

## Risk Factors

### Risks Relating to Argentina

*The Argentine federal government has taken control over the Company and will operate it according to domestic energy policies in accordance with the Expropriation Law*

The Expropriation Law, which was passed by Congress on May 3, 2012, provided for the expropriation of 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol YPF and its controlled or controlling entities. The expropriated shares, which have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. Moreover, pursuant to the Expropriation Law, each of the Argentine provinces receiving expropriated shares must enter a shareholder's agreement with the federal government which will provide for the unified exercise of its rights as a shareholder. See "Item 4. Information on the Company-Regulatory Framework and Relationship with the Argentine Government-The Expropriation Law." In addition, the Argentine federal government is the sole holder of our Class A shares and the federal government and certain provincial governments are the holders of our Class B shares. See "Risks Relating to Our Class D Shares and ADSs-Certain strategic transactions require the approval of the holder of our Class A shares or may entail a cash tender offer for all of our outstanding capital stock." Consequently, the federal government and the governments of Argentine provinces will be able to determine substantially all matters requiring approval by a majority of our shareholders, including the election of a majority of our directors, and will be able to direct our operations and will be able to cause or prevent a change in our control.

Moreover, the Expropriation Law has declared achieving self-sufficiency in the supply of hydrocarbons as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. Given the recent passage of the Expropriation Law, we are developing our new business plan and the related new investment, economic and dividend policy for the Company. Our new business plan will be designed in accordance with the goals set forth in the Expropriation Law. See "Item 4. Information on the Company-Regulatory Framework and Relationship with the Argentine Government-The Expropriation Law."

On April 16, 2012, the Company was notified, through a notarial certification, of Decree No. 530/12 of the National Executive Power, which provides for the Intervention of YPF for a period of thirty (30) days (which is expected to be extended up to our next Shareholders meeting to be held on June 4, 2012). See "Item 4. Information on the Company-Regulatory Framework and Relationship with the Argentine Government-The Expropriation Law" and "Item 6. Directors, Senior Management and Employees-Management of the Company under the Intervention." In accordance with Article 3 of Decree No. 530/2012, the powers conferred by YPF's bylaws on the Board and/or the President of the Company have been temporarily granted to the Intervenor. On May 7, 2012, through Decree No. 676/2012 of the National Executive Power, Mr. Miguel Matias Galuccio was appointed General Manager of the Company during the Intervention. Our next general shareholders' meeting, expected to be held on June 4, 2012, will appoint the new members of our Board of Directors. Thirteen members of our senior management are suspended in their functions during the Intervention of the Company. We expect that the new Board of Directors to be appointed by our next general shareholders' meeting, expected to be held on June 4, 2012, confirm them or replace them by appointing new senior managers.

The information contained in this annual report for the three years ended December 31, 2011 has been derived from our Audited Consolidated Financial Statements, which were approved by our Board of Directors on March 21, 2012, despite the fact that our Class A shareholder, the Argentine federal government, voted against such financial statements. Following the passage of the Expropriation Law, the Argentine federal government has taken control over the Company (see "Item 4. Information on the Company-Regulatory Framework and Relationship with the Argentine Government-The Expropriation Law") and the shareholders' meeting which had been called to approve our Audited Consolidated Financial Statements has been postponed until further notice. In furtherance of Decree No. 530/12, the Intervenor has approved the preparation and filing of this annual report with the aim of securing the continuity of the Company's business and the preservation of its assets and capital based on the Audited Consolidated Financial Statements and internal reports existing as of the date prior to the Intervention, whose content has been ratified exclusively by the Company's business areas and departments as of the date of this annual report.

***A significant portion of our outstanding financial indebtedness contains covenants that prohibit a change in the control of the Company or a nationalization event and we may be required to repay some or all of our outstanding debt***

A significant portion of our financial debt, totaling approximately U.S.\$1,600 million as of the date of this annual report (U.S.\$2,000 million as of December 31, 2011), provides that certain changes in control and/or nationalization events with respect to us may constitute an event of default. In addition, our outstanding financial indebtedness also contains cross-default provisions and/or cross-acceleration provisions that could cause all of our debt to be accelerated if the debt having changes in control and/or nationalization events provisions goes into default or is accelerated. While as of the date of this annual report we have not received any default notification or debt acceleration request, we may be required to repay some or all of our outstanding debt as a result of the passage of the Expropriation Law. Our management is actively pursuing formal waivers from the corresponding financial creditors. In case those waivers are not obtained and immediate repayment is required, the Company could face short-term liquidity problems. However Management expects that in such case it could obtain financing from several sources, including the Company's operating cash flows and available credit lines. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Covenants in our indebtedness."

***Certain provinces of Argentina have commenced proceedings to terminate some of our oil and gas production concessions***

As of May 14, 2012, the provinces of Chubut, Santa Cruz, Mendoza, Salta, Rio Negro and Neuquén had publicly announced that they would be terminating certain of our concessions there due to the Company's alleged failure to make adequate investments in exploration and production in those areas. Assets (net of deferred income tax liabilities and asset retirement obligations) related to the concessions revoked in 2012 totaled approximately Ps.283 million as of December 31, 2011 (0.51% of our total assets as of such date), had a production of approximately 13.5 mmboe in 2011 (7.6% of our production in 2011) and had proved reserves totaling approximately 88.3 mmboe as of December 31, 2011 (8.8% of our total proved reserves as of such date). Assets (net of deferred income tax liabilities and asset retirement obligations) related to the concessions whose revocation is currently being evaluated by the relevant authorities totaled approximately Ps.3,654 million as of December 31, 2011 (6.6% of our total assets as of such date), had a production of approximately 22.9 mmboe in 2011 (12.87% of our production in 2011) and had proved reserves totaling approximately 129.7 mmboe as of December 31, 2011 (12.92% of our total proved reserves as of such date). In addition, prior to the passage of the Expropriation Law, the provincial government of Santa Cruz stated that it may withdraw additional of the Company's concessions.

The Company has alleged that the revocation of these concessions was inappropriate. The Company has taken legal action to seek to prevent the termination of these concessions and management plans to continue to take such steps as necessary. See "Item 8. Legal Proceedings—Argentina—Non-accrued, possible contingencies—Concessions on Hydrocarbon zones - Provincial claim." In addition, following the passage of the Expropriation Law, the Intervenor and its delegates have initiated negotiations with the relevant provincial authorities so that the revocations and intimations referred to above are withdrawn. The governors of certain of these provinces have publicly manifested that they will reconsider the matter in view of the stated objectives of the Intervention and the Expropriation Law. However, as of the date of this annual report, we have not been notified of the withdrawal of any of these revocations or intimations. There can be no assurance that the Company will prevail in these proceedings or negotiations or that additional concessions will not be revoked by these or additional provinces. The termination of the concessions identified above would have a material adverse effect on our reserves, production and earnings. Accordingly, oil and gas information presented in this annual report as of and for the year ended December 31, 2011 may not be indicative of our current operations or of our oil and gas information as of and for the year ending December 31, 2012.

***Our business is largely dependent upon economic conditions in Argentina***

Substantially all of our operations, properties and customers are located in Argentina, and, as a result, our business is to a large extent dependent upon economic conditions prevailing in Argentina. The Argentine economy has experienced significant volatility in past decades, including numerous periods of low or negative growth and high and variable levels of inflation and devaluation. Since the most recent crisis of 2001 and 2002, Argentina's gross domestic product, or GDP, grew at an average annual real rate of approximately 8.5% from 2003 to 2008,

although the growth rate decelerated to 0.9% in 2009 as a result of the global financial crisis, but recovered in 2010 and 2011, growing at an annual real rate of approximately 9%, according to preliminary official data. No assurances can be given that the current rate of growth will continue in 2012 or subsequent years or that the economy will not contract. Increased rates of inflation in Argentina could increase our costs of operation, in particular labor costs, and may negatively impact our results of operations and financial condition. See “Item 5. Operating and Financial Review and Prospects—Factors Affecting Our Operations—Macroeconomic Conditions.” If economic conditions in Argentina were to deteriorate, it would likely have an adverse effect on our financial condition and results of operations.

***Our domestic operations are subject to extensive regulation***

The oil and gas industry is subject to government regulation and control. As a result, our business is to a large extent dependent upon regulatory and political conditions prevailing in Argentina and our results of operations may be adversely affected by regulatory and political changes in Argentina. Therefore, we face risks and challenges relating to government regulation and control of the energy sector, including those set forth below and elsewhere in these risk factors:

- limitations on our ability to pass higher domestic taxes, increases in production costs, or increases in international prices of crude oil and other hydrocarbon fuels and exchange rate fluctuations through to domestic prices, or to increase local prices of natural gas (in particular for residential customers);
- higher taxes on exports of hydrocarbons;
- restrictions on hydrocarbon export volumes driven mainly by the requirement to satisfy domestic demand;
- in connection with the Argentine government’s policy to provide absolute priority to domestic demand, regulatory orders to supply natural gas and other hydrocarbon products to the domestic retail market in excess of previously contracted amounts;
- restrictions on imports of products which could affect our ability to meet our delivery commitments or growth plans, as the case may be; and
- the implementation or imposition of stricter quality requirements for petroleum products in Argentina.

The Argentine government has made certain changes in regulations and policies governing the energy sector to give absolute priority to domestic supply at stable prices in order to sustain economic recovery. As a result of the above-mentioned changes, for example, on days during which a gas shortage occurs, exports of natural gas (which are also affected by other government curtailment orders) and the provision of gas supplies to industries, electricity generation plants and service stations selling compressed natural gas are interrupted for priority to be given to residential consumers at lower prices. More recently, the Expropriation Law has declared achieving self-sufficiency in the supply of hydrocarbons as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, a national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. See “Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—The Expropriation Law.” See “—Risks Relating to Argentina—The Argentine federal government has taken control over the Company and will operate it according to domestic energy policies in accordance with the Expropriation Law.” Moreover, we cannot assure you that changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations, will not adversely affect our results of operations. See “Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government.”

In January 2007, Law No. 26,197 was enacted, which, in accordance with Article 124 of the National Constitution, provided that Argentine provinces shall be the owners of the hydrocarbon reservoirs located within their territories. Pursuant to the law, the Argentine Congress is charged with enacting laws and regulations aimed at developing mineral resources within Argentina, while the provincial governments are responsible for enforcing

these laws and administering hydrocarbon fields that fall within the territories of their respective provinces. Certain provincial governments, however, have construed the provisions of Law No. 26,197 and Article 124 to empower the provinces to enact their own regulations concerning exploration and production of oil and gas within their territories. There can be no assurance that regulations or taxes (including royalties) enacted or administered by the provinces will not conflict with federal law, and such taxes or regulations may adversely affect our operations and financial condition.

During 2012, the Argentine authorities have adopted a number of measures that have adversely affected our operations, including the revocation of certain of our concessions (see “—Certain provinces of Argentina have commenced proceedings to terminate some of our oil and gas production concessions”), the temporary suspension of the benefits granted under the “Refining Plus” and “Petroleum Plus” programs (the effects of which extend to benefits accrued and not yet redeemed by YPF at the time of such suspension) and the implementation of a new procedure on jet fuel prices charged to certain domestic companies and fuel prices charged to public bus transportation companies (though the effects of the resolution relating to the fuel prices charged to public bus transportation companies have been temporarily suspended, see “Item 8. Financial Information—Legal proceedings—Argentina—Non-accrued, possible contingencies—CNDC investigation”).

***Limitations on local pricing in Argentina may adversely affect our results of operations***

In recent years, due to regulatory, economic and government policy factors, our domestic gasoline, diesel and other fuel prices have frequently lagged substantially behind prevailing international and regional market prices for such products. Likewise, the prices at which we sell natural gas in Argentina (particularly to the residential sector) are subject to government regulations and currently are substantially below regional market prices for natural gas. For additional information on domestic pricing for our products, see “Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Market Regulation.” We cannot assure you that we will be able to increase the domestic prices of our products, and limitations on our ability to do so would adversely affect our financial condition and results of operations. Similarly, we cannot assure you that hydrocarbon prices in Argentina will match the increases or decreases in hydrocarbon prices at the international or regional levels.

On March 13, 2012, YPF was notified of Resolution No. 17/2012, issued by the Argentine Secretariat of Domestic Commerce, pursuant to which each of YPF, Shell Compañía Argentina de Petróleo, S.A. and ESSO Petrolera Argentina S.R.L were ordered to supply jet fuel for domestic and international air transport (whose price had previously tracked international prices) at a price net of taxes not to exceed 2.7% of the price net of taxes of medium octane gasoline (not premium) offered at its closest service station to the relevant airport, while maintaining its existing supply logistics and its usual supply quantities. According to a later clarification from the Secretary of Domestic Commerce, the beneficiaries of this measure are Aerolíneas Argentinas, S.A., Andes Líneas Aéreas S.A., Austral - Cielos del Sur, LAN Argentina, S.A. and Sol S.A. Líneas Aéreas. In addition, in said resolution, the Argentine Secretariat of Domestic Commerce indicated that it considered convenient to implement a price surveillance system to be implemented by the CNDC.

***We are subject to direct and indirect export restrictions, which have affected our results of operations and caused us to declare force majeure under certain of our export contracts***

The Argentine Hydrocarbons Law (Law No. 17,319) allows for hydrocarbon exports as long as they are not required for the domestic market and are sold at reasonable prices. In the case of natural gas, Law 24,076 and related regulations require that the needs of the domestic market be taken into account when authorizing long term natural gas exports.

During the last several years, the Argentine authorities have adopted a number of measures that have resulted in restrictions on exports of natural gas from Argentina. Due to the foregoing, we have been obliged to sell a part of our natural gas production previously destined for the export market in the local Argentine market and have not been able to meet our contractual gas export commitments in whole or, in some cases, in part, leading to disputes with our export clients and forcing us to declare *force majeure* under our export sales agreements. We believe that the measures mentioned above constitute *force majeure* events that relieve us from any contingent liability for the failure to comply with our contractual obligations, although no assurance can be given that this position will prevail.

See “Item 4. Information on the Company–Exploration and Production–Delivery commitments–Natural gas supply contracts,” “Item 4. Information on the Company–Exploration and Production–The Argentine natural gas market,” and “Item 8. Financial Information–Legal Proceedings.”

Crude oil exports, as well as the export of most of our hydrocarbon products, currently require prior authorization from the Argentine Secretariat of Energy (pursuant to the regime established under Resolution S.E. No. 1679/04 as amended and supplemented by other regulation). Oil companies seeking to export crude oil or LPG must first demonstrate that the local demand for such product is satisfied or that an offer to sell the product to local purchasers has been made and rejected. Oil refineries seeking to export diesel fuel must also first demonstrate that the local demand of diesel is duly satisfied. Because domestic diesel production does not currently satisfy Argentine domestic consumption needs, we have been prevented since 2005 from selling diesel production in the export market, and thereby obliged to sell in the local market at prevailing domestic prices.

We are unable to predict how long these export restrictions will be in place, or whether any further measures will be adopted that adversely affect our ability to export gas, crude oil and diesel fuel or other products and, accordingly, our results of operations.

***The implementation of new export duties and other taxes could adversely affect our results***

Since 2002, new duties have been implemented on exports, and have been progressively increased over the years. Resolution 394/2007 of the Ministry of Economy and Production, published on November 16, 2007, amended the export duties on crude oil and other crude derivative products imposed in previous years. The new regime provides that when the WTI international price exceeds the reference price, which is fixed at U.S.\$60.9/barrel, the producer shall be allowed to collect at U.S.\$42/barrel, with the remainder being withheld by the Argentine government as an export tax. If the WTI international price is under the reference price but over U.S.\$45/barrel, a 45% withholding rate will apply. If such price is under U.S.\$45/barrel, the applicable export tax is to be determined by the Argentine government within a term of 90 business days. The withholding rate determined as indicated above also currently applies to diesel, gasoline and other crude derivative products. In addition, the calculation procedure described above also applies to other petroleum products and lubricants based upon different withholding rates, reference prices and prices allowed to producers. See “Item 4. Information on the Company–Regulatory Framework and Relationship with the Argentine Government–Market Regulation.”

With respect to natural gas products, Resolution No. 127/2008 of the Ministry of Economy and Production increased export duties applicable to natural gas exports from 45% to 100%, mandating a valuation basis for the calculation of the duty as the highest price established in any contract of any Argentine importer for the import of gas. Resolution No. 127/2008 provides with respect to LPG products (including butane, propane and blends thereof) that if the international price of the relevant LPG product, as notified daily by the Argentine Secretariat of Energy, is under the reference price established for such product in the Resolution (U.S.\$338/m3 for propane, U.S.\$393/m3 for butane and U.S.\$363/m3 for blends of the two), the applicable export duty for such product will be 45%. If the international price exceeds the reference price, the producer shall be allowed to collect the maximum amount established by the Resolution for the relevant product (U.S.\$233/m3 for propane, U.S.\$271/m3 for butane and U.S.\$250/m3 for blends of the two), with the remainder being withheld by the Argentine government as an export tax.

As a result of the aforementioned export tax increases, we may be and, in certain cases, have already been forced to seek the renegotiation of export contracts which had previously been authorized by the Argentine government. We cannot provide assurances that we will be able to renegotiate such contracts on terms acceptable to us.

The imposition of these export taxes has adversely affected our results of operations. We cannot assure you that these taxes will not continue or be increased in the future or that other new taxes will not be imposed.

***We may be exposed to fluctuations in foreign exchange rates***

Our results of operations are exposed to currency fluctuation and any devaluation of the peso against the U.S. dollar and other hard currencies may adversely affect our business and results of operations. The value of the peso

has fluctuated significantly in the past and may do so in the future. We are unable to predict whether, and to what extent, the value of the peso may further depreciate or appreciate against the U.S. dollar and how any such fluctuations would affect our business.

***We are subject to exchange and capital controls***

In 2001 and 2002, as a result of the economic crisis, Argentina imposed exchange controls and transfer restrictions substantially limiting the ability of companies to retain foreign currency or make payments abroad. Decree No. 1722/2011, of October 26, 2011, reestablished Decree No. 2581/64 and requires oil and gas companies (including YPF), among other entities, to repatriate 100% of their foreign currency export receivables. See “Item 4. Information on the Company–Regulatory Framework and Relationship with the Argentine Government–Repatriation of Foreign Currency.” In recent months, additional foreign exchange restrictions have been imposed which restrict purchases of foreign currency and transfers of foreign currency abroad. Such restrictions include the requirement for financial institutions to inform in advance and obtain approval from the Argentine Central Bank with respect to any foreign exchange transaction to be entered into through the foreign exchange market. There can be no assurances regarding future modifications to exchange and capital controls. Exchange and capital controls could adversely affect our financial condition or results of operations and our ability to meet our foreign currency obligations and execute our financing plans.

***Our access to international capital markets and the market price of our shares are influenced by the perception of risk in Argentina and other emerging economies.***

International investors consider Argentina to be an emerging market. Economic and market conditions in other emerging market countries, especially those in Latin America, influence the market for securities issued by Argentine companies. Volatility in securities markets in Latin America and in other emerging market countries may have a negative impact on the trading value of our securities and on our ability and the terms on which we are able to access international capital markets.

Moreover, recent regulatory and policy developments in Argentina, including the passage of the Expropriation Law and the revocation of certain of our concessions, have led to considerable volatility in the market price of our shares and ADSs. YPF’s share price has declined by approximately 50% since January 1, 2012. See “–The Argentine federal government has taken control over the Company and will operate it according to domestic energy policies in accordance with the Expropriation Law.” These developments may have a material adverse effect on our ability to raise capital and the trading values of our securities. In addition, the recent downgrades in our credit ratings by Moody’s and Fitch Ratings could further impair our capacity to raise capital in the international capital markets, in terms of access and cost, and limit the range of counterparties willing to enter into transactions with us.

A significant portion of our financial debt, totaling approximately U.S.\$1,600 million as of the date of this annual report (U.S.\$2,000 million as of December 31, 2011), provides that certain changes in control and/or nationalization events with respect to us may constitute an event of default. In addition, our outstanding financial indebtedness also contains cross-default provisions and/or cross-acceleration provisions that could cause all of our debt to be accelerated if the debt having changes in control and/or nationalization events provisions goes into default or is accelerated. While as of the date of this annual report we have not received any default notification or debt acceleration request, we may be required to repay some or all of our outstanding debt as a result of the passage of the Expropriation Law. Our management is actively pursuing formal waivers from the corresponding financial creditors. In case those waivers are not obtained and immediate repayment is required, the Company could face short-term liquidity problems. However Management expects that in such case it could obtain financing from several sources, including the Company’s operating cash flows and available credit lines.

***We may not be able to pay, maintain or increase dividends***

Our ability to pay, maintain or increase dividends is based on many factors, including but not limited to the dividend amount distributed in respect of the previous financial year, our net income, anticipated levels of capital expenditures and expected levels of growth. A change in any such factor could affect our ability to pay, maintain or increase dividends, and the exact amount of any dividend paid may vary from year to year. Prior to the passage of the Expropriation Law, the Argentine government made repeated public statements that YPF has paid too much of

its earnings in dividends and requested the Company to withhold dividend payments for 2010 and 2011 and invest the related funds in exploration and production activities in Argentina. In this context, in March 2012, our Board of Directors decided not to pay a cash dividend but rather offer a scrip dividend with respect to 2011 and remaining undistributed prior years' earnings. This proposal as well as our accounting documentation corresponding to Fiscal Year N° 35, ended December 31, 2011, are expected to be evaluated by our shareholders. On April 23, 2012 the Intervention of the Company has decided to suspend, until further notice, the call notice of the General Ordinary Shareholders' Meeting to be held on April 25, 2012, in order to guarantee the normality of the meeting and protect the interests of the Company and its shareholders and the transparency in the market. The agenda for that meeting includes the evaluation of our accounting documentation corresponding to Fiscal Year N° 35. We expect that the new members of our Board of Directors to be appointed at the General Ordinary Shareholders' Meeting of June 4, 2012 lift the aforementioned suspension. Our ability to pay cash dividend, irrespective of the level of our earnings, is uncertain in the current environment, including as a result of the passage of the Expropriation Law, and we may not pay cash dividends for the short term. See "—The Argentine federal government has taken control over the Company and will operate it according to domestic energy policies in accordance with the Expropriation Law."

#### **Risks Relating to the Argentine Oil and Gas Business and Our Business**

##### ***Oil and gas prices could affect our level of capital expenditures***

We budget capital expenditures related to exploration, development, refining and distribution activities by taking into account, among other things, market prices for our hydrocarbon products. In the event that current domestic prices for certain products prevail or decrease, our ability to improve our hydrocarbon recovery rates, find new reserves and carry out certain of our other capital expenditure plans is likely to be adversely affected, which in turn would have an adverse effect on our results of operations.

##### ***Our reserves and production are likely to decline***

Argentina's oil and gas fields are mature and our reserves and production are likely to decline as reserves are depleted. While our efforts to replace reserves have allowed us to increase our proved reserves by 2.1% during 2011 after declining by 3.1% in 2010, our production has continued to decline in 2011 (production declined by approximately 8.4% and 5.7% in 2011 and 2010, respectively, on a boe basis). We are engaged in efforts to mitigate declines in our reserves and production by adding reserves through technological enhancements aimed at improving our recovery factors as well as through deepwater offshore exploration and development of tight gas. These efforts are subject to material risks and may prove unsuccessful due to risks inherent to the oil and gas industry.

In addition, in 2012, our reserves and production have been affected by the revocation of certain of our concessions in Argentina by the relevant provincial authorities. Assets (net of deferred income tax liabilities and asset retirement obligations) related to the concessions revoked in 2012 totaled approximately Ps.283 million as of December 31, 2011 (0.51% of our total assets as of such date), had a production of approximately 13.5 mmboe in 2011 (7.6% of our production in 2011) and had proved reserves totaling approximately 88.3 mmboe as of December 31, 2011 (8.8% of our total proved reserves as of such date). In addition, the revocation of other concessions in Argentina is currently being evaluated by the relevant provincial authorities. Assets (net of deferred income tax liabilities and asset retirement obligations) related to the concessions whose revocation is currently being evaluated by the relevant authorities totaled approximately Ps.3,654 million as of December 31, 2011 (6.6% of our total assets as of such date), had a production of approximately 22.9 mmboe in 2011 (12.87% of our production in 2011) and had proved reserves totaling approximately 129.7 mmboe as of December 31, 2011 (12.92% of our total proved reserves as of such date). In addition, prior to the passage of the Expropriation Law, the provincial government of Santa Cruz stated that it may withdraw additional of the Company's concessions. See "—Certain provinces of Argentina have commenced proceedings to terminate some of our oil and gas production concessions" and Item 8. Legal Proceedings—Argentina—Non-accrued, possible contingencies—Concessions on Hydrocarbon zones—Provincial claims." While we have initiated legal action to protect our interests and the Intervenor and its delegates are in negotiations with the relevant provincial authorities, we cannot provide assurances that such action or negotiations will be successful or that additional concessions beyond those currently identified will not be revoked. In addition, the governors of certain of these provinces have publicly manifested that they will reconsider the matter in view of the stated objectives of the Intervention and the Expropriation Law. However, as of the date of this annual report, we have not been notified of the withdrawal of any of these revocations or intimations. Accordingly, oil and

gas information presented in this annual report as of and for the year ended December 31, 2011 may not be indicative of our current operations or of our oil and gas information as of and for the year ending December 31, 2012.

***Our oil and natural gas reserves are estimates***

Our oil and gas proved reserves are estimated using geological and engineering data to determine with reasonable certainty whether the crude oil or natural gas in known reservoirs is recoverable under existing economic and operating conditions. The accuracy of proved reserve estimates depends on a number of factors, assumptions and variables, some of which are beyond our control. Factors susceptible to our control include drilling, testing and production after the date of the estimates, which may require substantial revisions to reserves estimates; the quality of available geological, technical and economic data used by us and our interpretation thereof; the production performance of our reservoirs and our recovery rates, both of which depend in significant part on available technologies as well as our ability to implement such technologies and the relevant know-how; the selection of third parties with which we enter into business; and the accuracy of our estimates of initial hydrocarbons in place, which may prove to be incorrect or require substantial revisions. Factors mainly beyond our control include changes in prevailing oil and natural gas prices, which could have an effect on the quantities of our proved reserves (since the estimates of reserves are calculated under existing economic conditions when such estimates are made); changes in the prevailing tax rules, other government regulations and contractual conditions after the date estimates are made (which could make reserves no longer economically viable to exploit); and certain actions of third parties, including the operators of fields in which we have an interest.

As a result of the foregoing, measures of reserves are not precise and are subject to revision. Any downward revision in our estimated quantities of proved reserves could adversely impact our financial results by leading to increased depreciation, depletion and amortization charges and/or impairment charges, which would reduce earnings and shareholders' equity.

***The oil and gas industry is subject to particular economic and operational risks***

Oil and gas exploration and production activities are subject to particular economic and industry-specific operational risks, some of which are beyond our control, such as production, equipment and transportation risks, and natural hazards and other uncertainties, including those relating to the physical characteristics of onshore and offshore oil or natural gas fields. Our operations may be curtailed, delayed or cancelled due to bad weather conditions, mechanical difficulties, oil or natural gas spills or leaks, shortages or delays in the delivery of equipment, compliance with governmental requirements, fire, explosions, blow-outs, pipe failure, abnormally pressured formations, and environmental hazards, such as oil spills, gas leaks, ruptures or discharges of toxic gases. If these risks materialize, we may suffer substantial operational losses and disruptions to our operations and harm to our reputation. Drilling may be unprofitable, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs are taken into account.

***We may not have sufficient insurance to cover all the operating hazards that we are subject to***

As discussed under “--The oil and gas industry is subject to particular economic and operational risks” and “--We may incur significant costs and liabilities related to environmental, health and safety matters,” our exploration and production operations are subject to extensive economic, operational, regulatory and legal risks. We maintain insurance covering us against certain risks inherent in the oil and gas industry in line with industry practice, including loss of or damage to property and equipment, control-of well incidents, loss of production or income incidents, removal of debris, sudden and accidental seepage pollution, contamination and clean up and third-party liability claims, including personal injury and loss of life, among other business risks. However, our insurance coverage is subject to deductibles and limits that in certain cases may be materially exceeded by our liabilities. In addition, certain of our insurance policies contain exclusions that could leave us with limited coverage in certain events. See “Item 4. Information on the Company--Insurance.” In addition, we may not be able to maintain adequate insurance at rates or on terms that we consider reasonable or acceptable or be able to obtain insurance against certain risks that materialize in the future. If we experience an incident against which we are not insured, or



the costs of which materially exceed our coverage, it could have a material adverse effect on our business, financial condition and results of operations.

***Argentine oil and gas production concessions and exploration permits are subject to certain conditions and may not be renewed***

The Hydrocarbons Law provides for oil and gas concessions to remain in effect for 25 years as from the date of their award, and further provides for the concession term to be extended for up to 10 additional years, subject to terms and conditions approved by the grantor at the time of the extension. The authority to extend the terms of current and new permits, concessions and contracts has been vested in the governments of the provinces in which the relevant area is located (and the federal government in respect of offshore areas beyond 12 nautical miles). In order to be eligible for the extension, any concessionaire and permit holder must have complied with its obligations under the Hydrocarbons Law and the terms of the particular concession or permit, including evidence of payment of taxes and royalties, the supply of the necessary technology, equipment and labor force and compliance with various environmental, investment and development obligations. Under the Hydrocarbons Law, non-compliance with these obligations and standards may also result in the imposition of fines and in the case of material breaches, following the expiration of applicable cure periods, the revocation of the concession or permit. The expiration of part of our concessions occurs in 2017. We cannot provide assurances that these concessions will be extended or that additional investment, royalty payment or other requirements will not be imposed on us in order to obtain extensions. The termination of, or failure to obtain the extension of, a concession or permit, or its revocation, could have a material adverse effect on our business and results of operations. See “—Certain provinces of Argentina have commenced proceedings to terminate some of our oil and gas production concessions.”

***Our acquisition of exploratory acreage and crude oil and natural gas reserves is subject to heavy competition***

We face intense competition in bidding for crude oil and natural gas production areas, which are typically auctioned by governmental authorities, especially those areas with the most attractive crude oil and natural gas reserves. Some provinces of Argentina, including La Pampa, Neuquén and Chubut, have created provincial government-owned companies to develop activities in the oil and gas industry. Energía Argentina S.A. (ENARSA), the Argentine state-owned energy company, has also entered the market, particularly in the context of offshore exploration. As a result, the conditions under which we are able to access new exploratory or productive areas could be adversely affected.

***We may incur significant costs and liabilities related to environmental, health and safety matters***

Our operations, like those of other companies in the oil and gas industry, are subject to a wide range of environmental, health and safety laws and regulations in the countries in which we operate. These laws and regulations have a substantial impact on our operations and those of our subsidiaries, and could result in material adverse effects on our financial position and results of operation. A number of events related to environmental, health and safety matters, including changes in applicable laws and regulations, adverse judicial or administrative interpretations of such laws and regulations, changes in enforcement policy, the occurrence of new litigation or development of pending litigation, and the development of information concerning these matters, could result in new or increased liabilities, capital expenditures, reserves, losses and other impacts that could have a material adverse effect on our financial condition and results of operations. See “Item 8. Financial Information?Legal Proceedings,” “Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—Argentine Environmental Regulations” and “Item 4. Information on the Company—Regulatory Framework and Relationship with the Argentine Government—U.S. Environmental Regulations.” Environmental, health and safety regulation and jurisprudence in Argentina is developing at a rapid pace and no assurance can be provided that such developments will not increase our cost of doing business and liabilities. In addition, due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, new regulatory requirements to reduce greenhouse gas emissions, such as carbon taxes, increased efficiency standards, or the adoption of cap and trade regimes. If adopted in Argentina, these requirements could make our products more expensive as well as shift hydrocarbon demand toward relatively lower-carbon sources such as renewable energies.

***We are party to a number of legal proceedings***

As described under “Item 8. Financial Information–Legal Proceedings,” we are party to a number of labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely to us, result in the imposition of material costs, fines, judgments or other losses. While we believe that we have provisioned such risks appropriately based on the opinions and advice of our external legal advisors and in accordance with applicable accounting rules, certain loss contingencies, particularly those relating to environmental matters, are subject to change as new information develops and it is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to us, could significantly exceed any accruals we have provided.

***Our business depends to a significant extent on our production and refining facilities and logistics network***

Our oil and natural gas field facilities, refineries and logistics network are our principal production facilities and distribution network on which a significant portion of our revenues depends. Although we insure our properties on terms we consider prudent and have adopted and maintain safety measures, any significant damage to, accident or other production stoppage at our facilities or network could materially and adversely affect our production capabilities, financial condition and results of operations.

***We could be subject to organized labor action***

Although we consider our current relations with our workforce to be good, our operations have been affected by organized work disruptions and stoppages in the past and we cannot assure you that we will not experience them in the future, which could adversely affect our business and revenues. Labor demands are commonplace in Argentina’s energy sector and unionized workers have blocked access to and damaged our plants in the recent past. Our operations were affected occasionally by labor strikes in recent years. See “Item 5. Operating and Financing Review and Prospects–Factors Affecting Our Operations–Macroeconomic Conditions.”

***Risks Relating to Our Class D Shares and ADSs***

***The market price for our shares and ADSs may be subject to significant volatility***

The market price of our ordinary shares and ADSs may fluctuate significantly due to a number of factors, including, among others, our actual or anticipated results of operations and financial condition; speculation over the impact of the Expropriation Law in our business and operations, investor perceptions of investments relating to Argentina and political and regulatory developments affecting our industry or the Company. In addition, recent regulatory and policy developments in Argentina, including the passage of the Expropriation Law and the revocation of certain of our concessions, have led to considerable volatility in the market price of our shares and ADSs. YPF’s share price has declined by approximately 50% since January 1, 2012. These developments, as well as concerns about the implementation of new measures or decisions which further adversely affect our interests, may have a material adverse effect on the trading values of our securities.

***We are currently not in compliance with NYSE continued listing requirements regarding our Audit Committee and are at risk of being delisted from the NYSE***

Since the passage of Decree No. 530/12 of the National Executive Power, which provides for the Intervention of YPF, all powers, duties and responsibilities of the Audit Committee of the Company have been transferred to the government-appointed Intervenor. See “Item 6. Directors, Senior Management and Employees-Management of the Company under the Intervention” and “Item 6. Directors, Senior Management and Employees-The Audit Committee.” Accordingly, since April 16, 2012, the Company no longer has an audit committee that satisfies the requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended. If we fail to cure this deficiency, NYSE rules provide that the NYSE may initiate suspension and delisting procedures with respect to our securities. The delisting of our ADSs would require any trading in these securities to occur in the over-the-counter market and could adversely affect the market prices and liquidity of the markets for these securities. If our ADSs are delisted from the NYSE, there may be a limited market for our ADSs, trading in our ADSs may become more difficult and the price of our ADSs could decrease even further. Specifically, you may not be able to resell your

ADSSs at or above the price you paid for such ADSSs or at all. In addition, if our ADSSs are delisted, our ability to raise additional capital would likely be impaired.

***Certain strategic transactions require the approval of the holder of our Class A shares or may entail a cash tender offer for all of our outstanding capital stock***

Under our by-laws, the approval of the Argentine government, the sole holder of our Class A shares, is required to undertake certain strategic transactions, including a merger, an acquisition that results in the purchaser holding 15% or more of our capital stock or an acquisition that results in the purchaser holding a majority of our capital stock, requiring consequently the approval of the National State (the holder of our Class A share) for such decisions.

In addition, under our by-laws, an acquisition that results in the purchaser holding 15% or more of our capital stock would require such purchaser to make a public cash tender offer for all of our outstanding shares and convertible securities, which could discourage certain investors from acquiring significant stakes in our capital stock. See “Item 10. Additional Information—Certain Provisions Relating to Acquisitions of Shares.”

***Restrictions on the movement of capital out of Argentina may impair your ability to receive dividends and distributions on, and the proceeds of any sale of, the Class D shares underlying the ADSSs***

Argentine law currently permits the government to impose temporary restrictions on capital movements in circumstances where a serious imbalance develops in Argentina’s balance of payments or where there are reasons to foresee such an imbalance. Although the transfer of funds abroad in order to pay dividends currently does not require Central Bank approval, restrictions on the movement of capital to and from Argentina may, if imposed, impair or prevent the conversion of dividends, distributions, or the proceeds from any sale of Class D shares, as the case may be, from pesos into U.S. dollars and the remittance of the U.S. dollars abroad. The Argentine government has recently tightened U.S. dollar exchange regulations.

Under the terms of our deposit agreement with the depository for the ADSSs, the depository will convert any cash dividend or other cash distribution we pay on the shares underlying the ADSSs into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If this conversion is not possible for any reason, including regulations of the type described in the preceding paragraph, the deposit agreement allows the depository to distribute the foreign currency only to those ADR holders to whom it is possible to do so. If the exchange rate fluctuates significantly during a time when the depository cannot convert the foreign currency, you may lose some or all of the value of the dividend distribution.

***Under Argentine law, shareholder rights may be different from other jurisdictions***

Our corporate affairs are governed by our by-laws and by Argentine corporate law, which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States or in other jurisdictions outside Argentina. In addition, rules governing the Argentine securities markets are different and may be subject to different enforcement in Argentina than in other jurisdictions.

***Actual or anticipated sales of a substantial number of Class D shares could decrease the market prices of our Class D shares and the ADSSs***

The Petersen Group owns ADSSs representing approximately 25.46% of our capital stock. In addition, as described in greater detail under “Item 7. Major Shareholders and Related Party Transactions—Registration Rights and Related Agreements,” we have filed and undertaken to maintain an effective shelf registration statement for the benefit of the lenders under the senior secured term loan facility provided to Petersen Energia to enable it to enter into the Petersen Transaction (as defined in “Item 7. Major Shareholders and Related Party Transactions”). The lenders under the senior secured term loan facility, upon the acceleration of such facility following the occurrence and continuation of an event of default under such facility, will be able to freely sell up to approximately 25% of our outstanding capital stock under the shelf registration statement. Sales of a substantial number of Class D shares or ADSSs by the Petersen Group, such lenders or any other present or future significant shareholder, or the anticipation of such sales, could decrease the trading price of our Class D shares and the ADSSs. See “Item 7. Major Shareholders

and Related Party Transactions.” The Petersen Group’s ability to service its indebtedness under the senior secured term loan facility may be substantially adversely affected by our inability to pay cash dividends.

***You may be unable to exercise preemptive, accretion or other rights with respect to the Class D shares underlying your ADSs***

You may not be able to exercise the preemptive or accretion rights relating to the shares underlying your ADSs (see “Item 10. Additional Information—Preemptive and Accretion Rights”) unless a registration statement under the U.S. Securities Act of 1933 (the “Securities Act”) is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to the shares relating to these preemptive rights, and we cannot assure you that we will file any such registration statement. Unless we file a registration statement or an exemption from registration is available, you may receive only the net proceeds from the sale of your preemptive rights by the depositary or, if the preemptive rights cannot be sold, they will be allowed to lapse. As a result, U.S. holders of Class D shares or ADSs may suffer dilution of their interest in our company upon future capital increases.

In addition, under the Argentine Corporations Law, foreign companies that own shares in an Argentine corporation are required to register with the Superintendency of Corporations (*Inspección General de Justicia*, or “IGJ”) in order to exercise certain shareholder rights, including voting rights. If you own our Class D shares directly (rather than in the form of ADSs) and you are a non-Argentine company and you fail to register with IGJ, your ability to exercise your rights as a holder of our Class D shares may be limited.

***You may be unable to exercise voting rights with respect to the Class D shares underlying your ADSs at our shareholders’ meetings***

The depositary will be treated by us for all purposes as the shareholder with respect to the shares underlying your ADSs. As a holder of ADRs representing the ADSs being held by the depositary in your name, you will not have direct shareholder rights and may exercise voting rights with respect to the Class D shares represented by the ADSs only in accordance with the deposit agreement relating to the ADSs. There are no provisions under Argentine law or under our by-laws that limit the exercise by ADS holders of their voting rights through the depositary with respect to the underlying Class D shares. However, there are practical limitations on the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with these holders. For example, holders of our shares will receive notice of shareholders’ meetings through publication of a notice in an official gazette in Argentina, an Argentine newspaper of general circulation and the bulletin of the BASE, and will be able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS holders, by comparison, will not receive notice directly from us. Instead, in accordance with the deposit agreement, we will provide the notice to the depositary. If we ask it to do so, the depositary will mail to holders of ADSs the notice of the meeting and a statement as to the manner in which instructions may be given by holders. To exercise their voting rights, ADS holders must then instruct the depositary as to voting the Class D shares represented by their ADSs. Due to these procedural steps involving the depositary, the process for exercising voting rights may take longer for ADS holders than for holders of Class D shares, and Class D shares represented by ADSs may not be voted as you desire. Class D shares represented by ADSs for which the depositary fails to receive timely voting instructions may, if requested by us, be voted as we instruct at the corresponding meeting.

In addition to the limitations referred to above, the Company has been recently notified of the preliminary injunction granted by a First Instance Labor Court in Tierra del Fuego Province, which provides for the temporal suspension of the exercise of the voting and economic rights attached to 45,215,888 of our ADSs. See “Item 10. Additional Information—Capital Stock.”

***Shareholders outside of Argentina may face additional investment risk from currency exchange rate fluctuations in connection with their holding of our Class D shares or the ADSs***

We are an Argentine company and any future payments of dividends on our Class D shares will be denominated in pesos. The peso has historically fluctuated significantly against many major world currencies, including the U.S. dollar. A depreciation of the peso would likely adversely affect the U.S. dollar or other currency equivalent of any

dividends paid on our Class D shares and could result in a decline in the value of our Class D shares and the ADSs as measured in U.S. dollars.

#### ITEM 4. Information on the Company

##### History and Development of YPF

###### Overview

YPF is a limited liability company (*sociedad anónima*), incorporated under the laws of Argentina for an unlimited term. Our address is Macacha Güemes 515, C1106BKK Ciudad Autónoma de Buenos Aires, Argentina and our telephone number is (011-54-11) 5441-2000. Our legal name is YPF Sociedad Anónima and we conduct our business under the commercial name “YPF”.

We are Argentina’s leading energy company, operating a fully integrated oil and gas chain with leading market positions across the domestic upstream and downstream segments. Our upstream operations consist of the exploration, development and production of crude oil, natural gas and LPG. Our downstream operations include the refining, marketing, transportation and distribution of oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, LPG and bio-fuels. Additionally, we are active in the gas separation and natural gas distribution sectors both directly and through our investments in several affiliated companies. In 2011, we had consolidated net sales of Ps.56,697 million (U.S.\$13,185 million) and consolidated net income of Ps.5,296 million (U.S.\$1,232 million).

Most of our predecessors were state-owned companies with operations dating back to the 1920s. In November 1992, the Argentine government enacted the Privatization Law (Law No. 24,145), which established the procedures for our privatization. In accordance with the Privatization Law, in July 1993, we completed a worldwide offering of 160 million Class D shares that had previously been owned by the Argentine government. As a result of that offering and other transactions, the Argentine government’s ownership interest in our capital stock was reduced from 100% to approximately 20% by the end of 1993.

Since 1999 and until the passage of the Expropriation Law (Law No. 26,741), we were controlled by Repsol YPF, an integrated oil and gas company headquartered in Spain with global operations. Repsol YPF owned approximately 99% of our capital stock from 2000 until 2008, when the Petersen Group purchased, in different stages, shares representing 15.46% of our capital stock. In addition, Repsol YPF granted certain affiliates of Petersen Energía an option to purchase up to an additional 10% of our outstanding capital stock, which was exercised in May 2011.

On May 3, 2012, the Argentine Congress passed the Expropriation Law. Among other matters, the Expropriation Law provided for the expropriation of 51% of the share capital of YPF represented by an identical stake of Class D shares owned, directly or indirectly, by Repsol YPF and its controlled or controlling entities. The expropriated shares, which have been declared of public interest, will be assigned as follows: 51% to the federal government and 49% to the governments of the provinces that compose the National Organization of Hydrocarbon Producing States. To ensure compliance with its objectives, the Expropriation Law provides that the National Executive Office, by itself or through an appointed public entity, shall exercise all the political rights associated with the shares subject to expropriation until the transfer of political and economic rights to the provinces that compose the National Organization of Hydrocarbon Producing States is completed. See “Item 3. Key Information-Risk Factors-Risks Relating to Argentina-The Argentine federal government has taken control over the Company and will operate it according to domestic energy policies in accordance with the Expropriation Law,” “-Regulatory Framework and Relationship with the Argentine Government-The Expropriation Law” and “Item 7. Major Shareholders and Related Party Transactions.”

Furthermore, on April 16, 2012, the Company was notified, through a notarial certification, of Decree No. 530/12 of the National Executive Power, which provides for the Intervention of YPF for a period of thirty (30) days (which is expected to be extended up to our next Shareholders meeting to be held on June 4, 2012), with the aim of securing the continuity of its business and the preservation of its assets and capital, securing fuel provision and the satisfaction of the country’s needs, and guaranteeing that the goals of the Expropriation Law, are met. See “-Regulatory Framework and Relationship with the Argentine Government-The Expropriation Law.” In accordance with Article 3 of Decree No. 530/2012, the powers conferred by YPF’s bylaws on the Board and/or the President of the Company have been temporarily granted to the Intervenor. On May 7, 2012, through Decree No. 676/2012 of the