



1Q 2018 TGI Results and Key Developments

May 24th 2018



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Table of contents

01 ▶ Key Updates

02 ▶ Operational and Financial Performance

03 ▶ Expansion Projects

04 ▶ Q&A





01 | Key Updates



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1 Highlights



Owns / operates the longest and most relevant gas pipeline in the country

- Length: 3,957km, Capacity: 785 Mmpcd
- Average Firm Transportation Contracted Capacity: 712 Mmpcd
- Serves c.54% of Colombia's population



Total Capex executed: USD\$10.1 million.



March 11, the syndicated loan acquired by the merger with IELAH was prepaid for USD\$44 million, leaving a remaining of USD\$40 million.



Start-up of the Cusiana - Apiay project, which expands the capacity from 33 Mscfd to 64.2 Mscfd and from the Apiay - Villavicencio - Ocoa stretch from 17.2 Mscfd to 22 Mscfd.



Construction of two Compression stations (Paratebueno and Pompeya).



March 20, the ordinary session of the General Assembly of Shareholders was held, declaring dividends for COP\$300,077 million, which will be delivered in two payments (June and October 2018).



1 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



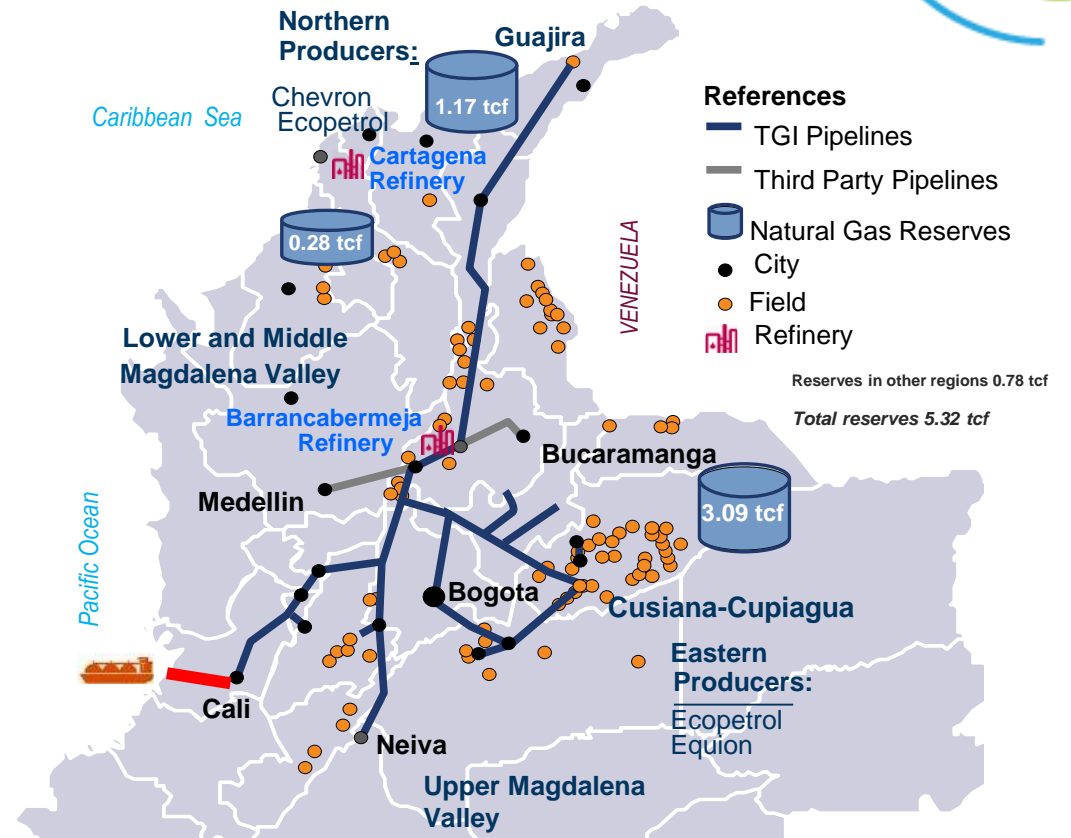
Additionally, it defines projects that, given their location, are complementary to the TGI system, and which will have a competitive selection process, which are mentioned below:

- Regasification Plant - Buenaventura
- 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

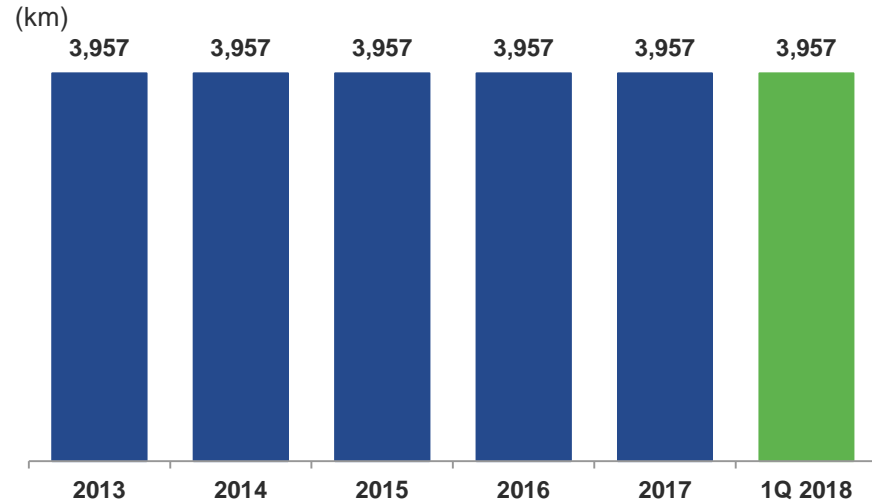


02 | Operational and Financial Performance

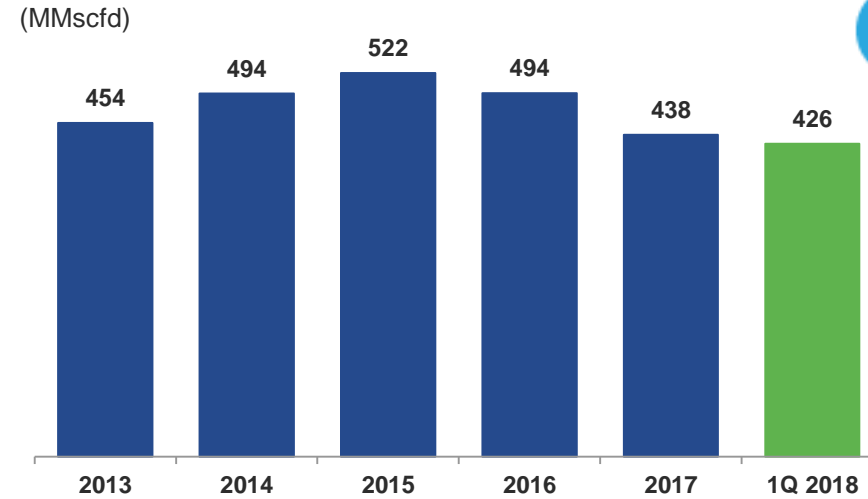


2 Solid Operational Performance

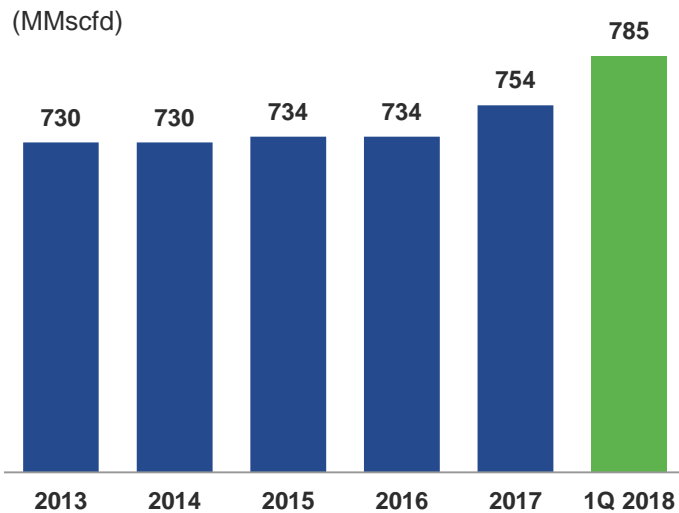
Network length



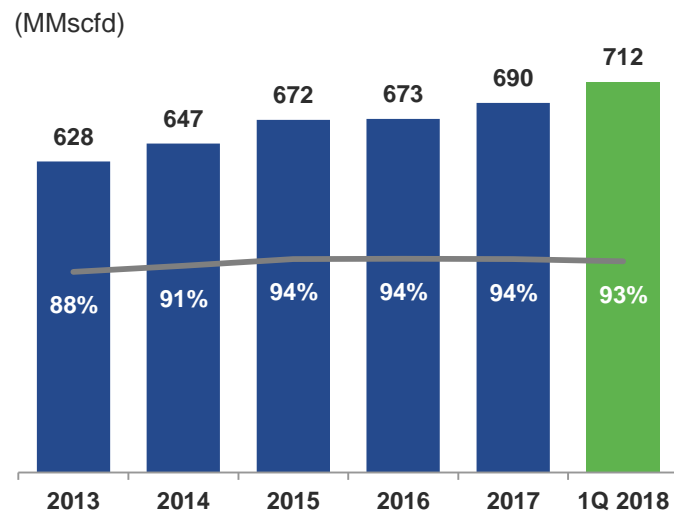
Transported Volume



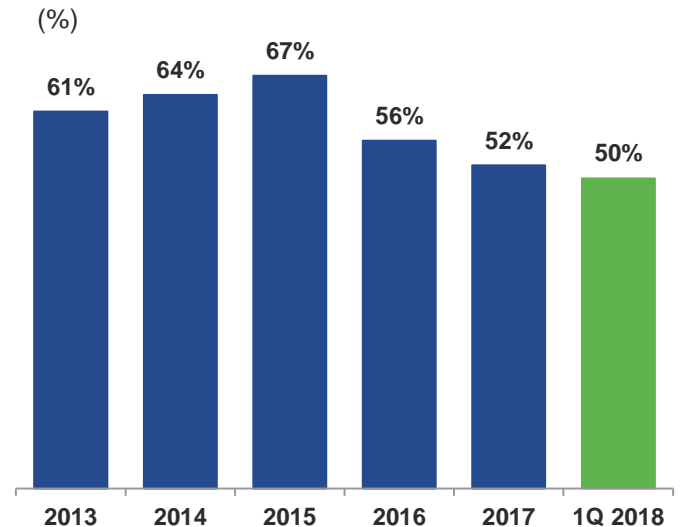
Capacity



Firm Contracted Capacity⁽¹⁾



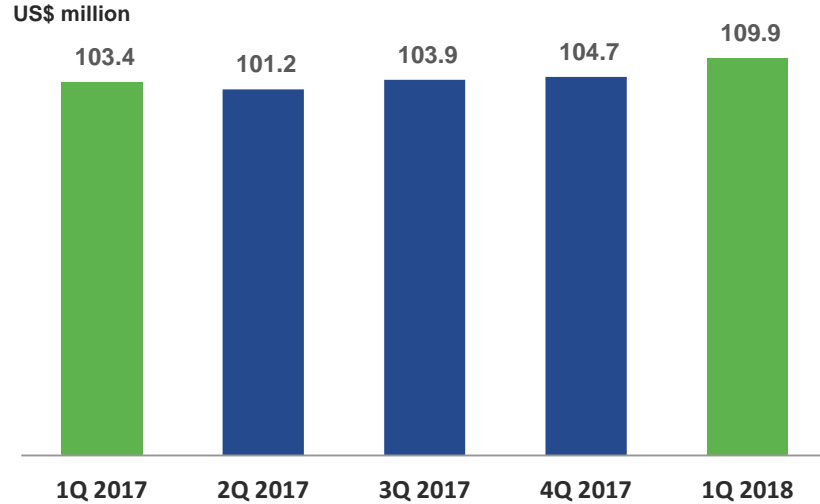
Load factor



(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.

2 Stable and predictable cash flow generation

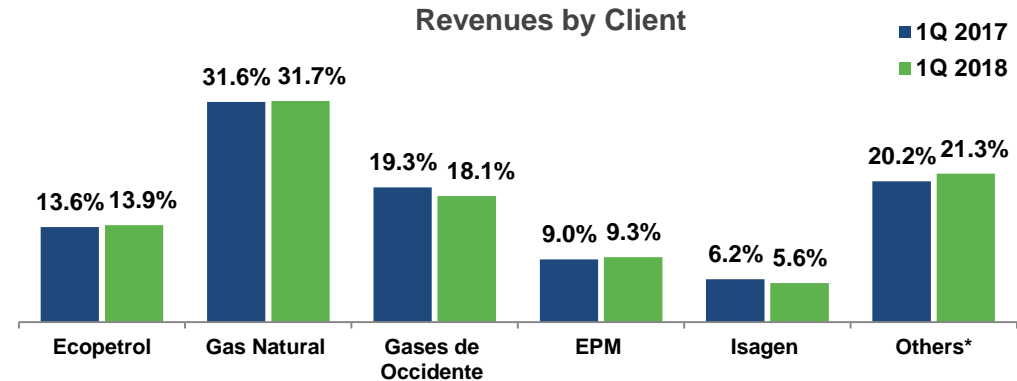
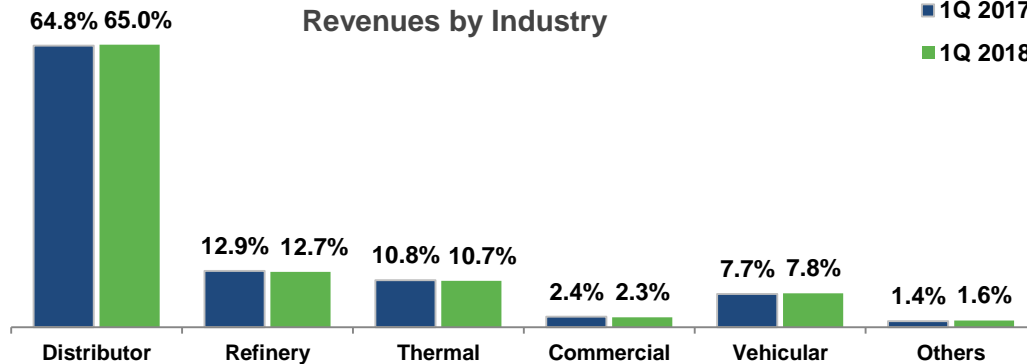
Revenues



TGI's revenues are highly predictable as a result of regulated tariffs.

- TGI's revenues are highly predictable, with approximately 93% coming from regulated tariffs that are reviewed at least every 5 years, ensuring cash flow stability and attractive rates of return.
- The Company enjoys excellent contract quality:
 - ✓ 99% 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 35% nominated in local currency.

Revenues breakdown

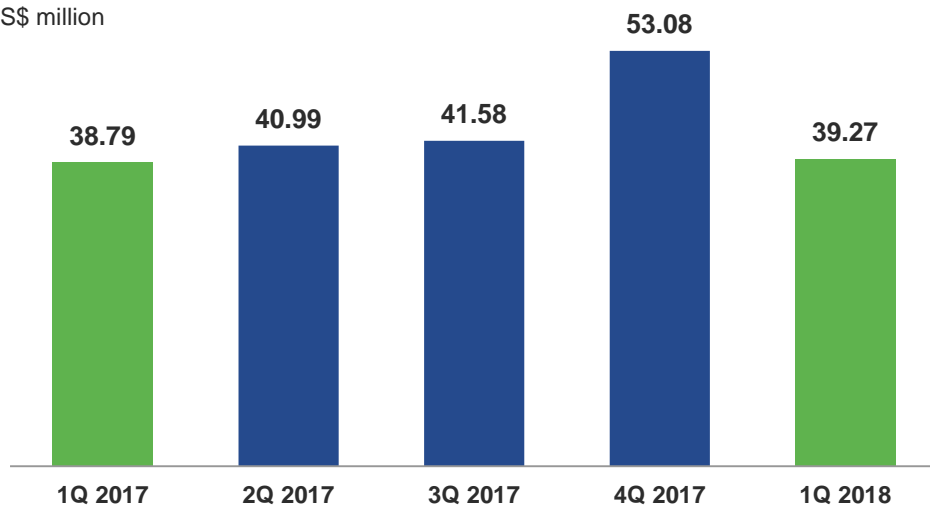


(*) Included Alcanos (6%), EFIGAS (4%), Organización Terpel (3%), among others.

2 TGI Financial Performance

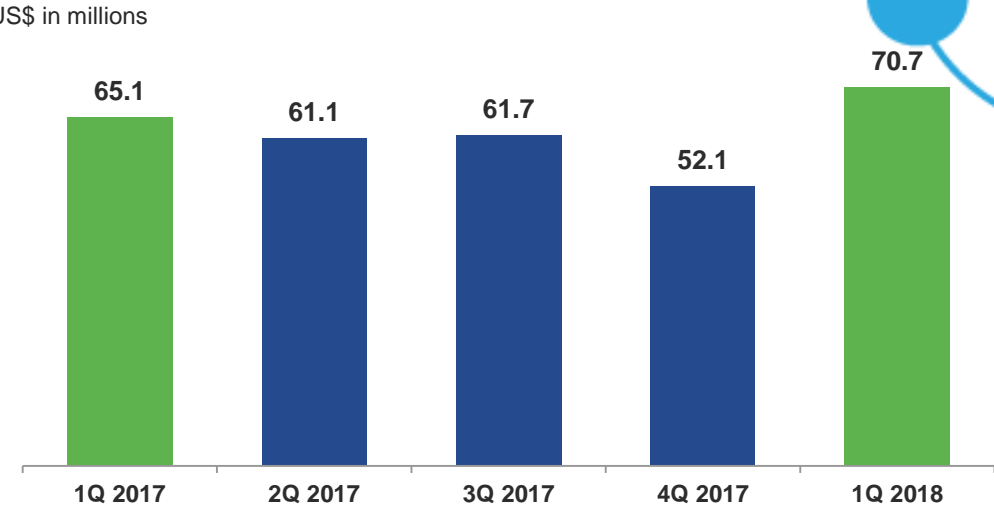
Costs | Operational Expenses

US\$ million



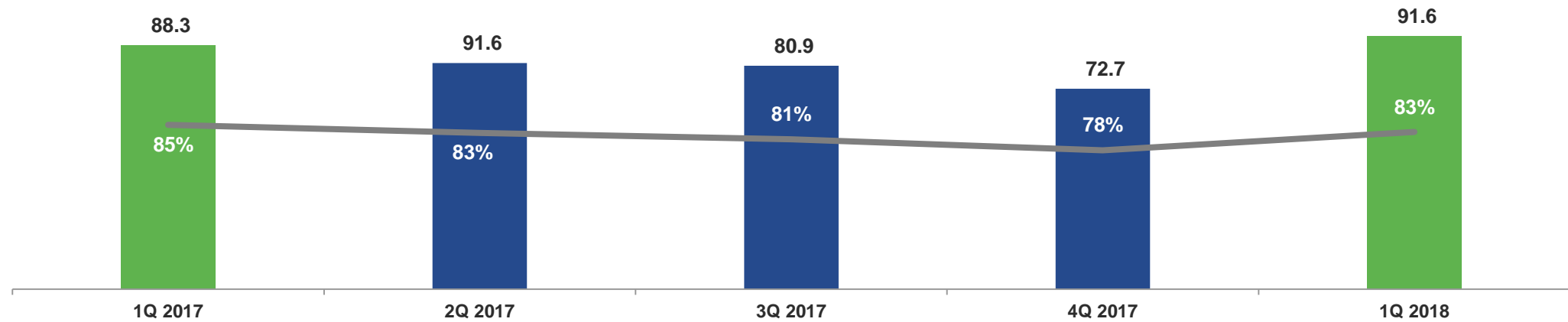
Operational Profit

US\$ in millions



EBITDA and EBITDA Margin

US\$ million

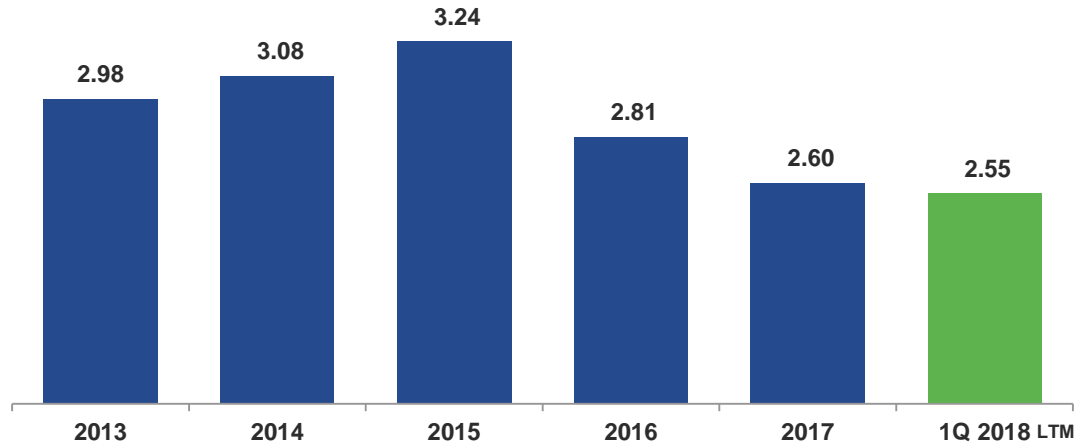


2 TGI Financial Performance



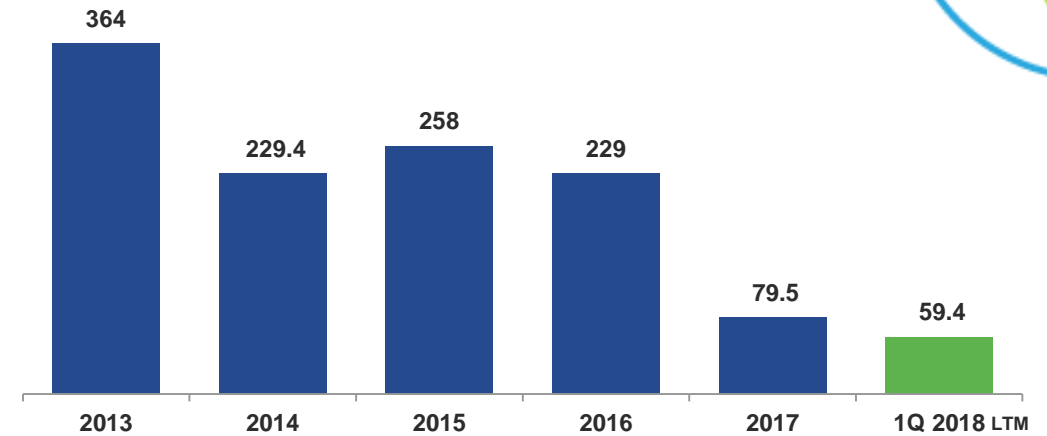
Total Assets

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



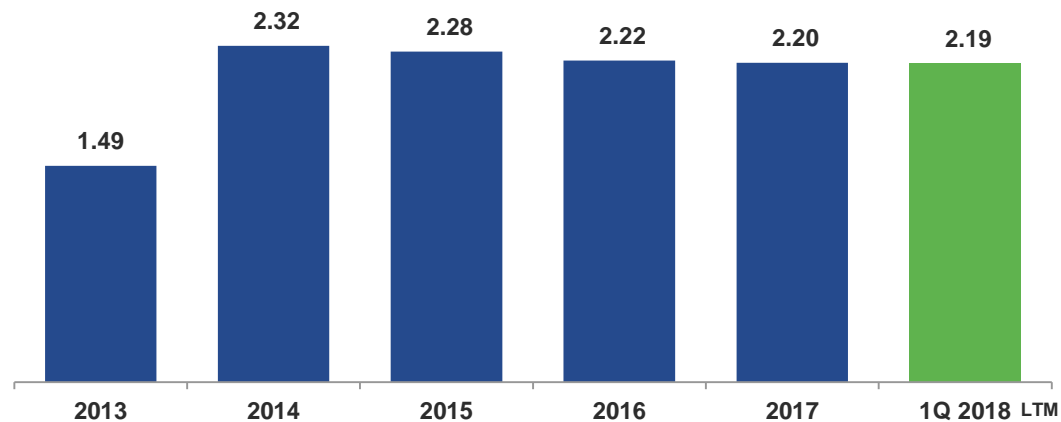
Cash and Equivalents

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



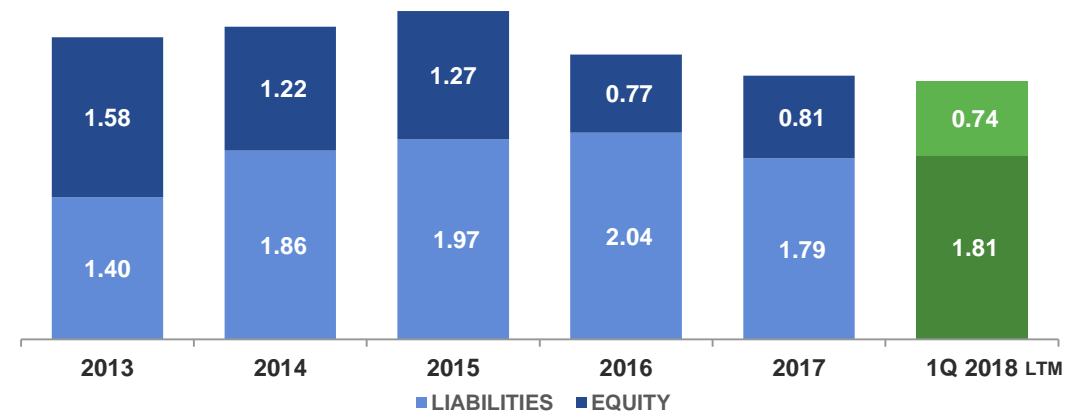
PPE

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



Liabilities

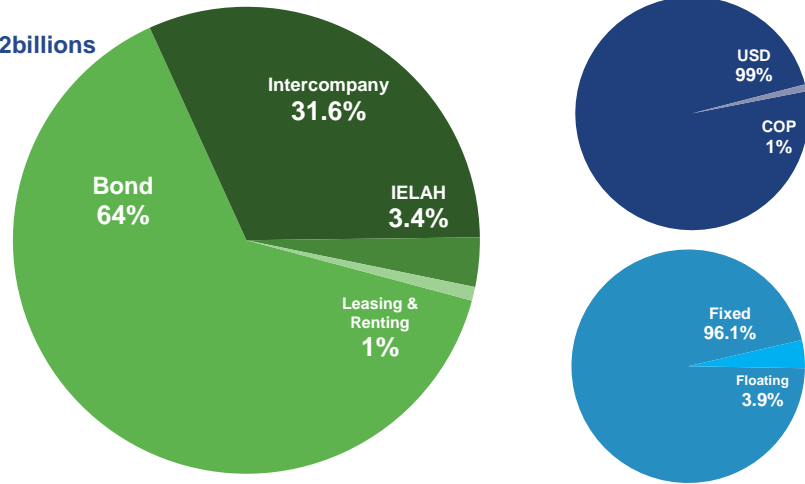
(US\$ billion – end-of-year exchange rate for each period)



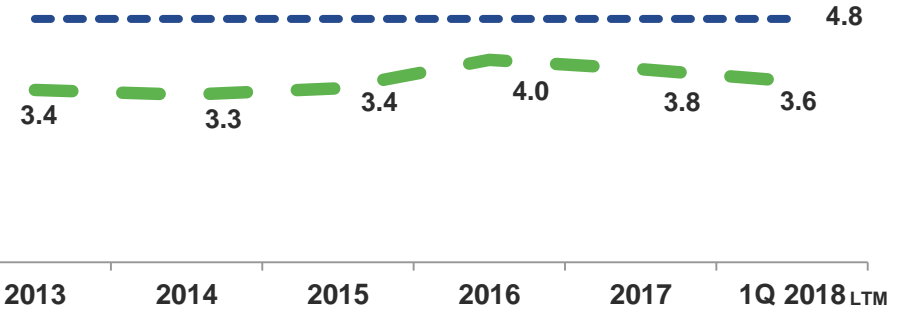
2 TGI Financial Performance

Debt Profile

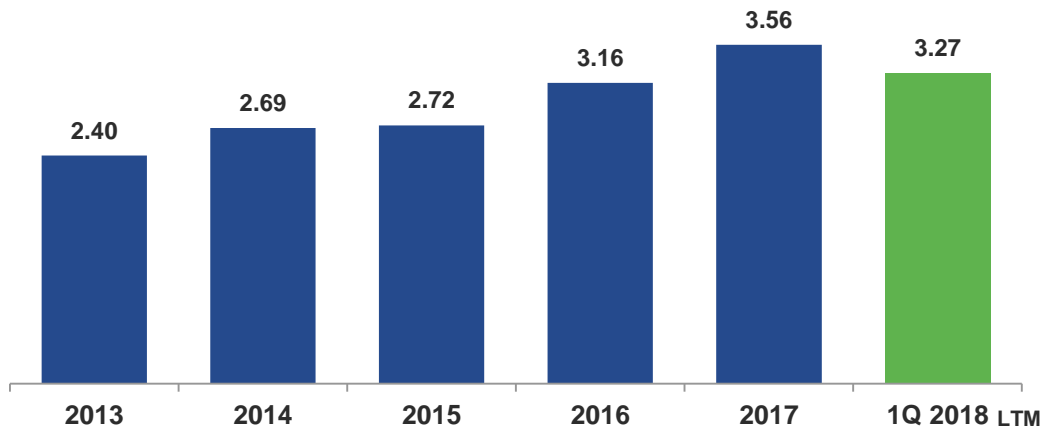
Total USD\$1,2billions



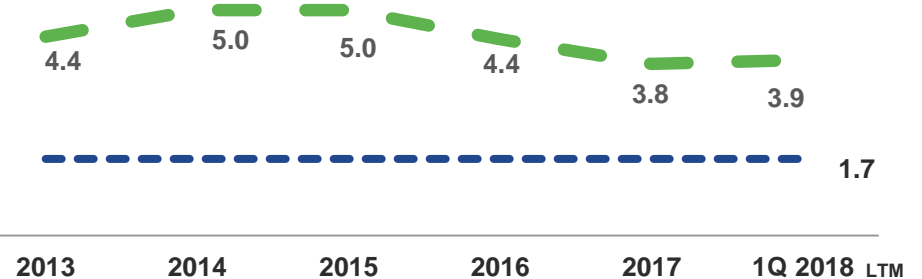
Total Debt / EBITDA



Total Net debt / EBITDA



EBITDA / Interest expenses | (UDM)





03 ▶ Growth Projects



3 Growth Projects (ongoing)



Project	Description	Status
Cusiana Phase III	<p>Increase of the Cusiana - Vasconia Capacity in 20 Mmscfd 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.</p>	<ul style="list-style-type: none"> • Capex – USD\$31.59 millions • Capex Executed 1Q 2018 – USD\$0.66 millions • Execution – 96% • Entry into operation – 2Q 2017
Loop Armenia	<p>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 36 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.</p>	<ul style="list-style-type: none"> • Capex – USD\$19.20 millions • Capex Executed 1Q 2018 – USD\$1.9 millions • Execution – 92.42% • Entry into operation – 2Q 2018
Replenishment of Ramales	<p>Replacement of 4 ramales for compliance with regulatory life according to the resolution CREG 126 of 2016. Replacement of the following ramales of the South of Bolívar.</p> <ul style="list-style-type: none"> • Ramal Yarigüies - Puerto Wilches • Ramal Z. Industrial Cantagallo – Cantagallo • Ramal Cantagallo – San Pablo • Total Galán – Casabe – Yondó <p>Equivalent to approximately 15.7 km of pipeline in 2 "diameter and 11.7 km of pipeline in 4" diameter.</p>	<ul style="list-style-type: none"> • Capex – USD\$16.70 millions • Capex Executed 1Q 2018 – USD\$0.076 millions • Execution – 9.04% • Entry into operation – 2Q 2019



3 Growth Projects (ongoing)



Project	Description	Status
Cusiana - Apiay - Ocoa	<p>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.</p> <p>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 (7 Mmscfd will deviate for the Apiay-Villavicencio-Ocoa gas pipeline).</p>	<ul style="list-style-type: none"> • Capex – USD\$48.26 millions • Capex Executed 1Q 2018 – USD\$6.3 millions • Execution – 96% • Entry into operation – 1Q 2018
Cusiana Phase IV	<p>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.</p> <p>Construction of 39.6 Km of loops of 30” in diameter.</p> <ul style="list-style-type: none"> •Expansion of the Gas Compression Station of Puente Guillermo. •Adaptations to the Gas Compression Stations of Miraflores and Vasconia. 	<ul style="list-style-type: none"> • Capex – USD\$70.7 millions • Capex Executed 1Q 2018 – USD\$1.2 millions • Execution – 20% • Entry into operation – 2Q 2018 (17 Mmscfd) 2Q 2019 (41 Mmscfd).





04 ▶ Questions and Answers



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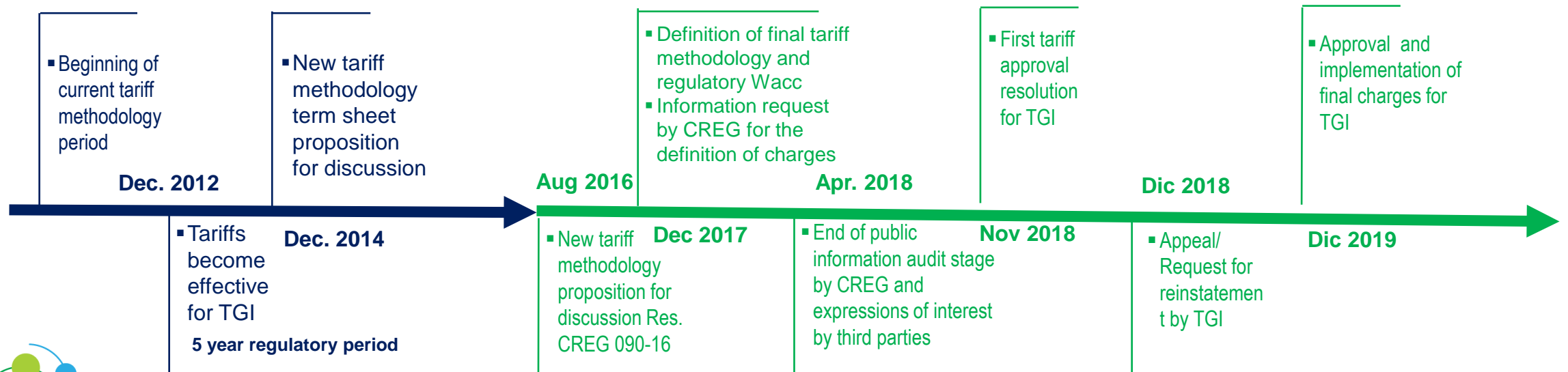


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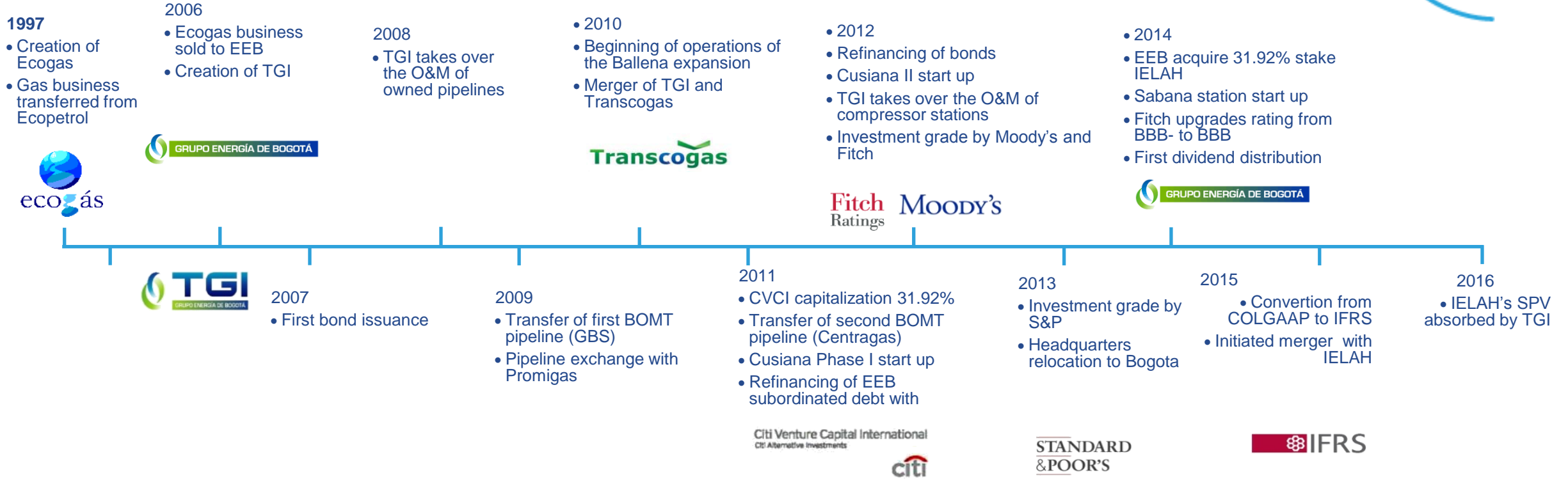
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Regulation perspectives – Tariff Review Process

- 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).



TGI History





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