditures
(in millions of pesos)

	For the year ended December 31,									
	2012		2013		2014		2015		2016	
	P$	%(1)	P$	%(1)	P$	%(1)	P$	%(1)	P$	%(1)
Current Expenditures										
Personnel	4,435.3	56.3	5,921.7	54.4	8,399.3	56.8	11,601.9	57.6	15,462.2	59.2
Education	2,130.1	27.1	2,756.8	25.3	3,686.7	24.9	5,188.8	25.7	6,553.0	25.1
Health	689.0	8.7	938.8	8.6	1,347.7	9.1	1,913.9	9.5	2,548.4	9.7
Security	736.6	9.4	989.5	9.1	1,429.4	9.7	1,762.5	8.7	2,547.8	9.7
Other	879.6	11.2	1,236.6	11.4	1,935.5	13.1	2,736.7	13.6	3,813.0	14.6
Current Transfers	2,120.4	26.9	2,966.0	27.2	3,751.5	25.4	5,097.5	25.3	7,311.2	28.0
Goods and Services	405.2	5.1	540.4	5.0	735.1	5.0	1,003.8	5.0	1,366.4	5.2
Debt Interest	12.7	0.2	49.9	0.5	6.3	0.0	18.6	0.1	7.7	0.0
Total Current Expenditures	**6,973.6**	**88.6**	**9,478.0**	**87.0**	**12,892.2**	**87.2**	**17,721.8**	**87.9**	**24,147.5**	**92.4**
Capital Expenditures										
Real direct investments	717.8	9.1	1,165.8	10.7	1,480.9	10.0	2,086.2	10.3	1,580.3	6.0
Transfers for Public Investments	108.6	1.4	154.0	1.4	305.0	2.1	214.6	1.1	226.3	0.9
Other	74.6	0.9	97.0	0.9	102.3	0.7	134.1	0.7	186.3	0.7
Total Capital Expenditures	**900.9**	**11.4**	**1,416.9**	**13.0**	**1,888.2**	**12.8**	**2,434.9**	**12.1**	**1,992.9**	**7.6**
Total Expenditures	**7,874.5**	**100.0**	**10,894.8**	**100.0**	**14,780.3**	**100.0**	**20,156.7**	**100.0**	**26,140.3**	**100.0**

Source: The Province's General Accounting Office.

The following chart sets forth the Province's expenditures on average by category of current and capital expenditure for the years 2012 to 2016.

Average Composition of Expenditures (2012-2016)
(as a percentage of total expenditures)



Source: The Province's General Accounting Office.

Current expenditures

Current expenditures include the cost of personnel, goods and services, debt interest and current transfers. Among the current transfers included are the transfers made to municipalities in accordance with the provincial tax co-participation regime and to the private and public sector. The main factors that affect current expenditures are: negotiations with labor unions, which result in increases in personnel expenditures; an increase in the unemployment rate, which results in increases in the provincial government's expenditures on social programs; and natural disasters and other similar events, which result in increases in expenditures related to providing basic services to the areas affected by such events.

Personnel

Personnel expenditures, which consist mainly of wages, contributions, family allowances and other benefits paid to employees of the public administration of the Province, make up a significant component of the Province's total expenditures and accounted for 59.2% of the Province's total expenditures in 2016 and 64.0% of current expenditures.

The table below shows the number of the Province's employees, by sector, for the periods indicated:

Provincial Employees (2012-2016)
(number of employees)

	As of December 31,									
	2012	**%(1)**	**2013**	**%(1)**	**2014**	**%(1)**	**2015**	**%(1)**	**2016**	**%(1)**
Education	26,966	47.6	27,489	46.1	27,910	45.3	29,783	45.9	27,609	43.1
Security	7,657	13.5	7,957	13.4	8,331	13.5	8,203	12.6	8,567	13.4
Health and Social Aid	18,370	32.4	20,326	34.1	21,453	34.8	22,712	35.0	23,135	36.2
Judicial System	1,202	2.1	1,230	2.1	1,254	2.0	1,297	2.0	1,564	2.4
Other	2,511	4.4	2,600	4.4	2,687	4.4	2,924	4.5	3,117	4.9
Total	**56,706**	**100.0**	**59,602**	**100.0**	**61,635**	**100.0**	**64,919**	**100.0**	**63,992**	**100.0**

Note:
(1) As a percentage of total employees.
Source: The Province's Ministry of Treasury and Finance.

Since 2011, the Province has been adjusting its number of employees to a level sufficient for the Province to meet the demands for services stemming mainly from an increasing population and the expansion of the Province's economy. The total number of provincial employees rose by 0.1% in 2012, 5.1% in 2013, 3.4% in 2014, and 5.3% in 2015 and fell by 1.4% in 2016. These overall increases in personnel were partly due to the creation of positions to deal with the increase in the demand for public services and in part due to improvements in the methodology for the compilation of the information related to public employees of the Province which has been undertaken by the Province in recent years and has allowed databases to reflect the actual number of employees. The decrease in 2016 was mainly a result of the retirement of several agents.

When it comes to the creation of positions, the Province registered increases in the number of law enforcement agents and in the number of employees engaged in health and education services, with the decline in 2016 being attributable to the retirement of several agents. The Province has also increased the employee headcount in the judiciary and the Office of the General Attorney, in response to increases in the number of courts and cases so that the Province is able to have members of the Judiciary in all of the Province's cities. In order to control the increase in personnel expenses, the Province's new administration has launched an expense reduction program that includes, among other measures, (i) restricting the recruitment of additional employees in the Province's public administration, (ii) implementing a system to control absenteeism and the appointment of substitute workers for public employees, (iii) a new payroll processing monitoring scheme and (iv) controls over agent's retirements in due time and form.

The Province negotiates the salary policy, which consists of salary increases and other employment conditions annually, at the beginning of each year, with unions representing public employees. Salary negotiations start in February-March, through meetings known as "*paritarias.*" Typically these negotiations have run on an annual basis. However, in 2016 and 2017 negotiations were reopened again in the middle of the year. The salaries paid by the Province to its employees increased by 32.3% in 2016. These increases reflect mainly cost-of-living adjustments for the Province's employees in an environment of growing inflation. In March 2017, the Province negotiated cost-of-living salary adjustments with the largest employees' union and agreed to a 10.0% salary increase. As a bargaining strategy with the Provincial Government, trade unions have undertaken direct actions, including strikes, with "*paritarias*" scheduled to be reopened by the end of July-October 2017. An additional 10% increase in salaries is expected to be agreed upon during the second half of the year, totaling a cumulative 20% rise over the year.

As of March 31, 2017, a substantial proportion of the Province's employees were represented by one of the following unions:

- *Sindicato de Empleados y Obreros Municipales* (Municipal Employees and Workers Union);
- *Unión Del Personal Civil De La Nación* (National Civil Personnel Union);
- *Asociación de Profesionales Universitarios de la Administración Pública* (Association of Public Administration University Graduates);
- *Asociación de Trabajadores de la Sanidad* (Association of Health Workers);

- *Confederación de Trabajadores de la Educación de la República Argentina* (Confederation of Argentina's Education Workers); and
- *Asociación Trabajadores del Estado* (State Employees Association).

Current Transfers

Current transfers include current expenditures derived from transactions that do not involve the provision of goods or the rendering of services. Such expenditures are not refunded by the recipients thereof. Some of the most significant items include transfers to the public sector under the tax-sharing scheme to municipalities and transfers with the private sector.

Current transfers to the public sector amounted to P$1,316.0 million in 2012, P$1,668.1 million in 2013, P$2,260.9 million in 2014, P$2,838.3 million in 2015, and P$4,327.3 million in 2016. During the 2012-2016 period, current transfers increased by 228.8%, mostly as a result of a widespread rise in the cost of living.

Current transfers to municipalities amounted to P$870.7 million in 2012, P$1,130.4 million in 2013, P$1,569.0 million in 2014, P$2,077.3 million in 2015 and P$2,788.6 million in 2016. Average annual growth of this item during the 2015-2016 period was 106.1% and was mainly attributable to an increase in collected taxes. Current transfers to municipalities represented 11.4% of the Province's total current expenditures in 2016.

Current transfers to the private sector amounted to P$804.4 million in 2012, P$1,298.1 million in 2013, P$1,491.5 million in 2014, P$2,259.1 million in 2015 and P$2.9 million in 2016. During the period 2015-2016, current transfers to the private sector increased by 31.1%, mostly as a consequence of a widespread increase in prices. Current transfers to the private and public sectors accounted for 100.0% of the Province's total current expenditures in 2016.

Goods and services

The Province purchases a wide variety of goods and services from the private sector in connection with education, health, security, and other public services and the administration and general maintenance of the provincial government. Goods and services accounted for P$1,366.4 million or 5.7% of the Province's total current expenditures in 2016. The provincial government's expenditures on goods and services grew by 237.2% from 2012 to 2016. This increase was mostly attributable to the upward trend in general price levels and to the need for the Province to deliver more and better goods and services to the population. The main components are consumables such as medicines and medical supplies, fuel, food, automotive parts, and office and educational stationery and services such as technical and professional services, real estate rents, utilities and insurance premiums.

Debt Interest

This category includes interest payable with respect to the Province's commercial and financial indebtedness. Interest in 2016 accounted for P$7.7 million or less than 0.1% of the Province's total current expenditures that year. The provincial government's expenditures on debt interest fell by 39.3% from 2012 to 2016, coupled with increased levels of debt.

Capital expenditures

Capital expenditures include real direct investment and transfers for public investment. The main factors that affect these items are the development of the federal and provincial economies, which, through their impact on transfers by the Federal Government to the provincial government mainly pursuant to the Federal Tax Co-Participation Regime and also on provincial tax revenues, affect the Province's ability to fund public works and make transfers to departments and municipalities for the same purpose.

Real direct investments

Real direct capital investments have historically constituted an important component of total real direct capital expenditures. Most capital investments reflect the funding of public works, such as works related to highways and roads, housing and urban development, educational buildings, energy, drinkable water and other services. Other capital investments, which account for a smaller portion of such expenditures, include the purchase of new capital goods, such as hospital equipment, automobiles and computers. Real direct investment accounted for P$1,580.2 million or 6.0% of the Province's total expenditures in 2016. The provincial government's expenditures on real direct investment grew by

120.1% from 2012 to 2016, mainly as a consequence of the inflationary environment that prevailed in Argentina during the period.

Transfers for Public Investments

Transfers for public investments include capital expenditures relating to transactions with no valuable consideration from recipients. Such transfers mainly consist of contributions made by the provincial government to municipalities and state-owned companies or privately held companies that make investments in public works or other fixed assets. Transfers for public investments accounted for P$226.3 million or 0.8% of the Province's total expenditures in 2016. The provincial government's expenditures on transfers for public investments increased by 108.5% from 2012 to 2016, mainly as a consequence of the impact of a widespread increase in prices.

Other capital expenditures

Other capital expenditures are mainly comprised of financial investment expenditures. Financial investment expenditures include investment by the Province in the form of equity contribution. The financial investment expenditures are made with the purpose of financing the provincial housing plans through the *Instituto Autárquico de Planeamiento y Vivienda* (Autonomous Housing and Planning Institute). Other capital expenditures accounted for P$186.3 million or 0.7% of the Province's total expenditures in 2016. The provincial government other capital expenditures increased by 149.8% from 2012 to 2016, mainly as a consequence of the larger number of highway and road works in recent years.

BUDGET

Overview of the provincial budget process

Pursuant to Section 26 of the Provincial Financial Management Law, each year the executive branch is required to submit a draft budget law for the following year to the Provincial Legislature by October 15. The annual budget represents an estimate of future revenues of the Province based on projections and estimates regarding the level of Argentina's and the Province's economic activity, revenues, expenditures and inflation. The budget also constitutes an authorization of, and a limit on, expenditures and indebtedness that may be incurred by the Province during the relevant period. The Provincial Legislature has broad powers to amend or reject the draft budget law submitted by the executive branch. If the budget for a certain year is not approved, the budget for the previous year will apply, according to the procedure set forth in the Provincial Constitution and in the Provincial Financial Management Law.

Fiscal Responsibility Law

On September 2, 2004, Provincial Law No. 5,427 was passed. Through this law, the Province adhered to the Federal Fiscal Responsibility Law No. 25,917. This federal law sets forth general rules of fiscal behavior and transparency for the provinces that adhere to it, which include:

- the nominal growth rate of primary public expenditures may not exceed the nominal growth rate of GDP;
- proceeds from the sale of fixed assets and indebtedness will not be available to finance current expenditures or to generate automatic increases for ensuing years;
- greater expenditures shall only be authorized in case of increased collections; and
- the Federal Government, provincial governments and the City of Buenos Aires shall prepare their budgets preserving the financial balance (i.e., after the incurrence of debt).

Notwithstanding the foregoing, the Argentine congress passed Federal Law No. 26,530 in November 2009, which provided that during 2009 and 2010 (and 2011 pursuant to Federal Decree No. 2,054/2010):

- all expenses made to encourage economic activities, maintain employment levels and provide for health emergencies and social assistance will not be taken into account in the calculation of the public expenditure threshold or the determination of the overall financial result; and
- limitations on the debt service/current revenues ratio (net of transfers to municipalities) and limitations on use of proceeds applicable to new loans to fund current expenses will not apply.

Pursuant to Section 21 of the Federal Fiscal Responsibility Law, principal and interest payments of public indebtedness may not be higher than 15% of the Province's current revenues, net of transfers to municipalities. However, Federal Law No. 26,530 and Federal Decree No. 2054/2010 suspended this 15% limit for 2009, 2010 and 2011.

Similarly, limitations on budget amendments as a result of increases in current expenses, capital decreases, financial expenditure increases or possible accruals for new financial expenditures did not apply during 2009, 2010 and 2011 in light of Federal Law No. 26,530 and federal Decree No. 2054/2010. In addition, national budget laws for 2012, 2013, 2014, 2015 and 2016 extended the abovementioned suspensions to each of such years. In turn, the 2017 federal budget introduced new rules for assessing public expenditures during the current year.

As of the date of this offering memorandum, the Province was in material compliance with the Federal Fiscal Responsibility Law. The Province's primary current expenditures for the year ended December 31, 2016 represented an increase of 33.3% compared to 2015. This increase was mainly a result of growth in personnel expenditures due to salary adjustments in order to reflect the cost-of-living increase, and increased overall costs for the Province as a consequence of rising inflation in Argentina. Moreover, Section 19 of the Federal Fiscal Responsibility Law requires that the Province's budget be balanced. The financial results (i.e. after the raising of indebtedness) for the year 2016 fulfill this requirement as well.

2017 Budget

The draft 2017 Budget law was submitted to the Provincial Legislature on December 22, 2016 and enacted through Provincial Law No. 6,001. The 2017 Budget provides for an estimated P$33,035.1 million of total revenues and

P$34,064.5 million of total expenditures, resulting in an estimated P$1,029.4 million deficit in its overall balance, compared to an estimated P$3,243.7 million deficit in the overall balance for 2016. The 2017 Budget includes P$35.4 million of interest payments and P$134.6 million of debt repayment.

The following table sets forth the actual results for 2016, budgeted amounts for 2017, and the percentage variation between them.

2016 Fiscal Results vs. 2017 Budget
(in millions of pesos)

	Fiscal year ended/ending December 31,		
	2016	2017	
Current account	**(Actual Full Year)**	**Budget[1]**	**Variation (%)**
Current revenues			
Federal tax transfers	15,078.8	19,529.2	29.5
Federal non-tax transfers	3,508.3	4,204.1	19.8
Subtotal federal source revenues	**18,587.1**	**23,733.3**	**27.7**
Provincial tax revenues	2,527.6	3,561.8	40.9
Provincial non-tax revenues	555.4	543.0	(2.2)
Subtotal provincial source revenues	**3,083.7**	**4,104.8**	**33.1**
Total Current revenues	**21,670.8**	**27,838.1**	**28.5**
Current expenditures			
Personnel	15,462.2	20,439.2	32.2
Goods and services	1,366.4	1,529.8	12.0
Current transfers	7,311.2	8,420.9	15.2
Debt Interest	7.7	610.8	7,832.5
Total Current expenditures	**24,147.5**	**31,000.7**	**28.4**
Operating balance	**(2,476.7)**	**(3,162.6)**	**27.7**
Capital account			
Capital Revenues			
Federal transfers (including *Fondo Federal Solidario*)	1,174.4	4,305.7	266.6
Other capital revenues	52.2	888.3	1,601.7
Total capital revenues	**1,226.6**	**5,194.3**	**323.5**
Capital expenditures			
Real direct investment	1,580.3	5,504.0	248.3
Transfers for public investment	226.3	474.4	109.6
Other	186.3	182.3	(2.1)
Total capital expenditures	**1,992.8**	**6,160.8**	**209.2**
Total capital account	**(766.2)**	**(966.5)**	**26.1**
Total revenues	22,897.4	33,032.4	44.3
Total expenditures	26,140.3	37,161.5	42.2
Overall balance	**(3,242.9)**	**(4,129.1)**	**27.3**

Note:
(1) Includes adjustments for certain expenses, such as increases in salaries agreed upon during salary negotiations ("*paritarias*").
Source: The Province's General Accounting Office

Assumptions

In drafting the 2017 Budget, the Province assumed that (i) the exchange rate between the Argentine peso and the U.S. dollar would be P$17.9 to US$1.00, (ii) Argentina's real GDP would grow by an annual 3.5%, (iii) annual inflation would be 17.0%, (iv) variation in federal tax transfers would be 32.1%, and (v) variation in provincial tax revenues would be 25.0%. In calculating estimates, the 2017 Budget was adjusted for the expected reference wages and improvements in provincial tax revenues.

2017 Budget as Compared to Fiscal Results of 2016

The following table shows the 2017 Budget, as compared to 2016 fiscal results as a percentage of total revenues and expenditures.

2017 Budget
(as a percentage of total revenues and expenditures)

	Fiscal year ended/ending December 31,		
	2016	2017	
Current account	**(Actual Full Year)**	**Budget[1]**	**Variation %**
Current revenues			
Federal tax transfers	65.9	59.1	(10.3)%
Federal non-tax transfers	15.3	12.7	(17.0)%
Subtotal federal source revenues	**81.2**	**71.8**	**(11.6)%**
Provincial tax revenues	11.0	10.8	(1.8)%
Provincial non-tax revenues	2.4	1.6	(33.3)%
Subtotal provincial source revenues	**13.5**	**12.4**	**(8.2)%**
Total Current revenues	**94.6**	**84.3**	**(10.9)%**
Current expenditures			
Personnel	41.6	78.2	88.0%
Goods and services	3.7	5.9	59.5%
Current transfers	19.7	32.2	63.5%
Debt Interest	-	2.3	-
Total Current expenditures	**65.0**	**118.6**	**82.5%**
Capital account			
Capital Revenues			
Federal transfers (including *Fondo Federal Solidario*)	5.1	13.0	154.9%
Other capital revenues	0.2	2.7	1,250.0%
Total capital revenues	**5.4**	**15.7**	**190.7%**
Capital expenditures			
Real direct investment	4.3	21.1	390.7%
Transfers for public investment	0.6	1.8	200.0%
Other	0.5	0.7	40.0%
Total capital expenditures	**5.4**	**23.6**	**337.0%**
Total revenues	**100.0**	**100.0**	**0.0%**
Total expenditures	**100.0**	**100.0**	**0.0%**

Note:
(1) Includes adjustments for certain expenses, such as increases in salaries agreed upon during salary negotiations ("*paritarias*").
Source: The Province's General Accounting Office.

Total revenues

For 2017, total revenues were budgeted in the amount of P$33,032.6 million, which, compared to total revenues of P$22,897.4 million for 2016, represents a 44.3% increase. This change is primarily attributable to the following assumptions:

- an estimated increase in federal tax transfers of 30%, in line with Federal Government projections;
- the provincial tax collections for 2017 being budgeted in the amount of P$3,561.8 million, representing a 41% increase compared to the actual provincial tax collections for 2016, reflecting the expected growth of the

provincial economy during 2017 and widespread price increases as a consequence of rising inflation and significant improvements in tax controls;

- capital revenues include the proceeds from asset sales, receipt of capital transfers, transfers from the Federal Solidarity Fund and loan repayments, in the amount of P$5,194.3 million, compared to the P$1,226.6 million collected in 2016, representing an increase of 323.5%. This increase is mainly the result of budgeted increases in funds to be transferred by the Federal Government, which are introduced in the budget based on separate agreements currently being negotiated with the Federal Government.

- Total expenditures. The total expenditures budgeted for 2017 amount to P$37,161.5 million, a 30% increase compared to the P$26,140.4 million spent in 2016. This increase is mainly attributable to the following assumptions:

- a 32.2% increase in personnel expenditures from P$15,462.2 million actually spent in 2016 to P$20,439.2 million budgeted for 2017. For the year 2017, personnel expenditures include salary increases negotiated with provincial labor unions in 2016 up to the date on which the draft budget law was submitted for consideration by the legislature, which reflects cost-of-living adjustments and the reference increase in wages for 2017;

- a 12.0% increase in consumer goods and services expenditures, based on actual expenditures of P$1,366.4 million for 2016 and a budgeted amount of P$1,529.8 million for 2017 reflecting generalized price increases as a consequence of rising inflation;

- a 15.2% increase in current transfers, based on actual expenditures of P$7,311.2 million for 2016 and a budgeted amount of P$8,420.9 million for 2017, attributable to tax payments to municipalities under the Federal Tax Co-Participation Regime, following the rise in estimated federal and provincial tax revenues;

- capital expenditures comprised of real direct investment, fixed assets and other capital expenditures of P$6,160.8 million, representing a 209.2% increase compared to P$1,992.9 million spent in 2016.

Overall balance

The budgeted deficit for fiscal year 2017 is P$4,129.1, which would account for a 27.0% increase in the deficit in nominal terms, vis-à-vis the previous year. The sustainability plan prepared by the Province jointly with Argentina's Ministry of the Interior, Public Works, and Housing provides for an increase in revenues in excess of expenditures for the next five years, and the Province is expected to attain a fiscal balance in 2020. This trend may start to be exhibited in 2017 projections, according to which total revenues would increase by 44%, vis-à-vis a 42% rise in expenditures. As far as controls over expenditures are concerned, the Province is working jointly with ANSeS to monitor personnel expenditures, particularly, a retirement plan for agents who have reached the retirement age.

June 30, 2017 Fiscal Results as Compared to June 30, 2016 Fiscal Results

The following table shows the June 30, 2017 fiscal results as compared to the June 30, 2016 fiscal results.

June 30, 2017 Fiscal Results as Compared to June 30, 2016 Fiscal Results

	Fiscal year ended/ending June 30,		
	2016 (Actual Full Year)	2017 Budget(1)	Variation %
Current account			
Current revenues			
Federal tax transfers	4,510.0	6,586.8	46.0%
Other Federal tax transfers	2,477.5	2,957.5	19.4%
Federal non-tax transfers	1,433.2	2,261.6	57.8%
Subtotal federal source revenues	**8,420.8**	**11,805.9**	**40.2%**
Provincial tax revenues	1,123.5	1,697.1	51.1%
Provincial non-tax revenues	165.4	271.3	64.0%
Subtotal provincial source revenues	**1,288.9**	**1,968.4**	**52.7%**
Total Current revenues	**9,709.6**	**13,774.3**	**41.9%**
Current expenditures			

Personnel	7,021.5	8,927.8	27.1%
Goods and services	451.8	529.6	17.2%
Current transfers	2,868.9	3,857.9	34.5%
Debt Interest	2.2	520.4	23,554.5%
Total Current expenditures	**10,344.3**	**13,835.7**	**33.8%**
Operating Balance	**(634.7)**	**(61.4)**	**(90.3)%**
Capital account			
Capital Revenues			
Federal transfers (including *Fondo Federal Solidario*)	526.1	784.1	49.0%
Other capital revenues	23.9	41.9	75.3%
Total capital revenues	**550.0**	**826.0**	**50.2%**
Capital expenditures			
Real direct investment	167.0	949.5	468.6%
Transfers for public investment	98.1	103.6	5.6%
Other	81.5	117.8	44.5%
Total capital account	**346.6**	**1,171.0**	**237.9%**
Total capital expenditures	**203.4**	**(344.9)**	**(269.6)%**
Total revenues	10,259.6	14,600.3	42.3%
Total expenditures	10,690.9	15,006.6	40.4%
Overall Balance	**(431.3)**	**(406.3)**	**(5.8)%**

Note:
(1) Adjusted for certain expenses, such as increases in salaries agreed upon during salary negotiations ("*paritarias*").
Source: The Province's General Accounting Office.

Fiscal results for the year ended June 30, 2017 are preliminary. As certain fiscal results exhibit seasonality during the course of each year, the Province's General Accounting Office opts not to compare interim fiscal results proportionally to the aggregate annual budget. Set forth below is a description of the Province's fiscal results for fiscal year ended June 30, 2017 compared to the same period the previous year.

Total revenues. Total revenues as of June 30, 2017 totaled P$14,600.3 million, increasing 42.3% from the P$10,259.6 million received during the same period in 2016. This increase is primarily attributable to the following:

- an estimated increase in Federal Tax Co-Participation Regime transfers and other federal tax transfers of 46.0% and 19.4%, respectively. Federal non-tax transfers increased by 57.8%.
- an increase in provincial tax revenues and provincial non-tax revenues of 54.9% and 106.5%, respectively.

Total expenditures. Total expenditures as of June 30, 2017 totaled P$15,006.6 million, increasing 40.4% from P$10,690.9 million in total expenditures during the same period in 2016. This increase was mainly attributable to an increase in resources used by the Province.

Overall balance. The Province recorded a P$406.3 million deficit in its overall balance during the six-month period ended June 30, 2017, and a P$431.3 million deficit for the same period in 2016. The reduction in the overall balance deficit is mainly attributable to increased current revenues, which grew at a faster pace than expenditures for this period.

PUBLIC SECTOR DEBT

General

The Province primarily resorts to financing agreements to satisfy its financial needs, either directly or through the Federal Government. As of December 31, 2016, the Province's total indebtedness amounted to P$12,470.8 million (equivalent to US$774.6 million, at the exchange rate of US$1.00 = P$16.10), representing 59.7% of the Province's estimated total revenues in 2016.

As of December 31, 2016, the Federal Government held 99.4% of the Province's total indebtedness and the remaining 0.6% was held by other creditors. As of December 31, 2016, 99.3% of the Province's total indebtedness was denominated in pesos, and the remaining 0.7% was denominated in U.S. dollars.

Background and History

Prior to the 2001 economic and institutional crisis that took its toll on Argentina as a whole and, specifically, on the provinces, the Province's need for financing was mainly satisfied through borrowings from financial entities, financial assistance agreements with the *Fondo Fiduciario para el Desarrollo Provincial* (the Provincial Development Trust Fund), and the issuance of quasi-currencies (LECOP).

Subsequently, the exit from the currency board, the execution of an Agreement between the Federal Government and the provincial governments governing their financial relationship and laying the groundwork for the Federal Tax Co-Participation Regime, as endorsed by Law No. 25,570, paved the way for the so-called provincial debt swap for secured bonds (BOGAR) issued by the Provincial Development Trust Fund, and the ensuing restructuring of public debt.

Also during that period, the Federal Government provisionally honored payments due under the Province's foreign-currency denominated loans, with national programs funded by the IDB and the IBRD.

The Federal Government therefore became, and currently is, the Province's main creditor under several agreements executed within the framework of the PAF.

With the enactment of Federal Fiscal Responsibility Law No. 25,917, the Federal Government set goals in connection with expenditure growth, fiscal results and indebtedness levels, and also provided for a tax amnesty scheme which led to an improvement in debt profiles and also to a gradual decline in the fiscal deficit.

In 2010, the Province entered into an agreement with the Federal Government for the refinancing of its indebtedness with the Federal Government under the Federal Refinancing Program. The outstanding loan under this program accrues interest at 6.0% per annum and is payable in 19 years.

Since 2010 and up to and including 2016, seasonal cash imbalances have been directly funded by the Federal Government through financial assistance agreements.

During the 2010-2015 period, certain other borrowings were restructured under the Federal Refinancing Program, at a nominal interest rate of 6.0% per annum in all cases.

Over the last eight years, the Province also borrowed money for public works, production projects, and vehicle acquisition for security forces, including loans borrowed from the Federal Trust Fund for Regional Infrastructure (*Fondo Fiduciario Federal de Infraestructura Regional*), the Provincial Agricultural Services Program (*Programa de Servicios Agrícolas Provinciales* or "PROSAP"), and the Federal Program for the Operational Strengthening of Security Forces and Healthcare (*Programa Federal de Fortalecimiento Operativo de las Áreas de Seguridad y Salud* or "PROFEDESS").

In December 2016, the Province entered into a loan with the Federal Government in an aggregate principal amount of P$2,710 million, by way of financial advances that were later settled through a financial assistance agreement.

Description of Consolidated Indebtedness

The following table sets out the public consolidated debt position of the Province as of December 31 of each of the years indicated below in pesos and a convenience currency translation into U.S. dollars:

Public Debt by Creditor

	As of December 31,						
	2011	2012	2013	2014	2015	2016	
	P$ million						US$ million(1)
Federal Government							
National Treasury(2)	884.9	1,137.5	2,063.8	6,708.8	8,220.4	11,398.5	708.0(1)
Provincial Development Trust Fund	2,964.1	3,131.1	3,259.4	81.7	75.9	70.2	4.4
Other trust funds	45.7	45.2	40.1	33.5	39.6	19.4	1.2
Multilateral credit agencies	30.7	27.3	31.3	49.8	71.4	97.5	6.1
Other	11.4	11.4	11.4	11.4	11.4	814.4	50.6
Subtotal Federal Government	**3,936.8**	**4,352.5**	**5,405.9**	**6,885.1**	**8,418.8**	**12,400.0**	**770.2**
Other	69.3	74.5	73.3	74.3	72.3	70.7	4.4
Indirect Debt	14.4	25.8	19.6	19.3	-	-	-
Total(3)	**4,024.0**	**4,455.8**	**5,501.2**	**6,980.6**	**8,491.2**	**12,470.8**	**774.6**

Notes:
(1) In US$ millions. Exchange rate: US$1.00 = P$16.10.
(2) Includes financing under PAF.
(3) Does not include "floating debt" of the Province.
Source: Office of Public Credit.

Federal Government

National Treasury

Indebtedness with the federal treasury includes PAF entered into with the Federal Government from 2011 through 2016 to fund fiscal imbalances. It also includes financial advances from the National Treasury in 2016, which were subsequently settled through the PAF.

Indebtedness with the federal treasury also includes the balance due by the Province as the result of the offsetting of amounts receivable and payable between the Province and the Federal Government under Decree No. 1,382/2005. The PAF entered into in 2015 matures in eight years, including a one-year grace period for the repayment of principal, an annual nominal interest rate of 6.0%, and monthly debt service payments. The PAF is secured with payments corresponding to the Federal Tax Co-Participation Regime. As of December 31, 2016, the amount outstanding under this PAF was P$1,979.4 million (or US$122.3 million).

In addition, the Federal Government made financial advances to the Province during 2016 in the amount of P$3,012.8 million that were formalized on January 19, 2017 through a Financial Assistance Agreement, at a nominal annual interest rate of BADLAR plus 200 basis points or BADLAR minus 200 basis points if the Province complies with the Fiscal Responsibility Law.

The Province entered into a credit agreement with the Federal Government under the Federal Refinancing Program on November 30, 2015. The loan under this agreement matures in 15 years, including a one-year grace period (principal and interest) through December 31, 2016, at an annual interest rate of 6.0%, with monthly debt service payments. This PAF is secured with payments under the Federal Tax Co-Participation Regime. The amount outstanding as of December 31, 2016 was P$6,407.1 million (equivalent to US$397.9 million).

Provincial Development Trust Fund (Federal Refinancing Program)

On May 10, 2010, the Federal Government issued Decree No. 660/2010 that provided for the application of reserve funds held in the National Treasury Support Fund (ATN) as of December 31, 2009 to reduce, on a pro rata basis, the debt owed to the Federal Government by provinces that agreed to participate in the Federal Refinancing Program prior to May 31, 2010.

In fiscal years 2014 and 2015, the Province entered into debt restructuring agreements under the Federal Refinancing Program, aiming at enhancing its financial position in the long and short term, eliminating the CER and extending repayment terms.

This program also provided for the refinancing of indebtedness owed to the Federal Government under the Trust Fund for Provincial Development, the Monetary Unification Program (*Programa de Unificación Monetaria* or "PUM"), the PAF and the BOGAR.

The amount outstanding as of December 31, 2016 was P$70.2 million (or US$4.4 million).

Other Trust Funds

Other trust funds include the financing of infrastructure works through the Federal Trust Fund for Regional Infrastructure and the acquisition of vehicles for security forces through PROFEDESS.

The loan granted through PROFEDESS is for a term of five years, at an interest rate of BADLAR plus 100 basis points, includes monthly debt service payments, and is secured with Federal Tax Co-Participation Regime funds. As of December 31, 2016, the amount outstanding under this loan was P$19.4 million (or US$1.2 million).

Borrowings from Multilateral Credit Agencies

Multilateral Credit Agencies provide financing to the Province indirectly, through loans granted to the Federal Government, which proceeds are in turn loaned to the Province by the Federal Government, secured with Federal Tax Co-Participation Regime funds. These loans include financing under the Neighborhood Improvement Program (*Programa de Mejoramiento Barrial* or "PROMEBA") and under the PROSAP. As of December 31, 2016, the amount outstanding under these loans was P$93.7 million (or US$5.8 million) and an undrawn amount available to the Province of P$3.8 million.

Other

On May 18, 2016 the Federal Government, the Argentine provinces and the City of Buenos Aires entered into an agreement to eliminate the current reduction of 15.0% of the resources of tax co-participation monies destined to social security obligations and other expenses in charge on ANSeS, as provided for in the Federal Agreement of August 1992, as amended and supplemented, and reassigned to the provinces. The agreement also provides that the Federal Government will instruct the *Fondo de Garantía de Sustentabilidad* of ANSeS to grant a loan to the Provinces and the City of Buenos Aires to be secured by Federal Tax Co-Participation Regime funds and in accordance with the terms and conditions provided for therein.

On August 2, 2016, the Province entered an initial loan under this program with *Fondo de Garantía de Sustentabilidad* of ANSeS and borrowed an aggregate principal amount of P$803 million. This loan bears interest at a rate of 15.0% per annum for 2016 and 2017, and 12.0% for 2018 and 2019. The loan is secured by Federal Tax Co-Participation Regime payments.

The amount outstanding as of December 31, 2016 was P$803.0 million (or US$49.9 million). In addition, as of December 31, 2016, the Province had non-consolidated debt with ANSeS in the amount of P$11.4 million.

Non-Financial Indebtedness

The Province's non-financial indebtedness is comprised of liabilities incurred with respect to creditors and suppliers from previous fiscal years and outstanding balances corresponding to indebtedness consolidation regimes. The amount outstanding as of December 31, 2016 was P$70.7 million (or US$4.4 million).

Recent Indebtedness

Fondo de Garantía de Sustentabilidad

On January 25, 2017, the Province entered a second loan from the *Fondo de Garantía de Sustentabilidad* of ANSeS and borrowed an aggregate principal amount of P$535 million. This loan bears interest at a rate of 15.0% per annum for 2017, and 12.0% for 2018 and 2019. The loan is secured by Federal Tax Co-Participation Regime payments.

Financial Institutions

Banco de la Nación

On June 8, 2017 the Province obtained a loan from Banco de la Nación to temporarily meet certain financing needs in connection with the Project, for an aggregate principal amount of US$10 million. This loan bears interest at an annual interest rate of 4.5% and its maturity date is December 8, 2017.

Banco Macro

In July 2017, a loan was made by Banco Macro to the Province in an aggregate principal amount of P$1,200 million with final maturity of 48 months, including a 12-month grace period for the payment of principal and bearing interest at BADLAR, plus 320 basis points.

In July 2017, an additional loan was made by Banco Macro to the Province in an aggregate principal amount of P$160 million with final maturity in 36 months, including a 12-month grace period for the payment of principal and bearing interest at BADLAR, plus 320 basis points.

Project-Related Indebtedness

Export-Import Bank of China. The Federal Government has entered into a loan agreement with the Export-Import Bank of China in connection with financing of the Project.

The loan agreement between the Federal Government and the Export-Import Bank of China is for an initial aggregate principal amount of US$331.5 million (corresponding to 85% of the expected construction costs of the Project), at an annual interest rate of 3%, with a maturity of 15 years, including a 5-year grace period. Under this agreement, the Export-Import Bank of China has no direct recourse against the Province.

The Province expects to enter in a related loan agreement with the Federal Government for the financing or the Cauchari I, II and III photovoltaic power stations.

Guarantees

The Province acts as a guarantor for the following loans borrowed by *Cooperativa de Tabacaleros de Jujuy Ltda*. ("CTJ"):

- Banco de la Nación Argentina for an aggregate principal amount of US$10.7 million with a maturity date of six years falling on June 1, 2021, at an annual nominal interest rate of 6.5% and a two-year grace period for the repayment of principal and a one-year grace period for the repayment of interest.
- Banco de la Nación Argentina for an aggregate principal amount of US$17.5 million with a maturity date of six years falling on June 1, 2021, at an annual nominal interest rate of 6.5% and a two-year grace period for the repayment of principal and a one-year grace period for the repayment of interest.

Debt service

Debt amortization and interest payments in fiscal year 2011 amounted to P$290.4 million and increased to P$484.4 million in fiscal year 2012, mainly as a result of the application of proceeds from the *Aportes del Tesoro Nacional* fund to the Province's debt balance under the Financial Assistance Agreement entered into with the Federal Government for fiscal year 2011. In 2013, debt amortization and interest payments amounted to P$154.8 and fell to P$94.4 million in 2014.

In 2015, the Province fulfilled debt service commitments in the amount of P$138.3 million. This 46.4% increase was attributable to maturities under the Financial Assistance Agreement entered into with the Federal Government for fiscal year 2014 and the payment of non-financial indebtedness for previous years. In 2016, debt amortization and interest payments amounted to P$126.4 million, which represented an 8.6% decline, due to certain debt restructuring arrangements entered into by the Province under the Federal Refinancing Program.

The following table sets forth the amortization schedule for principal and interest payments on the Province's public sector debt outstanding as from fiscal year 2017.

Debt Service Schedule
(in millions of pesos)

Creditor/Currency	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Peso-denominated debt											
Federal Government................	1,048.4	3,351.2	3,148.5	3,444.2	1,697.3	1,841.0	1,710.1	826.8	790.2	755.5	720.8
Trust Fund...............................	6.6	6.2	5,9	-	-	-	0.0	0.0	0.0	0.0	0.0
Other Trust Funds	6.8	6.7	6.7	5.5	-	-	0.0	0.0	0.0	0.0	0.0
Ongoing operations..................	383.4	1087.9	385.3	21.5	-	-	4.0	4.1	4.1	4.1	4.1
Total Peso-denominated debt....	**1,445.2**	**4,452.0**	**3,546.4**	**3,471.2**	**1,697.3**	**1,841.0**	**1,714.1**	**830.9**	**794.3**	**759.6**	**724.9**
Debt in foreign currency											
Multilateral credit agencies......	0.9	1.4	1.5	1.4	1.4	1.2	1.6	1.6	1.6	1.6	1.6
Ongoing operations..................	10.1	-	-	-	-	-		0.0	0.0	0.0	0.0
Total Debt in foreign currency..	**11.1**	**1.4**	**1.5**	**1.4**	**1.4**	**1.2**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**

Source: Office of Public Credit.

Pledge of Federal Tax Transfers

The Province has pledged part of its Federal Tax Co-Participation Regime transfers as collateral to secure its obligations under certain of its outstanding indebtedness. Pursuant to these security arrangements, the Federal Government and other creditors, acting through Banco Nación, are entitled to withhold a portion of the Province's Federal Tax Co-Participation Regime transfers to cover principal and interest payments on the secured debt. All of the Province's indebtedness owed to the Federal Government is secured according to sections 1, 2 and 3 of the Agreement between the Federal Government and the Provincial Governments governing their financial relationship and laying the grounds for a Federal Tax Co-Participation Regimen, as endorsed by Law No. 25,570, while indebtedness borrowed under national programs funded by multilateral credit agencies are secured with proceeds from the Federal Tax Co-participation Regime only.

The following table sets forth the amount of federal source revenues withheld to cover provincial debt service payments for the years 2011 to 2016.

Federal Source Revenues Withheld To Cover Provincial Debt Service
(in millions of pesos)

	As of December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Federal source revenues.........................	6,262.2	7,711.8	10,334.4	14,146.9	18,587.1
Affected amounts					
Federal Government	436.4	81.8	27.7	44.8	33.3
Multilateral Credit Agencies.............	11.4	23.1	19.2	33.8	9.4
Total...	**447.8**	**104.9**	**46.9**	**78.6**	**42.6**
Percentage affected.............................	**7.2%**	**1.4%**	**0.5%**	**0.6%**	**0.2%**

Sources: The Province's General Accounting Office and the Office of Public Credit.

Description of Non-Consolidated Indebtedness Liabilities

In addition to its consolidated indebtedness, the Province also has certain non-consolidated liabilities. The Province's primary source of non-consolidated liabilities is comprised of "floating debt," which includes short-term liabilities incurred with respect to employees, suppliers, contractors, other private companies and municipalities. The Province calculates its floating debt as the difference between the aggregate amount of payment orders issued by the Province and the amount of those orders that have been paid as of a certain point in time, such that it includes amounts corresponding to orders that would be paid during the ordinary payment period (30 days from receipt of an invoice meeting all legal requirements).

As of December 31, 2015, the Province's floating debt was P$2,059.1 million, including P$1,180.3 million in salaries, and as of December 31, 2016, the Province's floating debt was P$3,563.3 million, including P$1,477.6 million in salaries. In both cases, salaries were paid by the Province within ten business days following the respective cut-off dates above. As a result, the balance of the Province's floating debt as of the aforementioned dates was P$878.7 million and P$2,085.6 million, respectively.

Litigation

The Province as Defendant

In 2016, the Province settled certain judgments rendered against it for an aggregate amount of approximately P$85 million, and expects to settle P$117 million and P$160 million in judgments in 2017 and 2018, respectively. Such increase is attributable to certain judgments rendered against the Province that should be budgeted and settled in 2018.

Below is a summary of legal proceedings with amounts involved in excess of one million U.S. dollars (US$1,000,000):

In re "ADAUTO, Lucia, AGÜERO DE PINI, Evita Inés and others v. Provincial Government – IVUJ", Case File No. B-064.053/2000

This case was heard by the Court in Civil and Commercial Matters, Chamber III, and involves a claim for building defects in social housing units. As of April 2017, the amount awarded, including interest and attorney's fees and legal expenses, is P$39,486,611. This amount is payable during fiscal year 2018.

In re "Enforcement proceedings of judgement rendered in Case File No. B-62973/00 GASPAR, Héctor Félix and other vs. Provincial Government - IVUJ" – Case File No. B-179.341/07

This case was heard by the Court in Civil and Commercial Matters, Chamber III. As per the settlement statement approved as of May 2013, the sum involved in these proceedings was P$13,758,565.0, while as of May 26, 2017, such sum, calculated by accruing interest at Banco Nación's lending rate, totaled P$27,732,506. The case related to material defects in housing units, plus interest and attorney's fees to be fixed, notwithstanding the sum that was already fixed in September 2014 (P$176,788.6).

In re "Differences in Salaries & Wages "GONZALEZ, Luis Virgilio and others vs. Provincial Government – Office of Water Resources" - Case File No. B-108.984/03

This case was heard by the Labor Court, Chamber III. The claim was for differences in salaries and wages as a consequence of the fact that the Office of Water Resources settled the plaintiffs' salaries pursuant to the Provincial Public Servants Law (Law No. 3,161/74), rather than as provided by the applicable Collective Bargaining Agreement No. 36/75. The settlement statement in this case was submitted to the Provincial Government for consideration in August and amounts to more than P$277,000,000 in principal and interest. This is a collective action brought by 110 plaintiffs.

In re "ADAUTO ANA SILVINA AND OTHERS v. PROVINCIAL GOVERNMENT" Case File No. B-182506/07

The Labor Court, Chamber I, rendered judgment against the Office of Water Resources on March 27, 2014, which was endorsed by the Superior Court of Justice in June 2015, ordering that the plaintiffs' salaries and wages be reclassified and conformed to Collective Bargaining Agreement No. 36/75, and that the salary differences due since 2005, plus interest and legal expenses, be paid. An accountant provided a debt statement in April 2016 which amounted to P$3,508,929 for differences in salaries and wages through November 2011. The plaintiff objected to this statement arguing that the sum due exceeded P$27,000,000, due to the fact that the expert failed to consider periods subsequent to November 2011. As of the date of this offering memorandum, case remains in progress.

The Province as plaintiff

The Province has brought before Argentina's Supreme Court of Justice three separate claims against the Federal Government seeking the reimbursement of payments under the Federal Tax Co-Participation Regime that were withheld by the Federal Government. The total amount claimed is approximately P$11,232.2 million (interest calculated at the borrowing rate), corresponding to two separate claims for withholding of funds under the Federal Tax Co-Participation Regime attributable to ANSeS, for approximately P$6,062.9 million and P$1,398.0 million, respectively, and a third claim for withholding of funds under the Federal Tax Co-Participation Regime on account of "check tax," for a total amount of approximately P$3,771.3 million. See "Public Sector Finances—Federal tax transfers—Federal Tax Co-Participation Regime."

DEBT RECORD

The Province has not defaulted on any of its external public debt obligations within the last 20 years.

DESCRIPTION OF THE NOTES

This section of this offering memorandum is intended to be an overview of the material provisions of the Notes and the Indenture. The Province urges you to read the Indenture for a complete description of the Province's obligations and your rights as a holder of the Notes. Copies of the Indenture are available free of charge at the offices of the trustee and the Luxembourg listing agent.

The Notes will be issued pursuant to the indenture between the Province and The Bank of New York Mellon, as trustee, dated as of , 2017 (the "Indenture").

General Terms of the Notes

Basic Terms

The Notes will:

- be direct, general, unconditional, unsecured and unsubordinated obligations of the Province;
- be initially issued in an aggregate principal amount of US$;
- mature on , 2022;
- not be redeemable before maturity at the option of the Province or repayable at the option of the holder and not be entitled to the benefit of any sinking fund. The Province may at any time, however, purchase Notes and hold or resell them or surrender them to the trustee for cancellation;
- be represented by Regulation S global securities (as defined below) (sometimes referred to herein as a "global security") (see "Registration and Book-Entry System");
- be issued in denominations of US$150,000 and in integral multiples of US$1,000 in excess thereof; and
- represent a claim to the full principal due on the maturity date (plus any accrued and unpaid interest due at such time) or upon earlier acceleration in accordance with their terms.

Interest on the Notes will:

- accrue at the rate of % per annum;
- accrue from , 2017, or the most recent interest payment date;
- be payable semi-annually in arrears on and of each year, beginning on , 2018, to persons in whose names the Notes are registered at the close of business on the calendar day preceding the corresponding payment date (whether or not a business day); and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Status

The Notes will be direct, general, unconditional, unsecured and unsubordinated Public External Indebtedness of the Province. The Notes rank and will rank without any preference among themselves and equally with all other unsubordinated Public External Indebtedness of the Province. It is understood that this provision shall not be construed so as to require the Province to make payments under the Notes ratably with payments being made under any other Public External Indebtedness of the Province.

For purposes of the preceding paragraph, (A) "Public External Indebtedness" means any External Indebtedness of, or guaranteed by, the Province which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter securities market (including securities eligible for sale pursuant to Rule 144A under the Securities Act, as amended (or any successor law or regulation of similar effect)), and (B) "External Indebtedness" means obligations for borrowed money or evidenced by bonds, debentures, notes, securities or other similar instruments denominated and payable, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of Argentina, regardless of whether that obligation is incurred or entered into within or outside Argentina.

Payment of Principal and Interest

The trustee will make payments to the registered holders of the Notes. Payments of the principal, premium, if any, interest and other amounts due (including Additional Amounts) on individual Notes represented by a global security registered in the name of the common depositary for Euroclear and Clearstream, Luxembourg or a nominee thereof will be made to Euroclear or Clearstream, Luxembourg or such nominee, as the case may be, as the registered owner of the global security representing such Notes. None of the Province, the trustee, any paying agent, any registrar, or any transfer agent or any of their respective agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global security or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. The Province expects that Euroclear and Clearstream, Luxembourg or a nominee thereof, upon receipt of any payment of principal, interest or Additional Amounts, if any, in respect of a global security representing any Notes held by any of them or a nominee, will credit Euroclear's and Clearstream, Luxembourg's accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security as shown on the records of Euroclear, Clearstream, Luxembourg or a nominee thereof. The Province also expects that payments by Euroclear and Clearstream, Luxembourg to owners of beneficial interests in such global security held through participants in Euroclear and Clearstream, Luxembourg will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

If any date for payments of interest, principal or other amounts contemplated herein is not a business day, the Province will make the payment on the next succeeding business day. Such payments will be deemed to have been made on the due date, and no interest on the Notes will accrue as a result of the delay in payment. As used herein, "business day" means any day that is not a Saturday or Sunday, and that is not a day on which banking or trust institutions are required or authorized by law, regulation or executive order to close in New York City or in the City of Buenos Aires (or in the city where the relevant paying or transfer agent is located).

If any money that the Province deposits with the trustee or any paying agent for the payment of the principal of, premium, if any, interest, or other amounts due (including Additional Amounts) on any Notes is not claimed at the end of two years after the applicable payment was due and payable, then the money will be repaid to the Province upon the Province's written request. The Province will hold such unclaimed money in trust for the relevant holders of those Notes. After any such repayment, neither the trustee nor any paying agent will be liable for the payment. However, the Province's obligations to make payments on the Notes as they become due will not be affected until the expiration of the statute of limitations period specified in the Notes.

To the extent permitted by law, claims against the Province for the payment of principal, premium, if any, or interest or other amounts due on the Notes (including Additional Amounts) must be made within five years, with respect to principal, and two years, with respect to interest, premium, if any, or other amounts due on the Notes, in each case from the date on which such payment first became due, or a shorter period if provided by Argentine law.

Registration and Book-Entry System

The Notes will only be sold outside the United States in reliance on Regulation S and will be represented by a permanent global note in fully registered form without interest coupons (the "Global Note") and will be registered in the name of and deposited with a common depositary for Euroclear or Clearstream. The Notes are not issuable in bearer form. See "Book Entry Delivery & Form."

Further Issuances

Under the terms of the Indenture, the Province may from time to time, without the consent of the holders of the Notes, create and issue additional notes of the same series having terms and conditions which are the same as those of the Notes in all respects, except for the issue date, issue price and first payment date of interest on the Notes; provided, however, that any additional Notes subsequently issued that are not fungible with the previously outstanding Notes shall have a separate ISIN or other identifying number from the previously outstanding Notes.

Additional Amounts

All payments by the Province in respect of the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Argentina or the Province or any political subdivision or taxing authority or agency therein or thereof having the power to tax (for purposes of this paragraph, a "Relevant Tax"), unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Province will pay such additional amounts ("Additional Amounts") as may be necessary to ensure that the amounts received by the holders after such withholding or deduction will equal the respective amounts of principal and interest that would have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such Additional Amounts will be payable with respect to any Note:

(1) to a holder (or to a third party on behalf of a holder) where such holder is liable for such Relevant Taxes in respect of a Note by reason of his having some connection with the Province or Argentina other than the mere holding of such Note, the receipt of principal, premium or interest in respect thereof, or the enforcement of rights thereunder; or

(2) presented for payment by or on behalf of a holder who would have been able to avoid the withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; or

(3) presented for payment more than 30 days after the Relevant Date, as defined herein, except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on the last day of such period of 30 days; or

(4) to a holder of the Note (or a third party on behalf of a holder) where such holder of the Note would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other claim for exemption or reduction to the relevant tax authorities if such holder of the Note is eligible to make such declaration or other claim and, after having been requested to make such a declaration or claim, such holder of the Note fails to timely do so, provided that (x) the Province has provided the holder with at least 60 days' prior written notice (in accordance with the terms of the Notes) of an opportunity to satisfy such a requirement or make such a declaration or claim, and (y) in no event shall such holder's obligation to satisfy such a requirement or to make such a declaration or claim require such holder to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder been required to file IRS Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY.

As used in the preceding paragraph, "Relevant Date" in respect of a Note means the date on which payment in respect thereof becomes due or (if the full amount of the money payable on such date has not been received by the trustee on or prior to such due date) the date on which notice is duly given to the holders that such moneys have been so received and are available for payment.

The Province will furnish to the trustee documentation reasonably satisfactory to the trustee evidencing payment of any Relevant Taxes so deducted or withheld. Copies of such documentation will be made available by the trustee to holders upon written request to the trustee.

All references in this offering memorandum to principal of or interest on the Notes will include any Additional Amounts payable by the Province in respect of such principal or interest whether or not so specified.

Covenants

Negative Pledge Covenant

The Province has agreed that it will not and it will not permit any of the Provincial Agencies to for so long as any Note remains outstanding create or permit to subsist any Lien, other than a Permitted Lien, upon the whole or any part of its or any of the Provincial Agencies' property or assets to secure any Indebtedness of the Province or any of the Provincial Agencies unless the Notes are secured equally and ratably with such Indebtedness.

As used herein, the term "Indebtedness" means, with respect to any person, whether outstanding on the original issuance date of a series of debt securities or at any time thereafter: (i) all indebtedness of such person for borrowed money; (ii) all reimbursement obligations of such person (to the extent no longer contingent) under or in respect of letters of credit or bankers' acceptances; (iii) all obligations of such person to repay deposits with or advances to such person; (iv) all obligations of such person (other than those specified in clauses (i) and (ii) above) evidenced by securities, debentures, notes or similar instruments; and (v) to the extent fixed and liquidated and no longer contingent, all direct guarantees, endorsements, avales, counter-indemnities or similar obligations of such person in respect of, and all direct obligations of such person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other person specified in clause (i), (ii), (iii) or (iv) above. For the avoidance of doubt, the term "Indebtedness" will include any adjustments thereon for inflation and currency fluctuations.

As used herein, the term "Lien" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance on or with respect to, any currently existing or future asset or revenues of any kind under any applicable law.

As used herein, the term "Permitted Lien" means:

(a) any Lien in existence on the date of the Indenture;

(b) any Lien upon bank accounts, deposits or proceeds thereof (or arising from the existence of rights of set-off against such accounts, deposits or proceeds) securing Indebtedness incurred in connection with letters of credit issued by, or trade finance transactions with, a bank to which such Lien is granted or holding such rights, and which Indebtedness has a final maturity of not greater than 180 days from the date on which payment under such letter of credit or in connection with such trade finance transactions is due and payable;

(c) any Lien upon any property to secure Indebtedness incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;

(d) any Lien existing on any property at the time of its acquisition to secure Indebtedness;

(e) any Lien securing Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project, provided that the property over which such Lien is granted consists solely of the assets and revenues of such project or the ownership interest therein;

(f) any replacement, renewal, extension or novation of any Lien permitted by clauses (a) through (e) above upon the same property theretofore subject to such Lien, including any replacement, renewal, extension or novation of such Lien resulting from the refinancing (without increase in the principal amount) of the Indebtedness secured by such Lien;

(g) any Lien to secure public or statutory obligations or otherwise arising by law to secure claims other than for borrowed money;

(h) any Lien securing Indebtedness of the Province (including, without limitation, FGS Loans) encumbering the right of the Province to receive Co-Participation Payments, provided that the incurrence of such Indebtedness so secured will not cause the Co-Participation Secured Indebtedness Ratio to exceed 35% in the period that includes the most recent four consecutive fiscal quarters ending prior to the date of calculation; and

(i) any other Liens different from those permitted by clauses (a) through (h) above, securing Indebtedness of the Province in an outstanding aggregate principal amount not exceeding at any time 15 % of the Province's annual Revenues for the period that includes the most recent four consecutive fiscal quarters ending prior to the incurrence of such Lien.

As used herein, the term "Co-Participation Payments" means any transfers made by the federal government to the Province pursuant to the Federal Tax Co-Participation Law, as amended or replaced from time to time and any other law, decree or regulation governing the obligation of the federal government to distribute taxes collected by it to the Argentine provinces.

As used herein, the term "Co-Participation Secured Indebtedness Ratio" is the percentage that is equal to (A) for the period that includes the most recent four consecutive fiscal quarters ending prior to the date of calculation, the aggregate amount of payments of principal and interest that became due in such period (after giving pro forma effect to the incurrence of Indebtedness secured by a Lien on the Province's right to receive Co-Participation Payments and the application of the proceeds therefrom during such period as if the incurrence of such Indebtedness and the application of proceeds therefrom had taken place on the first day of such period), in respect of Indebtedness that is secured by a Lien on the Province's right to receive Co-Participation Payments, divided by (B) the aggregate amount of Co-Participation Payments actually received by the Province during such period, (C) multiplied by 100.

As used herein, the term "FGS Loans" means all Indebtedness of the Province with Argentina's "*Fondo de Garantía de Sustentabilidad*" (Sustainability Guaranty Fund) of the national social security system incurred pursuant to the agreements dated May 18, 2016, May 26, 2016 and August 1, 2016 between the federal government and certain Argentine provinces, including the Province, and approved by Federal Law No. 27,260 and Provincial Law No. 10,433.

As used herein, the term "Provincial Agency" means each agency, department, authority, statutory corporation or other statutory body or judicial entity of the Province or any fiduciary, trust or other fund created by provincial law or regulation, the Indebtedness of which is generally guaranteed in full (as to payment) by the Province either contractually or by operation of law.

As used herein, the term "Revenues" means the cash receipts by the Province and any of the Provincial Agencies from Co-Participation Payments, from taxes levied by the Province and from royalties, fees, charges, concessions, licenses and all other tax and non-tax sources of income.

Government Approvals

The Province will take all necessary action to ensure that all governmental approvals, consents or licenses that are necessary under the laws of Argentina and the Province for the performance of the obligations of the Province under the Notes and the Indenture by the Province or for the validity or enforceability thereof are duly obtained and are in full force and effect.

Events of Default and Acceleration of Maturity

Each of the following is an event of default with respect to the Notes:

(a) The Province fails to pay any principal due on the Notes when due and payable for five (5) days after the applicable payment date; or

(b) The Province fails to pay any interest or Additional Amounts due on the Notes when due and payable for thirty (30) days after the applicable payment date; or

(c) The Province fails to duly perform or observe any term or obligation contained in the Notes or the Indenture, which failure continues unremedied for sixty (60) days after written notice thereof has been given to the Province by the trustee or to the Province (with a copy to the trustee) by the holders of not less than 25% of the aggregate principal amount of the Notes then outstanding; or

(d) The Province or any Provincial Agency fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness having an aggregate principal amount equal to or greater than US$10,000,000 (or its equivalent in other currencies); or

(e) The Province fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness of the Province or any Provincial Agency having an aggregate principal amount greater than or equal to US$10,000,000 (or its equivalent in other currencies), and such failure continues after the applicable grace or notice period, if any, specified in the relevant document of the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness to be declared to be due and payable prior to its stated maturity, or in the case of Indebtedness consisting of Contingent Obligations, to become due and payable; or

(f) Any representation, warranty or certification made by the Province (or any of its duly authorized officers or officials) in any Note, the Indenture or in any document, instrument or certificate delivered by the Province pursuant to any Note, or the Indenture shall prove to have been incorrect, incomplete or misleading in any material respect when made; provided that the same is reasonably likely to have a material adverse effect on the ability of the Province to perform its material obligations thereunder or the legality, validity or enforceability of any Note, the Indenture or any such document or instrument; or

(g) The validity or enforceability of any of the Notes or the Indenture shall be contested by the Province, or any final decision by any court or agency from which no appeal may be or is taken shall purport to render any provision of the Notes or any material provision of the Indenture invalid or unenforceable or purport to prevent or delay the performance or observance by the Province of any of its obligations under the Notes or any of its material obligations under the Indenture; or

(h) A moratorium on the payment of the Province's Indebtedness shall be declared by Argentina or the Province (including without limitation, any moratorium that is limited to the Province's obligations denominated in any particular currency or currencies or to foreign creditors of the Province), or Argentina or the Province shall declare a general suspension of payment or a moratorium on the payment of debt of the Province (which does not expressly exclude the Notes); or

(i) There has been entered against the Province or a Provincial Agency a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be or is taken for the payment of an aggregate amount of money in excess of US$10,000,000 (or the equivalent thereof in another currency or currencies) and sixty (60) days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or

(j) (A) Any constitutional provision, law, regulation, ordinance or decree necessary to enable the Province to perform its obligations under the Notes or the Indenture, or for the validity or enforceability thereof, shall expire, is withheld, revoked or terminated or otherwise ceases to remain in full force and effect, or is modified in a manner which materially adversely affects, or may reasonably be expected to materially adversely affect, any rights or claims of any of the holders of the Notes, or (B) any final decision by any court in Argentina having jurisdiction from which no appeal may be or is taken shall purport to render any material provision of the Notes or any material provision of the Indenture invalid or unenforceable, or purport to prevent or delay the performance or observance by the Province of its obligations under the Notes or under the Indenture, and, in each case, such expiration, withholding, revocation, termination, cessation, invalidity, unenforceability or delay shall continue in effect for a period of sixty (60) days.

If any of the events of default described above occurs and is continuing (whatever the reason for such event of default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgement, decree or order of any court or any order, rule or regulation of any administrative or governmental body), holders of at least 25.0% of the aggregate principal amount of the Notes then outstanding may declare the principal amount of all of the Notes then outstanding to be immediately due and payable by giving written notice to the Province, with a copy to the trustee, unless prior to such date all events of default in respect of the Notes have been cured.

If, at any time after the Notes shall have been declared due and payable, the Province shall pay or shall deposit (or cause to be paid or deposited) with the trustee a sum sufficient to pay all instalments of interest and principal due upon all the Notes (with interest on overdue amounts of interest, to the extent permitted by law, and on such principal of each Note at the rate of interest specified in the Note, to the date of such payment) and such amount as shall be sufficient to cover the reasonable fees and expenses of the trustee, including, without limitation, the fees and expenses of its counsel, and if any and all events of default under the Notes, other than the non-payment of principal or interest on the Notes which shall have become due solely by declaration of acceleration, shall have been cured, waived or otherwise remedied, then, and in every such case, the holders of more than 50.0% in aggregate principal amount of the Notes then outstanding, by written notice to the Province and to the trustee, may, on behalf of the holders of all of the Notes, waive all defaults and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent on any subsequent default.

As used herein, "Contingent Obligations" means as to any person, any obligation of such person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (a "primary obligation") of any other person in any manner, whether directly or indirectly, including, without limitation, avales and any obligation of such person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefore, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities and services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against laws in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is incurred or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the contingent obligor in good faith.

Suits for Enforcement and Limitations on Suits by Holders

If an event of default for the Notes has occurred and is continuing, the trustee may, in its discretion, institute judicial action to enforce the rights of the holders. With the exception of a suit brought by a holder on or after the stated maturity date to enforce its absolute right to receive payment of the principal of and interest on the Notes on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of the Notes, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the Notes unless: (1) such holder has given written notice to the trustee that a default with respect to the Notes has occurred and is continuing; (2) holders of at least 25.0% of the aggregate principal amount outstanding of the Notes have instructed the trustee by specific written request to institute an action, suit or proceeding and provided an indemnity or other security as against the costs, expenses and liabilities to be incurred that is satisfactory to the trustee; and (3) sixty (60) days have passed since the trustee received the instruction and the indemnity or other security, the trustee has failed to institute an action, suit or proceeding as directed and no direction inconsistent with such written request shall have been given to the trustee by a majority of holders of the outstanding Notes. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of the Notes.

Meetings, Amendments and Waivers – Collective Action

The Province, in its discretion, may call a meeting of the holders of debt securities (including the Notes) at any time and from time to time regarding the debt securities or the Indenture. The Province will determine the time and place of the meeting and will notify the holders and the trustee of the time, place and purpose of the meeting not fewer than thirty (30) days and not more than sixty (60) days prior to the date fixed for the meeting.

In addition, the Province or the trustee will call a meeting of the holders of a series of debt securities if the holders of not less than 10.0% of the aggregate principal amount of the outstanding debt securities of such series have delivered a written request to the Province or the trustee setting out the purpose of the meeting. The Province shall notify the trustee, and the trustee shall notify the holders within ten (10) days of receipt of such written request of the time and place of the meeting, which shall take place not less than thirty (30) and not more than sixty (60) days after the date on which such notification is given.

Only holders of debt securities and their proxies are entitled to vote at a meeting of holders. The Province will set out the procedures governing the conduct of the meeting and if additional procedures are required, the Province will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of the Notes pursuant to a written action consented to by holders of the requisite percentage of the Notes. If a proposed modification is to be approved by a written action, the Province shall solicit the consent of the relevant holders of the Notes to the proposed modification not less than ten (10), nor more than thirty (30), days prior to the expiration date for the receipt of such consents specified by the Province.

The holders of the outstanding Notes may generally approve any proposal by the Province to modify or take action with respect to the Indenture or the terms of the Notes with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50.0% of the outstanding aggregate principal amount of the Notes.

However, holders of any series of debt securities (including the Notes) may approve, by vote or consent through one of three modification methods, any modification, amendment, supplement or waiver proposed by the Province that would do any of the following (such subjects referred to as “reserve matters”):

- change the date on which any amount is payable on the debt securities;
- reduce the principal amount of the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- reduce the interest rate on the debt securities;

- change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);
- change the currency of any amount payable on the debt securities;
- modify the Province's obligation to make any payments on the debt securities (including any redemption price therefor);
- change the identity of the obligor under the debt securities;
- change the definition of "outstanding" debt securities or the percentage of affirmative votes or written consents, as the case may be, required to make a "reserve matter modification";
- change the definition of "uniformly applicable" or "reserve matter modification";
- authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of the Province or any other person;
- change the legal ranking, governing law, submission to jurisdiction or waiver of immunities provisions of the terms of the debt securities; or
- change the place of payment to the bondholders.

A change to a reserve matter, including the payment terms of any series of debt securities (including the Notes), can be made without your consent, as long as the change is approved, pursuant to one of the three following modification methods, by vote or consent by:

- the holders of more than 75.0% of the aggregate principal amount of the outstanding Notes insofar as the change affects the Notes (but does not modify the terms of any other debt securities issued under the Indenture);
- where such proposed modification would affect the outstanding Notes and at least one other series of debt securities issued under the Indenture, the holders of more than 75.0% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, if certain "uniformly applicable" requirements are met (defined in the Indenture as "cross-series modification with single aggregated voting"); or
- where such proposed modification would affect the outstanding Notes and at least one other series of debt securities issued under the Indenture, whether or not the "uniformly applicable" requirements are met, the holders of more than 66 2/3% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, and the holders of more than 50.0% of the aggregate principal amount of the then outstanding debt securities of each series affected by the modification, taken individually.

"Uniformly applicable," as used herein, means a modification by which holders of debt securities of all series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration. It is understood that a modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

Any modification consented to or approved by the holders of debt securities pursuant to the above provisions will be conclusive and binding on all holders of the relevant series of debt securities or all holders of all series of debt securities affected by a cross-series modification, as the case may be, whether or not they have given such consent, and on all future holders of those debt securities whether or not notation of such modification is made upon the debt securities. Any instrument given by or on behalf of any holder of a debt security in connection with any consent to or approval of any such modification will be conclusive and binding on all subsequent holders of that debt security.

The Province may select, in its discretion, any modification method for a reserve matter modification in accordance with the Indenture and may designate which series of debt securities will be included for approval in the aggregate of modifications affecting two or more series of debt securities. Any selection of a modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation.

Before soliciting any consent or vote of any holder of the debt securities (including the Notes) for any change to a reserve matter, the Province will provide the following information to the trustee for distribution to the holders of debt securities of any series that would be affected by the proposed modification:

- a description of the Province's economic and financial circumstances that are, in the Province's opinion, relevant to the request for the proposed modification, a description of the Province's existing debts and description of its broad policy reform program and provisional macroeconomic outlook;
- if the Province shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;
- a description of the Province's proposed treatment of external debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if the Province is then seeking any reserve matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the outstanding Notes or any series of debt securities has approved any amendment, modification or change to, or waiver of, the Notes, such other series of debt securities or the Indenture, or whether the required percentage of holders has delivered a notice of acceleration of the debt securities of that series, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by the Province or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, except that (x) debt securities held by the Province or any public sector instrumentality of the Province or by a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality which have been pledged in good faith may be regarded as outstanding if the pledgee establishes, to the satisfaction of the trustee, the pledgee's right so to act with respect to such debt securities and that the pledgee is not the Province, or a public sector instrumentality, or a corporation, trust or other legal entity that is controlled by the Province or a public sector instrumentality, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means any department, secretary, ministry or agency of the Province, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Other Amendments

The Province and the trustee may, without the vote or consent of any holder of debt securities (including the Notes) of a series, amend the Indenture or the debt securities of that series for the purpose of:

- adding to the Province's covenants for the benefit of the holders with respect to such series of debt securities;
- surrendering any of the Province's rights or powers with respect to the debt securities of that series;
- securing the debt securities of that series;
- curing any ambiguity or curing, correcting or supplementing any defective provision in the debt securities of that series or the Indenture;
- amending the debt securities of that series or the Indenture in any manner that the Province and the trustee may determine and that does not materially adversely affect the interests of any holders of the debt securities of that series; or
- correcting a manifest error of a formal, minor or technical nature.

Notices

The Province will mail notices to holders of certificated Notes at their registered addresses as reflected in the register maintained by the registrar. The Province will consider any mailed notice to have been given five business days after it has been sent. The Province will give notices to the holders of a global security in accordance with the procedures and practices of the depositary and such notices shall be deemed given upon actual receipt thereof by the depositary.

The Province will also publish notices to the holders (a) in a leading newspaper having general circulation in Buenos Aires, New York City and London (which is expected to be *La Nación* or *Ámbito Financiero*, The Wall Street Journal and the Financial Times, respectively) and (b) if and so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be Luxemburger Wort) and on the website of the Luxembourg Stock Exchange at http://www.bourse.lu. If publication in a leading newspaper in Luxembourg is not practicable, the Province will publish such notices in a leading English language daily newspaper with general circulation in Europe. The Province will consider any published notice to be given on the date of its first publication.

Payment Procedure in the Event of Foreign Exchange Restrictions in Argentina

The Province has agreed that, if it is unable to obtain the full amount of U.S. dollars (referred to as "the specified currency") or to transfer such amounts outside of Argentina in order to make a scheduled payment of principal or interest on the Notes due to a restriction or prohibition on access to the foreign exchange market in Argentina, to the extent permitted by such restriction or prohibition, the Province will pay all such amounts then due by means of (i) purchasing U.S. dollar-denominated Argentine government bonds traded outside of Argentina or any other securities or public or private bonds issued in Argentina, with Argentine Pesos, and transferring and selling such instruments outside Argentina for the specified currency, or (ii) any other legal mechanism for the acquisition of the specified currency in any foreign exchange market. All costs, including any taxes, relative to such operations to obtain the specified currency will be borne by the Province.

Governing Law

The Indenture and the Notes will be governed by and construed in accordance with the law of the State of New York.

Submission to Jurisdiction

Under U.S. law, the Province is a political subdivision of a sovereign state. Consequently, it may be difficult for holders of Notes to obtain or realize judgments from courts in the United States or elsewhere against the Province. Attachment prior to judgment or attachment in aid of execution will not be ordered by courts of Argentina or the Province with respect to public property if such property is located in Argentina and is included within the provisions of Articles 234 and 235 of the Argentine Civil and Commercial Code and Article 11 of the Constitution of the Province, or directly provides an essential public service. Furthermore, it may be difficult for the trustee or holders to enforce, in the United States or elsewhere, the judgments of U.S. or foreign courts against the Province.

In connection with any legal action or proceeding arising out of or relating to the Notes (subject to the exceptions described below), the Province has agreed:

- to submit to the jurisdiction of any New York state and/or U.S. federal court sitting in New York City in the Borough of Manhattan and any appellate court of either thereof;
- that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and the Province will waive, to the fullest extent permitted by law, any objection to venue or the defense of an inconvenient forum to the maintenance of such action or proceeding; and
- to appoint Corporation Service Company as its authorized agent, which is presently located at 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, United States of America.

The process agent will receive, on behalf of the Province and its property, service of any summons and complaint and any other process that may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City in the Borough of Manhattan. Service may be made by mailing or delivering a copy of such process to the Province in the care of the authorized agent at the address specified above for such authorized agent.

A final, non-appealable judgment in any of the above legal actions or proceedings will be conclusive and may be enforced by a suit upon such judgment in any other manner provided by applicable law.

In addition to the foregoing, the trustee and the holders of Notes may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of the trustee or any holder to bring any action or proceeding against the Province or its property in other courts where jurisdiction is independently established.

To the extent that the Province has or hereafter may acquire any immunity (sovereign or otherwise) in respect of its obligations under the Notes and/or the Indenture from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property (except for property considered of the public domain or dedicated to the purpose of an essential public service or otherwise exempt from attachment or seizure under applicable Argentine and provincial law), the Province will irrevocably waive such immunity in respect of its obligations under the Indenture or the Notes, and, without limiting the generality of the foregoing, the Province agrees that the waivers set forth in the Indenture shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1,976 of the United States, as amended (the "Immunities Act"), and are intended to be irrevocable for purposes of such Act. Notwithstanding the foregoing, the Province reserves the right to plead sovereign immunity under the Immunities Act with respect to actions or proceedings brought against it under U.S. federal securities laws or any state securities laws, and the Province's appointment of a process agent is not intended to extend to such actions or proceedings.

Holders may be required to post a bond or other security with the Argentine courts as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to the Notes filed in those courts.

A judgment obtained against the Province in a foreign court may be enforced in the Supreme Court of the Republic of Argentina. Based on current law, the Supreme Court of the Republic of Argentina will enforce such a judgment in accordance with the terms and conditions of the treaties entered into between Argentina and the country in which the judgment was issued. In the event there are no such treaties, the Supreme Court of the Republic of Argentina will enforce the judgment if it:

- complies with all formalities required for the enforceability thereof under the laws of the country in which it was issued;
- has been translated into Spanish, together with all related documents, and it satisfies the authentication requirements of the laws of Argentina;
- was issued by a competent court, according to Argentine principles of international law, as a consequence of a personal action (action *in personam*) or a real action (action *in rem*) over a movable property if it has been moved to Argentina during or after the time the trial was held before a foreign court;

- was issued after serving due notice and giving an opportunity to the defendant to present its case;
- is not subject to further appeal;
- is not against Argentine public policy; and
- is not incompatible with another judgment previously or simultaneously issued by an Argentine Court.

Currency Indemnity

The obligation of the Province to the trustee or any holder under the Notes that has obtained a court judgment affecting the Indenture or those Notes will be discharged only to the extent that the recipient may purchase U.S. dollars, referred to as the "agreement currency," with any other currency paid to that recipient in accordance with the judgment currency. If the holder cannot purchase the agreement currency in the amount originally to be paid, the Province agrees to pay the difference. The Province shall indemnify each of the trustee and the relevant holders under the Notes against any deficiency arising or resulting from any variation in rates of exchange between the date as of which the agreement currency is notionally converted into the judgment currency for the purposes of such judgment or order and the date actual payment thereof is received (or could have been received) by converting the amount in the judgment currency into the agreement currency promptly after receipt thereof at the prevailing rate of exchange in a foreign exchange market reasonably selected by such holders under the Notes or the trustee, as applicable. This indemnity will constitute a separate and independent obligation from the other obligations contained in the Indenture and the Notes and will give rise to a separate and independent cause of action.

The recipient, however, agrees that, if the amount of the agreement currency purchased exceeds the amount originally to be paid to such recipient, the recipient will reimburse the excess to the Province. The recipient, however, will not be obligated to make this reimbursement if the Province is in default of its obligations under the Indenture or the Notes.

Concerning the Trustee

The Indenture contains provisions relating to the obligations, rights, duties and protections of the trustee, to the indemnification of the trustee and the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with the Province or any of its affiliates without accounting for any profit resulting from such transactions.

Paying Agents; Transfer Agents; Registrar

The Province will maintain a paying agent, a transfer agent and a registrar in New York City and a paying agent and a transfer agent in a member state of the European Union. The Province will give prompt notice to the trustee and all holders of Notes of any future appointment or any resignation or removal of any paying agent, transfer agent or registrar or of any change by any paying agent, transfer agent or registrar in any of its specified offices.

BOOK ENTRY DELIVERY & FORM

Notes sold in offshore transactions in reliance on Regulation S will be represented by a permanent global note in fully registered form without interest coupons (the "Global Note") and will be registered in the name of a nominee of a common depositary for Euroclear and Clearstream and deposited with a common depositary for Euroclear or Clearstream. The Notes are not issuable in bearer form.

The Notes will be subject to certain restrictions on transfer as described in "Notice to Investors."

Global Note

Upon the issuance of the Global Note, Euroclear or Clearstream will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Notes to the accounts of persons who have accounts with Euroclear or Clearstream. Ownership of beneficial interests in the Global Note will be limited to persons who have accounts with Euroclear or Clearstream ("Clearing System Participants") or persons who hold interests through Clearing System Participants. Ownership of beneficial interests in the Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear or Clearstream or its nominee (with respect to interests of Clearing System Participants) and the records of Clearing System Participants (with respect to interests of persons other than Clearing System Participants).

So long as Euroclear or Clearstream, or its nominee, is the registered owner or holder of a Global Note, Euroclear or Clearstream or the common depositary, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the notes. Except in the limited circumstances described below under "—Individual Definitive Notes," owners of beneficial interests in a Global Note will not be entitled to have any portions of such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Notes in individual definitive form and will not be considered the owners or holders of the Global Note (or any notes represented thereby) under the Indenture or the Notes. In addition, no beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with Euroclear or Clearstream's applicable procedures (in addition to those under the Indenture).

Payments of the principal of and interest on the Global Note will be made to Euroclear or Clearstream or its nominee as the registered owner thereof. None of us, the Trustee, any of our respective agents, the Dealer Managers or the Local Placement Agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We anticipate that Euroclear or Clearstream or the common depositary, upon receipt of any payment of principal or interest in respect of a Global Note representing any notes held by the common depositary, will immediately credit Clearing System Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Note as shown on the records of Euroclear or Clearstream or the common depositary. We also expect that payments by Clearing System Participants to owners of beneficial interests in the Global Note held through such Clearing System Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such Clearing System Participants.

Transfers between Clearing System Participants will be effected in accordance with Euroclear or Clearstream's procedures, and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited. Because Euroclear or Clearstream can only act on behalf of Clearing System Participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical individual definitive certificate in respect of such interest. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more Clearing System Participants to whose account or accounts with Euroclear or Clearstream interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Clearing System Participant(s) has or have given such direction. However, in the limited circumstances described below, Euroclear or Clearstream will exchange the Global Note for individual definitive notes bearing a restrictive legend, which will be distributed to its participants. Holders of indirect interests in the Global Notes through Clearing System Participants have no direct rights to enforce such interests while the Notes are in global form.

The giving of notices and other communications by Euroclear or Clearstream to Clearing System Participants, by Clearing System Participants to persons who hold accounts with them and by such persons to holders of beneficial interests in a Global Note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

None of us, the Dealer Managers, the Local Placement Agents or the trustee will have any responsibility for the performance of Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Individual Definitive Notes

If (1) Euroclear or Clearstream or any successor to Euroclear or Clearstream notifies us in writing that it is unwilling or unable to continue as a depositary for a Global Note, or ceases to be a “clearing agency” registered under the Securities Exchange Act of 1934, as amended, or if any time it is no longer eligible to act as such, and a successor depositary is not appointed by us within 90 days or (2) the trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of the noteholders under the notes and the trustee has been advised by counsel that in connection with such proceeding it is necessary or appropriate for the trustee to obtain possession of the notes, we will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from Euroclear or Clearstream, we will use our reasonable best efforts to make arrangements with Euroclear or Clearstream, as the case may be, for the exchange of interests in the Global Note for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the registrar for delivery to holders. Persons exchanging interests in a Global Note for individual definitive notes will be required to provide the registrar with written instruction and other information required by us and the registrar to complete, execute and deliver such individual definitive notes. Individual definitive notes delivered in exchange for the Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by Euroclear or Clearstream.

Before any individual definitive note may be transferred to a person who takes delivery in the form of an interest in any Global Note, the transferor will be required to provide the trustee with written instrument of transfer as provided in the form attached to the Indenture, duly executed by the individual or his duly authorized attorney in writing.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

NOTICE TO INVESTORS

The distribution of this offering memorandum is restricted by law in certain jurisdictions. Persons who come in possession of this offering memorandum are required by the Province to inform themselves of, and to observe, any of these restrictions.

This offering memorandum does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. Neither the Province, nor the Dealer Managers or the Local Placement Agents accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes will be subject to the following restrictions on transfer. Holders of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of their Notes. By acquiring Notes, holders will be deemed to have made the following acknowledgements, representations to and agreements with the Province and the Dealer Managers and the Local Placement Agents:

(1) You acknowledge that:

i) the Notes have not been registered and will not be registered under the Securities Act or the securities laws of any other jurisdiction and are being offered for resale in transactions that do not require registration under the Securities Act or the securities laws of any other jurisdiction; and

ii) unless so registered, the Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below.

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Province and you are not acting on behalf of the Province and that you are purchasing the Notes in an offshore transaction in accordance with Regulation S under the Securities Act.

(3) You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of Notes by its acceptance of the Notes will agree, that the Notes may be offered, sold or otherwise transferred only:

i) to the Province;

ii) outside the United States in compliance with Rule 903 or 904 under the Securities Act;

iii) pursuant to a registration statement that has been declared effective under the Securities Act; or

iv) in any other jurisdiction in compliance with local securities laws.

(4) You acknowledge that the Province and the trustee reserve the right to require, in connection with any offer, sale or other transfer of Notes, the delivery of written certifications and/or other information satisfactory to the Province as to compliance with the transfer restrictions referred to above.

(5) You agree to deliver to each person to whom you transfer Notes, notice of any restrictions on transfer of such Notes.

(6) You acknowledge that each Regulation S global note will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE

TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES."

You acknowledge that the Province, the Dealer Managers, the Local Placement Agents and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You agree that if any of the acknowledgments, representations or warranties deemed to have been made by your purchase of Notes is no longer accurate, you shall promptly notify the Province, the Dealer Managers and the Local Placement Agents. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each account.

Argentine Selling Restriction

Pursuant to Section 83 of Argentine Law No. 26,831, as amended and/or supplemented (*Ley de Mercado de Capitales*), there are no restrictions on the offer and sale of the Notes in Argentina or to Argentine persons, except that the Notes may only be publicly offered or sold in Argentina through the Province or through persons or entities duly authorized to publicly offer securities in Argentina.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area (Iceland, Norway and Liechtenstein in addition to the member states of the European Union) which has implemented the Prospectus Directive (as defined below) (each, a "Relevant Member State"), each Dealer Manager has represented and agreed that, with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer Manager or Dealer Managers nominated by the Province for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the Province or any Dealer Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of notes to the public" in relation to any ordinary notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

Each Dealer Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 of the United Kingdom) in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of Financial Services and Market Act 2000 of the United Kingdom does not apply to the Province, and

(b) it has complied and will comply with all applicable provisions of the Financial Services and Market Act 2000 of the United Kingdom with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in France

The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this offering memorandum nor any other offering materials relating to the Notes described in this offering memorandum have been or shall be distributed to the public in France. Such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code *monétaire et financier*. This offering memorandum has not been submitted to the clearance procedures (visa) of the *Autorité des marchés financiers*.

Notice to Prospective Investors in the Kingdom of Spain

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (*Ley 24/1988, de 28 julio del Mercado de Valores*) and related legislation or without complying with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Neither the Notes nor the offering memorandum have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the offering memorandum is not intended for any public offer of the Notes in Spain.

Notice to Prospective Investors in Switzerland

This offering memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the Notes will not be listed on the SIX Swiss Exchange. Therefore, this offering memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the Notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the Notes with a view to distribution. Any such investors will be individually approached by the dealer managers from time to time.

Notice to Prospective Investors in Hong Kong

Each Dealer Manager has represented and agreed that it has not issued or had in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside of Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The Notes offered in this offering memorandum have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange

Act”). The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Notice to Prospective Investors in Singapore

Each Dealer Manager has acknowledged that this offering has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer Manager has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of any Notes may not be circulated or distributed, nor may any Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed for or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, then securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore

Chilean Selling Restriction

The offer of the Notes is subject to General Rule No. 336 of the Chilean Securities Commission (*Superintendencia de Valores y Seguros de Chile*, or the “SVS”). The Notes being offered are not registered in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS and, therefore, the Notes are not subject to the supervision of the SVS. As unregistered securities, the Province is not required to disclose public information about the Notes in Chile. The Notes may not be publicly offered in Chile unless they are registered in the corresponding securities registry.

Notice to Prospective Investors in Uruguay

This offering of the Notes is neither authorized for public offering in Uruguay nor registered with the Uruguayan Central Bank. The Notes may not be sold publicly under Uruguayan Securities Law 18.627 unless they are registered according to the terms and conditions established therein. The Notes may be offered privately and may not be offered directly to natural persons or determined legal entities and shall neither be offered on the Uruguayan Stock Exchange nor be advertised by any means. The offering of the Notes is strictly confidential and may not be distributed by the recipients hereof.

Notice Prospective Investors in Paraguay

The Notes have not been authorized for public offering within the Republic of Paraguay nor have they been registered with the National Securities Commission of the Republic of Paraguay. The Notes may not be sold for public offering pursuant to Securities Market Law 1284/98, as amended and supplemented, of the Republic of Paraguay. The Notes may be offered privately and may not be offered to individuals or indeterminate legal entities and may not offered on stock exchanges of the Republic of Paraguay nor publicized in any medium.

TAXATION

The following discussion summarizes certain Argentine and provincial income tax considerations that may be relevant to you if you purchase own or sell the Notes. This summary is based on laws, regulations, rulings and decisions now in effect in each of these jurisdictions, including any relevant tax treaties. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules.

You should consult your tax advisor about the tax consequences of the acquisition, ownership and disposition of the Notes, including the relevance to your particular situation of the considerations discussed below, as well as of any foreign, state, local or other tax laws.

The following discussion does not address tax consequences applicable to holders of the Notes in particular jurisdictions that may be relevant to such holder. Holders of the Notes are urged to consult their own tax advisors as to the overall tax consequences of the acquisition, ownership and disposition of the Notes in relevant jurisdictions.

Argentine Taxation

General

The following is a general summary of certain Argentine tax consequences resulting from the beneficial ownership of the Notes by certain holders. While this description is considered to be a correct interpretation of Argentine laws and regulations in force as of the date of this offering memorandum, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes to such laws will not occur, which may also have retroactive effects.

Income Tax

Interest

Unless otherwise stated hereinafter, interest on the Notes will be exempt from Argentine Income Tax (the "IT") according to section 36 bis of Law 23,576, the Negotiable Obligations Law. This section provides that the tax treatment applicable to negotiable obligations also applies to public notes (such as the Notes).

Decree No. 1076/92, as amended by Decree No. 1157/92, ratified by Law No. 24,307 (the "Decree"), however, eliminated the above exemption for holders who are subject to Title VI of the Argentine Income Tax Act (in general, entities organized or incorporated under Argentine law, Argentine branches of foreign entities, sole proprietorships and individuals who conduct certain business in Argentina (hereinafter referred to as the Argentine Entities)). Consequently, interest paid to Argentine Entities is subject to the IT as provided for by applicable Argentine tax law and regulations at a rate of 35%.

The exemption from Argentine income tax to interest payments on the Notes, as described above, will continue to be applicable in Argentina to revenue received by foreign beneficiaries abroad (i.e. individuals, undivided states or entities which are foreign fiscal residents that obtain income from an Argentine source) in spite of the fact that such revenue could be taxable by a foreign tax authority.

In the event of any withholding or deduction of any Relevant Taxes by a relevant jurisdiction, the Province has undertaken to make payments of additional amounts, subject to certain limitations, as will result in receipt by the Holders of the amounts that would otherwise have been receivable by them in respect of payments of such Notes in the absence of such withholdings or deduction. See "Description of the Notes—Additional Amounts."

Capital Gains

According to Article 36 bis of the Negotiable Obligations Law, individuals and undivided estates, either resident in Argentina or not, and foreign entities without a permanent establishment in Argentina, will not be subject to the payment of IT on income derived from the sale, change, conversion or other disposition of the Notes.

Argentine law provides generally that tax exemptions do not apply when, as a result of the application of an exemption, revenue that would have been collected by the Argentine tax authority would be collected instead by a foreign tax authority (Articles 21 of the Income Tax Law and 106 of the Tax Proceedings Law). This principle, however, does not apply to holders who are foreign beneficiaries.

Argentine Entities are subject to the payment of IT at a rate of 35% on income derived from the sale, change, conversion or other disposition of the Notes.

In the event of the imposition over local and foreign individuals or foreign entities of any deduction or withholding for or on account of IT, the Province has undertaken to make payments of additional amounts, subject to certain limitations, as will result in receipt by the Holders of the amounts that would otherwise have been receivable by them in respect of payments of such Notes in the absence of such withholdings or deduction. See "Description of the Notes—Additional Amounts."

Value Added Tax

Any financial transaction and operation related to the issuance, placement, purchase, transfer, payment of principal and/or interest or redemption of the Notes will be exempt from VAT according to Article 36 bis of the Negotiable Obligations Law.

Personal Assets Tax

Individuals and undivided estates (regardless of their domicile and location) are exempt from PAT on their holdings of any bond or security issued either by the Federal Government, an Argentine province or a municipality, such as the Notes.

Presumed Minimum Income Tax

The tax on presumed minimum income ("PMIT") is levied on the value of the assets held by, in general, a corporation at the end of the relevant tax period. Corporations domiciled in Argentina as well as the branches and permanent establishments in Argentina of companies or other entities incorporated abroad, among others, are subject to the tax at the rate of 1.0% (0.2% in the case of financial entities subject to Law No. 21,526, insurance companies and leasing entities) if the value of their assets exceeds P$200,000 at the end of a given economic period. If the value of the assets exceeds P$200,000, the total assets of the entity that are subject to taxation shall be taxable.

This tax will only be paid if the IT determined for any fiscal year does not equal or exceed the amount owed under the PMIT. On the other hand, if the PMIT exceeds the IT owed in the same fiscal year, only the difference shall be paid as PMIT. Any PMIT paid will be applied as a credit toward IT owed in the immediately following ten fiscal years.

The taxable value of the Notes will be determined: (i) on the basis of the latest quotation as at the closing dates of the relevant fiscal years if the Notes are listed on stock exchanges or public markets; and (ii) based on their cost, increased, if applicable, by the amount of interest and exchange differences accrued at the closing date of the fiscal year, if the Notes are unlisted.

Law 27.260, published in the National Official Gazette on July 22, 2016, abrogates this tax from the fiscal year beginning on January 1, 2019.

Tax on Debits and Credits on Bank Accounts (the "TDC")

Law No. 25,413, as amended and regulated, establishes, with certain exceptions, a tax levied on debits from and credits to bank accounts maintained at financial institutions located in Argentina, and on other transactions that are used as a substitute for the use of bank checking accounts. The general tax rate is 0.6% for each debit and credit; however increased tax rates of 1.2% and reduced rates of 0.075% may apply in certain cases.

In the case of holders of bank accounts subject to the general 0.6% rate, 34% of the tax assessed and received by the tax collection agent in connection with the amounts deposited in said accounts, may be accounted for as payment on account of the IT and/or the PMIT. In the case of holders of bank accounts subject to the 1.2% rate, 17% of the amounts paid as TDC may be accounted for as payment on account of the IT, the PMIT and/or the special contribution on cooperatives' capital. This tax has certain exemptions; recorded movements in special checking accounts (Communication "A" 3250 of the Central Bank) are exempted from this tax if the accounts are held by foreign legal entities and if they are exclusively used for financial investments in the country. Decree No. 485 of July 7, 2017 granted an exemption from this tax to the transfers between accounts and sub-accounts used exclusively in the management and transfer through mobile devices and/or other electronic support, and the accounts and sub-accounts used by companies dedicated to the services of electronic payment and/or collection. We are analyzing the impact of this new regulation on our operations.

To the extent that holders of the Notes receive payments by utilizing local bank checking accounts, such tax may apply.

Court Tax

In the event that it becomes necessary to institute enforcement proceedings in relation with the Notes (i) in the federal courts of Argentina or the courts sitting in the City of Buenos Aires, a court tax (currently at a rate of 3%) will be imposed on the amount of any claim brought before such courts; or (ii) in the courts of the Province, certain court (currently assessed at 2%) and other taxes will be imposed on the amount of any claim brought before such courts.

Provincial Tax Consequences

The Notes, as well as the income derived therefrom, are exempt from all taxes imposed by the Province, including stamp tax and gross income tax.

Gross Income Tax

The gross income tax is a local tax levied on the customary development of any business for profit within a provincial jurisdiction or the City of Buenos Aires. Any investor regularly engaged in activities, or presumed to be engaged in activities, in any jurisdiction where they receive revenues from interest arising from holding notes, or from their sale or conveyance, could be subject to the gross income tax at rates that vary according to the specific laws of each Argentine province or the City if Buenos Aires, unless an exemption applies.

In general, Argentine provinces and the City of Buenos Aires provide particular exemptions for any income derived from securities issued by the Federal Government, provinces or municipalities, such as the Notes.

Prospective investors in Argentina should consider the tax consequences of the Argentine province in which they are located.

Stamp Tax

Stamp tax is a provincial tax, which is also levied in the City of Buenos Aires, on the consummation of onerous transactions executed within a certain provincial jurisdiction or outside a certain provincial jurisdiction but with effects in such jurisdiction.

In general, the provinces and the City of Buenos Aires provide an exemption to any actions, contracts and transactions made with respect to Notes issued by provincial governments (such as the Notes).

Prospective investors should consider the tax consequences in force in the abovementioned jurisdictions at the time the relevant document is executed and/or takes effect.

Tax on Gratuitous Transfer of Assets

The Province of Buenos Aires establishes a tax on the gratuitous transfer of assets (the "TGTA"), which may apply if the beneficiaries are domiciled in the Province of Buenos Aires or if the assets being distributed, such as the Notes, are located therein. The tax is levied on any increase in assets that results from a gratuitous title transfer, including inheritances, legacies and gifts. Any gratuitous transfer of property lower than or equal to ARS 107,640 is exempt. This amount is increased to ARS 448,500 in the case of transfers among parents, sons, daughters and spouses. The amount to be taxed, which includes a fixed component and a variable component that is based on differential rates (which range from 4.0% to 21.9%), varies according to the property value to be transferred and the degree of kinship of the parties involved.

In the event of the imposition of any deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges on the payment by the Province in respect of the Notes, the Province has undertaken to make payments of additional amounts, subject to certain limitations, as will result in receipt by the holders of the amounts that would otherwise have been receivable by them in respect of payments of such Notes in the absence of such withholdings or deduction. See "Description of the Notes – Additional Amounts."

The Province of Entre Ríos, by virtue of Law No. 10,197 (published in the Official Gazette on January 24, 2013), implemented this tax on a provincial level that may apply if the beneficiaries are domiciled in Entre Rios or if the transferred assets are located within said jurisdiction. The taxable event and the applicable rates are similar to the ones described for the Province of Buenos Aires.

Prospective investors in Argentina should consider the tax consequences of the Argentine province in which they are located.

DEALER MANAGERS

Subject to the terms and conditions set forth in a dealer manager agreement among the Province and the Dealer Managers, the Province has agreed to offer and sell the Notes solely to persons other than U.S. persons pursuant to offers and sales that occur outside the United States within the meaning of Regulation S (such persons, the "Eligible Purchasers") in transactions that will not require qualification or filing under the laws of any jurisdiction, and the Dealer Managers have agreed to use their commercially reasonable efforts to assist the Province in the offer and sale of the Notes by the Province to Eligible Purchasers.

The offering of the Notes will also consist of a public offer targeted to investors in Argentina, that qualifies as a public offering in Argentina in accordance with Argentine Law No. 26,831, as amended and/or supplemented (*Ley de Mercado de Capitales*) and other applicable regulations, which will be conducted through the Local Placement Agents in accordance with, and subject to, the terms and conditions provided in the local placement agreement to be signed between the Province and the Local Placement Agents.

The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Notes will be offered and sold by the Province to Eligible Purchasers only outside the United States in offshore transactions in reliance on Regulation S. See "Notice to Investors."

We have agreed to indemnify the Dealer Managers, the Local Placement Agents and their respective affiliates against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Dealer Managers or the Local Placement Agents may be required to make in respect of any of these liabilities, in accordance with the provisions of the dealer manager agreement and the local placement agreement, respectively.

The Province has agreed that, during the period commencing on the date of this offering memorandum through and including the date that is 30 calendar days after the date of this offering memorandum, it will not, without the prior written consent of the Dealer Managers, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any debt securities issued or guaranteed by the Province and having a tenor of more than one year in the local or international capital markets.

Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "Notice to Investors."

34º Sur Capital SRL. will act as Arranger with respect to the offering of the Notes and, in consideration for its services, will receive a nominal fee from the Province.

New Issue of Notes

The Notes are a new issue of securities with no established trading market. The Dealer Managers have advised the Province that they or their affiliates presently may make a market in the Notes after completion of this offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice.

The Notes are expected to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, listed and traded on the ByMA and traded on the MAE. However, that does not ensure that a liquid or active public trading market for the Notes will develop. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the Province's performance and other factors.

Settlement

The Province expects that delivery of the Notes will be made against payment for the Notes on , 2017, which will be the business day following the date of the pricing of the Notes (such settlement being referred to as "T+ "). As of September 5, 2017, under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the notes initially settle in T+ , to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

Other Relationships

The Dealer Managers, the Local Placement Agents and their respective affiliates are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

The Dealer Managers, the Local Placement Agents and their respective affiliates have engaged in, and may in the future engage in, investment banking, commercial banking and other financial services and commercial dealings in the ordinary course of business with the Province. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealer Managers, the Local Placement Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Province or the Province's affiliates. To the extent that certain of the Dealer Managers, the Local Placement Agents or their respective affiliates have a lending relationship with the Province now or in the future, they would routinely hedge their credit exposure to the Province consistent with their customary risk management policies. Typically, the Dealer Managers, the Local Placement Agents and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Province's securities, including potentially, the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Dealer Managers, the Local Placement Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

OFFICIAL STATEMENTS

Information included herein which is identified as being derived from information published by the Province or its agencies or instrumentalities, is included herein on the authority of such publication as a public official document of the Province. All other information and statements set forth herein relating to the Province are included as public official statements made on the authority of the Province.

The information with respect to Argentina that is included herein has been derived from publicly available sources, and the Province makes no representation regarding the accuracy or completeness of such information and accepts no responsibility for such information other than in respect of its accurate summary, reproduction and extraction.

VALIDITY OF THE NOTES

The validity of the Notes will be passed upon for the Province by Holland & Knight LLP, U.S. counsel to the Province, and by Cabanellas Etchebarne Kelly, Argentine counsel to the Province, and for the Dealer Managers by Skadden, Arps, Slate, Meagher & Flom LLP, U.S. counsel to the Dealer Managers, and by Perez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h), Argentine counsel to the Dealer Managers.

As to all matters of Argentine and provincial law, Holland & Knight LLP may rely on the opinion of the Cabanellas Etchebarne Kelly; and Skadden, Arps, Slate, Meagher & Flom LLP may rely upon the opinion of Perez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h). As to all matters of U.S. law, Cabanellas Etchebarne Kelly may rely on the opinion of Holland & Knight LLP; and Perez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h) may rely on the opinion of Skadden, Arps, Slate, Meagher & Flom LLP.

GENERAL INFORMATION

The Province

The Province has authorized the creation and issuance of the Notes pursuant to article 82 of the Provincial Constitution, Provincial Laws No. 5,949, No. 6,001 and No. 6,019, Provincial Decree No. 4074-HF-17, and Resolution No. 489 – HF – 17 of the Ministry of Economy.

Except as disclosed in this offering memorandum, since December 31, 2016, there has been no material adverse change in the revenue or expenditures, or financial position of the Province.

Listing

Application has been made to list the Notes on the Luxembourg Stock Exchange and for the Notes to trade on the Euro MTF Market of the Luxembourg Stock Exchange. Application has been made to list and trade the Notes on the ByMA and for admission to trade on the MAE. The Luxembourg listing agent is The Bank of New York Mellon SA/NV, Luxembourg Branch.

Documents Relating to the Notes

Copies of the Indenture, this offering memorandum and the forms of the Notes may be inspected free of charge during normal business hours on any day, except Saturdays, Sundays and public holidays in Luxembourg, at the offices of the listing agent in Luxembourg, as long as the Notes are listed on the Luxembourg Stock Exchange. Copies of this offering memorandum may be obtained during normal business hours on any day except Saturdays, Sundays and public holidays, at the offices of the listing agent in Luxembourg, as long as the Notes are listed on the Luxembourg Stock Exchange.

Notices

For so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, all notices to holders of such series shall be published either in a newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu), or otherwise in compliance with the relevant listing rules of the Luxembourg Stock Exchange.

Clearing Systems

Application will be made to have the Notes accepted for clearance through the Euroclear and Clearstream, Luxembourg clearance systems. The relevant trading information is set forth in the following table:

Offered Notes	ISIN Number	Common Code
Regulation S		

ISSUER

The Government of the Province of Jujuy
Gral. San Martín 450
4600 San Salvador de Jujuy, Jujuy
Argentina

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United States of America

As to Argentine law:
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Suipacha 1111 – 18th,
C1008AAW Buenos Aires, Argentina

TRUSTEE, PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Bank of New York Mellon
101 Barclay Street, Floor 7 East
New York, New York 10286

LUXEMBOURG PAYING AGENT AND LUXEMBOURG TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 Rue Eugène Ruppert
2453 Luxembourg

LUXEMBOURG LISTING AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 Rue Eugène Ruppert
2453 Luxembourg

US$

The Province of Jujuy

% Notes due

OFFERING MEMORANDUM

, 2017

Joint Lead Managers

BCP Securities **Santander**

Arranger

34° Sur

Local Placement Agents

BACS Banco de Crédito y Securitización S.A. **Banco Hipotecario S.A.**