



4Q 2017 TGI

Results and Key Developments

March 08th 2018



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01 ▶ Overview



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1° TGI Overview

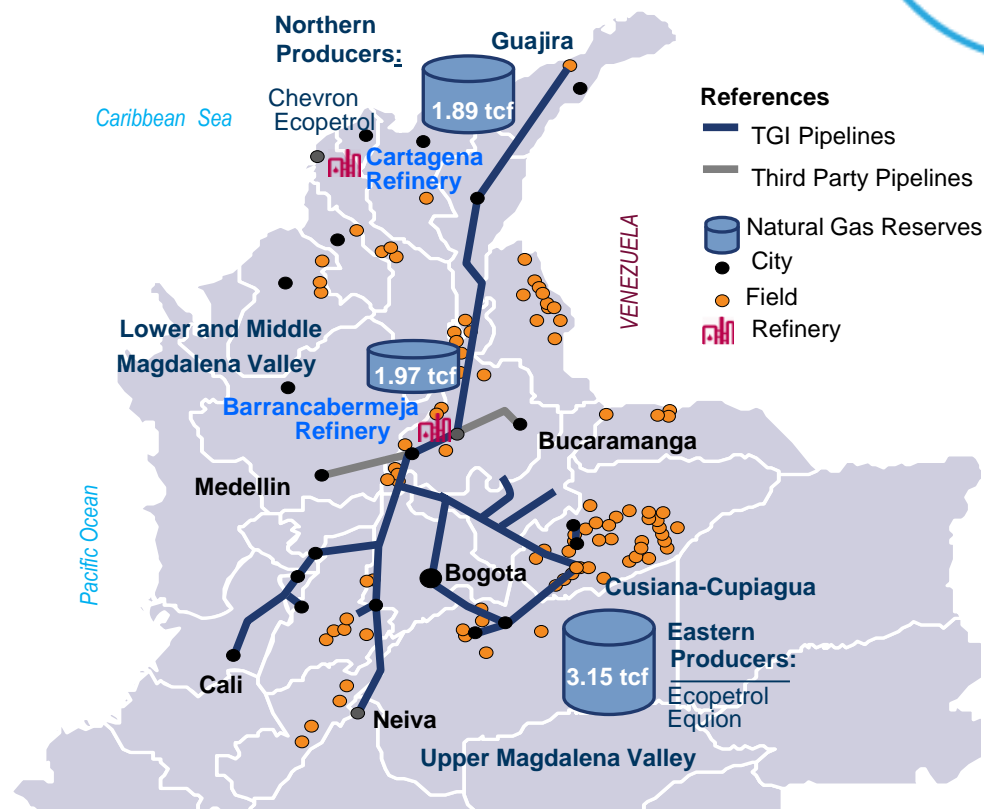
Highlights

- ✓ Largest natural gas pipeline system in Colombia
Owns ~55% of the national gas pipeline network (3,957 km) and transports 47% of the gas consumed in the country
- ✓ Serves ~70% of Colombia's population, reaching the most populated areas (Bogota, Cali, Medellin, the coffee region and Llanos, among others)
- ✓ Strategically located pipeline network
- ✓ Natural monopoly in a regulated environment
- ✓ Constructive and stable regulatory framework
- ✓ Stable and predictable cash flow generation, strongly indexed to the US Dollar



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Pipeline Network⁽¹⁾



Source:
Mining and Energy Planning Unit.
National Hydrocarbons Agency.

(1) Pipeline network has access to the three main gas production fields, Guajira and Cusiana-Cupiagua



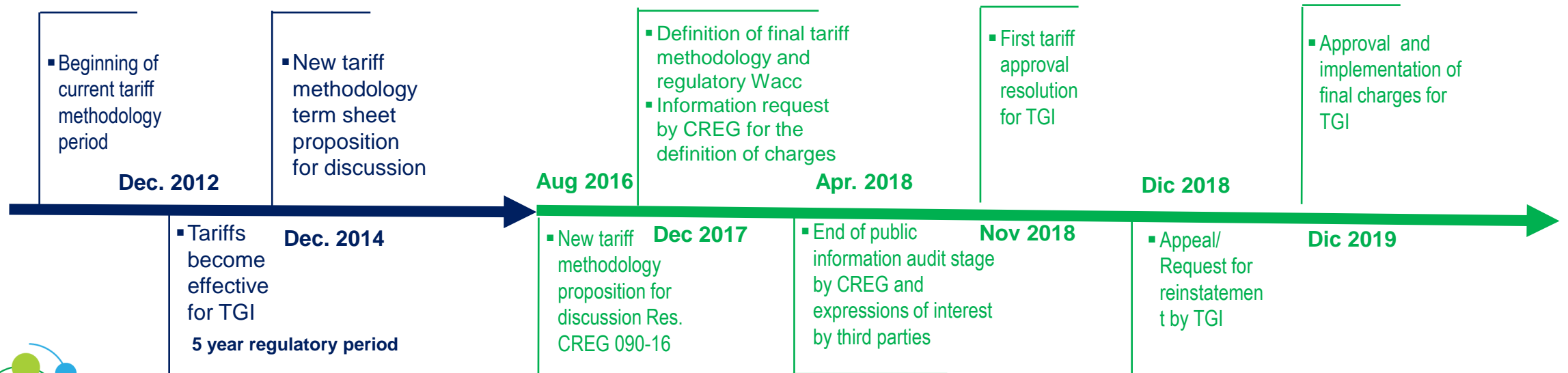
02 | Key Updates



2 Key Updates

Regulation perspectives – Tariff Review Process

- The latest tariff methodology was approved by CREG Resolution No. 126 in August 2010 and became effective for TGI in December 2012 (CREG Resolution No. 121).
- The tariff methodology review process takes place every 5 years, but the actual tariff application is usually delayed.
- The previous tariff period was effective from December 2003 to December 2012, a total of 9 years.
- The new regulation is expected to be approved in 1Q 2018, with the updated tariffs coming into effect in 2019 (the starting point for the 5 year-period is set by the CREG approval of the new tariff methodology).
- Resolution CREG 095/2015 sets WACC methodology. The final wacc rate for the natural gas transport activity will be calculated once the rate methodology resolution is issued (1Q 2018).



2 TGI Overview

New opportunities in evaluation



Resolution 182 of 2017 published in December, which addresses issues related to compensation and competitive processes for projects included in the Natural Gas Supply Plan, prepared by the UPME and adopted by the Ministry of Mines and Energy through the Resolution 40006 of January 4, 2017. On December 29, 2017, the UPME notifies the following IPAT projects susceptible to be executed by TGI:

- Loop Marquita – Gualanday
- Bidireccionalidad Barrancabermeja – Ballena
- Bidireccionalidad Yumbo - Mariquita



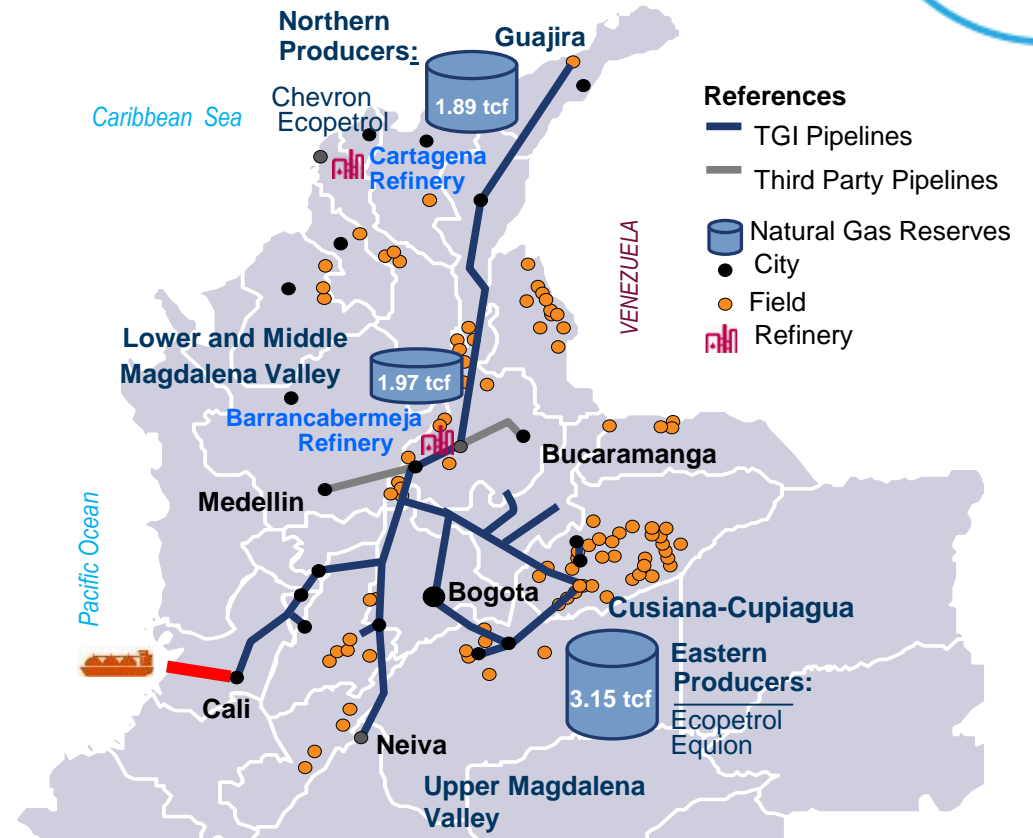
Additionally, it defines projects that, given their location, are complementary to the TGI system, and which will have a competitive selection process, which are mentioned below:

- Regasification Pacífico – Plant
- Buenaventura – Yumbo - Pipeline



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Pipeline Network⁽¹⁾



Source:
Mining and Energy Planning Unit. National Hydrocarbons Agency.

(1) Has access to the three main gas production fields, Guajira and Cusiana-Cupiagua

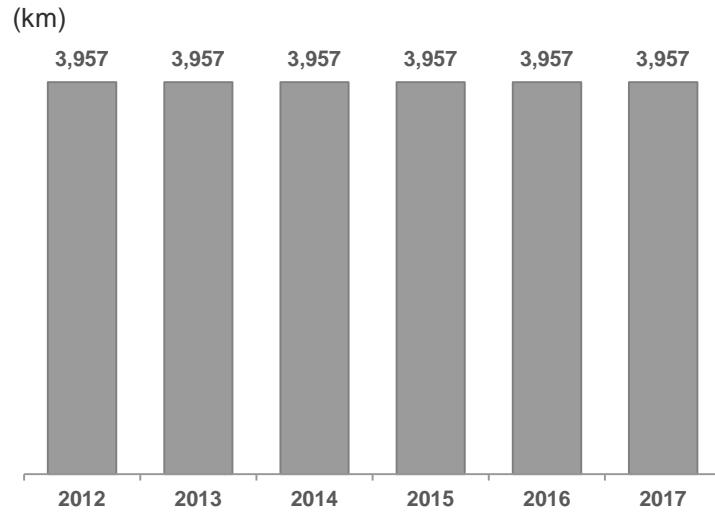


03 | Operational and Financial Performance

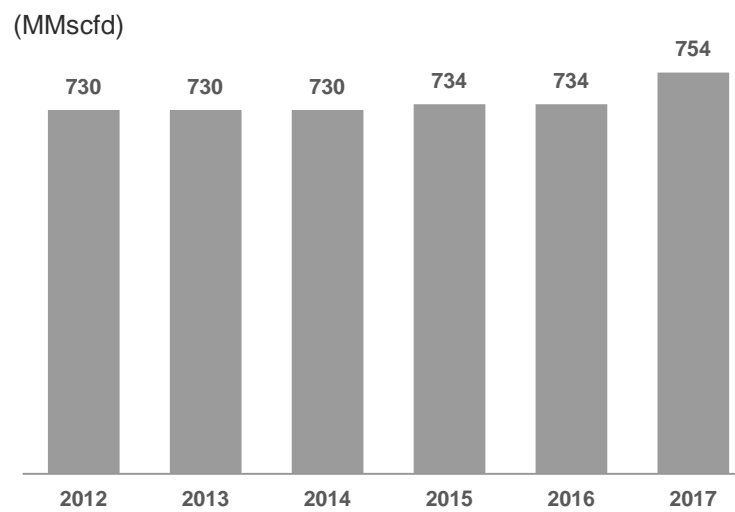


3 Solid Operational Performance

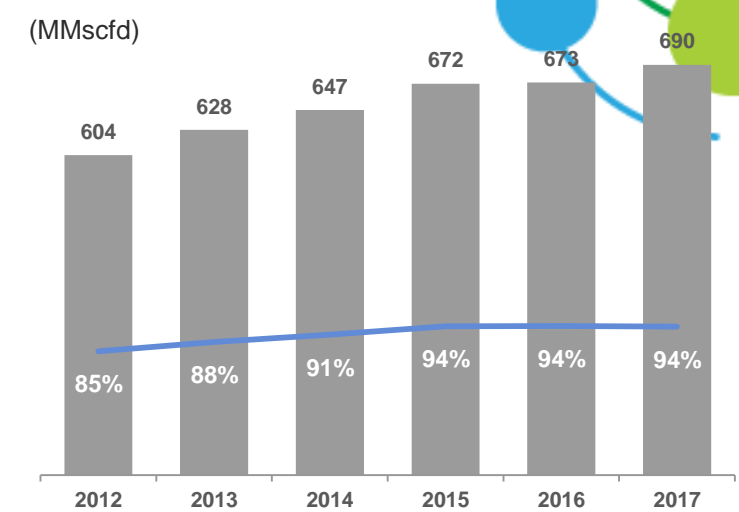
Network length



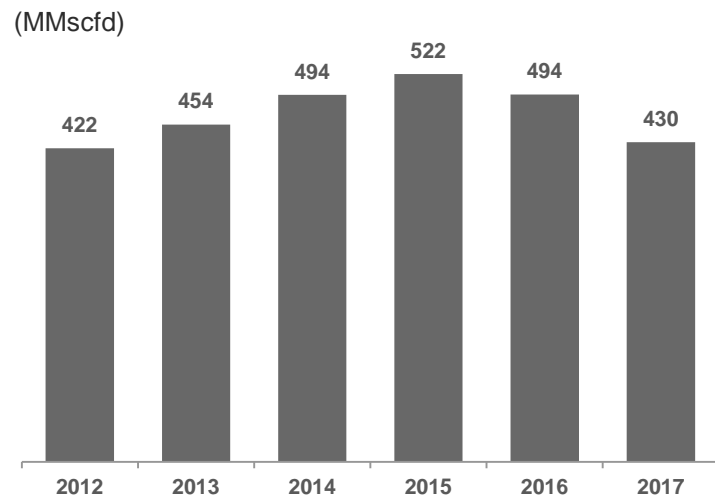
Capacity



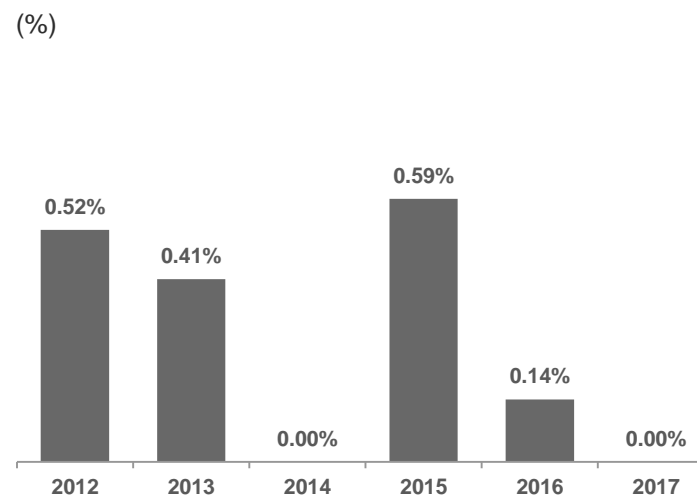
Firm Contracted Capacity⁽¹⁾



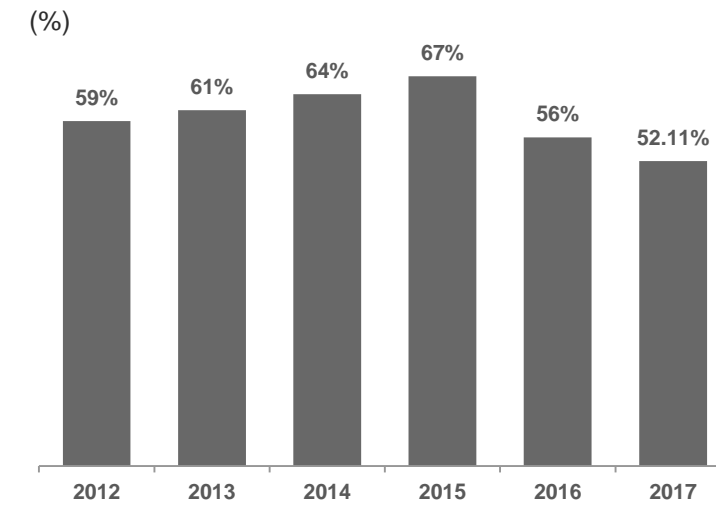
Transported Volume



Gas Losses



Load factor



(1) The trend line refers to the ratio: Firm contracted capacity/available capacity. The Available capacity differs from the Total Capacity as TGI requires a percentage of it for its own use.

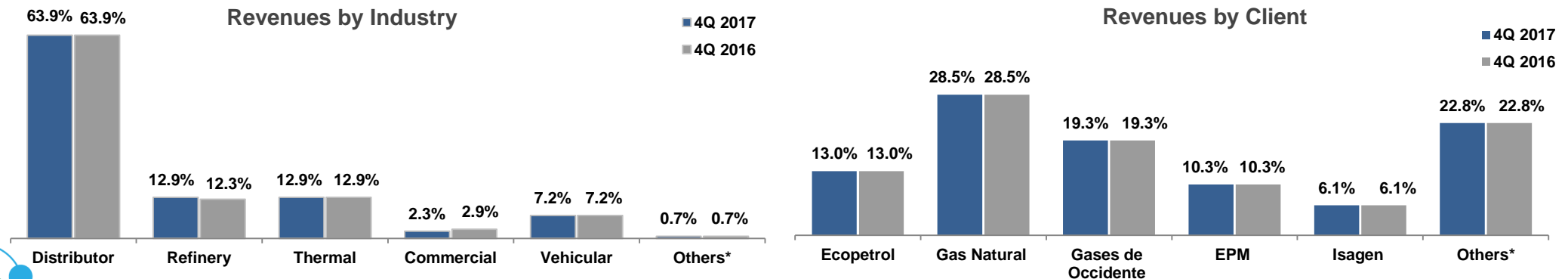
3 Stable and predictable cash flow generation



TGI's revenues are highly predictable as a result of regulated tariffs and stable consumption

- TGI's revenues are highly predictable, with approximately 92% coming from regulated tariffs that are reviewed at least every 5 years, ensuring cash flow stability and attractive rates of return.
- Main sectors served by the Company (85%⁽¹⁾ of revenues) present stable revenues patterns
- The Company enjoys excellent contract quality:
 - 100% of TGI's contracts are firm contracts with an average remaining life of 8 years.
 - 90% of LTM regulated revenues are fixed tariffs, not dependent on transported volume.
 - 65% of LTM revenues are nominated in USD. Only 34% nominated in local currency.

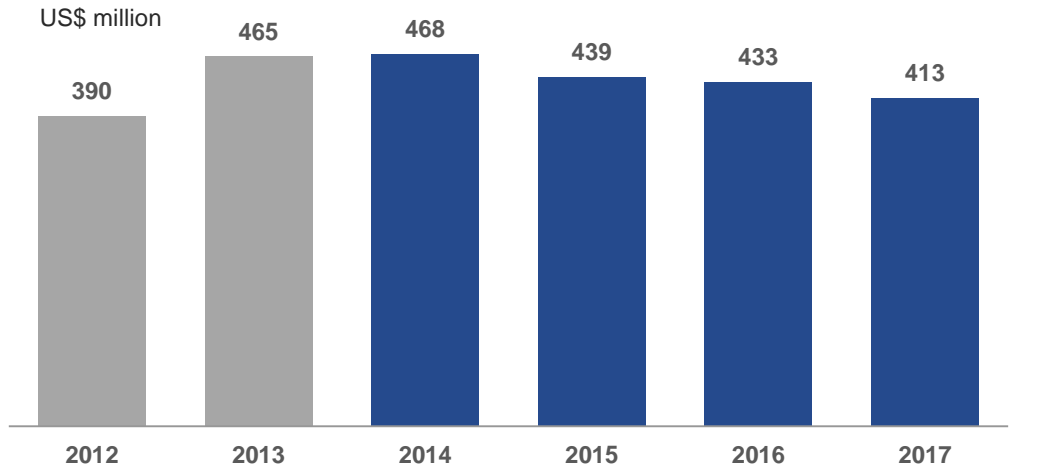
Revenues breakdown



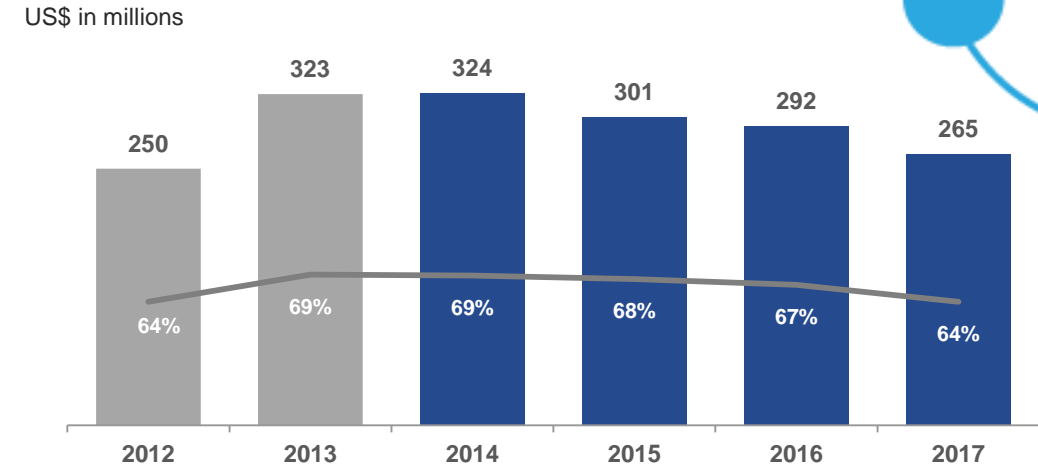
(1) Includes Distributors, Refinery and Natural gas for Vehicles

3 TGI Financial Performance

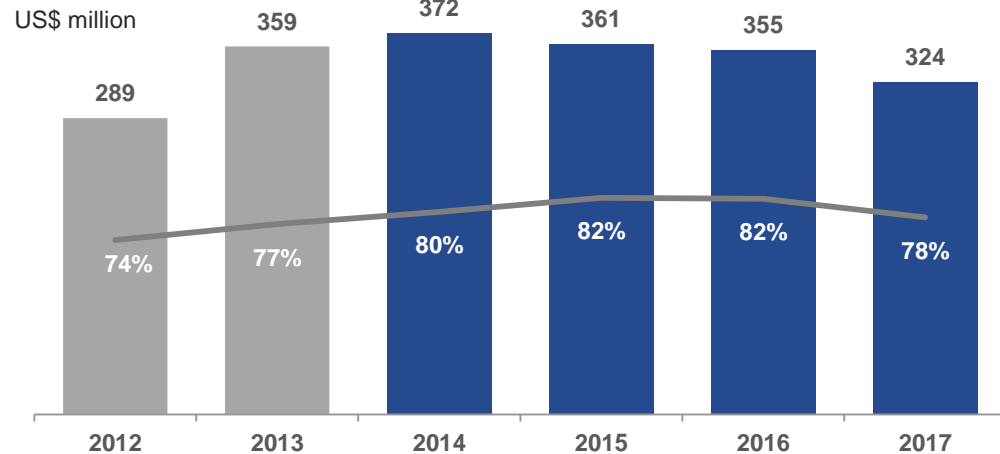
Revenues ⁽³⁾



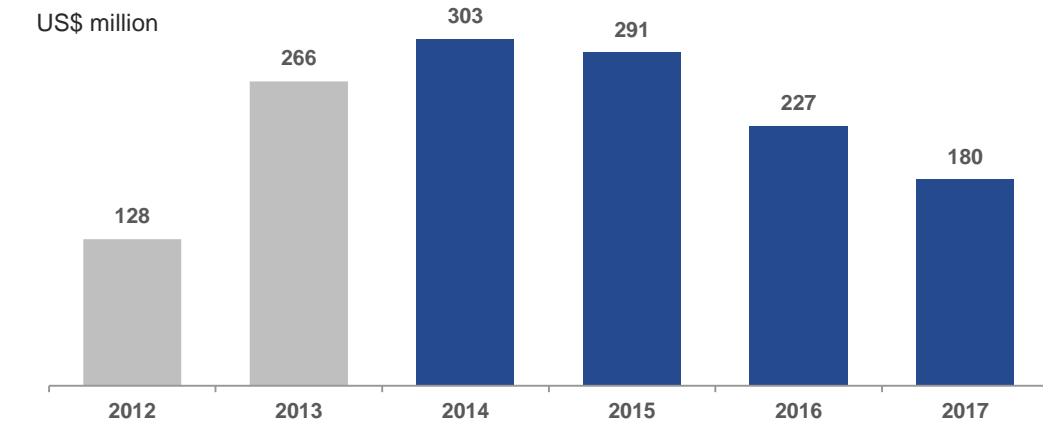
Gross profit and Gross margin⁽³⁾



EBITDA and EBITDA Margin⁽³⁾



Funds from operations ^{(1) (2) (3)}



(1) FFO for the years 2012 - 2013 is presented under ColGaap standards as net income plus depreciation, amortization and provisions, adjusted for effect from exchange rate and hedges. 2014, 2015, 2016 and 1S 17 is presented under IFRS as net income plus depreciation, amortization and provisions, adjusted for effect from exchange rate, hedges, and the impact of deferred taxes.

(2) On 2012 FFO includes the LM transaction premium- USD 69 million (one time event)

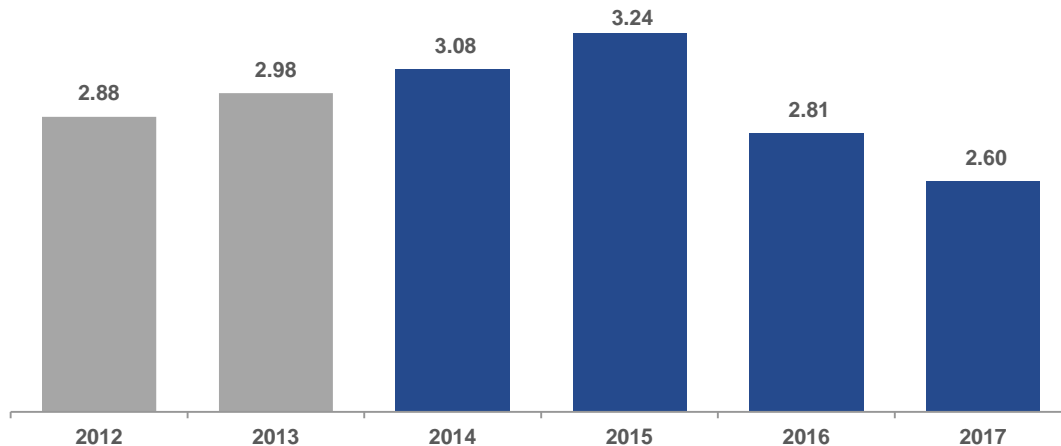
(3) Figures for the years 2012 - 2013 are presented under ColGaap standards. 2014, 2015 and 2016 are presented under IFRS. 1Q 17 IFRS figures are preliminary and subject to changes,

N.B. For years 2012 and 2013 where ColGaap standards were accounted, end of the month exchange rates were used for each period.

3 TGI Financial Performance

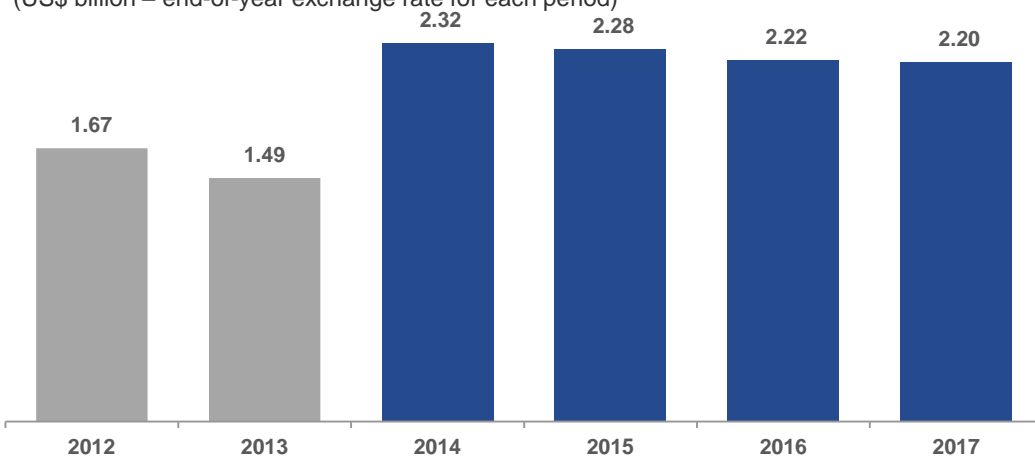
Total Assets (1)

(US\$ billion – end-of-year exchange rate for each period)



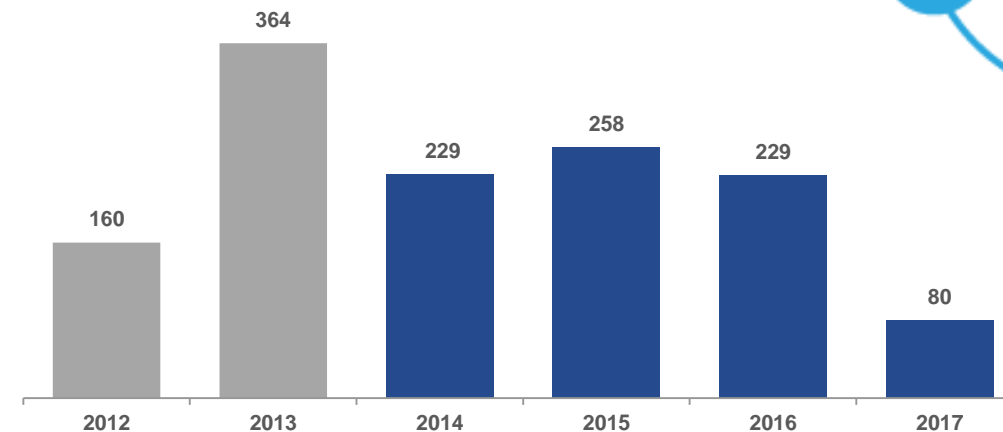
PPE(1)

(US\$ billion – end-of-year exchange rate for each period)



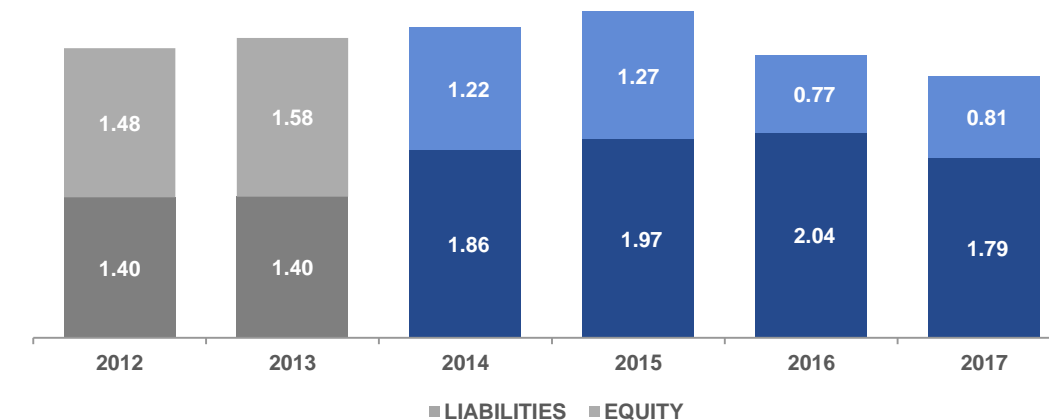
Cash and Equivalents(1)(2)

(US\$ million – end-of-year exchange rate for each period)



Liabilities (1)

(US\$ billion – end-of-year exchange rate for each period)

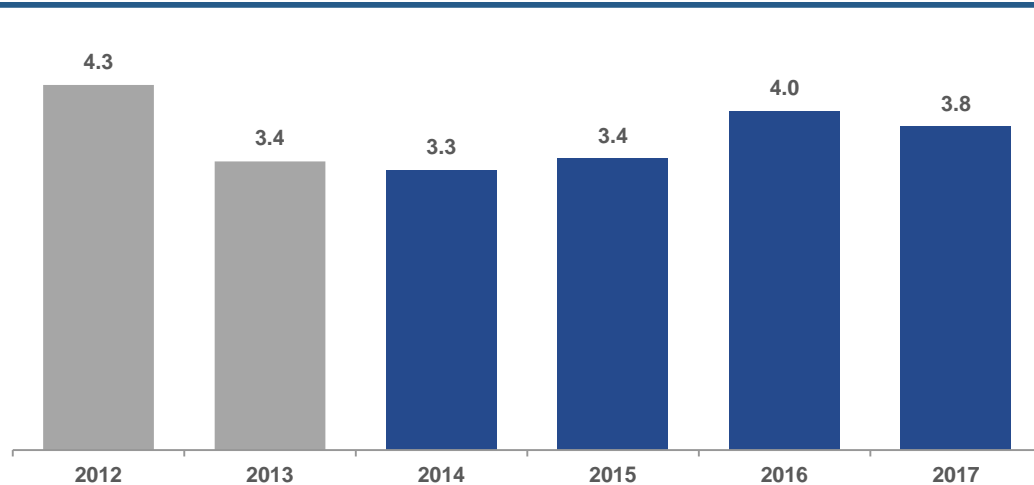


(1) Figures for the years 2012 - 2013 are presented under ColGaap standards. 2014, 2015 and 2016 are presented under IFRS. 1Q 17 IFRS figures are preliminary subject to changes,
 (2) It includes short-term loans to related parties.

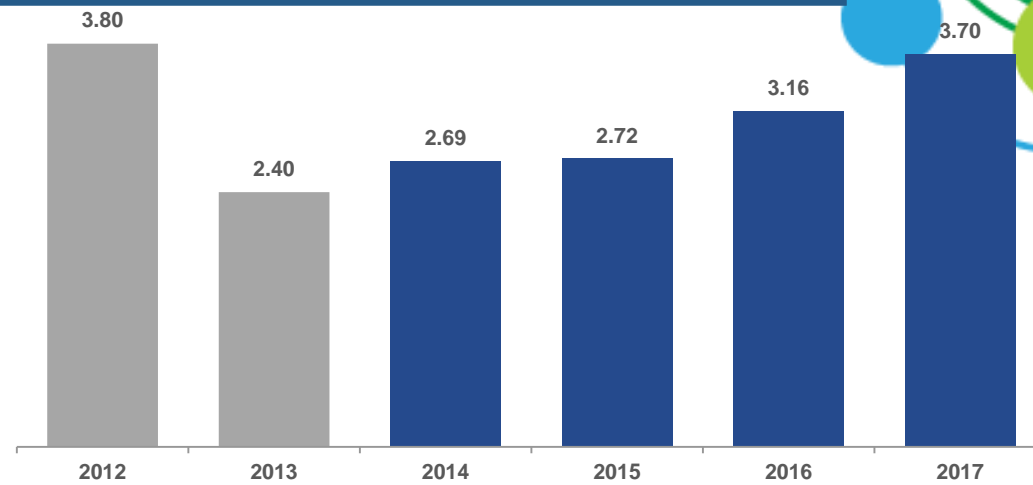
3

TGI Financial Performance

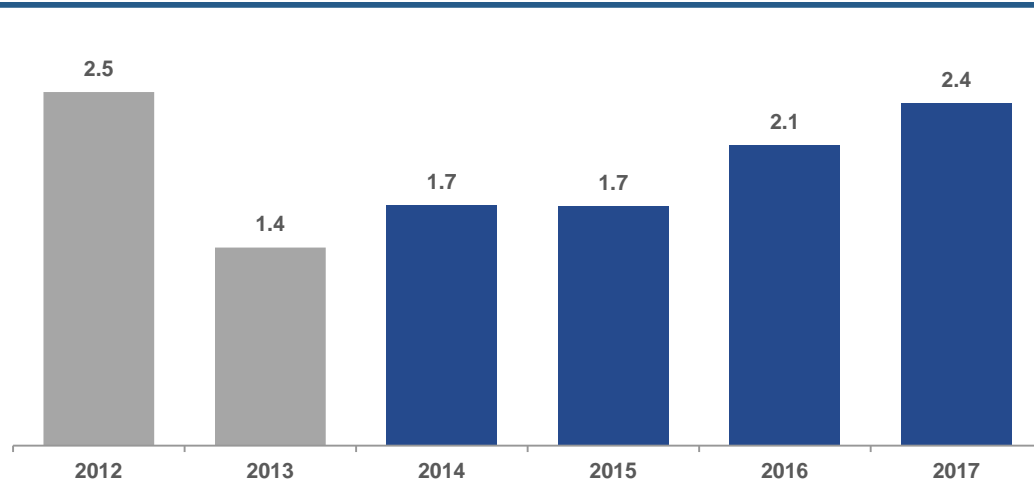
Total Debt / EBITDA (1)



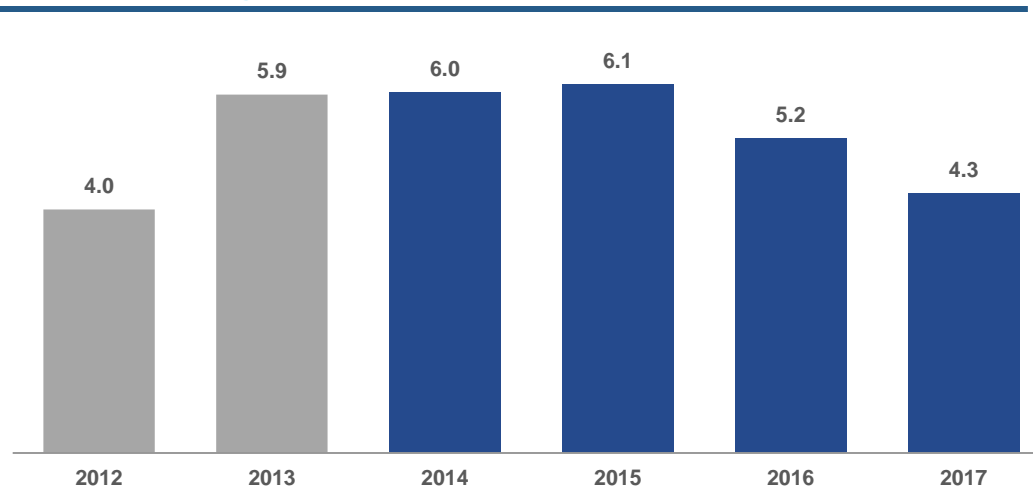
Total Net debt / EBITDA (1) (3)



Senior Net Debt / EBITDA (1)(3)



Interest coverage (1)(2)



Note:

Total debt includes senior debt, subordinated debt and mark-to-market.

(1) Figures for the years 2009 - 2013 are presented under ColGaap standards. For 2014, 2015 and 2016 are presented under IFRS. IFRS figures are preliminary subject to changes, independent auditor's revision and General Shareholders Assembly

(2) Interest coverage ratio calculated as EBITDA / net interest

(3) Net debt calculated as cash and equivalents including short – term Intercompany loans.



04 | Growth Projects



4 Growth Projects (ongoing)



Project	Description	Status
Cusiana Phase III	Increase of the Cusiana - Vasconia Capacity in 20 MPCD to service the center of the Country. Basic Engineering, Details, Environmental Studies, request of environmental permits before the CAR, procurements of compression units, equipment and pipes, environmental and social compensation, Supervision and Construction for the expansion of the Miraflores, Puente Guillermo, Vasconia stations and Vasconia Hub Adaptations.	<ul style="list-style-type: none">• Project is under execution (95.32%) with TGI having already signed firm transportation contracts• Expected Completion: 1H 2017
Armenia Loop	Increase of the gas transportation capacity in the municipalities of Caicedonia and Sevilla in the department of Valle del Cauca, La Tebaida, Calarcá, Montenegro, Armenia, Quimbaya, Filandia, Circasia and Salento in the department of Quindío. The increase is 8.3 MMSCFD. Construction of Loop Armenia of 38 km in 8" between PK 219 of the trunk line of 20 inches and the derivation of the branch to the municipality of La Tebaida that will allow to increase the capacity in 8.3 MMSCFD..	<ul style="list-style-type: none">• Project is under execution (92%) with TGI having already signed firm transportation contracts• Financial and engineering studies in progress• Environmental licensing in progress• Expected Completion: 2Q 2018



4 Growth Projects (ongoing)



Project	Description	Status
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**Cusiana -
Apiay - Ocoa**

Expansion Cusiana Apiay Termo Ocoa. Construction of two new gas compression stations, the PARATEBUENO station on the Cusiana - Apiay Gas Pipeline and the VILLAVICENCIO Station on the Apiay-Villavicencio-Ocoa Gas Pipeline.
The project will increase the transportation capacity to meet the natural gas demand of shippers who requested transportation capacity from Cusiana, Apiay and Villavicencio for 32 MMSCFD; 7MMSCFD will deviate for the Apiay-Villavicencio-Ocoa gas pipeline.

- Project is under execution (96%).
- TGI has already signed firm transportation contracts
- Environmental licensing and procurement in process.
- Expected Completion: 1Q 2018

**Cusiana
Phase IV**

Increase the natural gas transportation capacity in 58 MMSCFD between Cusiana and Vasconia, 17 MMSCFD as of the year 2017 and 58 MMSCFD as of the year 2018.
Construction of 39.6 Km of loops of 30" in diameter.

- Expansion of the Gas Compression Station of Puente Guillermo.
- Adaptations to the Gas Compression Stations of Miraflores and Vasconia.

- Project is under execution (19%)
- Clients already has signed firm transportation contracts:
 - Puente Guillermo – Vasconia: 17 mmcf/d
 - Cusiana – Vasconia : 30 mmcf/d
 - For the remaining 13 mmcf/d Cusiana – Vasconia there are also clients interested in signing LT contracts
- Expected Completion:
 - Puente Guillermo – Vasconia 2Q 2018
 - Cusiana - Vasconia 2Q 2019





05 ▶ Questions and Answers



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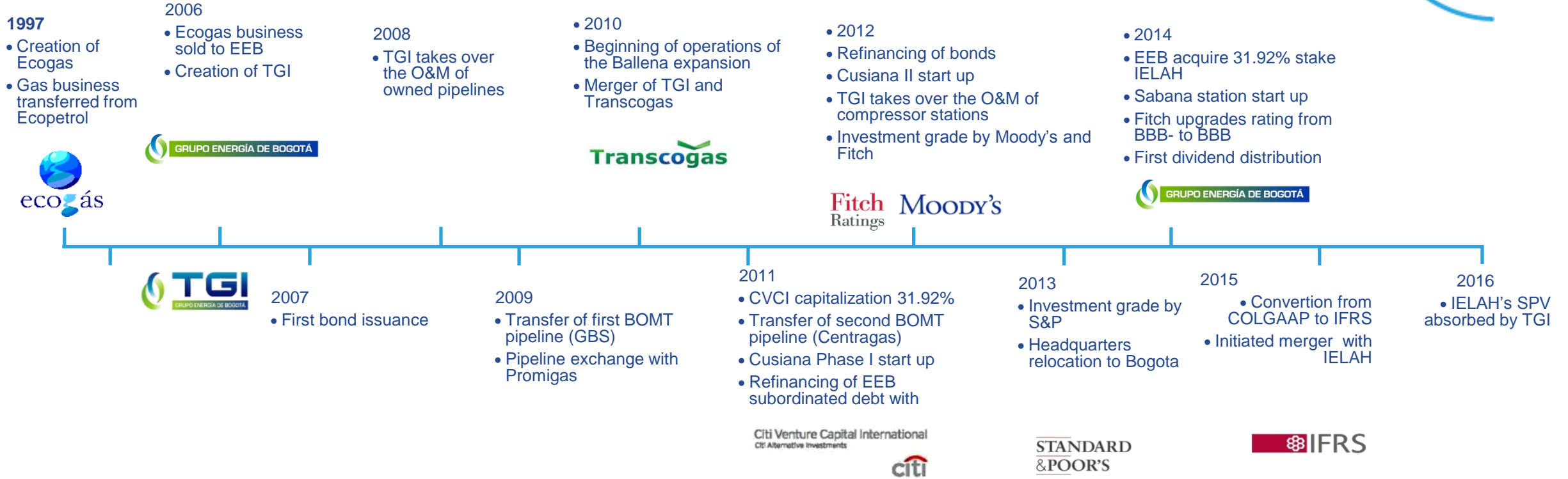
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TGI History





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