

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. - TGI S.A. E.S.P.
BALANCE SHEET AS OF JUNE 30th 2016 AND JUNE 30th 2015 (*) - IFRS
(Expressed in U.S. dollars (\$USD) and Colombian pesos (COL\$))

ASSETS	As of June 30, 2015		As of June 30, 2016		
CURRENT ASSETS:					
Cash and cash equivalents	\$USD	329.803.285	\$USD	144.779.620	Col\$ 422.199.087.726
Restricted cash		-		-	-
Accounts receivable		70.756.591		156.846.675	457.388.430.368
Inventories		8.517.477		10.046.809	29.298.001.774
Other assets, net		2.566.329		5.520.918	16.099.825.871
Total current assets		411.643.681		317.194.021	924.985.345.739
LONG-TERM ASSETS:					
Long-term accounts receivable		12.723.733		9.903.931	28.881.349.581
Investments in controlled entities		34.283.059		16.865.641	49.182.739.410
Property, plant and equipment, net		2.307.567.601		2.250.181.627	6.561.867.151.634
Other assets, net		170.507.733		174.822.865	509.809.698.645
Deferred tax		25.469.601		56.470.632	164.676.834.090
Total not current assets		2.550.551.726		2.508.244.697	7.314.417.773.361
Total assets	\$USD	2.962.195.408	\$USD	2.825.438.719	8.239.403.119.100
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable to related parties and affiliates		2.928.989		5.041.299	14.701.185.479
Accounts payable		50.422.004		41.747.257	121.741.264.230
Current provisions for employee benefits		1.234.215		2.500.142	7.290.789.210
Current tax liabilities		7.526.218		50.347.923	146.822.094.782
Provisions		556.146		11.355.348	33.113.899.470
Total current liabilities		62.667.573		110.991.970	323.669.233.170
LONG-TERM LIABILITIES:					
Accounts payable to related parties and affiliates		370.000.000		583.753.325	1.702.312.258.903
Bonds issued		747.464.785		747.785.737	2.180.655.376.398
Hedging		110.353.457		109.098.842	318.148.587.048
Other financial obligations		28.479.666		15.429.460	44.994.620.479
Provisions		17.121.719		35.205.166	102.663.546.143
Deferred tax		369.320.863		464.044.221	1.353.222.555.857
Total long-term liabilities		1.642.740.491		1.955.316.751	5.701.996.944.828
Total liabilities		1.705.408.064		2.066.308.721	6.025.666.177.998
SHAREHOLDERS' EQUITY:					
Capital stock		703.867.948		703.867.948	1.565.486.780.000
Premium on stock issuance		56.042.643		56.042.643	196.119.215
Reserves		207.657.890		228.489.667	465.983.081.819
Merger IELAH-TGI May-2016				(560.848.879)	(1.669.444.941.171)
Retained earnings		(23.094.473)		(35.438.871)	57.139.010.998
First-time adoption		262.265.234		290.098.187	442.084.585.376
Net income		50.048.102		76.919.222	302.985.153.386
Difference in conversion		-		80	1.049.307.151.478
Total shareholders' equity		1.256.787.344		759.129.997	2.213.736.941.101
Total liabilities and shareholders' equity	\$USD	2.962.195.408	\$USD	2.825.438.718	Col\$ 8.239.403.119.100

(*) TGI adopted International Financial Reporting Standards - IFRS to comply the rules defined by the Superintendency of Public Services in Colombia. The date of the first comparative financial statements under IFRS is December 31, 2015

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. - TGI S.A. E.S.P.

INCOME STATEMENT (*) - IFRS

FOR THE PERIOD JANUARY 1st TO JUNE 30th, 2016 AND FROM JANUARY 1st TO JUNE 30th, 2015

(Expressed in U.S. dollars (\$USD) and Colombian pesos (COL\$))

	As of June 30, 2015		As of June 30, 2016		
OPERATING REVENUES:					
Sales:	\$USD	218.995.681	\$USD	229.290.746	COL\$ 704.629.008.677
Gas transportation service		218.995.681		229.290.746	704.629.008.677
OPERATING COSTS:					
Operation and maintenance		20.615.526		25.796.771	78.946.358.929
Depreciation		32.812.370		38.652.091	120.666.431.832
Amortization		2.182.873		2.498.582	5.428.056.586
		<u>55.610.769</u>		<u>66.947.445</u>	<u>205.040.847.347</u>
Gross Margin		163.384.912		162.343.301	499.588.161.330
OPERATING AND ADMINISTRATIVE EXPENSES:					
Personnel and general services		16.328.124		12.977.094	39.790.704.189
Provisions		2.224.332		(671.419)	(2.044.359.017)
Depreciation		161.890		223.883	698.930.750
Amortization		1.050.899		1.181.342	2.653.996.729
		<u>19.765.245</u>		<u>13.710.901</u>	<u>41.099.272.651</u>
OTHER INCOME		378.945		137.034	415.084.216
OTHER EXPENSES		483.056		1.068	3.317.687
Operating income		143.515.556		148.768.367	458.900.655.208
Financial income		5.162.528		4.613.469	35.865.701.556
Interest expenses		32.958.725		38.383.025	116.464.670.419
Valuation coverage operating (net)		(979.376)		(1.438.103)	(8.186.740.761)
Foreing exchange gain (net)		(18.064.859)		9.647.281	30.117.465.903
Other financial expenses		902.630		1.403.786	7.916.577.927
Income before income tax		95.772.494		121.804.203	392.315.833.560
INCOME TAX		45.724.393		44.884.980	89.330.680.173
Net income (loss)	\$USD	50.048.101	\$USD	76.919.223	Col\$ 302.985.153.386

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TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. - TGI S.A. E.S.P.

STATEMENTS OF CASH FLOWS (*)

FOR THE PERIOD JANUARY 1st TO JUNE 30th, 2016 AND FROM JANUARY 1st TO JUNE 30th, 2015

(Expressed in U.S. dollars (\$USD) and Colombian pesos (COL\$))

	As of June 30, 2015		As of June 30, 2016		
	\$USD		\$USD		Col\$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	\$USD	50.048.101	\$USD	76.919.223	Col\$ 302.985.153.386
Reconciliation between net income and net cash provided by operating activities:					
Depreciation and amortization		36.208.032		42.555.898	129.447.415.897
Exchange (gain) loss		3.567.696		3.738.421	(31.336.283.903)
Hedging operations		979.376		2.622.392	(9.178.566.548)
Employee benefits		-		181.248	368.781.027
Amortized cost assets		(732.417)		(271.041)	(625.241.627)
Amortized cost liabilities		-		235.775	185.424.309
dismantlement		-		1.329.030	2.512.130.024
Deferred tax		45.438.201		4.814.572	15.030.422.282
Equity method		-		288.190	909.686.144
Net gain from sales of property, plant and equipment		-		-	-
Impairment assets (accounts receivable, inventories)		2.968.528		4.399	12.505.584
Recovery provision		-		-	-
Provisions		(744.196)		(675.814)	(2.056.864.600)
		<u>137.733.321</u>		<u>131.742.293</u>	<u>408.254.561.976</u>
Changes in assets and liabilities of operation, net:					
Current Assets					
Accounts receivable		(12.377.258)		40.440.361	133.695.833.664
Inventories		1.414.535		218.151	721.207.768
Other assets		(954.289)		53.565.697	177.088.192.860
Other non-financial assets		-		214.431	708.907.894
Non-Current Assets					
Long-Term Accounts receivable		857.664		183.975.433	608.222.781.200
Other assets		1.439.515		(535.803)	(1.771.363.925)
Current liabilities					
Accounts payable		19.015.820		41.009.272	135.576.652.901
Labor obligations		1.235.694		(673.986)	(2.228.197.286)
Collections in favor of third parties		743.077		(1.591.785)	(5.262.441.937)
Revenue received in advance		-		5.136.355	16.980.790.159
Estimated liabilities		354.247		19.147.479	63.301.564.417
Other liabilities		-		(380.845)	(1.259.073.768)
Long-Term Liabilities					
Accounts payable		65.849		0	-
Provisions		9.080.705		3.132.681	10.356.644.741
Net cash provided by operating activities		<u>158.608.880</u>		<u>475.399.733</u>	<u>1.544.386.060.666</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investments in controlled entities		(2.042)		(1.145)	(3.784.114)
Property, plant and equipment		(61.182.950)		(5.854.549)	(19.355.139.854)
Other assets		-		-	-
Net cash used by investing activities		<u>(61.184.992)</u>		<u>(5.855.694)</u>	<u>(19.358.923.967)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Pay dividends		-		-	-
Capital additional		-		-	-
Financial obligations		(2.801.702)		211.651.260	699.719.065.395
Net cash provided by (used in) financing activities		<u>(2.801.702)</u>		<u>211.651.260</u>	<u>699.719.065.395</u>
Foreign exchange difference		41.788.996		(583.003.000)	(1.949.272.482.820)
NET INCREASE IN CASH		<u>136.411.182</u>		<u>98.192.299</u>	<u>275.473.719.273</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		<u>193.392.103</u>		<u>46.587.321</u>	<u>146.725.368.453</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>\$USD 329.803.285</u>		<u>USD 144.779.620</u>	<u>Col\$ 422.199.087.726</u>

(*) From 2014, the company adopted International Financial Reporting Standards - IFRS, meeting the timelines established by the Superintendency of Public Services. The date of the first comparative financial statements under IFRS will be December 31, 2015