YPF SOCIEDAD ANONIMA
Form 6-K
August 15, 2008

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Issuer

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

For the month of August, 2008

Commission File Number: 001-12102

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

Av. Pte. R.S. Peña 777 – 8th Floor
1354 Buenos Aires, Argentina
(Address of principal executive office)

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

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1):
Yes No X

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7):
Yes No X

Indicate by check mark whether by furnishing the information
contained in this Form, the Registrant is also thereby furnishing the information to the Commission
pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:
Yes No X

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

YPF Sociedad Anónima

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SOCIEDAD ANONIMA

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English translation of the report originally issued in Spanish, except for the omission of certain disclosures related to formal legal requirements for reporting in Argentina and the addition of the last paragraph – See Note 13 to the primary financial statements

Limited Review Report on Interim
Period Financial Statements

To the Board of Directors of
YPF SOCIEDAD ANONIMA
Av. Pte. Roque Sáenz Peña 777
Buenos Aires City

1. Identification of financial statements subject to limited review

We have reviewed the balance sheet of YPF SOCIEDAD ANONIMA (an Argentine Corporation) as of June 30, 2008 and the related statements of income, changes in shareholders' equity and cash flows for the six-month period then ended. We have also reviewed the consolidated balance sheet of YPF SOCIEDAD ANONIMA and its controlled and jointly controlled companies as June 30, 2008, and the related consolidated statements of income and cash flows for the six-month period then ended, which are presented as supplemental information in Schedule I. These financial statements are the responsibility of the Company's Management.

2. Scope of our work

We conducted our review in accordance with generally accepted auditing standards in Argentina for a review of interim period financial statements. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for accounting and financial matters. A review is substantially less in scope than an audit of financial statements, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

3. Limited review report

Based on our review, we are not aware of any material modifications that should be made to the financial statements of YPF SOCIEDAD ANONIMA referred to in the first paragraph for them to be in conformity with generally accepted accounting principles in Argentina.

In relation to the financial statements as of December 31, 2007 and June 30, 2007, which are presented for comparative purposes, we issued our unqualified auditors' report dated March 7, 2008, and our unqualified limited review report on interim period financial statements dated August 3, 2007, respectively.

Certain accounting practices of YPF SOCIEDAD ANONIMA used in preparing the accompanying financial statements conform to generally accepted accounting principles in Argentina, but do not conform to generally accepted accounting principles in the United States of America (see Note 13 to the accompanying financial statements).

Buenos Aires City, Argentina
August 6, 2008

Deloitte & Co. S.R.L.

Ricardo C. Ruiz
Partner

YPF SOCIEDAD ANONIMA

FINANCIAL STATEMENTS AS OF JUNE 30, 2008 AND COMPARATIVE INFORMATION

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English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV"),
except for the inclusion of Note 13 to the primary financial statements in the English translation.
In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA
Avenida Presidente Roque Sáenz Peña 777 – Ciudad Autómona de Buenos Aires, Argentina

FISCAL YEARS NUMBER 32 AND 31
BEGINNING ON JANUARY 1, 2008 AND 2007
FINANCIAL STATEMENTS AS OF JUNE 30, 2008 AND COMPARATIVE INFORMATION
(The financial statements as of June 30, 2008 and June 30, 2007 are unaudited)

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

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

Duration of the Company: through June 15, 2093.

Last amendment to the bylaws: April 24, 2008.

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

Capital structure as of June 30, 2008
(expressed in Argentine pesos)

	Subscribed, paid-in and authorized for stock exchange listing (Note 4 to primary financial statements)
-Shares of Common Stock, Argentine pesos 10 par value, 1 vote per share	3,933,127,930

Schedule I
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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2008 AND DECEMBER 31, 2007
(amounts expressed in millions of Argentine pesos – Note 1 to the primary financial statements)
(The financial statements as of June 30, 2008 and June 30, 2007 are unaudited)

	2008	2007
Current Assets		
Cash	105	196
Investments (Note 2.a)	519	655
Trade receivables (Note 2.b)	3,179	3,235
Other receivables (Note 2.c)	2,053	4,361
Inventories (Note 2.d)	2,854	2,573
Total current assets	8,710	11,020
Noncurrent Assets		
Trade receivables (Note 2.b)	27	32
Other receivables (Note 2.c)	854	809
Investments (Note 2.a)	824	799
Fixed assets (Note 2.e)	26,342	25,434
Intangible assets	7	8
Total noncurrent assets	28,054	27,082
Total assets	36,764	38,102
Current Liabilities		
Accounts payable (Note 2.f)	4,784	4,339
Loans (Note 2.g)	2,602	471
Salaries and social security	199	213
Taxes payable	1,561	1,441
Net advances from crude oil purchasers	-	9
Reserves	508	466
Total current liabilities	9,654	6,939
Noncurrent Liabilities		
Accounts payable (Note 2.f)	2,845	2,542
Loans (Note 2.g)	650	523
Salaries and social security	134	164
Taxes payable	24	21
Reserves	1,946	1,853
Total noncurrent liabilities	5,599	5,103
Total liabilities	15,253	12,042

Shareholders’ Equity	21,511	26,060
Total liabilities and shareholders’ equity	36,764	38,102

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

Schedule I
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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007
(amounts expressed in millions of Argentine pesos, except for per share amounts in Argentine pesos – Note 1 to the primary financial statements)
(The financial statements as of June 30, 2008 and June 30, 2007 are unaudited)

	2008	2007
Net sales	16,443	13,099
Cost of sales	(10,901)	(8,299)
Gross profit	5,542	4,800
Administrative expenses (Exhibit H)	(429)	(361)
Selling expenses (Exhibit H)	(1,102)	(992)
Exploration expenses (Exhibit H)	(218)	(247)
Operating income	3,793	3,200
Income on long-term investments	67	29
Other expense, net (Note 2.h)	(241)	(18)
Financial income (expense), net and holding (losses) gains:		
Gains (losses) on assets		
Interests	75	160
Exchange differences	(18)	59
Holding gains on inventories	123	119
Losses on liabilities		
Interests	(189)	(145)
Exchange differences	279	(19)
Reversal of impairment of other current assets	-	69
Net income before income tax	3,889	3,454
Income tax	(1,635)	(1,310)
Net income	2,254	2,144
Earnings per share	5.73	5.45

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

Schedule I
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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2008 AND 2007
(amounts expressed in millions of Argentine pesos – Note 1 to the primary financial statements)
(The financial statements as of June 30, 2008 and June 30, 2007 are unaudited)

	2008	2007
Cash Flows from Operating Activities		
Net income	2,254	2,144
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Income on long-term investments	(67)	(29)
Dividends from long-term investments	37	52
Reversal of impairment of other current assets	-	(69)
Depreciation of fixed assets	2,046	2,012
Consumption of materials and fixed assets retired, net of allowances	186	168
Increase in allowances for fixed assets	2	73
Income tax	1,635	1,310
Income tax payments	(1,196)	(1,020)
Increase in reserves	557	271
Changes in assets and liabilities:		
Trade receivables	61	2
Other receivables	2,263	59
Inventories	(281)	(460)
Accounts payable	499	211
Salaries and social security	(32)	(68)
Taxes payable	(269)	(160)
Net advances from crude oil purchasers	(10)	(46)
Decrease in reserves	(422)	(380)
Interests, exchange differences and others	(204)	(19)
Net cash flows provided by operating activities	7,059(1)	4,051(1)
Cash Flows used in Investing Activities		
Acquisitions of fixed assets	(2,816)	(2,529)
Investments (non cash and equivalents)	1	(10)
Net cash flows used in investing activities	(2,815)	(2,539)
Cash Flows used in Financing Activities		
Payment of loans	(697)	(355)
Proceeds from loans	3,018	501

Dividends paid	(6,789)	(2,360)
Net cash flows used in financing activities	(4,468)	(2,214)
Decrease in Cash and Equivalents	(224)	(702)
Cash and equivalents at the beginning of year	847	1,087
Cash and equivalents at the end of period	623	385
Decrease in Cash and Equivalents	(224)	(702)

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

(1) Includes (25) and (55) corresponding to interest payments for the six-month periods ended June 30, 2008 and June 30, 2007, respectively.

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

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Schedule I

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (“CNV”),
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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2008 AND COMPARATIVE INFORMATION
(amounts expressed in millions of Argentine pesos – Note 1 to the primary financial statements, except where otherwise indicated)
(The financial statements as of June 30, 2008 and June 30, 2007 are unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS

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

a) Consolidation policies:

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

– Investments and income (loss) related to controlled companies in which YPF has the number of votes necessary to control corporate decisions are substituted for such companies’ assets, liabilities, net revenues, cost and expenses, which are aggregated to the Company’s balances after the elimination of intercompany profits, transactions, balances and other consolidation adjustments.

– Investments and income (loss) related to companies in which YPF holds joint control are consolidated line by line on the basis of the Company’s proportionate share in their assets, liabilities, net revenues, cost and expenses, considering intercompany profits, transactions, balances and other consolidation adjustments.

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

b) Financial statements used for consolidation:

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

c) Valuation criteria:

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

Fixed assets

Properties on foreign unproved reserves have been valued at cost and translated into pesos as detailed in Note 2.d to the primary financial statements. Capitalized costs related to unproved properties are reviewed periodically by Management to ensure the carrying value does not exceed their estimated recoverable value.

Salaries and Social Security – Pension Plans and other Postretirement and Postemployment Benefits

As of December 31, 2007, YPF Holdings Inc., which has operations in the United States of America, had three trustee defined–benefit pension plans and postretirement and postemployment benefits.

During March 2008, YPF Holdings Inc. entered into certain contracts with Prudential Insurance Company ("Prudential") to settle the liability associated with two defined-benefit pension plans, paying a premium amount of US$ 115 million. Prudential assumed the liabilities under these pension plans as of March 20, 2008.

The funding policy related to the remaining pension plan is to contribute amounts to the plan sufficient to meet the minimum funding requirements under governmental regulations, plus such additional amounts as Management may determine to be appropriate.

YPF Holdings Inc. provides certain health care and life insurance benefits for eligible retired employees, and also certain insurance, and other postemployment benefits for eligible individuals in case employment is terminated by YPF Holdings Inc. before their normal retirement. YPF Holdings Inc. accrues the estimated cost of retiree benefit payments during employees' active service periods. Employees become eligible for these benefits if they meet minimum age and years of service requirements. YPF Holdings Inc. accounts for benefits provided when the minimum service period is met, payment of the benefit is probable and the amount of the benefit can be reasonably estimated.

The benefits related to the mentioned plans were valued at net present value and accrued based on the years of active service of employees. The net liability for defined-benefits and postretirement plans is disclosed as non-current liabilities in the "Salaries and social security" account and is the amount resulting from the sum of: the present value of the obligation, net of the fair value of the plan assets (if funded) and net of the unrecognized actuarial losses generated since December 31, 2003. The unrecognized actuarial losses and gains are recognized as expense during the expected average remaining work of the employees participating in the plans and the life expectancy of the retired employees. The Company updates the actuarial assumptions at the end of each year.

YPF Holdings Inc. also has a noncontributory supplemental retirement plan for executive officers and other selected key employees. Other postretirement and postemployment benefits are recorded as claims are incurred.

As of June 30, 2008, the unrecognized actuarial losses amount to 20 and are associated with one pension plan and other post employment benefits effective as of that date.

Recognition of revenues and costs of construction activities

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

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

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

Consolidated Balance Sheets Accounts as of June 30, 2008 and December 31, 2007

a) Investments:	2008		2007	
	Current	Noncurrent	Current	Noncurrent
Short-term investments and government securities	519(1)	170(3)	655(1)	168(3)
Long-term investments	-	853(2)	-	837(2)
Allowance for reduction in value of holdings in long-term investments	-	(199)(2)	-	(206) (2)
	519	824	655	799

(1) Includes 518 and 651 as of June 30, 2008 and December 31, 2007, respectively, with an original maturity of less than three months.

(2) In addition to the amounts detailed in Exhibit C to the primary financial statements, includes interest in Gas Argentino S.A. ("GASA"). As of June 30, 2008, GASA must initiate a new debt restructuring process with its creditors, due to the intention expressed by the Fund Marathon of concluding the agreement celebrated on December 7, 2005. This option was contemplated in the mentioned agreement.

(3) Corresponds to restricted cash as of June 30, 2008, and December 31, 2007, which represents bank deposits used to pay labor claims and deposits used as guarantees given to government agencies.

b) Trade receivables:	2008		2007	
	Current	Noncurrent	Current	Noncurrent
Accounts receivable	3,223	27	3,142	32
Related parties	373	-	533	-
	3,596	27	3,675	32
Allowance for doubtful trade receivables	(417)	-	(440)	-
	3,179	27	3,235	32

c) Other receivables:

	2008		2007	
	Current	Noncurrent	Current	Noncurrent
Deferred income tax	-	470	-	517
Tax credits and export rebates	800	19	931	15
Trade	151	-	97	-
Prepaid expenses	134	48	111	60
Concessions charges	17	56	17	79
Related parties	387(1)	112(1)	2,681(1)	-
Loans to clients	17	105	14	90
Advances to suppliers	121	-	132	-
From joint ventures and other agreements	78	-	62	-
Miscellaneous	478	96	438	98
	2,183	906	4,483	859
Allowance for other doubtful accounts	(130)	-	(122)	-
Allowance for valuation of other receivables to their estimated realizable value	-	(52)	-	(50)
	2,053	854	4,361	809

(1) In addition to the amounts detailed in Note 3.c to the primary financial statements, mainly includes 170 with Central Dock Sud S.A., which accrues interest between 5.42% and 7.28% and 224 with Repsol Netherlands Finance B.V., which accrues interest at 2.70% as of June 30, 2008 and 51 with Repsol Netherlands Finance B.V. as of December 31, 2007.

d) Inventories:

	2008	2007
Refined products	1,711	1,612
Crude oil and natural gas	791	646
Products in process	36	46
Raw materials, packaging materials and others	316	269
	2,854	2,573

e) Fixed assets:

	2008	2007
Net book value of fixed assets (Exhibit A)	26,389	25,481
Allowance for unproductive exploratory drilling	(3)	(3)
Allowance for obsolescence of material and equipment	(44)	(44)
	26,342	25,434

f) Accounts payable:

	2008		2007	
	Current	Noncurrent	Current	Noncurrent
Trade	3,490	20	3,131	21
Hydrocarbon wells abandonment obligations	429	2,635	395	2,316
Related parties	325	-	140	-
From joint ventures and other agreements	352	-	373	-
Environmental liabilities	114	152	137	166
Miscellaneous	74	38	163	39
	4,784	2,845	4,339	2,542

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g) Loans:

	Interest rates (1)	Principal maturity	2008 Current	2008 Noncurrent	2007 Current	2007 Noncurrent
Negotiable Obligations – YPF	9.13 – 10.00%	2009 – 2028	319	196	14	523
Related parties	4.90 – 15.50%	2008 – 2010	64	454	-	-
Other bank loans and other creditors	3.37 – 22.00%	2008 – 2009	2,219	-	457	-
			2,602	650	471	523

(1) Annual fixed interest rate as of June 30, 2008.

Consolidated Statements of Income as of June 30, 2008 and 2007

h) Other expense, net:

	Income (Expense) 2008	2007
Reserve for pending lawsuits and other claims	-	(10)
Environmental remediation	(256)	(57)
Miscellaneous	15	49
	(241)	(18)

3. COMMITMENTS AND CONTINGENCIES IN CONTROLLED COMPANIES

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

YPF Holdings Inc. believes that its policies and procedures in the area of pollution control, product safety and occupational health are adequate to prevent unreasonable risk of environmental and other damage, and of resulting financial liability, in connection with its business. Some risk of environmental and other damage is, however, inherent in particular operations of YPF Holdings Inc. and, as discussed below, Maxus Energy Corporation ("Maxus") and Tierra Solutions Inc. ("Tierra") (both controlled by YPF Holdings Inc.) could have certain potential liabilities associated with operations of Maxus' former chemical subsidiary. YPF Holdings Inc. cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies of the regulatory agencies, could in the future require material expenditures by YPF Holdings Inc. for the installation and operation of systems and equipment for remedial measures, possible dredging requirements and in certain other respects. Also, certain laws allow for recovery of natural resource damages from responsible parties and ordering the implementation of interim remedies to abate an imminent and substantial endangerment to the environment. Potential expenditures for any such actions cannot be reasonably estimated.

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

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

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As of June 30, 2008, reserves for the environmental contingencies and other claims totaled approximately 589. YPF Holdings Inc.'s Management believes it has adequately reserved for all environmental contingencies, which are probable and can be reasonably estimated as of such time; however, changes in circumstances, including new information or new requirements of governmental entities, could result in changes, including additions, to such reserves in the future. The most significant contingencies are described in the following paragraphs:

Newark, New Jersey. A consent decree, previously agreed upon by the U.S. Environmental Protection Agency ("EPA"), the New Jersey Department of Environmental Protection and Energy ("DEP") and Occidental, as successor to Chemicals, was entered in 1990 by the United States District Court of New Jersey and requires implementation of a remedial action plan at Chemicals' former Newark, New Jersey agricultural chemicals plant. The approved remedy has been completed and paid for by Tierra. This project is in the operation and maintenance phase. YPF Holdings Inc. has reserved approximately 46 as of June 30, 2008, in connection with such activities.

Passaic River, New Jersey. Studies have indicated that sediments of the Newark Bay watershed, including the Passaic River adjacent to the former Newark plant, are contaminated with hazardous chemicals from many sources. These studies suggest that older and more contaminated sediments located adjacent to the former Newark plant generally are buried under more recent sediment deposits. Maxus, forced to act on behalf of Occidental, negotiated an agreement with the EPA under which Tierra has conducted further testing and studies near the plant site. While some work remains in a pending state, these studies were substantially completed in 2005.

In addition:

- YPF Holdings Inc. has been conducting similar studies under their own auspices for several years.

- The EPA and other agencies are addressing the lower Passaic River in a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project ("PRRP"). Tierra, along with other entities, participated in an initial remedial investigation and feasibility study ("RIFS") in connection with the PRRP. The parties are discussing the possibility of further work with the EPA. The entities have agreed the allocations of costs associated with the RIFS, based on a number of considerations.

- In 2003, the DEP issued Directive No. 1 to Occidental and Maxus and certain of their respective related entities as well as other third parties. Directive No. 1 seeks to address natural resource damages allegedly resulting from almost 200 years of historic industrial and commercial development of the lower 17 miles of the Passaic River and a part of its watershed. Directive No. 1 asserts that the named entities are jointly and severally liable for the alleged natural resource damages without regard to fault. The DEP has asserted jurisdiction in this matter even though all or part of the lower Passaic River has been designated as a Superfund site and is a subject of the PRRP. Directive No. 1 calls for the following actions: interim compensatory restoration, injury identification, injury quantification and value determination. Maxus and Tierra responded to Directive No. 1 setting forth good faith defenses. Settlement discussions between the DEP and the named entities have been held; however, no agreement has been reached or is assured.

- In 2004, the EPA and Occidental entered into an administrative order on consent (the "AOC") pursuant to which Tierra (on behalf of Occidental) has agreed to conduct testing and studies to characterize contaminated sediment and biota in the Newark Bay. The initial field work on this study, which includes testing in the Newark Bay, has been substantially completed. Discussions with the EPA regarding additional work that might be required are underway. EPA has notified other companies in relation to the contamination of the Newark Bay. Nowadays, Tierra is holding meetings with these companies to organize the coalition of a group similar to the Passaic´s, in order to share the costs associated with works in the Newark Bay. Additionally, Tierra, acting on behalf of Occidental, is performing a separate RIFS to characterize sediment contamination and evaluate remediations, if necessary, in certain portions of the Hackensack River, the Arthur Kill River, and the Kill van Kull River.

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– In December 2005, the DEP issued a directive to Tierra, Maxus and Occidental directing said parties to pay the State of New Jersey's costs of developing a Source Control Dredge Plan focused on allegedly dioxin-contaminated sediment in the lower six-mile portion of the Passaic River. The development of this plan is estimated by the DEP to cost approximately US$ 2 million. This directive was issued even though this portion of the lower Passaic River is a subject of the PRRP. The DEP has advised the recipients that (a) it is engaged in discussions with the EPA regarding the subject matter of the directive, and (b) they are not required to respond to the directive until otherwise notified. Additionally, in December 2005, the DEP sued YPF Holdings Inc., Tierra, Maxus and other several companies, besides to Occidental, in connection with the dioxin contamination allegedly emanating from Chemicals' former Newark plant and contaminating the lower portion of the Passaic River, Newark Bay, other nearby waterways and surrounding areas. The DEP seeks remediation of natural resources damaged and punitive damages and other matters. The defendants have made responsive pleadings and filings. The Court has recently denied motions to dismiss by Occidental Chemical Corporation, Tierra and Maxus. However, the motion to dismiss by the Company on local jurisdiction grants remains still pending.

– In June 2007, EPA released a draft Focused Feasibility Study (the "FFS") that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These alternatives range from no action, which would result in comparatively little cost, to extensive dredging and capping, which according to the draft FFS, EPA estimated could cost from US$ 0.9 billion to US$ 2.3 billion and are all described by EPA as involving proven technologies that could be carried out in the near term, without extensive research. Tierra, in conjunction with the other parties of the PRRP group, submitted comments on the draft FFS to EPA, as did other interested parties. In September 2007, EPA announced its intention to spend further time considering these comments, to issue a proposed plan for public comment by the middle of 2008 and to select a clean-up plan in the last quarter of 2008. Tierra will respond to any further EPA proposal as may be appropriate at the time.

– In August 2007, the National Oceanic Atmospheric Administration ("NOAA") sent a letter to the parties of the PRRP group, including Tierra and Occidental, requesting that the group enters into an agreement to conduct a cooperative assessment of natural resources damages in the Passaic River and Newark Bay. The PRRP group has responded through its common counsel requesting that discussions relating to such agreement be postponed until 2008, due in part to the pending FFS proposal by EPA. Tierra will continue to participate in the PRRP group with regard to this matter. In January 2008, the NOAA sent a letter to YPF S.A., YPF Holdings Inc., CLH Holdings Inc. and other entities, designating them as potentially responsible party ("PRP").

– In June 2008, the EPA, Occidental, and Tierra entered into an AOC, pursuant to which Tierra (on behalf of Occidental) will undertake a removal action of sediment from the Passaic River in the vicinity of the former Diamond Alkali facility. This action will result in the removal of approximately 200,000 cubic yards of sediment, which will be carried out in two different phases. The first phase, which will encompass the removal of 40,000 cubic yards, is scheduled for completion within 30 months, from the effective date of the AOC (June 2008). The second phase involves the removal of approximately 160,000 cubic yards of sediment. This second phase will start once the first one is completed. As of June 30, 2008, the due date of this phase is not estimated. During the removal action, contaminants not produced by the former Diamond plant, such as PCBs and mercury, will necessarily be removed along with dioxin. Although having recognized the estimated costs related to all works mentioned above, YPF Holdings and its subsidiaries may seek cost recovery from the parties responsible for such contamination, provided contaminants' origins were not from the Diamond Alkali plant. However, as of June 30, 2008, it is not possible to make any predictions regarding the likelihood of success or the funds potentially recoverable in a cost-recovery action.

As of June 30, 2008, there are approximately 274 reserved in connection with the foregoing matters related to the Passaic River and surrounding area, comprising the estimated costs for studies, the YPF Holdings Inc.'s best estimate of the cash flows it could incur in connection with remediation activities considering the studies performed by Tierra, the estimated costs related to the agreement, and in addition certain other matters related to Passaic River and the Newark Bay. However, it is possible that other works, including interim remedial measures, may be ordered. In addition, the development of new information on the imposition of natural resource damages, or remedial actions differing from the scenarios that YPF Holdings Inc. has evaluated could result in additional costs to the amount currently reserved.

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

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

Additionally, in May 2005, the DEP took two actions in connection with the chrome sites in Hudson and Essex Counties. First, the DEP issued a directive to Maxus, Occidental and two other chromium manufacturers directing them to arrange for the cleanup of chromite ore residue at three sites in New Jersey City and the conduct of a study by paying the DEP a total of US$ 20 million. While YPF Holdings Inc. believes that Maxus is improperly named and there is little or no evidence that Chemicals' chromite ore residue was sent to any of these sites, the DEP claims these companies are jointly and severally liable without regard to fault. Second, the State of New Jersey filed a lawsuit against Occidental and two other entities in state court in Hudson County seeking, among other things, cleanup of various sites where chromite ore residue is allegedly located, recovery of past costs incurred by the state at such sites (including in excess of US$ 2 million allegedly spent for investigations and studies) and, with respect to certain costs at 18 sites, treble damages. The DEP claims that the defendants are jointly and severally liable, without regard to fault, for much of the damages alleged. In February 2008, the parties reached a conceptual agreement on a possible settlement that remains subject to further agreement on terms and conditions. As a result YPF Holdings Inc. has reserved 21 (which are included in the amount of 98 disclosed in the following paragraphs).

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

Pursuant to a request of the DEP, in the second half of 2006, Tierra and other parties tested the sediments in a portion of the Hackensack River near the former Kearny Plant. Whether additional work will be required, is expected to be determined once the results of this testing have been analyzed.

In March 2008, the DEP approved an interim response action workplan for work to be performed at the Kearny Plant by Tierra and the Adjacent Property by Tierra in conjunction with other parties. As a result YPF Holdings Inc. has reserved 23 (which are included in the amount of 98 disclosed in the following paragraphs).

As of June 30, 2008, there are approximately 98 reserved in connection with the foregoing chrome-related matters. The study of the levels of chromium in New Jersey has not been finalized, and the DEP is still reviewing the proposed action levels. The cost of addressing these chrome-related matters could increase depending upon the final soil action levels, the DEP's response to Tierra's reports and other developments.

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

Over ten years ago, the former Painesville Works site was proposed for listing on the national Priority List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), however, the EPA has stated that the site will not be listed so long as it is satisfactorily addressed pursuant to the Director's Order and OEPA's programs. As of the date of issuance of these financial statements, the site has not been listed. YPF Holdings Inc. has reserved a total of 24 as of June 30, 2008 for its estimated share of the cost to perform the RIFS, the remediation work and other operation and maintenance activities at this site. The scope and nature of any further investigation or remediation that may be required cannot be determined at this time; however, as the RIFS progresses, YPF Holdings Inc. will continuously assess the condition of the Painesville's plants works site and make any changes, including additions, to its reserve as may be required.

Third Party Sites. Pursuant to settlement agreements with the Port of Houston Authority and other parties, Tierra and Maxus are participating (on behalf of Chemicals) in the remediation of property adjoining Chemicals' former Greens Bayou facility where DDT and certain other chemicals were manufactured. As of June 30, 2008, YPF Holdings Inc. has reserved 51 for its estimated share of future remediation activities associated with the Greens Bayou facility. Additionally, negotiations have been initiated in connection with claims for natural resources damages. The amount of natural resources damages and the party's obligations in respect thereof are unknown at the present time.

In June 2005, the EPA designated Maxus as a PRP at the Milwaukee Solvay Coke & Gas site in Milwaukee, Wisconsin. The basis for this designation is Maxus alleged status as the successor to Pickands Mather & Co. and Milwaukee Solvay Coke Co., companies that the EPA has asserted are former owners or operators of such site. Preliminarily works in connection with the RIFS of this site commenced in the second half of 2006. YPF Holdings Inc. has reserved 1 as of June 30, 2008 for its estimated share of the costs of the RIFS. YPF Holdings Inc. lacks sufficient information to determine additional exposure or costs, if any; it might have in respect of this site.

Maxus has agreed to defend Occidental, as successor to Chemicals, in respect of the Malone Services Company Superfund site in Galveston County, Texas. This site is a former waste disposal site where Chemicals is alleged to have sent waste products prior to September 1986. It is the subject of enforcement activities by the EPA. Although Occidental is one of many PRPs that have been identified and have agreed to an AOC, Tierra (which is handling this matter on behalf of Maxus) presently believes the degree of Occidental's alleged involvement as successor to Chemicals is relatively small.

Chemicals has also been designated as a PRP with respect to a number of third party sites where hazardous substances from Chemicals' plant operations allegedly were disposed or have come to be located. At several of these, Chemicals has no known exposure. Although PRPs are typically jointly and severally liable for the cost of investigations, cleanups and other response costs, each has the right of contribution from other PRPs and, as a practical matter, cost sharing by PRPs is usually effected by agreement among them. As of June 30, 2008, YPF Holdings Inc. has reserved 7 in connection with its estimated share of costs related to certain sites and the ultimate cost of other sites cannot be estimated at this time.

Black Lung Benefits Act Liabilities. The Black Lung Benefits Act provides monetary and medical benefits to miners disabled with black lung disease, and also provides benefits to the dependents of deceased miners if black lung disease caused or contributed to the miner's death. As a result of the operations of its coal-mining subsidiaries, YPF Holdings Inc. is required to provide insurance of this benefit to former employees and their dependents. As of June 30, 2008, YPF Holdings Inc. has reserved 26 in connection with its estimate of these obligations.

Legal Proceedings. In 2001, the Texas State Controller assessed Maxus approximately US$ 1 million in Texas state sales taxes for the period of September 1, 1995 through December 31, 1998, plus penalty and interest. In August 2004, the administrative law judge issued a decision affirming approximately US$ 1 million of such assessment, plus penalty and interest. YPF Holdings Inc. believes the decision is erroneous, but has paid the revised tax assessment, penalty and interest (a total of approximately US$ 2 million under protest). Maxus filed a suit in Texas state court in December 2004 challenging the administrative decision. The matter will be reviewed by a trial de novo in the court action.

In 2002, Occidental sued Maxus and Tierra in state court in Dallas, Texas seeking a declaration that Maxus and Tierra have the obligation under the agreement pursuant to which Maxus sold Chemicals to Occidental to defend and indemnify Occidental from and against certain historical obligations of Chemicals, including claims related to "Agent Orange" and vinyl chloride monomer, notwithstanding the fact that said agreement contains a 12-year cut-off for defense and indemnity obligations with respect to most litigation. Tierra was dismissed as a party, and the matter was tried in May 2006. The trial court decided that the 12-year cut-off period did not apply and entered judgment against Maxus. This decision was affirmed by the Court of Appeals in February 2008. Maxus has petitioned the Supreme Court of Texas for review. This lawsuit was denied. This decision will require Maxus to accept responsibility of various matters which it has refused indemnification since 1998 which could result in the incurrence of material costs in addition to YPF Holdings Inc.'s current reserves for this matter. This decision will also require Maxus to reimburse Occidental for past costs on these matters. Maxus believes that its current reserves are adequate for these past costs. Maxus is currently evaluating the decision of the Court of Appeals. As of June 30, 2008 YPF Holdings Inc. has reserved 45 in respect to this matter.

In March 2005, Maxus agreed to defend Occidental, as successor to Chemicals, in respect of an action seeking the contribution of costs incurred in connection with the remediation of the Turtle Bayou waste disposal site in Liberty County, Texas. The plaintiffs alleged that certain wastes attributable to Chemicals found their way to the Turtle Bayou site. Trial for this matter was bifurcated, and in the liability phase Occidental and other parties were found severally, and not jointly, liable for waste products disposed of at this site. Trial in the allocation phase of this matter was completed in the second quarter of 2007, and the court has entered a decision setting Occidental's liability at 15.96% of those costs incurred by one of the plaintiffs. Occidental's motion for reconsideration of a portion of this decision has been filed with the court, and the parties are awaiting the court's decision on this and other post-judgment motions. As of June 30, 2008, YPF Holdings Inc. has reserved 11 in respect of this matter.

YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits, the outcomes of which are not expected to have a material adverse effect on YPF's financial condition. YPF Holdings Inc. reserves legal contingences that are probable and can be reasonably estimated.

YPF Holdings Inc. has entered into various operating agreements and capital commitments associated with the exploration and development of its oil and gas properties which are not material except those for the Neptune Prospect. On March 16, 2008, the Company was notified that a structural anomaly was identified in at least one of the pontoons of the Neptune Platform. As of the date of the issuance of those financial statements, remediation activities are substantially completed, and production has started gradually since July 2008. Total commitments related to the development of the Neptune Prospect located in the vicinity of the Atwater Valley Area, Blocks 573, 574, 575, 617 and 618 are US$ 22 million for 2008, US$ 5 million for 2009, US$ 4 million for 2010, US$ 3 million for 2011, US$ 2 million for 2012 and thereafter.

4. CONSOLIDATED BUSINESS SEGMENT INFORMATION

The Company organizes its business into four segments which comprise: the exploration and production, including contractual purchases of natural gas and crude oil purchases arising from service contracts and concession obligations, as well as crude oil intersegment sales, natural gas and its derivatives sales and electric power generation ("Exploration and Production"); the refining, transport, purchase and marketing of crude oil to unrelated parties and refined products ("Refining and Marketing"); the petrochemical operations ("Chemical"); and other activities, not falling into these categories, are classified under "Corporate and Other", which principally includes corporate administration costs and assets, construction activities and environmental remediation activities related to YPF Holdings Inc. preceding operations (Note 3).

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

	Exploration and Production	Refining and Marketing	Chemical	Corporate and Other	Consolidation Adjustments	Total
Six-month period ended June 30, 2008						
Net sales to unrelated parties	2,198	11,279	1,349	121	-	14,947
Net sales to related parties	523	973	-	-	-	1,496
Net intersegment sales	5,715	571	542	203	(7,031)	-
Net sales	8,436	12,823	1,891	324	(7,031)	16,443
Operating income (loss)	2,010	1,525	658	(328)	(72)	3,793
Income on long-term investments	57	10	-	-	-	67
Depreciation	1,758	209	54	25	-	2,046
Acquisitions of fixed assets	2,629	327	64	147	-	3,167
Assets	21,463	9,904	2,179	4,065	(847)	36,764
Six-month period ended June 30, 2007						
Net sales to unrelated parties	1,607	8,885	1,213	56	-	11,761
Net sales to related parties						