

Bogotá D.C., November 2009

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CLARIFICATIONS TO THE REPORT

- ▶ Only for information purposes, we have converted some of the figures in this report to their equivalent in USD, using the TRM rate for the end of the period as published by the Colombian Financial Superintendency. The exchange rates used are as follows:
 - Third quarter 2008: 2,174.62 COP/USD
 - Third quarter 2009: 1,922.00 COP/USD
- ▶ In the figures submitted, a comma (,) is used to separate thousands and a point (.) to separate decimals.
- ▶ EBITDA is not an acknowledged indicator under Colombian or US accounting standards and may show some difficulties as an analytical tool. Therefore, it must not be taken on its own as an indicator of the company's cash generation.

RELEVANT FACTS

- ▶ In the last IMF report on world economic perspectives (October 2009), it foresees a global contraction of around 1% in 2009 and an expansion of around 3% in 2010. These new forecasts confirm that the world's economy is entering into a phase of recovery. However the report warns that with the exception of some emerging economies (particularly China), the recovery will be slow and the risks continue to be high to the extent it is supported by massive monetary and fiscal shock plan that may not be supported indefinitely. How sustainable and compelling will the recovery be, lies on the opportunity with which Governments and central banks reduce their interventions and on the ability of the private sector to regain trust, thus increasing investments and consumption.
- ▶ Latin America (L.A.) showed a good degree of resistance when faced with the hardship endured during the international crisis and it stands out as one of the regions in the world that will begin to grow at a faster pace. The region received significant external shocks, like the downturn in volumes and prices of the main exporting goods, remittances and tourism; and increases in the cost of debt and net outflows of foreign investment. Nonetheless, in this occasion, the region was better prepared and policies issued hindered these external shocks from becoming a crisis in the balance of payments or in the financial system.

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- ▶ A regional report published by the IMF last October (The Americas, Crisis Averted, What's Next?) foresees that the region will decrease by 2.6% in 2009 and will grow 3% in the following year. The same report points out that the situation will be heterogeneous among the countries in the region. Furthermore, the report states that exporting economies of raw materials and greater access to international financial markets will show greater growth rates in 2010.
- ▶ According to that same report, Colombia is amongst the countries that will be less affected by the crisis during 2009 (IMF forecasts growth rates for 2009, close to 0). However, growth forecast for the following year is estimated in 2.5%, which will be below its potential and lower than that of other large economies in the region (Brazil, Mexico, Argentina and Chile). The most significant risk for the local economy relates to commercial barriers imposed mainly by Venezuela (the country's second commercial partner).
- ▶ According to DANE, Colombia's GDP fell during 2Q 2009 when compared to the same period in 2008 (-0.5%). Notwithstanding the above, between 1Q and 2Q of this year, the economy expanded at 0.7%. When comparing production during 2Q 2009 with the same period of the previous year, one may observe that the sectors that drove GDP were construction (16.8%), mining (10.2%) and financial (4.3%), whilst the manufacturing industry and retail experienced downturns of 10.2% and 3.9%, respectively.
- ▶ Increase in public expense has had a positive effect on the construction sector, while the mining activity has enjoyed the recovery experienced in the price of raw materials and a significant influx of foreign investment, aimed particularly at the oil sector. Falls experienced in the manufacturing and retail sectors reflect a weakness in internal demand and the commercial restrictions imposed on the country by Venezuela.
- ▶ The soundness of the Colombian economic recovery will depend, mainly, on the evolution of internal demand. As of July, there have been improvements in the business and consumer confidence index (Fedesarrollo). According to DANE, the former is a lead indicator that anticipates quite accurately the behavior of industrial production (correlation of 0.8).
- ▶ In September, the Central Bank surprised the market by reducing its intervention rate from 4.5% to 4%. Furthermore, it announced that it will provide cash by the end of the year through the purchase of TES and dollars in an attempt to moderate the pace of the revaluation of the peso. There is currently a high level of confidence regarding inflation behavior, which will probably end below the floor of the goal set by the Central Bank for this year (between 4.5% and 5.5%). In fact, according to the last survey carried out by the Central Bank (October 2009) to a group of financial institutions, the market expects inflation to end around 3% in 2009. The Central Bank's Board of Directors decided to establish an inflation target for next year ranging between 2% and 4%.
- ▶ In the first eight months of this year, foreign direct investment amounted to Usd 5,688 million, representing an 8.5% reduction when compared to the same period of the previous year. Such decrease is significantly lower to that registered during 1Q (-17%), which shows a recovery in confidence regarding the local economy. Most of these resources (86%) went into the oil and mining sectors.
- ▶ As per XM, electric energy consumption grew by 3% in September, when compared to the same month of the previous year. It is significant result, as there is a close relationship between

electricity demand and the behavior of the economic activity. Also, internal demand for natural gas during the first nine months of the year fell by 4%, when compared to the same period of the preceding year; equivalent to two percentage points below the fall experienced during the first six months of the year.

- ▶ The Agencia Nacional de Hidrocarburos (ANH) published some data indicating that Colombian reserves amounted to 7.27 Tcf (4.82 Tcf proven, 2 Tcf probable and 0.89 Tcf operational). The level of reserves and the investments made to increase production and transport capacity, will allow Colombia to ensure supply of its demand until 2016 - 2018.
- ▶ The expansion of TGI's Guajira pipeline (Ballena – Barranca; Approx. usd 168 mm; 90 mmcf additional capacity) is under its execution phase (47.5% executed). The company is currently negotiating rights of way, it already holds the necessary licenses to carry out works, and it is entering into engineering and equipment supply contracts. The company expects the project to be completed, at the latest, the 1st of June 2010.
- ▶ 99% of the Guajira pipeline's additional capacity (Ballena – Barrancabermeja) has been contracted. The contracts are in force between June 2010 and December 2020; approximately 80% of the revenues will be derived from take or pay charges.
- ▶ Regarding phases I and II of the Cusiana expansions, practically all the construction contracts have been subscribed (purchase of supplies, engineering, auditing, amongst others). In addition, the company holds all the necessary licenses to carry out construction of Phase I, while for Phase II some of them are still under approval. Rights of way negotiations for both phases have already begun. Phase I (additional capacity of 70 mmpcd) is under execution (32.8%) and Phase II (additional capacity of 110 mmpcd) is not as advanced, but some of the main activities are being executed, such as the purchase of pipelines and compressors. TGI estimates that both phases will be completed in schedule (Phase I; 1 July 2010 and Phase II; 1 January 2011).
- ▶ Regarding the enhancement of the Cusiana pipeline (Cusiana – La Belleza – Vasconia and Cusiana – La Belleza – Cogua), 15 contracts have been entered into, most of them in force as of July 2010 and until December 2020. This means that 84% of the additional capacity has been contracted. The company expects to contract all of the additional capacity and the contracts already signed make the projects economically feasible.
- ▶ According to the schedule set by CREG, before the end 2009, the remuneration methodology for the natural gas transport activity will be updated and during the first semester of next year, new charges will come into force for the different companies that operate in the country. TGI has maintained an active participation in this process and last July, it submitted its comments to CREG's proposal.
- ▶ In the past months, there have been some restrictions in the supply of gas in the center of the country. Rainfall levels have decreased below normal ranges during this year, thus causing an increase in gas demand by gas-fired power plants. In addition, in October, the Cusiana gas treatment plant underwent maintenance. Under current circumstances the Mining and Energy Ministry is empowered to assign priorities regarding gas supply. Consequently, the MME issued a series of resolutions between September 29 and October 19 2009. Said resolutions establish a priority line in terms of supply as follows: (i) compressors pertaining to the national natural gas

transport system, (ii) household and small commercial consumers, (iii) gas-fired power plants with in firm natural gas supply contracts, (iv) GNV retailers, and (v) others and exports.

- ▶ During 3Q 2009, TGI Notes performance was positive reaching a maximum historic price of 111,78 and an average of 105. By the end of 3Q 2009, the spread between TGI Notes and Colombia's sovereign debt issued in USD for a similar period, was 308 bps; meaning a fall close to 200 bps from October last year. Such performance came hand in hand with a stronger EBITDA, which increased around 20% in the past twelve months as of September.
- ▶ According to INEI, Peruvian GDP decreased by 1.1% during 2Q 2009, when compared to the same quarter of the preceding year. This is the first contraction after 28 quarters of sustained growth. In the IMF's October report, it foresees growth of the Peruvian economy of around 1,5% in 2009 and 5,8%, next year.
- ▶ Congas Perú (75% EEB; 25% TGI) hopes to complete soon the basic engineering of its "Ica Regional Gas pipeline" (Usd 270 mm, it is expected to come on stream in January 2012). The company is currently structuring the plan to develop the distribution network and it is completing negotiations with supplier of gas and providers of transportation services and also with consumers. The financial plan includes 30% equity investment (75% EEB and 25% TGI) and the remaining 70% by means of an inter-company loan from EEB (Usd 80 mm), a loan from CAF (usd 50 mm) and other loans from local banks (Usd 59mm). The company is currently under the process of contracting an investment bank to structure the financial strategy for the Peruvian market.
- ▶ Last September, TGI subscribed a contract with Credit Suisse to advise the company regarding a capitalization process. The objective is to obtain resources without losing the control of EEB in TGI through a private placement in the international or local markets. The process is expected to conclude during 1H 2010. Capitalization resources will be used to finance the short and medium term business plan.

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MARKET INFORMATION

Natural gas demand per sector - Mmpcd

	2008 Final	2008 Jan – Jun	2009 Jan - Jun	Change %
Gas-fired generation	151	141	148	5
Residential – Commercial	151	149	149	0
Industrial – Refineries	362	369	338	(8)
Vehicle	84	82	81	(2)
Petrochemical	12	13	11	(16)
Internal demand	760	754	727	(4)
Exports	147	123	223	81
Total	907	877	950	8

Source: CNO-gas

Although internal demand continues to decrease, the contraction pace is less if compared to the preceding periods. In fact, during the first six months, internal demand fell -6% (compared to the same period in the previous year) and in the first nine months of this current year, the rate fell to -4%. Increase in thermal demand seems to be the main reason explaining the decrease in the pace of

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contraction; however, it is interesting to observe that the contraction pace in industrial demand is reducing (-10% between January and June versus -8% between January and September). Gas demand for thermal plants has increased as a result of a low level of rainfall during the year (El Niño phenomenon), which has in turn reduced electric energy production from water sources. The decrease in the pace by which industrial gas demand is falling is a clear sign that the economy is beginning to retake its growth path, which is also confirmed by looking at the behavior of other leading indicators (increase in electricity demand and recovery of confidence indexes for the industry and consumers sectors).

Fuel price comparison
Cop/Mm BTU

	2008 Final	2008 Sep	2009 Sep
Diesel	45,404	43,772	42,442
Regular Gas	61,526	63,181	57,779
GNV	37,861	36,341	39,088

Source: UPME; ECOPETROL.
 Calculations: EEB

The spread between GNV prices and those of its substitutes continues to shrink. Prices for gasoline and diesel fuel in Colombia are adjusted monthly based on international reference prices, the exchange rate and value added taxes. Furthermore, there are reference prices for ethanol (regular fuel distributed in the country must contain 10% of such product) and biodiesel fuel (in some regions it is mandatory to blend diesel with 5% of biodiesel). As of the beginning of this year, international gasoline and diesel prices have decreased and the peso has revaluated, resulting in lower internal prices.

As for GNV, wellhead price in Guajira (the only regulated wellhead price) is fixed every six months based on international fuel oil prices for the past six months. This prevents market signals to be passed on at a faster pace and directly to the end consumer

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OPERATIONAL PERFORMANCE

Selected operational indicators

	2008 Final	2008 Jan – Sep	2009 Jan – Sep	Unit	Change %
Total capacity ⁽¹⁾	443	443	443	Mmpcd	0.0
Firmed contracted capacity ⁽²⁾	427	427	418	Mmpcd	(2.1)
Transported volume ⁽³⁾	370	378	388	Mmpcd	2.6
Load factor ⁽⁴⁾	66.1	66.6	67.6	%	1.5
Availability ⁽⁵⁾	99.3	99.1	99.7	%	0.6
Losses ⁽⁶⁾	0.08	0.13	0.15	%	15.4
Gas pipeline length	3,702	3,702	3,702	Km	0.0
Gas pipeline length	2,314	2,314	2,314	MI	0.0

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Source: TGI

- (1) Nominal transporting capacity at the end of a period.
- (2) Contracts by which TGI is obliged to keep a certain transporting capacity available to the customer.
- (3) Average volume transported in a certain period.
- (4) Ratio between the nominated volume by customers and the transporting capacity.
- (5) Real gas transporting capacity in a certain period in relation with the nominal capacity.
- (6) Difference between gas volumes received and gas volumes delivered considering the changes in inventories. It is measured as a percentage with respect to the volume received by the customers. CREG acknowledges 1% in its tariff structure as maximum losses that can be transferred to the customers.

Expiration of some contracts with end users resulted in a reduction of in firm contracted capacity. One of these contracts was inherited from Ecogas and it had a special provision for early termination. It relates to a contract with a producer-trader who obtained gas from a field that is no longer productive. The capacity of the other expired contracts is currently being serviced by interruptible contracts and TGI is negotiated with these in order to contract new firm capacity based on current spare capacity and the enhancement of Cusiana.

Transported volume increased as a result of a greater gas demand for gas-fired electricity generation, evident as of July, due to low rainfall levels. IDEAM (official weather entity) estimates that there will be a rainy period before year end, but el Niño phenomenon will continue affecting Colombia until March 2010.

Losses were maintained at levels well below those acknowledged by regulation (1%). Excellent loss performance is the result of the Measurement Assurance Plan, which is being performed by TGI.

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COMMERCIAL PERFORMANCE

Demand of TGI by sectors - Mmcf

	2008 Final	2008 Jan - Sep	2009 Jan - Sep	Change %
Gas-fired generation	15	15	33	120
Distributors (1)	258	255	255	0
Industrial	94	98	94	(4)
Own consumption (2)	3	3	5	66
Total	370	378	388	2.6

Source: TGI

- (1) Includes sectors household, commercial and vehicles.
- (2) Refers to consumptions by compressor units.

Increase in transported volume by TGI during the first nine months of the year is the result of growth in gas-fired demand.

It is interesting to observe that the transported volume for industrial customers plunged to -4%, which is 4 percentage points below national contracting level. As mentioned before, the recent evolution of some indicators may be signaling that industrial production could be completing its contraction cycle and that it may grow during the coming months. Markets serviced by TGI concentrate the largest chunk of industrial production in Colombia hence industrial recovery should rapidly reflect an increase in transported volumes for the company.

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It is worth mentioning that a new program is being structured aimed at stimulating GNV conversions in the cities of Bogotá, Medellín and the western area of the country. The program will receive contributions from the entire chain (producer, transporter, distributor and natural gas service stations) and will grant a discount bonus for the conversion of vehicles.

	Contractual structure					
	2008 – September			2009 – September		
	No	Volume Mmcf	Average remaining life (years)	No	Volume Mmcf	Average remaining life (years)
Firm ⁽¹⁾	64	427	5.3	60	418	6.4
Interruptible ⁽²⁾	1	8	2.6	7	14	1.0
Others ⁽³⁾	1		0.3	1		0.3
Firm expansion Guajira				12	64 ⁽⁴⁾	
Firm expansion Cusiana				15	161 ⁽⁵⁾	

(1) Contracts where TGI S.A ESP guaranties the availability of a defined transportation capacity during a certain period of time. Remuneration for this type of contracts may be fixed and/or variable.

(2) Contracts in which the transport service foresees and allows for its interruption by any party for any reason, without this giving rise to any type of compensation by the party suspending the service.

(3) Agreement with Promigas for embedded pipelines.

(4) Firm contracted volume from June of 2010; subject to the expansion of Guajira

(5) Firm contracted volume from July 2010 and January 2011. Subject to the expansions of phase I and phase II.

Seven in firm contracts have expired in 2009, and 2 have been renewed. In addition, 11 new contracts were subscribed through an auction to assigned firm capacity for the length Ballena – Barranca (the contracts will be in force between June 2010 and December 2020).

In relation with the enhancement of the Guajira project, almost 100% of the new capacity is already contracted. The term of the contracts entered into is ten years (June 2010 - December 2020) and around 80% of the contracted volume is under the “take or pay” mode.

Regarding Cusiana’s enhancement (Cusiana – La Belleza – Vasconia and Cusiana – La Belleza – Cogua), 15 contracts have been entered into, most of them for a term comprising July 2010 to December 2020 (3 contracts expire on December 2024). Just as in the previous case, around 80% of the contracted volume is under the “take or pay” mode.

The company is negotiating with its customers the assignment of in firm additional capacity based on current available capacity and new capacity from the Cusiana enhancement.

Lastly, it is important to remember that at the beginning of May, TGI and EEB incorporated two trusts as means to channel all financial resources for the enhancement of the Cusiana system. The enhancement of the above-mentioned pipeline will be financed with loans granted to EEB from local banks. Loans obtained by EEB are incorporated into its trust, which in turn lends its resources to the trust incorporated by TGI. On the other hand, TGI will transfer to its trust all the assets of the enhancement of the Cusiana system. TGI hopes to use the proceeds of a capitalization to pay off the debt of its trust and thus incorporate the assets of the enhancement of Cusiana into its balance sheet.

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FINANCIAL PERFORMANCE
Income structure— COP Mm

	2008 Final	2008 Jan - Sep	Share %	2009 Jan - Sep	Share %
Total income	471,419	335,882	100.0	407,441	100.0
By currency					
Sales linked to USD ⁽¹⁾	280,715	195,084	58.1	254,803	62.5
Sales not linked to USD ⁽¹⁾	190,704	140,797	41.9	152,638	37.5
By type of charge					
Capacity charges ⁽²⁾	345,527	247,289	73.6	295,566	72.5
Variable charges ⁽³⁾	72,075	49,515	14.7	68,519	16.8
No - recurring charges ⁽⁴⁾	41,253	30,764	9.2	33,743	8.3
Other ⁽⁵⁾	12,564	8,313	2.5	9,613	2.4

- (1) Gas regulation in Colombia divides the tariff to users into two parts; one part is set to recognize investments and the other one the administration, operation and maintenance - AOM - expenses and costs. The portion of the tariff acknowledging investments is linked to the dollar and is adjusted on an annual basis based on the U.S. "Capital Equipment" IPP; and it is paid in pesos at the TRM at the end of every month. The portion that acknowledges the AOM is defined in pesos and is linked annually with the Colombian IPC (consumer price index).
- (2) Capacity charges or fixed charges obliged the transporter to maintain a certain transport capacity available when required by the customer. In turn, the customer undertakes to pay for such capacity independently from the volume transported.
- (3) Variable charges obliged the transporter to maintain an available capacity when required by the customer. Nevertheless, and unlike the previously described scheme, the customer only pays for the volume effectively transported, although at a higher tariff. In general terms, TGI customers maintain contracting schemes that combine fixed and variable charges.
- (4) Non-recurring charges do not generate the obligation of firmness for the transporter. That is to say, the transporter has the right to interrupt the service.
- (5) Additional services provided by the company, such as new connections or odorization.

During the period under analysis, total sales grew 21.3%, driven mainly by an increase in the Cop/usd exchange rate and to the upward adjustment of transportation rates based on inflation.

The share of sales expressed in USD as part of company total sales, increased. The reason being that the average exchange rate used for invoicing went from 1,883 cop/usd during the first nine months of 2008 to 1,967 cop/usd for the same period in 2009 (an implicit devaluation of around 5%). Furthermore, the greater weight of sales expressed in USD is the result of greater volume transported by the company. Increase in transported volume in turn increases sales as variable charges, which have a higher component of the tariff linked to the USD, when compared to take or pay charges.

Selected financial indicators

	Mm COP		Mm COP		Change %	Mm USD	
	2008 Final	2008 Jan - Sep	2009 Jan - Sep	2009 Jan - Sep		2008 Jan - Sep	2009 Jan - Sep
Sales	471,419	335,882	407,441		21.3	154.5	212.0
Operating income	294,903	208,851	252,985		21.1	96.0	131.3
Operating margin %	62.6	62.2	62.1		(0.1)	62.2	62.1
EBITDA LTM ⁽¹⁾	385,037	358,813	431,746		20.3	165.0	224.6
EBITDA margin LTM ⁽²⁾ %	81.7	80.5	79.5		(1.2)	80.5	79.5
Net income	(180,700)	(124,342)	365,504		(394)	(57.2)	190.2

- (1) It is the Operating income plus amortizations, depreciations and provisions.
- (2) LTM: Last twelve months

Company's operational profit grows at a rate slightly lower when compared to sales growth. As explained in greater detail below, such behavior relates to the evolution of operating and maintenance costs; evolution that also helps to explain the slight reduction in the Ebidta margin during the past twelve months.

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Increase in net profit is the result, mainly, of the revaluation and its impact in the valuation of the company's foreign currency denominated debt. During the first nine months of 2009, the revaluation of the peso (16.7%) generated an accounting income, while for the same period in 2008 the effect was the opposite due to the devaluation of the peso (7.4%) that generated an accounting expense. This is merely an accounting effect that in no way affects the company's cash generation.

	Mm COP 2008 Final	Operating results			Mm USD	
		Mm COP		Change %	2008	2009
		2008 Jan - Sep	2009 Jan - Sep		2008 Jan - Sep	2009 Jan - Sep
Operating revenue	471,419	335,882	407,441	21.3	154.9	212.0
Sales	471,419	335,882	407,441	21.3	154.9	212.0
Operating costs	149,285	108,233	129,153	19.3	47.8	67.2
Operation and maintenance	65,809	45,702	64,746	41.7	21.0	33.7
Provisions, depreciations and amortizations	83,476	62,531	64,407	3.0	28.8	33.5
Gross margin	322,134	227,649	278,289	22.3	104.7	144.8
Operating and administrative expenses	27,230	18,798	25,303	34.6	8.6	13.2
Personnel y general services	20,573	14,567	20,374	39.9	6.7	10.6
Provisions, depreciation and amortization	6,657	4,231	4,929	16.5	1.9	2.6
Operating income	294,903	208,851	252,985	21.1	96.0	131.6

Increase in Operating Costs is due, mainly, to the following: (i) greater consumption of gas in TGI compressor stations, (ii) increase in maintenance and repair costs, and (iii) increase in costs related to the direct operation of TGI pipelines. All together, the above items account for 80% of the cost of Operating Costs.

The consumption natural gas (required to supply energy to compressor stations in the TGI system) increased 63% during the first nine months of this year, when compared to the same period of the previous year due to greater transported volume, and also because the Guajira gas is delivered with lower pressure, demanding a higher compression effort (the additional cost is compensated through an agreement with the operator of the Guajira fields).

Increase in Maintenance and Repair costs is the result of works carried out to improve the system's integrity. In 2009, the coating of some pipelines was replaced. This type of maintenance was not undertaken during the first six months of 2008, as contracts thereof were entered into in the second half of the year.

Direct operation and maintenance of TGI gas pipeline (carried out as of April last year), implied hiring additional officials.

Administrative Expenses increase as a result of the assistance agreement entered into between TGI and its parent company (EEB). The agreement includes advisory and assistance from the parent company in the following areas: technical, legal, financial and administrative. Another reason explaining

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the increase in administrative expenses relates to the legalization of some rights of way used by TGI pipelines. TGI received from Ecogas a set of lands which rights of way had not been formalized. The company expects to conclude this topic before year end in 2010.

Non operating results

	Mm COP	Mm COP			Mm USD	
	2008 Final	2008 Jan - Sep	2009 Jan - Sep	Change %	2008 Jan - Sep	2009 Jan - Sep
Operating income	294,903	208,851	252,985	21.1	96.0	131.6
Non operating income	22,416	15,809	375,781	2,277	7.3	195.5
Financial (1)	14,221	9,609	11,995	24.8	4.4	6.2
Exchange differences (2)	0	0	359,108		0	186.8
Hedging valuation (3)	0	0	0		0	0
Others (4)	8,195	6,200	4,677	(24.6)	2.9	2.4
Non operating expenses	461,442	321,468	248,829	(22.6)	147.8	129.5
Financial (5)	204,977	146,435	175,753	20.0	67.3	91.4
Exchange differences (6)	256,074	174,646	0		80.3	0
Hedging valuation (7)	0	0	70,940		0	36.9
Others (8)	391	386	2,136	453.4	0.2	1.1
Income before income tax	(144,122)	(96,808)	379,937	(492.5)	(44.5)	197.7
Income tax	36,577	27,534	14,434	(47.6)	12.7	7.5
Net income	(180,700)	(124,342)	365,504	(394.0)	(57.2)	190.2

(1) Includes the financial returns of the temporary investments.

(2) Reflects the impact of the peso devaluation in the value of the assets and liabilities in foreign currency.

(3) Valuate the hedges contracted by the company to reduce the risk in the principals payment of the debt in foreign currency.

(4) Are the financial expenses related to the company's debt.

(5) Reflects the impact of the peso revaluation in the valuation of the assets and liabilities in foreign currency.

(6) Valuate the hedges contracted by the company to reduce the risk in the principals payment of the debt in foreign currency.

The noteworthy increase in Non Operating Income during the first nine months of 2009, compared to the same period of the preceding year, is explained by: (i) Increase in company's Financial Income as a result of greater cash accrual and the resulting increase in temporary investments, and (ii) the revaluation of the peso during the current year, (16.7%) and consequently its positive impact in the value of the company's debt (expressed entirely in USD). The revaluation of the peso and its impact on the valuation of the company's foreign currency denominated debt must be, according to Colombian accounting standards in place, accounted as non-operating revenue. The opposite happened during the first nine months of the previous year, when the devaluation of the peso increased the value of the debt and generated an expense.

The increase in the Exchange Difference account (cop 359,000 mm) was counteracted by the negative valuation (cop 71,000 mm) of the hedging contracts signed by company. As mentioned in previous reports, annual service charges on account of the obligations expressed in USD amounts to 103,4 mm (Usd 71 mm correspond to interests on the note and the balance to the interests to the inter-company loan). From a perspective of the exchange rate risk, these obligations are totally and naturally covered, as 60% of the company's revenues are expressed in USD. The same is not true for the principal of the debt (Usd 1,120 mm). In order to cover this exchange risk, the company contracted a hedging contacts (swap - forward) amounting to Usd 200 mm expiring in 2017. Rights and obligations derived therefrom are valued monthly and recorded as non-operating revenue or expense, depending on the behavior of

the exchange rate. The company follows the valuation principles defined by the Colombian Superintendence for entities under its surveillance and the methodology was validated by TGI's auditor.

	Debt data				
	2008 Final	2009 Sep	Unit	Rate	Expiry
Net debt (1) / annualized EBITDA (2) OM: < 4,8	3.77	2.83	Times	N/A	N/A
Annualized EBITDA(2) / Interest expenses (3) OM: > 1,7	2.01	1.98	Times	N/A	N/A
Debt structure					
Senior (4)	750	750	MM USD	9.50%	03-Oct-2017
S&P: BB (23-02-09)					
F.R.: BB (01-12-08)					
Subordinated (5)	370	370	MM USD	8.75%	10-Oct-2017

1. According to the indenture of the Notes, the company's net debt only considers TGI's senior debt less the value of cash and temporary investments.
2. Corresponds to the EBITDA generated by TGI in the last 12 months.
3. Corresponds to the accrued interest of financial obligations incurred by TGI in the last 12 months.
4. Is the value of the notes issued by TGI Ltd and guaranteed by TGI.
5. It corresponds to the inter-company debt between TGI and EEB.

Improvement in the leverage indicator is the result of an increase in EBITDA and a reduction in the balance of the debt resulting from the revaluation of the peso.

Interest coverage indicator shows a slight decrease due to an increase in financial expenses during the past twelve months, which grew at a faster pace than EBITDA (14.1% Vs. 12.1%). It is worth remembering that between June 2008 and 1Q 2009, the Colombia peso devaluated to the USD.

	Mm COP 2008 Final	Capex			Mm USD	
		2008 Jan - Sep	2009 Jan - Sep	Var %	2008 Jan - Sep	2009 Jan - Sep
Investments (1)	22,219	12,314	76,179	518.6	5.7	39.6
Maintenance (2)	5,127	2,520	5,640	123.8	1.2	2.9

- (1) Applies to all investments to increase the transport capacity of the company.
- (2) Applies to all investments aimed to maintain in an appropriate state the assets of the company to allow normal operation of the system.

From the total Capex investment, Cop 52,000 mm correspond to investments in the Guajira enhancement project, Cop 14,000 to the construction of the Checua detour and Cop 6.300 million to the supply and mounting of back-up compressor units in Noream and Vasconia stations.

	Mm COP 2008 Final	Balance sheet			Mm USD	
		2008 Sep	2009 Sep	Change %	2008 Sep	2009 Sep
Current assets	389,521	306,321	425,960	39.1	140.9	221.6
Fixed assets	3,149,221	3,175,619	3,181,296	0.2	1,460.3	1,655.2
Total assets	3,541,772	3,481,940	3,607,257	3.6	1,601.2	1,876.8
Current liabilities	80,754	94,060	62,557	(33.5)	43.3	32.5
Long term liabilities	2,577,025	2,447,529	2,295,203	(6.2)	1,125.5	1,194.2
Total liabilities	2,657,779	2,541,589	2,357,760	(7.2)	1,168.8	1,226.7
Shareholder's equity	883,993	940,351	1,249,496	32.9	432.4	650.1

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Current assets grew by 39.1%, mainly due to an increase in accounts payable related to advances required to purchase goods and services for the Guajira enhancement project and payments made by TGI regarding Cusiana, which shall be reimbursed by the trust incorporated to carry out the Cusiana gas pipeline enhancement project.

Current liabilities went down 33.5%, due to a reduction in deferred taxes.

Share holder´s equity growth (32.9%) is due to accrued net profit as of September 2009.

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Annex 1: LEGAL NOTICE

This document contains projections and estimates, using words such as "anticipate", "believe", "expect", "estimate," and others having a similar meaning. Any information different from the historical data included in this submittal, including but without limitation, that relative to the Company's financial situation, its business strategy, plans, and objectives from Management for future operations (including the development of plans and objectives relative to Company products and services), corresponds to projections. Such projections involve known and unknown risks, uncertainties and other important factors that may cause the Company's results, performance or actual achievements to be materially different from the results, performance or future achievements that are expressed or implicit in the projections. Such projections are based on numerous assumptions concerning the Company's present and future business strategies, and the environment in which the Company will operate in the future. These estimates pertain only to the date of this submittal. The Company expressly declares itself to be exempt from any obligation or commitment to distribute updates or reviews of any projection contained in this submittal, so as to reflect any change to the Company's expectations regarding them or any change in the events, conditions or circumstances on which these projections may be based.

Financial projections and other estimates included in this report are made under assumptions and considerations inherent in uncertainties regarding the economic, competitive, regulatory and operating environment of the business, as well as the conditions and risks that are beyond the Company's control. Financial projections are inevitably speculative, and one or several of the assumptions under which such projections and other estimates contained in this report are made, can be expected to be invalid. Furthermore, unexpected events or circumstances may be expected to occur. Actual results may vary from the financial projections and the variations may be materially adverse. Consequently, this report must not be deemed as a registration by the Company or by any other party, which indicates that the financial projections shall be achieved. Potential investors must not rely on projections and estimates herein contained, and neither should they base their investment decisions on them.

The company's past performance cannot be considered a guide for its future performance.

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ANNEX 2: TECHNICAL AND REGULATORY TERMS

- ▶ ANH: Agencia Nacional de Hidrocarburos. Colombian entity in charge of managing and promoting the appropriate use of hydrocarbons.
- ▶ AOM: Administrative, operation and maintenance expenses and costs.
- ▶ Bln or bln: US billion (10⁹)
- ▶ BR: Banco de la República. Colombia's Central Bank; responsible for the country's monetary and exchange policy.
- ▶ BTU: British Thermal Unit.
- ▶ BOMT: Build, Operate, Maintain and Transfer Contract. A contract to develop natural gas pipelines, whereby a third party commits to building, operating, maintaining and transferring the pipeline.
- ▶ COP: Colombian Peso.
- ▶ CFD o Cfd: cubic feet per day.
- ▶ CREG: Comisión de Regulación de Energía y Gas de Colombia. (Colombia's Energy and Gas Regulating Commission). Colombia's state agency in charge of regulating electric power and natural gas residential public utility services.
- ▶ Cuota de Fomento – Development Quota: Refers to resources collected by Ecogas from users to build new natural gas infrastructure projects.
- ▶ DANE: Departamento Administrativo Nacional de Estadística (National Administrative Statistics Department). Agency responsible for planning, collecting, processing, analyzing, and disseminating official statistics in Colombia.
- ▶ DNP: Departamento Nacional de Planeación. National Planning Department. Entity in charge of the country's economic planning.
- ▶ EEB: Empresa de Energía de Bogotá. TGI's major shareholder.
- ▶ GNV: Natural Gas for vehicles.
- ▶ IPC: Colombian Consumer Price Index.
- ▶ INEI: Instituto Nacional de Estadísticas e Informática del Perú. Entity in charge of the macroeconomic statistics in Peru.
- ▶ KM: Kilometers.
- ▶ Mm: million.
- ▶ Minminas: Ministerio de Minas y Energía – Ministry of Mines and Energy. State entity in charge of preparing mining and energy policies for Colombia.
- ▶ MI: US miles.
- ▶ PIB: Producto Interno Bruto – Gross Domestic Product - GDP.
- ▶ Pbs: Basis points; 100 basis points is equal to one percent.
- ▶ SF: Superintendencia Financiera – Financial Superintendence. State entity in charge of regulating, overseeing and controlling the Colombian financial sector.
- ▶ TGI: Transportadora de Gas del Interior.
- ▶ TRM: Market Representative Exchange Rate; it is an average of the transactions carried out in peso-dollar, and it is calculated daily by the SF.
- ▶ R/P: Reserves production ratio. Calculates the duration of reserves given the production level at a given moment.
- ▶ SSPD: Household Public Utility Superintendence. State agency in charge of controlling, inspecting and overseeing household utility companies.
- ▶ UPME: State agency responsible for planning Colombia's mining and energy sectors.
- ▶ USD: US dollars.

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ANNEX 3: NON AUDITED FINANCIAL STATEMENTS

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

BALANCE SHEETS AS OF SEPTEMBER 30, 2008 AND 2009
(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (\$USD))

ASSETS	As of september 30, 2008		As of september 30, 2009	
	Col\$		Col\$	\$USD
CURRENT ASSETS:				
Cash and cash equivalents	178.174		211.773	110.184
Restricted cash	8.748		7.735	4.024
Accounts receivable	84.695		134.132	69.788
Inventories	24.134		27.125	14.113
Prepaid expenses	10.570		45.196	23.515
Total current assets	306.321		425.961	221.624
LONG-TERM ACCOUNTS RECEIVABLE	7.633		8.635	4.493
PROPERTY, PLANT AND EQUIPMENT, NET	953.818		1.023.430	532.482
OTHER ASSETS, NET	2.214.168		2.149.231	1.118.226
Total assets	3.481.940		3.607.257	1.876.825
Memorandum Accounts	1.345.095		4.484.317	2.333.151
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Financial obligations	27.528		23.982	12.478
Accounts payable	48.454		15.588	8.110
Labor obligations	101		23	12
Collections on behalf of third parties	4.653		10.336	5.378
Provisions	13.324		12.628	6.570
Total current liabilities	94.060		62.557	32.547,867
LONG-TERM LIABILITIES:				
Financial obligations	2.435.574		2.152.640	1.120.000
Coverage operations	-		70.940	36.909
Other liabilities	11.955		71.623	37.265
Total long-term liabilities	2.447.529		2.295.203	1.194.174
Total liabilities	2.541.589		2.357.760	1.226.722
SHAREHOLDERS' EQUITY:				
Capital stock	750.000		750.000	390.219
Additional paid-in capital	24.703		24.703	12.853
Reserves	289.990		289.990	150.879
Previous years' losses	-		(180.700)	(94.017)
Accumulated results	(124.342)		365.504	190.169
Total shareholders' equity	940.351		1.249.497	650.102
Total liabilities and shareholders' equity	3.481.940		3.607.257	1.876.825
Memorandum Accounts	1.345.095		4.484.317	2.333.151


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

INCOME STATEMENTS

FOR THE PERIOD FROM JANUARY 01, 2008 TO SEPTEMBER 30, 2008 AND FROM JANUARY 01, 2009 TO SEPTEMBER 30, 2009

(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (\$USD))

	As of september 30, 2008		As of september 30, 2009		
	Col\$		Col\$	\$USD	
OPERATING REVENUES:					
Sales:					
Capacity charges	246.493		294.626	153.291	
Variable charges	49.515		68.519	35.650	
Non-recurring charges	30.765		33.743	17.556	
Other revenues	9.109		10.553	5.491	
	<u>335.882</u>		<u>407.441</u>	<u>211.988</u>	
OPERATING COSTS:					
Operation and maintenance	30.285		57.276	29.800	
Depreciation and amortization	62.531		64.407	33.510	
Other operating costs	15.417		7.470	3.887	
	<u>108.233</u>		<u>129.153</u>	<u>67.197</u>	
Gross Margin	227.649		278.288	144.791	
OPERATING AND ADMINISTRATIVE EXPENSES:					
Personnel and general services	14.567		16.846	8.765	
Provisions, depreciation and amortization	4.232		8.457	4.400	
	<u>18.799</u>		<u>25.303</u>	<u>13.165</u>	
Operating income	208.850		252.985	131.626	
NON-OPERATING INCOME					
Foreing exchange gain	(174.646)		359.109	186.841	
Valuation coverage operating	-		(70.940)	(36.909)	
Other non-operating income	15.809		16.672	8.674	
	<u>(158.837)</u>		<u>304.841</u>	<u>158.606</u>	
NON-OPERATING EXPENSES					
Interest expenses	146.821		175.086	91.096	
Other non-operating expenses	-		2.803	1.458	
	<u>146.821</u>		<u>177.889</u>	<u>92.554</u>	
Income before income tax	(96.808)		379.937	197.678	
INCOME TAX					
	27.534		14.433	7.509	
Net income (loss)	(124.342)		365.504	190.169	


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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 FROM JANUARY 01, 2008 TO SEPTEMBER 30, 2008 AND FROM JANUARY 01, 2009 TO SEPTEMBER 30, 2009

(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (\$USD))

	As of september 30, 2008	As of september 30, 2009	
		Col\$	\$USD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	(124.342)	365.504	190.169
Reconciliation between net income and net cash provided by operating activities:			
Depreciation and amortization	66.420	68.443	35.610
Exchange (gain) loss	184.844	(362.936)	(188.833)
Valuation Coverage operations	-	70.940	36.909
Deferred tax	-	8.685	4.519
Provisions	(342)	6.211	3.232
	<u>126.580</u>	<u>156.847</u>	<u>81.606</u>
Changes in assets and liabilities of operation, net:			
Current Assets			
Restricted cash	994	1.295	674
Accounts receivable	(32.439)	(81.580)	(42.445)
Inventories	8	9.050	4.709
Prepaid expenses	130	(36.709)	(19.099)
Non-Current Assets			
Long-Term Accounts receivable	(782)	295	153
Current liabilities			
Accounts payable	7.072	(44.491)	(23.148)
Labor obligations	(262)	(269)	(140)
Collections in favor of third parties	(540)	2.890	1.503
Provisions	2.199	(7.207)	(3.750)
Long-Term Liabilities			
Provisions	(13.988)	50.604	26.329
Other liabilities	-	-	-
Net cash provided by operating activities	<u>88.972</u>	<u>50.725</u>	<u>26.392</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Permanent investments	-	(20)	(10)
Property, plant and equipment	(4.625)	(78.294)	(40.736)
Other assets	1.630	1.285	668
Net cash used by investing activities	<u>(2.995)</u>	<u>(77.029)</u>	<u>(40.078)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Financial obligations	1.192	(22.659)	(11.789)
Net cash provided by (used in) financing activities	<u>1.192</u>	<u>(22.659)</u>	<u>(11.789)</u>
NET INCREASE IN CASH	Col\$ 87.169	(48.963)	(25.475)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>103.541</u>	<u>260.736</u>	<u>135.659</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	Col\$ 190.710	Col\$ 211.773	SUSD 110.184


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ANNEX 4: COLOMBIAN GAS-PIPELINES



Source: Ecopetrol

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