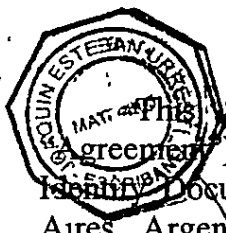


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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement dated as of October 12, 2007 (the "Agreement") among Mr. Aldo Pedro Duscher, an Argentine individual, National Identity Document 26,844,832, domiciled at Eduardo Costa 3044, City of Buenos Aires, Argentina (hereinafter, "Duscher"), Mr. Walter Fabián García Moreno, an Argentine individual, National Identity Document 17,310,581, domiciled at Eduardo Costa 3044, City of Buenos Aires, Argentina (hereinafter, "García Moreno"), and Jorge Alberto Nadim Aïdar Bestene, an Argentine individual, National Identity Document 17,398,179, domiciled at Eduardo Costa 3044, City of Buenos Aires, Argentina (hereinafter, "Aïdar"), (Duscher, García Moreno and Aïdar shall be collectively referred to as the "Sellers"), and Andes Energia PLC. (formerly Ragusa Capital Plc) an English public limited company (the "Purchaser" or "Andes Energia") domiciled at 3rd floor, 16 Dover St., London (W1S4LR), England (the Sellers and the Purchaser shall be collectively referred to as the "Parties" and individually and indistinctively, any of them, as the "Party").

RECITALS

Capitalized terms are used in these Recitals as defined herein or in Article I of this Agreement.

WHEREAS, Ketsal and the Sellers entered into option agreements on April 30, 2007, under which agreements the Sellers granted Ketsal the HASA Option.

WHEREAS, on May 10, 2007, Mr. Aldo Duscher consented in writing to the assignment of the HASA Option to the Purchaser

WHEREAS, on May 28, 2007, Messrs. Jorge Aïdar Bestene and Walter García Moreno consented in writing to the assignment of the HASA Option to the Purchaser.

WHEREAS, on October 3, 2007, the Purchaser notified the exercise of the HASA Option to the Sellers

WHEREAS, the Sellers wish to sell and transfer to the Purchaser and the Purchaser wishes to buy and acquire the HDS Shares and indirectly the HASA Shares on the terms set forth in this Agreement

NOW, THEREFORE, in consideration of the covenants, agreements, representations and warranties set forth in this Agreement, and in compliance with the provisions of the HASA Option Agreement, the Parties hereby covenant, agree, represent and warrant as follows:

ARTICLE I. DEFINITIONS AND RULES OF CONSTRUCTION



RM 09/11/2007 129
COMPANIES HOUSE

1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Affiliate" means, with respect to a given Person (in this definition, the "Relevant Person"), any Person who directly or indirectly, Controls the Relevant Person, or is Controlled by the Relevant Person, or is under a common Control with, the Relevant Person (i.e. both, said Person and the Relevant Person, are controlled, directly or indirectly, by the same Person).

"Agreement" shall mean this Stock Purchase Agreement (including all schedules and exhibits hereto), as amended, restated, supplemented or otherwise modified from time to time

"AIM" shall mean the AIM market of the London Stock Exchange.

"Andes Electricidad" shall mean Andes Electricidad S.A., an Argentine corporation ("sociedad anónima") registered with the Public Register of Commerce of the City of Buenos Aires under the number 14264, date August 27, 2007.

"Andes Energia Shares" shall mean shares of common stock of ten pence each issued by the Purchaser.

"Argentina" shall mean the Republic of Argentina.

"Business Day" shall mean a day, other than a Saturday or Sunday, on which commercial banks are not required or authorized by Law to close in New York, New York and in Buenos Aires, Argentina

"Cash Payment" shall have the meaning set forth in Section 2.2 hereof.

"Closing" shall have the meaning set forth in Section 4 herein.

"Closing Date" shall mean the date hereof.

"Contract" shall mean a contract to which HDS or HASA is a party or of which any of them is a third party beneficiary.

"Contractual Obligation" shall mean, with respect to any Person, any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking or other agreement to which such Person is a party or by which it or any of its properties is bound or subject.

"Control" of a Person shall mean the power, directly or indirectly, to (a) exercise more than 50% of the votes of the Voting Securities of such Person, (b) to elect or appoint a majority of the directors (or individuals performing similar functions) of such Person, or (c) otherwise direct by itself the affairs of a Person, including as an investment manager or advisor; and the terms "Controlling", "Controllers" and "Controlled" shall have meanings correlative to the foregoing

"DGSP" shall mean the "Dirección General de Servicios Públicos" (provincial public utility authority) of the Province of Chubut.

"Dollars" or "US\$" shall mean the lawful currency of the United States of America.

"Equity Securities" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in the equity or the profits of such Person, any and all equivalent ownership or profit sharing interests in such Person and any and all votes, warrants, options or other rights or preferential rights to acquire (whether through subscription, conversion, exchange or otherwise) any of the foregoing.

"Execution Date" shall mean the date hereof

"Financial Statements" shall mean, collectively, (a) HDS's financial statements for the fiscal year ended June 30, 2007 and (b) HASA's financial statements for the fiscal year ended June 30, 2007.

"Governmental Authority" shall mean any nation or government, the European Union, any state, provincial or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to, government, including but not limited to any central bank, the DGSP and the antitrust authority and any other municipal, provincial or national agency.

"HASA" shall mean Hidroeléctrica Ameghino S.A. an Argentine sociedad anónima, domiciled at Sarmiento 698, Trelew. Province of Chubut, registered with the Public Register of Commerce of Rawson City, Province of Chubut, under the number 4688, date August 31, 1994.

"HASA Concession" shall mean the license granted by the Argentine National Government in favor of and held by HASA, by Decree 1806/94, for the exploitation of hydroelectric energy for a 50-year period.

"HASA Option" shall mean the irrevocable right to purchase and acquire the HDS Shares and all rights arising from the HASA Option Agreement.

"HASA Option Agreements" shall mean the agreements entered into between Ketsal and Mr. Aldo Duscher on April 30, 2007, and Ketsal and Messrs. Walter García Moreno and Jorge Aidar Bestene on April 30, 2007, under which the Sellers granted Ketsal the HASA Option

"HASA Shares" shall mean 14,250,333 common, book-entry, single-vote, Class A shares of HASA, representing 59% of the Equity Securities issued and outstanding of HASA as of the Closing Date, and 59% of the total votes granted by all Equity Securities of HASA, together with all rights pertaining and/or relating to such shares.



"HDS" shall mean Hidroeléctrica del Sur S.A., an Argentine sociedad anónima, domiciled at Hipolito Yrigoyen 1180, 8 Floor, "A" office, Buenos Aires City, registered with the Public Register of Commerce of the City of Buenos Aires under the number 5787, date June 14, 1994..

"HDS Shares" shall mean 2,096,400 Class A, 2,096,400 Class B, 2,096,400 Class C and 2,096,400 Class D common shares of Hidroeléctrica del Sur S.A., representing 80% of the Equity Securities issued and outstanding of Hidroeléctrica del Sur S.A. and 80% of the total votes granted by all Equity Securities of HDS and indirectly representing 47.2% of the Equity Securities issued and outstanding of HASA as of the Closing Date, together with all rights pertaining and/or relating thereto and all rights of Ketsal and/or assigned and/or transferred to Ketsal under, in relation, in compliance or as a consequence of the HASA Option Agreements

"Indebtedness" shall mean with respect to any Person, (a) any liability, contingent or otherwise, of such Person, of any kind or nature, including, but not limited to (i) any liability for borrowed money, whether or not the recourse of the lender is to the whole of the assets instrument or letters of credit (including a purchase money obligation or other obligation relating to the deferred purchase price of property), (ii) any amount appearing on the Person's balance sheet as a liability for a capitalized lease obligation; or (iii) any liability for the payment of money, whether or not then due and payable, including, but not limited to, taxes or similar or other charges or assessments; expenses for wages, salaries, severance payments, compensation, benefits, or other obligations owed under any kind of employees or retirement plan, amounts payable to officers, directors, and syndics, insurance costs, or any other goods or services provided to such Person; (b) any financial obligation of others of the kind described in the preceding clause (a), which the Person has guaranteed or which is otherwise its legal liability; (c) any obligation secured by a Lien to which the property or assets of such Person are subject, whether or not the financial obligations of the kind described in the preceding clause (a) secured thereby shall have been assumed by or shall otherwise be such Person's legal liability; and (d) any and all deferrals, renewals, extensions and refundings of, or amendments, modifications or supplements to, any liability of the kind described in any of the preceding clauses (a), (b) or (c).

"Ketsal" shall mean Ketsal S.A., an Argentine *sociedad anónima*, domiciled at Ortiz de Ocampo 3160, 3rd Floor, Apt. B, City of Buenos Aires, Argentina

"Law" shall mean any and all applicable statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, codes, injunctions, permits, concessions, grants, franchises and licenses enacted, issued or granted by any (or, if applicable, the indicated) Governmental Authority.

"Lien" shall mean any and all mortgages, charges, pledges, security interests, liens, encumbrances, increases in liability, actions, claims, rights of first refusal, co-sale rights, transfer restrictions, usufruct, attachment (*embargo*), easement, option, assignment in trust, and demands of any nature whatsoever or any agreement to create

the foregoing or any other type of restriction, limitation or preferential arrangement having the practical effect of constituting a security interest, upon or with respect to any property or asset.

"Material Adverse Effect" shall mean a material adverse effect on: (a) the business, prospects, rights, assets, operations, property, condition (financial or otherwise) or results of operations of HDS or HASA, (b) the rights of HASA or HDS arising from, or their ability to perform and comply with their obligations under or in respect of, the HASA Concession and/or any Material Contract, (c) the ability of the Sellers to perform and comply with their obligations under or in respect of this Agreement or the benefits intended to be provided to the Purchaser by this Agreement; (d) the legality, validity, binding effect or enforceability of this Agreement, (e) the rights or remedies of the Purchaser under this Agreement, or (f) the Purchased Shares or the HASA Shares.

"Material Adverse Event" shall mean an event, action, occurrence or other phenomenon of any kind which has or it is reasonably expected to have, a Material Adverse Effect.

"Material Contract" shall mean a contract to which HDS or HASA is a party or of which it is a third party beneficiary, and which is material to the business or operations of HDS or HASA.

"Necessary Action" shall mean, with respect to a result required to be caused, all actions within the legal power of the Person charged with taking Necessary Action that are necessary to cause such result.

"Person" shall mean an individual, partnership, firm, corporation, *fideicomiso*, company, trust, unincorporated association, joint venture, consortium, *unión transitoria de empresas*, Governmental Authority or other entity of whatever nature

"Peso" shall mean the lawful currency of Argentina.

"Purchased Shares" shall mean the HDS Shares and shall also mean and include all the Purchased Shares' Rights.

"Purchased Shares' Rights" shall have the meaning set forth in Section 2.1.

"Purchaser" shall have the meaning set forth in the introductory paragraph hereto.

"Sellers" shall have the meaning specified in the introductory paragraph hereto.

"Specified Courts" has the meaning set forth in Section 9.9.

"Time of Closing" shall mean 10:00 am Buenos Aires Time on the Closing Date when the Closing of the purchase and sale herein provided for shall be completed.

"Transaction" shall mean the consummation of all actions and transactions, and the execution of all documents to be executed and actions to be taken by the Parties under this Agreement and/or with respect to the Purchased Shares and/or the HASA Option and/or any other Equity Securities and/or any interest in HDS or HASA.

"Voting Securities" shall mean Equity Securities of any class or classes (or equivalent interests) of any Person if the holders of the Equity Securities of such class or classes (or equivalent interests) are ordinarily, in the absence of contingencies, entitled to vote, even though the right so to vote has been suspended by the happening of such a contingency

1.2 Rules of Construction.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto.

(b) The table of contents and the headings of articles and sections in this Agreement are included for convenience of reference. They shall not affect the construction of any provision of this Agreement.

(c) The words "hereof", "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and references to Articles, Sections, Schedules and Exhibits are to articles and sections of, and schedules and exhibits to, this Agreement unless otherwise specified. Any reference herein to any Person shall be construed to include such Person's successors and permitted assigns.

The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

The term "including" is not limiting and means "including without limitation".

ARTICLE II. PURCHASE AND SALE OF PURCHASED SHARES

2.1 Purchase of the Purchased Shares: (a) Subject to the terms and conditions hereof, the Sellers hereby sell, irrevocably assign and transfer to the Purchaser the Purchased Shares free and clear of all Liens and the Purchaser hereby purchases, assumes and acquires the Purchased Shares free and clear of all Liens.

The Purchased Shares are sold and shall be delivered in the form of a single indivisible unit, since the sale is agreed upon "in their entirety" and include the following rights (altogether the "Purchased Shares' Rights"): (i) all corporate and



financial rights and interest pertaining thereto and arising thereof, including, without implying any restriction whatsoever, the rights to dividends in shares, in kind or in cash voted upon to date, as well as all the rights and action arising from the capitalizations of reserves, revaluations, capital adjustments and contributions of all kinds that remain pending and any credit to which the Sellers are entitled vis-a-vis the Companies, accrued to date for any cause or reason. The Purchaser shall not be obliged to complete the purchase of any of the Purchased Shares unless the purchase of all the Purchased Shares is completed simultaneously in accordance with the provisions of this Agreement and such acquisition of the Purchased Shares causes the results explained in Section 3.1(g) hereof.

2.2 Purchase Price. As total consideration for the sale, assignment, transfer and purchase of the Purchased Shares as provided in Section 2.1, and any and all rights transferred and/or assigned to the Purchaser under this Agreement, the Purchaser pays to the Sellers (as indicated in Exhibit 2.2 hereof) a purchase price (the "Purchase Price") equal to the sum of US\$13,200,000 (thirteen millions two hundred thousand United States dollars), of which (i) US\$500,000 has been paid by Ketsal to Duscher prior to the date hereof and shall be reimbursed to Ketsal by the Purchaser on the date hereof, (ii) the amount of US\$5,500,000 (five millions five hundred thousand United States Dollars) (the "Cash Payment") is paid on the date hereof by means of a wire transfer to the account detailed in Exhibit 2.2 and (iii) the amount of US\$7,200,000 (seven millions two thousand United States Dollars) is paid by issuing and delivering 6,666,667 Andes Energia Shares (the "New Equity") to the Sellers (as indicated in Exhibit 2.2), and the Sellers hereby acknowledge receipt of such payment of the Purchase Price once such payment has been credited on the account mentioned in Exhibit 2.2.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Sellers. To induce the Purchaser to enter into this Agreement and to perform the Transaction and all transactions described herein to be performed by it, the Sellers represent and warrant, jointly and severally, to the Purchaser as of the Closing Date, that:

(a) **Due Incorporation, Authority to Conduct Business** Each of HDS and HASA (i) is a *sociedad anónima* duly organized, validly existing, registered with the Public Register of Commerce of the City of Buenos Aires or the Province of Chubut, as applicable, and in good standing under the Laws of Argentina, and (ii) has all requisite capacity, power, authority, and legal right (including, as applicable, all licenses (including the HASA Concession), permits, approvals, and other authorizations from Governmental Authorities as well as from all other Persons) to own or lease and operate its properties and to carry on its business in all respects as now conducted and as proposed to be conducted and to perform and comply with the HASA Concession.

(b) Rights and Authorizations to execute and comply with this Agreement. Each of the Sellers has the required capacity and power and all the necessary rights and authorizations (including all licenses, permits, approvals), to execute, deliver and perform its obligations under this Agreement. None of Sellers or any of their respective assets or properties is in violation of the terms of any such rights, capacity or power, which violation could reasonably be expected to have a Material Adverse Effect, and none of the Sellers has knowledge of any pending or threatened action to revoke or that may cause any of the Sellers to lose any of such rights, capacity or power or affect any of them in a way that could reasonably be expected to have a Material Adverse Effect.

(c) No Conflicts The execution, delivery and performance by each of the Sellers under the Transaction Documents to which it is a party and the consummation of the transactions contemplated therein do not and will not (i) conflict with, cause the loss or limitation of any right or privilege or result in a violation or breach of, any of the terms, conditions, or provisions of the organizational documents of the HDS or HASA; (ii) conflict with or violate any Law, (iii) conflict with or result in the breach of, or constitute a default or require any payment to be made under, any Contractual Obligation, or other obligation of HDS or HASA, (iv) result in or require the creation or imposition of any Lien upon or with respect to any Purchased Shares or of the property or revenues of HDS or HASA, (v) conflict with or result in the breach of, or constitute a default or require any payment to be made under any obligation, requirement or prohibition or cause the loss or limitation of any right or privilege under the HASA Concession or any Material Contract.

(d) Authorizations and Consents. No authorization, consent, order, approval, license, ruling, permit, exemption, filing or registration by or with, notice to, or action with respect to any Person (including any Governmental Authority) is required to authorize, or is otherwise required in connection with (i) the execution and delivery by each of the Sellers of this Agreement and the consummation of the transactions contemplated therein, (ii) the legality, validity, binding effect or enforceability against Sellers of this Agreement, or (iii) the exercise by any Party of such Party's rights under this Agreement against Sellers. There are no attachments, pending injunctions, writs, preliminary restraining orders, rulings, or decisions of any nature issued by an arbitrator, judge, court or other Governmental Authority, prohibiting or in any way restricting the consummation of the transactions contemplated by this Agreement.

(e) Binding Obligations. The obligations arising from this Agreement constitute legal, valid and binding obligations of Sellers, enforceable against any and all of them in accordance with their terms

(f) Ownership of Equity Securities of HDS, HASA. (i) The Sellers are the sole record and beneficial owners, free and clear of any Liens, of the HDS Shares, which represent 80% of the Equity Securities of HDS and, indirectly, 47.2% of the Equity Securities of HASA; (ii) HDS is the sole record and beneficial owner, free and clear of any Liens, of the HASA Shares, which represent 59% of the Equity Securities of HASA.

(g) Result of the Transaction. (A) Immediately after giving effect to the actions contemplated herein, the Purchaser will be (i) the exclusive record and beneficial owner, free and clear of all Liens, of the Purchased Shares and shall have all rights granted under HDS's organizational documents (including its *estatutos sociales*) and under Argentine Law with respect to the Purchased Shares and the Purchased Shares shall represent directly 80% of the Equity Securities of HDS and indirectly 47.2% of the Equity Securities of HASA, and (ii) HASA Shares shall represent 59% of the Equity Securities of HASA.

(h) No Liens. Neither the Purchased Shares nor the HASA Shares are subject to any encumbrances, charges, Liens or other restrictions, or impediments of any kind, including any restrictions or limitations of any kind to transfer

(i) Litigation. There are no (i) unsatisfied, pending and/or threatened actions, suits or proceedings of any kind, including any administrative proceeding, investigation or inspection ("Claims"), against any of the Sellers, HDS or HASA, or (ii) attachments, pending injunctions, writs, preliminary restraining orders, rulings, or decisions of any nature issued by an arbitrator, judge, court or other Governmental Authority, affecting or that may affect in any manner whatsoever any of their business, assets or rights. All unsatisfied, threatened and/or pending Claims have been properly reserved for in the Financial Statements and the reserves for such Claims (*previsiones para juicios/reclamos*) made in the Financial Statements will be sufficient and no other sums will be required to cover and pay all amounts payable, liabilities or costs arising or damages or reductions or restrictions suffered by HDS or HASA arising from or related to such Claims.

There are no Claims against any of the Sellers or any attachments, pending injunctions, writs, preliminary restraining orders, rulings, or decisions of any nature issued by an arbitrator, judge, court or other Governmental Authority, affecting or that may affect in any manner whatsoever any the Purchased Shares or the HASA Shares or the rights or obligations arising therefrom.

(j) Financial Statements. (i) The financial statements annexed hereto as Exhibit 3.1(j) are true and correct copies of the Financial Statements. The Financial Statements have been prepared in accordance with Argentine generally accepted accounting principles and present fairly in all material respects the economic and financial condition and results of each of HDS and HASA as of the date thereof. Since June 30, 2007 there has been no material change to the economic and financial situation of HDS or HASA as such situation has been reflected in the Financial Statements, and none of HDS or HASA has made any material change to any accounting practice or procedure that is not reflected in the notes to the Financial Statements; (ii) The Financial Statements do not contain any untrue statement of fact and do not omit to state any fact required to be stated to make the Financial Statements not misleading; (iii) There are no liabilities for any taxes under any the laws of the applicable jurisdictions or for other taxes for any period prior to the date of the Financial Statements; (iv) All accounts receivable recorded on the accounts of HDS and/or HASA are or result from purchase orders or customer contracts obtained or

executed in good faith and are collectable by HDS and/or HASA without set-off or right-of-set-off or counterclaim; (v) HDS and HASA have no outstanding non current liabilities except as disclosed in the Financial Statements and have no current liabilities other than as disclosed in the Financial Statements or incurred in the ordinary course of business after the date thereof

(k) The HASA Concession. The HASA Concession has been legally obtained and maintained. HDS and HASA have acted in compliance with their terms in all material respects. No Governmental Authority has sought or intends to seek or, to the knowledge of the Sellers, there is any reason that may reasonably cause such Governmental Authority or third party to seek, revocation or any modification to the HASA Concession that could reasonably be expected to have a Material Adverse Effect. There are no pending or threatened actions by any Governmental Authority or any third party to revoke or that may result in the revocation or to modify or that may result in the modification, of the HASA Concession in a manner that could reasonably be expected to have a Material Adverse Effect.

(l) Contracts in Effect. (i) Each Contract is in full force and effect and constitutes a legal, valid, binding agreement, enforceable by and against HASA and HDS in accordance with its terms. None of HDS or HASA is in violation or breach of, or in default under, nor has there occurred any event or condition that with the passage of time or giving of notice (or both) would constitute a default, violation or breach under, any such Contract that would justify the claim for damages or the termination thereof by any other party thereto, except for any violation or breach which was reasonable or that would not cause a Material Adverse Effect. (ii) No Governmental Authority or any third party has sought or intends to seek or, to the knowledge of the Sellers, there is any reason that may reasonably cause such Governmental Authority or third party to seek, termination, non renewal or any modification to any Material Contract that could reasonably be expected to have a Material Adverse Effect. There are no pending or threatened actions by any Governmental Authority or any third party to terminate, or that may result in the termination or to modify or that may result in the modification, of any such Material Contract in a manner that could reasonably be expected to have a Material Adverse Effect.

(m) Employees and Directors. (i) Exhibit 3.1(m)(i) contains a complete list of all employees of HASA and HDS as of the date hereof. (ii) HASA and/or HDS are not a party to any bonus, profit sharing, deferred compensation, retirement, medical insurance or similar plan or practice, formal and informal, in effect with respect to any employees or others

(n) Employment and Service Contracts. (i) HDS and/or HASA are not a party to any written contracts of employment, service agreements, management agreements, distributorship or agency agreements, collective bargaining agreements or labor agreements, except as detailed in Exhibit 3.1(n); and HDS and/or HASA are not conducting any negotiations with any labor union with respect to employees of HDS and/or HASA except for negotiations in the ordinary course of business and that

would not cause a Material Adverse Effect, and HDS and/or HASA do not have any agreements or understandings relative to any increase in salary, compensation or term of service or any other issue with any employees or any agreement with contractors that may entitle such contractors to claim any joint or several liability against HDS or HASA or any claim considering themselves as employees of HDS or HASA. (ii) HDS and/or HASA are not obligated by virtue of a prepayment arrangement under any contract or arrangement for the provision of services or to provide or be provided services at some future time without then and thereafter receiving full payment therefor at market price conditions

(o) Absence of Undisclosed Liabilities. Except for liabilities shown in the Financial Statements and for the amount indicated therein or those incurred after June 30, 2007 in the ordinary course of business, there are no accrued but unpaid indebtedness of, or other liabilities for the payment of money by HDS and/or HASA whether or not due. HDS and/or HASA have no liabilities or obligations, of any nature, whether accrued, contingent or otherwise, except for (i) liabilities or obligations reflected in the Financial Statements in accordance with generally accepted accounting principles in Argentina and which liabilities are duly and sufficiently covered by the provisions made in their respective Financial Statements or (ii) liabilities or obligations arising after June 30, 2007, assumed in the ordinary course of business and of substantially the same nature as, and in amounts not materially different from, such liabilities or obligations that are so reflected in the financial statements and covered.

(p) No Bankruptcy, Winding Up, Etc. (i) No action has been taken by the Sellers or HASA or HDS, for the bankruptcy, winding up, dissolution or reorganization (*concurso preventivo* or *Acuerdo Preventivo Extrajudicial*) of any of the Sellers, HDS or HASA, as it may correspond

(ii) No legal proceedings have been instituted by any Person for any of the Sellers', HDS' or HASA's bankruptcy, winding up, dissolution or reorganization (*concurso preventivo* or *Acuerdo Preventivo Extrajudicial*).

(iii) There is no order by a court of competent jurisdiction that is currently pending declaring any of the Sellers, HDS or HASA bankrupt or insolvent, or ordering relief against any of the Sellers, HDS or HASA in response to the commencement of an involuntary bankruptcy case, or approving any petition seeking reorganization or liquidation of any of the Sellers, HDS or HASA under any bankruptcy law or any other law applicable to any of the Sellers, HDS or HASA.

(iv) There is no order of a court of competent jurisdiction currently pending with respect to the appointment of a receiver, liquidator, trustee or assignee, or *sindico* in bankruptcy or insolvency of any of the Sellers, HDS or HASA, or of the property of any of the Sellers, HDS or HASA or for the winding up or liquidation of the affairs of any of the Sellers, HDS or HASA



(q) Banking and Working Capital. (i) Exhibit 3.1(q) constitutes a full description of all bank accounts and term deposits of HDS and HASA; (ii) HDS and HASA maintain all such bank accounts and term deposits in good standing; (iii) Other than the payment of current liabilities incurred in HASA's ordinary course of business, there have been no transfers (including payments of cash) by HDS or HASA since the date shown in the statements of such accounts attached hereto as Exhibit 3.1(q), (the "Reconciliation Date"); (iv) Since the Reconciliation Date, no payments have been made or authorized or liabilities incurred by HDS and/or HASA relating to any persons affiliated or related to the Sellers, HDS and/or HASA or any of them whether by way of dividends, bonus, payments to third parties for personal expenses (such as rent, automobiles, meals, travel, office expenses or other expenses), payments for reduction of liabilities or other benefits, other than in HASA and for salaries payable in the ordinary course of business; (v) The bank account statements attached hereto as Exhibit 3.1(q) are true and correct as of the Reconciliation Date.

(r) No Taxes, Filing or Registration Fees, Etc. Other than stamp tax that may be applicable, no transfer taxes, filing or registration fees or similar taxes or fees are required to be paid to any Argentine Governmental Authority on account of the execution and delivery of this Agreement by the Parties, or the taking of any action contemplated herein.

(s) Absence of Certain Changes or Events. Since June 30, 2007, the business of each of HDS and/or HASA has been conducted only in the ordinary course, all events that have occurred since that date have not in the aggregate had a Material Adverse Effect, and none HDS or HASA has:

(i) incurred, created or assumed any Indebtedness or taken or omitted to take any action that results in a Lien being imposed on any of its material asset or the business;

(ii) changed any tax procedure or practice or made any tax election or settlement of any tax liability;

(iii) paid, discharged or satisfied any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise) other than the payment, discharge or satisfaction of such claims, liabilities or obligations in the ordinary course of business,

(iv) entered into or amended, modified or changed in any respect any contract or waived any rights thereunder except contracts entered into, amended, modified or changed and rights thereunder waived that, in the aggregate, are not material to any of them;

(v) sold, leased, encumbered, transferred or disposed of any of their assets or acquired any assets, except in the case of HASA and in the ordinary course of business and on an arm's-length basis and to the extent it does not have, alone or in the aggregate, a Material Adverse Effect;

(vi) made or committed to make capital expenditures except in the case of HASA and in the ordinary course of business,

(vii) made or committed to make capital contributions of any kind;

(viii) incorporated any new subsidiary; or

(ix) agreed or otherwise committed to take any of the foregoing actions.

(t) Books and Records - Internal Controls. The books of account and other financial records of HDS and HASA have been maintained in all material respects in accordance with Argentine Law and commercially reasonable business practices for companies of this nature operating in Argentina. The copies of the minutes books and other similar records of HDS and HASA contain a true and complete record in all material respects of all material actions taken at all meetings of the shareholders, board of directors, any committees of the board of directors or board of syndics (or their equivalents), of HDS and HASA, and no meeting of the shareholders, board of directors, any committee of the board of directors, board of syndics (or their equivalents) of any of HDS or HASA, has been held for which minutes have not been prepared and are not contained in such copies. The dates and numbers of the last minutes passed to the minutes books of HDS and HASA are as stated in Exhibit 3.1(t)

(u) Tax Matters. (A) Except as disclosed in the Financial Statements and for the amounts provided (all of which are properly reserved therein):

(i) All tax returns required to be filed by or on behalf of any of HDS and HASA have been timely filed, and, all such tax returns were complete, correct and accurate in all material respects when filed. HDS and HASA have paid to the appropriate tax authority all taxes shown on such returns to be due and payable. No adjustment relating to tax returns of any of HDS or HASA has been proposed formally or informally by or to any tax authority. No claim has been made by a tax authority in a jurisdiction where tax returns are not filed by or on behalf of any of HDS or HASA that any of HDS or HASA is or may be subject to taxation by that jurisdiction. Neither HDS nor HASA has requested an extension of time to file a tax return and not yet filed such return.

(ii) There are no Liens for taxes upon any of the assets of any of HDS or HASA

(iii) No material deficiency relating to taxes of any of HDS or HASA has been asserted or assessed in writing or proposed, including by any taxing authority in a jurisdiction where any of HDS or HASA files tax returns or a jurisdiction where any of HDS or HASA does not file tax returns but in which any of them is or may be subject to taxation, and no requests for waivers of the time to assess any taxes have been granted and remain in effect or are pending.

(iv) No audit, examination or other proceeding is pending or threatened by any tax authority, and no judicial proceeding is pending or

threatened, that involves any tax or tax return filed or paid by or on behalf of HDS or HASA.

(v) All mergers, spin-offs, transfers of assets or any other kind of transactions that may qualify as a corporate reorganization for tax purposes consummated by HDS or HASA, if any, have been made and continue to be in compliance with all applicable tax laws. The consummation of the transactions contemplated by this Agreement will not affect the tax treatment of any such transaction.

(vi) There are no agreements or arrangements (whether or not written) binding HDS or HASA that provide for the allocation, apportionment, sharing or assignment of any tax liability or benefit with any other Person, or the transfer or assignment of income, revenues, receipts, or gains for the purpose of determining any other Person's tax liability (other than any indemnification agreement or arrangement pertaining to the sale or lease of assets or subsidiaries).

(B) In addition to the provisions of Section 3.1 (i) (relating to "Litigation") all unsatisfied, threatened and/or pending Claims relating to taxes of HDS or HASA have been properly reserved for in the Financial Statements and the reserves for such Claims (*previsiones para juicios/reclamos*) made in such Financial Statements will be sufficient and no other sums will be required to cover and pay all amounts payable, liabilities or costs arising or damages or reductions or restrictions suffered by HDS or HASA arising from or related to such Claims relating to taxes

(v) No Violation of Law. Neither HDS nor HASA is in default under or in violation of, or has been charged with any violation of, any Law to which any of them or any of their assets and properties is or was subject.

(w) Related Parties; Transactions with Affiliates No Seller, director or shareholder or beneficial owner of any of HDS or HASA or any Affiliate of any Seller has directly or indirectly: (i) borrowed money from or loaned money to HDS or HASA that remains outstanding; (ii) entered into any Contract with or claim, express or implied, of any kind whatsoever against or in respect of HDS or HASA; or (iii) any interest in any property of HDS or HASA

(x) Insurance. HDS and HASA maintain adequate insurance against all risks commonly insured against by similar companies or entities. All of the material insurance policies of HDS and HASA are in full force and effect, all premiums due and payable thereon have been paid and no notice of cancellation or termination has been received with respect to any such policy.

(y) Argentine Environmental Matters. HDS and HASA have not received any claim from any Governmental Authority regarding a breach or violation of any environmental Laws and HDS and HASA are in compliance with all applicable Argentine environmental Laws. None of the Sellers has knowledge of any pending or

threatened action or any reason or situation that at its current stage or if not adequately remedied, may cause any Governmental Authority or third party to bring an action or to claim a breach of any environmental Laws by HDS or HASA or may cause HDS or HASA to be in violation of any environmental Laws

(z) Distributions of HDS and HASA. Since December 31, 2006, no dividends or other distributions have been distributed or made by HDS or HASA to any shareholder, except for (i) in the case of HASA, dividends in the amount of Ar.\$5,550,000, which distribution of dividends was approved by the shareholders' meeting of HASA on May 30, 2007 and (ii) in the case of HDS, dividends in the amount of Ar.\$2,300,000, which distribution of dividends was approved by the shareholders' meeting of HASA on May 30, 2007

(aa) True and Correct Copies or Transcripts. Copies or transcripts of the existing By-laws (*estatutos sociales*) of HDS and HASA annexed hereto as Exhibit 3 1. (aa), are true, current and correct copies of such documents and no other modification (including the termination thereof) has been made to such documents.

(bb) Disclosure. Sellers will promptly comply in all material respects with Argentine or English Law requiring disclosure of information applicable as a result of this Transaction.

(cc) Purchased Shares and HASA Shares (i) All of the Purchased Shares' Rights have been duly and validly granted, are outstanding and are assignable to the Purchaser

(ii) There are no outstanding options, warrants, irrevocable capital contributions or any rights of any kind to acquire any Equity Securities in HDS or HASA nor is any of them committed to issue any Equity Securities.

(iii) The HDS Shares represent 80% of all the Equity Securities of HDS and have been duly authorized and validly issued, are non-assessable and fully paid, and have not been issued in violation of any preemptive rights. The HASA Shares represent 59% of all the Equity Securities of HASA and have been duly authorized and validly issued, are non-assessable and fully paid, and have not been issued in violation of any preemptive rights. The Purchased Shares and HASA Shares are not subject to any encumbrances, charges, Liens or other restrictions or impediments of any nature.

3.2. Representations and Warranties of the Purchaser to the Sellers. To induce Sellers to enter into this Agreement and to perform the transactions described herein to be performed by them, the Purchaser hereby represents and warrants to Sellers that:

(a) Authority to Conduct Business. The Purchaser has all required capacity, power, authority, and legal right to own or lease and operate its properties and

to carry on its business in all material respects as now conducted and as proposed to be conducted

(b) Authority Regarding Transaction Documents. The Purchaser has the requisite capacity to execute, deliver and perform its obligations under this Agreement

(c) No Conflicts. The execution and delivery by the Purchaser of, and performance by the Purchaser under, this Agreement and the consummation of the transactions contemplated therein do not and will not (i) conflict with, or result in a violation or breach of, any of the terms, conditions, or provisions of the organizational documents of the Purchaser, (ii) conflict with or violate any Law, or (iii) conflict with or result in the breach of, or constitute a default or require any payment to be made under, any Contractual Obligation of the Purchaser.

(d) Authorizations and Consents. No authorization, consent, order, approval, license, ruling, permit, exemption, filing or registration by or with, notice to, or action with respect to any Person (including any Governmental Authority) is required to authorize, or is otherwise required in connection with (i) the execution and delivery of this Agreement, (ii) the legality, validity, binding effect or enforceability against The Purchaser of such Agreement, or (iii) the exercise by any Party to this Agreement of such Party's rights under such Agreement against the Purchaser

(e) Binding Obligations. This Agreement constitutes, a legal, valid and binding obligation of the Purchaser, enforceable against him in accordance with its terms.

(f) Litigation. There are no (i) unsatisfied, pending and/or threatened actions, suits or proceedings of any kind, including any administrative proceeding, investigation or inspection ("Claims"), against the Purchaser other than as reflected in the Financial Statements or (ii) attachments, pending injunctions, writs, preliminary restraining orders, rulings, or decisions of any nature issued by an arbitrator, judge, court or other Governmental Authority, affecting or that may affect in any manner whatsoever any of their business, assets or rights.

(g) Financial Statements. (i) The financial statements annexed hereto as Exhibit 3.2(g)(A) are true and correct copies of the financial statements of Andes Energia. Such financial statements have been prepared in accordance with IFRS and present fairly in all material respects the economic and financial condition and results of each of the Purchaser as of the date thereof

(h) Employees and Directors. The Purchaser is not a party to any bonus, profit sharing, deferred compensation, retirement, medical insurance or similar

plan or practice, formal and informal, in effect with respect to any employees or others except as explained in Exhibit 3.2 (h)

(i) Absence of Undisclosed Liabilities. Except for liabilities shown in Exhibit 3.2(1) or in the financial statements for the amount indicated therein or those incurred after December 31, 2006 in the ordinary course of the Purchaser's business, there are no accrued but unpaid Indebtedness of, or other liabilities for the payment of money by, the Purchaser, whether or not due. The Purchaser has no liabilities or obligations, of any nature, whether accrued, contingent or otherwise, except for liabilities or obligations reflected in the financial statements in accordance with generally accepted accounting principles in the UK and which liabilities are duly and sufficiently covered by the provisions made in their respective financial statements.

(j) No Bankruptcy, Winding Up, Etc. (i) No action has been taken by the Purchaser or any director thereof, for the bankruptcy, winding up, dissolution or reorganization of the Purchaser. (ii) No legal proceedings have been instituted by any Person for the Purchaser's bankruptcy, winding up, dissolution or reorganization. (iii) There is no order by a court of competent jurisdiction that is currently pending declaring any of the Purchaser bankrupt or insolvent, or ordering relief against the Purchaser in response to the commencement of an involuntary bankruptcy case, or approving any petition seeking reorganization or liquidation of any of the Purchaser under any bankruptcy law or any other law applicable to the Purchaser. (iv) There is no order of a court of competent jurisdiction currently pending with respect to the appointment of a receiver, liquidator, trustee or assignee, in bankruptcy or insolvency of the Purchaser or of the property of the Purchaser or for the winding up or liquidation of the affairs of the Purchaser.

(k) Tax Matters. Except as disclosed in the financial statements of the Purchaser.

(i) All tax returns required to be filed by or on behalf of Purchaser have been timely filed, and, all such tax returns were complete, correct and accurate in all material respects when filed. The Purchaser has paid to the appropriate tax authority all taxes shown on such returns to be due and payable.

(ii) No adjustment relating to tax returns of any of the Purchaser has been proposed formally or informally by or to any tax authority. No claim has been made by a tax authority in a jurisdiction where tax returns are not filed by or on behalf of any of the Purchaser that purchaser is or may be subject to taxation by that jurisdiction. The Purchaser has not requested an extension of time to file a tax return and not yet filed such return.

(iii) There are no Liens for taxes upon any of the assets of the Purchaser.

(iv) No material deficiency relating to taxes of the Purchaser has been asserted or assessed in writing or proposed, including by any taxing authority in a jurisdiction where the Purchaser files tax returns or a jurisdiction where the Purchaser does not file tax returns but in which any of them is or may be subject to taxation, and no requests for waivers of the time to assess any taxes have been granted and remain in effect or are pending

(l) No Violation of Law. The Purchaser is not in default under or in violation of, or has been charged with any violation of, any Law to which the Purchaser or any of its assets and properties is or was subject

(m) Disclosure. The Purchaser will promptly comply in all material respects with English Law requiring disclosure of information applicable as a result of this Transaction.

(n) Andes Energia Shares. The shares of the Purchaser detailed in Exhibit 3.2.(n) are all the Equity Securities outstanding of the Purchaser and have been duly authorized and validly issued, are non-assessable and fully paid, and have not been issued in violation of any preemptive rights. There are no outstanding options, warrants, irrevocable capital contributions or any rights of any kind to acquire any Equity Securities in the Purchaser nor is the Purchaser committed to issue any Equity Securities other than as detailed in Exhibit 3.2(n).

ARTICLE IV.

ACTIONS TO BE TAKEN AT CLOSING

4. Items Delivered and Actions Taken at Closing

The following action shall take place simultaneously on the Closing Date (the "Closing"):

(a) Transfer of Purchased Shares: Purchaser hereby instructs the Sellers to take all Necessary Action to register the HDS Shares in the stock ledger of HDS under the name of Andes Electricidad (a wholly owned subsidiary of the Purchaser). Seller shall execute and deliver or cause to be delivered to Purchaser: (i) the certificate issued by HDS showing the registration of the HDS Shares in favor of Andes Electricidad; (ii) notes informing HDS the transfer in favor of Andes Electricidad of the HDS Shares; (iii) cause HDS's Board of Directors to register such shares in the stock ledger of HDS in the name of Andes Electricidad.

(b) Payment of Purchase Price:

(i) Cash Payment. Purchaser shall pay to the Sellers the Cash Payment by means of wire transfer in accordance with the provisions of Section 2.2 hereof and allocated as detailed in Exhibit 2.2.

(ii) Issuance and Registration of New Equity: Purchaser shall issue the New Equity to the Sellers (allocated as detailed in Exhibit 2.2) Such New Equity shall immediately upon issuance be registered in the stock ledger of the Purchaser in the name of the Sellers as detailed in Exhibit 2 2

The Sellers shall also deliver or cause to be delivered or taken such other items and actions as Purchaser or its counsel may reasonably deem necessary or appropriate to effect the transactions contemplated hereby and satisfy the conditions herein

5. INDEMNITIES AND ACKNOWLEDGMENTS

5.1 Indemnity for Breach of this Agreement, the Transactions Documents or the Representations and Warranties.

(a) Sellers hereby undertake and agree to indemnify, joint and severally, the Purchaser and its Affiliates and each of their shareholders, officers, directors, employees, agents, representatives and successors and permitted assignees and each of their Affiliates including HDS and HASA (a "Purchaser Indemnitee") against all losses, liabilities, Claims, charges, costs, out-of-pocket costs, expenses and disbursements (including reasonable costs of investigation, and reasonable attorneys', accountants' and expert witnesses' fees) ("Loss") which may be brought against or incurred by or suffered by that Purchaser Indemnitee, (i) in connection with or arising out of any breach, inaccuracy or misrepresentation by any Seller of any provision of this Agreement and/or of any of the representations and/or warranties set out in Section 3.1 except to the extent that any such losses, liabilities, Claims, costs, charges, or expenses arise because of the fraud, negligence, or willful default, or breach of this Agreement by that Purchaser Indemnitee or (ii) in connection with or arising out of or based on, facts, acts, obligations and/or circumstances existing on or before the Closing Date.

(b) Purchaser undertakes and agrees to indemnify Sellers (the "Seller Indemnitee"), against all losses, liabilities, claims, charges, costs, out-of-pocket costs, expenses and disbursements (including reasonable costs of investigation, and reasonable attorneys', accountants' and expert witnesses' fees) which may be brought against or incurred by that Seller Indemnitee in connection with or arising out of any breach, inaccuracy or misrepresentation by the Purchaser Indemnitor of any provision of this Agreement or of any the Transaction Document and/or of any of the representations and warranties set out in Section 3.2 except to the extent that any such losses, liabilities, claims, costs, charges, or expenses arise because of the fraud, negligence, or willful default, or breach of this Agreement by that Seller Indemnitee.

(c) Nothing in this Section 5.1 is intended in any way to limit any rights of any Party with respect to the collection of damages from another Party for any breach of such other Party's obligations hereunder.

5.2. Acknowledgment of Withholding Tax Liability. The Sellers acknowledge and agree that any liability with respect to income withholding taxes that could be asserted by the Argentine tax authorities on interest payments under this Agreement (a) will be borne by the Sellers, and (b) will not be borne by the Purchaser.

6. MISCELLANEOUS

6.1. Amendments and Waivers. Neither this Agreement nor any term hereof may be amended, supplemented, modified or waived without the prior written consent of each of the Parties hereto.

6.2. Assignability. No party shall be entitled to assign its rights and obligations under this Agreement without the prior written consent of the others.

6.3. Notices. i) All notices to be given hereunder shall be made in writing and be addressed as follows:

If to Purchaser:

3rd floor,
16 Dover St.,
London (W1S4LR),
England

Attention: Nigel Duxbury

If to Sellers.

Eduardo Costa 3044,
City of Buenos Aires,
Argentina

Attention: Mr. Martin Castro

6.3.1. Any party may change its address for notice purposes under this Agreement by giving ten (10) days prior written notice to each of the other parties.

6.4. No Waiver; Cumulative Remedies. ii) No failure to exercise and no delay in exercising, on the part of any Party hereto, any right, remedy, power or privilege hereunder shall operate as a waiver thereof.

6.4.1. No single or partial exercise of any right, remedy, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

6.4.2. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

6.4.3. Nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the parties hereto to protect and preserve its rights, remedies and interests.

6.5. No Third Party Beneficiaries This Agreement is entered into for the sole protection and benefit of the parties hereto and their successors and permitted assigns

6.6. Counterparts. This Agreement may be executed by the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument

6.7. Severability. Any provision of this Agreement which is prohibited, invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition, invalidation or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

6.8. Governing Law THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS IN EFFECT IN THE REPUBLIC OF ARGENTINA.

6.9. Submission to Jurisdiction; Waivers. (a) Any difference, conflict or controversy among the Parties arising from this Agreement, its existence, validity, qualification, construction, scope, performance, non-performance or termination shall in all cases be tried to be solved by settlement pursuant to the Rules of Procedure and Code of Ethics of the *Centro Empresarial de Mediación y Arbitraje (Asociación Civil)*. The mediator shall be a professional selected from the list of such entity and his/her appointment shall be agreed upon by the parties within 3 business days after the request for settlement made by any of them. In case of disagreement among the parties as concerns the appointment of the mediator, the mediator shall be appointed by lot from among those individuals included in the list of such entity. If no settlement were reached within 30 calendar days counted as from the notice of commencement of the mediation proceedings duly given to all the parties by the mediator, then the conflict shall be finally resolved by the General Arbitration Board of the Buenos Aires Stock Exchange (the "Specified Courts") pursuant to the regulations in force for arbitrations at law, which regulations the parties represent to know and accept. The award shall be final, binding and enforceable, the parties waiving the right to appeal and, in general, to submit the issue to the jurisdiction of the courts of law. If all parties were involved in the difference, conflict or controversy,

then the decision adopted may be invoked vis-à-vis HDS, without detriment to third parties' rights, which may not be adversely affected by such decision. All notices shall be given through a notary public, registered letter (*carta documento*), telegram or any other attesting means stipulated by the Arbitration Board or agreed upon by the parties, and shall be addressed at the special domiciles established by the parties herein. In the event any court actions were required to be instituted in connection with the arbitration proceedings, same shall be subject to the exclusive competent jurisdiction of the National Ordinary Commercial Courts of the City of Buenos Aires.

6.9.1. Each of the parties hereto hereby irrevocably and unconditionally consents that any such action or proceeding may be brought in such courts and waives to the fullest extent permitted by Law any objection that it may now or hereafter have to the venue of any such action or proceeding in any Specified Court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same.

6.9.2. Each of the parties hereto hereby irrevocably and unconditionally agrees that nothing herein shall affect the right of any party hereto to effect service of process in any manner permitted by Law or shall limit the right of any party hereto to sue in any jurisdiction.

6.9.3. Each of the parties hereto hereby irrevocably and unconditionally agrees that, to the fullest extent permitted by applicable Law, a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

6.9.4. Each of the parties hereto hereby irrevocably and unconditionally waives to the fullest extent permitted by applicable Law the right to demand that any party hereto post a performance bond, bond for costs, or guarantee in any action or proceeding initiated against it.

6.9.5. To the extent that Sellers have or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding or from the jurisdiction of any court or from any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to themselves or any of their property, each Seller hereby irrevocably and unconditionally waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement.

6.10. **Entire Agreement.** This Agreement and any other agreement, document or instrument attached hereto and/or thereto or referred to herein and/or therein contain all the terms and conditions mentioned herein or incidental hereto, and supersede any and all purportedly prior or contemporaneous oral agreements and understandings relating to the purpose hereof. If any controversy should arise between express the terms, conditions and provisions of this Agreement and any such other agreement, document or instrument attached hereto and/or thereto

or referred to herein and/or therein, the express terms and conditions of this Agreement shall prevail.


6.11. Spousal Consents. All spousal consents required under Section 1277 of Argentine Civil Code to transfer the Purchased Shares to the Purchaser are hereby granted by the Sellers' spouses by signing this Agreement.

6.12. Initialization of Exhibits and Schedules. The Parties authorize Messrs. Martín Castro, Nicolás Mallo Huergo and/or José Galimberti to initialize the Exhibits and Schedules hereto on their behalf in order to identify them as the Exhibits and Schedules to this Agreement.


IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.




Jorge Aida Bestene



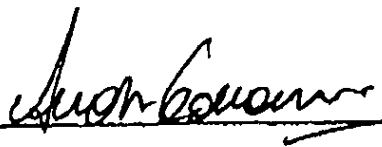
Walter García Moreno




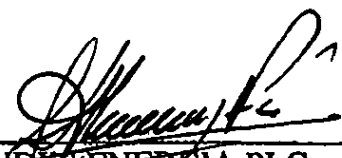
Aldo Pedro Duscher
Represented by: _____



ANDES ENERGIA PLC
By: Nicolás Mallo Huergo
Title: Director



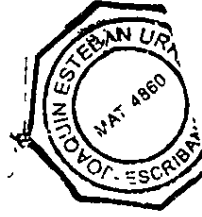




ANDES ENERGIA PLC

List of Exhibits

- Exhibit A Power of attorney to represent Aldo Pedro Duscher
- Exhibit 2.2 Purchase Price allocation (New equity and Cash Payment) Sellers Accounts
- Exhibit 3.1 (j) Financial Statements of HDS and HASA
- Exhibit 3 1(m)(i) List of all employees
- Exhibit 3 1 (n) Employment and Service Contracts
- Exhibit 3.1(q) Description of all bank accounts and term deposits
- Exhibit 3.1(t) Detail of the last minutes passed to the minutes corporate books
- Exhibit 3.1. (aa) Copies of the existing By-laws (*estatutos sociales*) of HASA and HDS and their amendments.
- Exhibit 3 2(g)(A) Financial Statements of Andes Energia
- Exhibit 3.2 (h) Bonus Program of Andes Energia.
- Exhibit 3.2 (i) Purchaser Liabilities
- Exhibit 3.2 (n) Andes Energia Securities



Bs. As. 6-11-2004
Certificado en foja
N° 66897460. Conste.



[Handwritten signature]



CERTIFICACION DE REPRODUCCIONES
LEY 404



T 006892740

Buenos Aires, 06 de noviembre de 2007

En mi carácter de Escribano Titular del Registro Notarial N° 501

CERTIFICO que la reproducción anexa, extendida en

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foja/s, que sello y firmo, es COPIA FIEL de su original, que tengo a la vista, doy fe

