



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 6, 2017

**Response of the Office of Mergers and Acquisitions
Division of Corporation Finance**

Peter Cohen-Millstein, Esq.
Linklaters LLP
1345 Avenue of the Americas
New York, NY 10105

**Re: Transportadora de Gas del Sur S.A. – Dual Tender Offers by PCT LLC,
Grupo Inversor Petroquímica S.L. and WST S.A.**

Dear Mr. Cohen-Millstein:

We are responding to your letter dated March 6, 2017, addressed to Ted Yu, Daniel F. Duchovny and Christina M. Thomas, as supplemented by telephone conversations with the staff and your supporting letter from Argentine counsel of the same date, with regard to your request for exemptive relief. To avoid having to recite or summarize the facts set forth in your letter, our response letter is attached to the enclosed copy of your letter. Unless otherwise noted, capitalized terms in this response letter have the same meaning as in your letter dated March 6, 2017.

On the basis of the representations and the facts presented in your letter, the Division of Corporation Finance, acting for the Commission pursuant to delegated authority, by separate order is granting the Offerors an exemption from Exchange Act Section 14(d)(6) and Exchange Act Rules 14d-8 and 14d-10(a)(2) if the Offerors comply with the distribution and proration rules of Article 70, as required under Argentine law and described in your letter, with respect to the Offers.

The foregoing exemptive relief is based solely on the representations and the facts presented in your letter dated March 6, 2017 and does not represent a legal conclusion with respect to the applicability of the statutory or regulatory provisions of the federal securities laws. The relief is strictly limited to the application of the provisions listed above to the Offers. The Offerors should discontinue the Offers pending further consultations with the staff if any of the facts or representations set forth in your letter change. In addition, this position is subject to modification or revocation if at any time the Commission or the Division of Corporation Finance determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

Peter Cohen-Millstein, Esq.
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We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 9(a), 10(b) and 14(e) of the Exchange Act and Rules 10b-5 and 14e-3 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws rests with the participants in the Offers. The Division of Corporation Finance expresses no view with respect to any other questions that the Offers may raise, including, but not limited to, the adequacy of the disclosure concerning, and the applicability of any other federal or state laws to, the Offers.

Sincerely,



Ted Yu
Chief, Office of Mergers and Acquisitions
Division of Corporation Finance

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

March 6, 2017

In the Matter of Transportadora de Gas del
Sur S.A.

ORDER GRANTING EXEMPTIONS FROM
EXCHANGE ACT RULES 14D-8 and 14D-
10(A)(2) AND EXCHANGE ACT SECTION
14(D)(6)

PCT LLC, Grupo Inversor Petroquímica S.L. and WST S.A. submitted a letter dated March 6, 2017 requesting that the Securities and Exchange Commission ("Commission") grant exemptions from Exchange Act Rules 14d-8 and 14d-10(a)(2) and Exchange Act Section 14(d)(6) for the transactions described in their letter ("Request").

Based on the representations and the facts presented in the Request, and subject to the terms and conditions described in the letter from the Division of Corporation Finance dated March 6, 2017, it is ORDERED that the request for exemptions from Exchange Act Rules 14d-8 and 14d-10(a)(2) and Exchange Act Section 14(d)(6) is hereby granted.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

Brent J. Fields
Secretary

Action as set forth or recommended herein APPROVED
pursuant to authority delegated by the Commission under
Public Law 87-592.

For: Division of Corporation Finance

By: Ted Yu

Date: 3/6/17

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Mr. Ted Yu, Chief
Mr. Daniel F. Duchovny
Ms. Christina M. Thomas
Office of Mergers and Acquisitions
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-3628

March 6, 2017

Dear Mr. Yu, Mr. Duchovny and Ms. Thomas,

Re: Dual tender offers by PCT LLC, Grupo Inversor Petroquímica S.L. and WST S.A. for up to 194,651,345 outstanding Class B shares of common stock, including Class B shares represented by American Depositary Shares, of Transportadora de Gas del Sur S.A.

We are writing on behalf of PCT LLC ("**PCT**"), Grupo Inversor Petroquímica S.L. ("**GIP**") and WST S.A. ("**WST**") (collectively, the "**Offerors**"), in connection with the Offerors' offer to acquire, for cash, up to 194,651,345 outstanding Class B shares of common stock (the "**Class B Shares**"), including those represented by American depositary shares (each American Depositary Share representing rights to five (5) Class B Shares) (the "**ADSs**" and, together with the Class B Shares, the "**Securities**"), which represent twenty-four and one-half percent (24.5%) of the capital stock of Transportadora de Gas del Sur S.A., a corporation (*sociedad anónima*) organized under the laws of Argentina ("**TGS**") through concurrent tender offers in the United States and Argentina, in order to request exemptive relief from Section 14(d)(6), Rule 14d-8 and Rule 14d-10(a)(2) under the Securities Exchange Act of 1934 (as amended, the "**Exchange Act**").

Parties

The Offerors

PCT is a limited liability company organized under the laws of the State of Delaware, United States of America. PCT is principally engaged in investing in securities.

This communication is confidential and may be privileged or otherwise protected by work product immunity.

Linklaters LLP is a multinational limited liability partnership registered in England and Wales with registered number OC326345 including solicitors of the Senior Courts of England and Wales, members of the New York and District of Columbia Bars and foreign legal consultants in New York. It is a law firm authorized and regulated by the Solicitors Regulation Authority. The term partner in relation to Linklaters LLP is used to refer to a member of Linklaters LLP or an employee or consultant of Linklaters LLP or any of its affiliated firms or entities with equivalent standing and qualifications. A list of the names of the members of Linklaters LLP together with a list of those non-members who are designated as partners and their professional qualifications is open to inspection at its registered office, One Silk Street, London EC2Y 8HQ, England or on www.linklaters.com.

Please refer to www.linklaters.com/regulation for important information on our regulatory position.

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GIP is a limited company organized under the laws of Spain. GIP is principally engaged in design, development, operation and investment in securities (both national and foreign) and real property.

WST is a corporation (*sociedad anónima*) organized under the laws of Argentina. WST is principally engaged in investment and financial activities.

TGS

TGS is a corporation (*sociedad anónima*) organized under the laws of Argentina. TGS is the leading transporter of natural gas in Argentina, operating the largest trunk pipeline system in the country and Latin America. TGS also provides other non-regulated services in the gas industry, being one of the leading processors of natural gas and one of the most important marketers of natural gas liquids. TGS is also an important provider of midstream services, which consist mainly of gas treatment and removal of impurities from the natural gas stream and gas compression, as well as other services relating to pipeline construction, operation and maintenance. TGS was organized in Argentina on November 24, 1992.

TGS is a foreign private issuer within the meaning of Rule 405 under the Securities Act of 1933 (the "**Securities Act**") and Rule 3b-4 under the Exchange Act. TGS's Class B Shares are listed on the Mercado de Valores de Buenos Aires, S.A. (the "**MERVAL**") and trade under the ticker symbol "TGSU2" and its ADSs and the Class B Shares underlying them are registered under the Exchange Act and listed on The New York Stock Exchange under the ticker symbol "TGS".

Background

The Argentine Offer

In Argentina, the Offerors are offering to purchase up to 194,651,345 outstanding Class B Shares (the "**Argentine Offer**") held by any holder, wherever resident, in cash at a price of Ps. 18.39 per Class B Share, which is the same price being offered in the U.S. Offer (before adjustments to reflect the five-to-one ratio of Class B Shares to ADSs and foreign currency conversion). The Argentine Offer is being conducted in accordance with Argentine Law No. 26,831 (the "**Argentine Capital Markets Law**") and General Resolution No. 622/2013, issued by the Argentine securities commission, the Argentine Comisión Nacional de Valores (the "**CNV**"), as amended (the "**CNV Regulations**"). The Argentine Offer is required in Argentina as a mandatory offer pursuant to Article 87 (and related articles) of the Argentine Capital Markets Law and Article 10 of Section II of Chapter II of Title III of the CNV Regulations.

The U.S. Offer

Due to certain irreconcilable differences, as set forth below, between law in Argentina and the U.S., such as differing withdrawal rights for tendering security holders, it was not possible to structure a single tender offer for both Class B Shares and ADSs that would have been compliant with both Argentine law and Regulation 14D under the Exchange Act.

As a result, concurrently with the Argentine Offer, the Offerors are offering to purchase (the "**U.S. Offer**" and, together with the Argentine Offer, the "**Offers**"):

- (i) Class B Shares for Ps. 18.39 per Class B Share from shareholders that are resident in the U.S. ("**U.S. Holders**") (the same price being offered for Class B Shares in the Argentine Offer); and

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- (ii) ADSs for Ps. 91.95 per ADS (five times the per Class B Share price in the Argentine Offer) from all holders, wherever located.

U.S. Holders tendering their Class B Shares and U.S. Holders or non-U.S. Holders tendering ADSs in the U.S. Offer and whose Class B Shares or ADSs are accepted by the Offerors will receive payment in U.S. dollars, in each case based on the Ps./U.S. dollar selling exchange rate reported by Banco de la Nación Argentina at the close of business on the Argentine business day prior to the expiration date of the U.S. Offer.

The U.S. Offer is on the same terms as the Argentine Offer, except:

- The U.S. Offer is for ADSs held by any holder wherever resident and Class B Shares held by U.S. Holders. The Argentine Offer is for Class B Shares held by any holder, wherever resident.
- The U.S. Offer will allow the withdrawal of all tendered Class B Shares and ADSs until the Expiration Time (as defined below) of the U.S. Offer. Argentine law does not allow withdrawal of tendered Class B Shares.
- Class B shareholders and ADS holders who tender in the U.S. Offer will receive U.S. dollars. Class B shareholders who tender in the Argentine Offer will receive Argentine pesos.

The U.S. Offer was commenced on December 30, 2016. The Argentine Offer was commenced on February 6, 2017. Unless extended, the U.S. Offer will expire at 11:00 a.m., New York City time on March 15, 2017 (the "**Expiration Time**"). The Argentine Offer will expire concurrently with the U.S. Offer at 1:00 p.m. Buenos Aires time on March 15, 2017.

Qualification for Tier II Relief

In conducting the Offers on the terms described in this letter, the Offerors are relying on Rule 14d-1(d) under the Exchange Act, which provides exemptive relief from otherwise applicable rules to persons conducting a tender offer under certain conditions. In order for the Offerors to qualify for exemptive relief under Rule 14d-1(d) ("**Tier II Relief**"), (i) TGS must be a foreign private issuer,¹ (ii) TGS must not be, and the Offerors must believe, based on publicly available information, that it is not, an investment company registered or required to be registered under the Investment Company Act of 1940 and (iii) shareholders that are resident in the U.S. ("**U.S. Holders**") must not hold more than forty percent (40%) of the class of securities sought in the Offers (TGS Class B Shares, including those represented by ADSs).

In accordance with Instruction 2 to Rule 14d-1(d), in connection with the U.S. Offer and Argentine Offer, the Offerors undertook an assessment of the level of ownership of Class B Shares and ADSs in the United States to determine the applicability of the U.S. tender offer rules to the Offers. To this end, the Offerors obtained a shareholder list from Caja de Valores S.A. as of May 31, 2016. An analysis of this

¹ Based on TGS's most recent Form 20-F, filed with EDGAR on May 2, 2016, TGS holds itself out to be a foreign private issuer. Furthermore, TGS is a corporation organized under the laws of Argentina and, to the Offerors' knowledge of TGS: (i) the majority of TGS' executive officers and directors are not U.S. citizens or residents; (ii) fifty percent (50%) or more of TGS' assets are located outside the U.S.; and (iii) TGS' business is principally administered outside the U.S.

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information reveals that as of May 31, 2016, such date within 60 days prior to the announcement of the Argentine Offer on July 27, 2016, of the 389,302,689 Class B Shares outstanding, shareholders with U.S. addresses held approximately 160,091,995 Class B Shares, including Class B Shares underlying ADSs.

Based on these share totals, shareholders with U.S. addresses held approximately 41.1 percent (41.1%) of the total number of Class B Shares outstanding on May 31, 2016. The Offerors also examined the beneficial ownership of shares held by brokers, dealers, banks and other nominees in the U.S. and Argentina. After such reasonable inquiry, the Offerors determined that approximately 28.4 percent (28.4%) of outstanding ordinary shares (including ADSs) were held by U.S. Holders.

Based on the foregoing, the Offerors believe that they qualify for Tier II Relief.

Discussion

Relevant Rules

Article 70 (Distribution and Proration Rules), Section VII, Chapter II, Title III of the CNV Regulations

Article 70 (Distribution and Proration Rules), Section VII, Chapter II, Title III of the CNV Regulations ("**Article 70**") governs the proration method applicable to the Argentine Offer in the event that proration of tendered securities is required due to the number of securities being tendered in the Offers exceeding 194,651,345 Class B Shares (including Class B Shares represented by ADSs). Article 70 states:

- "a) Linear allocation: The allocation will be started by allocating an equal number of securities to each accepting participant. Such number of allocated securities will be the number that results from dividing twenty-five percent (25%) of the total of the offer by the number of acceptances received.
- b) All tenders for a number of securities lower than the number resulting from the arithmetic operation described in paragraph a) above will be fully accepted for purchase.
- c) All acceptances made, directly or indirectly by the same legal or natural person will be deemed a single acceptance.
- d) Excess distribution: Any remaining securities not accepted for purchase as stated above will be distributed proportionally to the number of securities included in each acceptance."

As requested by the Commission, an opinion of the Offerors' Argentine counsel, Marval, O'Farrell & Mairal, to that effect is attached to this letter as Annex A.

Rule 14d-1(d)(2)(ii) under the Exchange Act

Rule 14d-1(d)(2)(ii) under the Exchange Act permits a bidder conducting a Tier II tender offer to separate an offer into multiple offers, one offer made to U.S. Holders and one or more offers to non-U.S. Holders, provided that the U.S. offer must be made on terms at least as favorable as those offered to any other holder of the same class of securities that is the subject of the tender offers.

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Exchange Act Section 14(d)(6) and Rule 14d-8 under the Exchange Act

Exchange Act Section 14(d)(6) provides that where any person makes a tender offer, or request or invitation for tenders, for less than all the outstanding equity securities of a class, and where a greater number of securities is deposited pursuant thereto within ten days after copies of the offer or request or invitation are first published or sent or given to security holders than such person is bound or willing to take up and pay for, the securities taken up shall be taken up as nearly as may be pro rata, disregarding fractions, according to the number of securities deposited by each depositor.

Rule 14d-8 under the Exchange Act provides that if a person makes a tender offer for less than all of the outstanding securities of a class, and a greater number of securities are deposited pursuant thereto than such person is bound or willing to take up and pay for, the securities taken up and paid for shall be taken up and paid for as nearly as may be pro rata, disregarding fractions, according to the number of securities deposited by each depositor during the period the offer remains open.

Analysis

In order for the Argentine Offer to be compliant with Argentine law, proration under the Argentine Offer must follow the linear allocation formula specified by Article 70. Under this linear allocation formula, a number of securities equal to twenty-five percent (25%) of the total number of securities included in the offer divided by the number of acceptances received, is first allocated for purchase from each participating holder (the "**Initial Allocation**"). Any tender for a number of securities less than or equal to such Initial Allocation will be fully accepted for purchase. Following the Initial Allocation, Article 70 provides that the remaining securities are to be distributed proportionally to the number of securities included in each acceptance (the "**Excess Distribution**"). Holders who had their tender fully accepted in the Initial Allocation do not participate in the Excess Distribution. As a result of the Initial Allocation, holders tendering a relatively smaller number of Class B Shares will have a greater percentage of their tendered Class B Shares accepted for purchase than Class B shareholders who tender a relatively larger number of Class B Shares.

Rule 14d-1(d)(2)(ii) under the Exchange Act requires that the U.S. Offer be on terms that are at least as favorable as those offered under the Argentine Offer. In order to comply with Rule 14d-1(d)(2)(ii), the Offerors must provide for proration in the U.S. Offer that is at least as favorable to tendering holders as the proration terms provided for in the Argentine Offer. As such, failure to provide the Initial Allocation required under Article 70 in the U.S. Offer could be considered a violation of Rule 14d-1(d)(2)(ii), as the Initial Allocation is a term in the Argentine Offer that may be more favorable to certain tendering holders of Class B Shares.

Section 14(d)(6) and Rule 14d-8 under the Exchange Act, however, require that in the case of a tender offer for less than all of the outstanding securities of a class where a greater number of securities are tendered than the offeror is willing to accept, the securities taken up must be paid for pro rata according to the number of securities deposited by each depositor during the offer period. Providing the Initial Allocation required under Article 70 in the U.S. Offer therefore could be considered a violation of Section 14(d)(6) and Rule 14d-8, as by following the proration procedure mandated by Article 70 with respect to the Initial Allocation, the Offerors may not be considered to be distributing securities to all tendering holders pro rata according to the number of securities tendered.

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Additionally, because the proration procedures mandated by Article 70 may allow holders tendering a relatively smaller number of shares to have a greater percentage of their tendered securities accepted for purchase than the percentage accepted from holders tendering a relatively larger number of shares, following the Article 70 proration procedures in the U.S. Offer could be considered a violation of the "all holders" rule in Rule 14d-10(a)(2) under the Exchange Act, which requires that the consideration paid to any security holder for securities tendered in the tender offer is the highest consideration paid to any other security holder for securities tendered in the tender offer.

In discussions between the CNV and the Offerors, the CNV has made it clear to the Offerors that in its view if the Offers (or either of them) did not follow the proration mechanics described in Article 70, the Offers would be non-compliant with Argentine rules. On February 6, 2017, the Offerors met with the CNV who confirmed that a request for exemptive relief from application of the pro-ration mechanics described in Article 70 would be denied by the CNV. As a consequence, the Offerors are seeking the exemptive relief set forth herein. Therefore, we respectfully request exemptive relief under Section 14(d)(6), Rule 14d-8 and Rule 14d-10(a)(2) to permit the Offerors, in the event proration is required in the U.S. Offer, to calculate such proration in accordance with the formula required by Article 70.

Requested Exemptive Relief

For the reasons described above, we respectfully request exemptive relief from provisions of Section 14(d)(6), Rule 14d-8 and Rule 14d-10(a)(2) under the Exchange Act as discussed in this letter. We note that the relief sought is consistent with the position previously taken by the Staff with respect to Advanced Semiconductor Engineering, Inc.'s tender offer for shares of Siliconware Precision Industries Co., Ltd. to permit proration rules required by the subject company's home jurisdiction (see *Siliconware Precision Industries Co., Ltd.* (September 17, 2015) and *Siliconware Precision Industries Co., Ltd.* (December 28, 2015)).

If you have any questions or comments or need additional information, please contact the undersigned at (212) 903-9424. If, for any reason, it does not appear that the Staff will be able to concur with the Offerors' position as stated in this letter, we would appreciate the opportunity to discuss this matter with the Staff prior to the issuance of its formal response.

Yours sincerely,



Peter Cohen-Millstein
Partner

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Annex A
Marval, O'Farrell & Mairal Legal Opinion



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To: Ted Yu, Daniel F. Duchovny, Christina Thomas
Special Counsel Office of Mergers and Acquisitions
Division of Corporation Finance
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March 6, 2017

Offerors (as defined below)

Ladies and Gentlemen

We, Marval, O'Farrell & Mairal, are Argentine counsel to Grupo Inversor Petroquímica S.L. ("GIP"), a limited company organized under the laws of Spain, WST S.A. ("WST"), a corporation organized under the laws of Argentina and PCT LLC ("PCT"), a limited liability company organized under the laws of the State of Delaware, United States of America (collectively, the "Offerors"), in connection with the letter (the "No-Action Request") dated March 6, 2017 from Linklaters LLP, on behalf of the Offerors requesting exemptive relief from certain requirements of the Securities Exchange Act of 1934 (the "Exchange Act"). As such counsel, we have been requested to give our opinion as to certain Argentine legal matters described in the No-Action Request.

For the purposes of this opinion, we have only examined an electronic copy of the No-Action Request and no documents have been reviewed by us in connection with this opinion other than the No-Action Request. Accordingly, we shall limit our opinion to the No-Action Request and certain Argentine legal matters described therein.

Based on the foregoing and subject to the qualifications set out below, we are of the opinion that the statements made in the No-Action Request insofar as such statements purport to summarize provisions of the laws of Argentina constitute a fair, accurate and complete summary of such laws of Argentina.

This opinion is confined to and given on the basis of the laws of Argentina in force at the date hereof. This opinion is also confined to the matters stated herein and the No-Action Request, and is not to be read as extending, by implication or otherwise, to any other matter.

We have issued this opinion as of the date hereof and we assume no obligation to advise you of any changes in fact or in law that are made or brought to our attention hereafter.

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The lawyers of our firm are members of the City of Buenos Aires bar and do not hold themselves out to be experts in any laws other than the laws of Argentina. Accordingly, we are opining herein as to Argentine law only and we express no opinion with respect to the applicability or the effect of the laws of any other jurisdiction to or on the matters covered herein.

This opinion may be relied upon by the addressees in connection with the transactions contemplated by the No-Action Request. No other person may rely on this opinion for any purpose.

This opinion is governed by and shall be construed in accordance with the laws of Argentina.

Sincerely yours,



Ricardo W. Beller
Marva, O'Farrell & Malra