1. Significant Developments

- In October, Termochilca Power plant turned its interruptible contract into a firm volume contract (45.03MMCFD).
- In November, the industrial client La Pampilla Refinery contracted firm volumes (0.96MMCFD).
- Additionally in November, Enersur power plant increased its firm contract from 102.41 MMCFD to 121.38 MMCFD.
- Calidda has a client base of 255,005 customers, 56% more than the 163,817 customers achieved in 2013.
- The residential segment increase its penetration rate from 50% (2013) to 55%.
- Calidda´s 2014 invoiced volume increased 18% vs. 2013, mostly explained by the full operation of Fénix and Termochilca power plants during 2014.
- Calidda has invested USD 83MM during 2014 developing its distribution system infrastructure, and expanding the network in 1,274 km.
- Calidda achieved the recertification of ISO 9001 and 14001 standards.

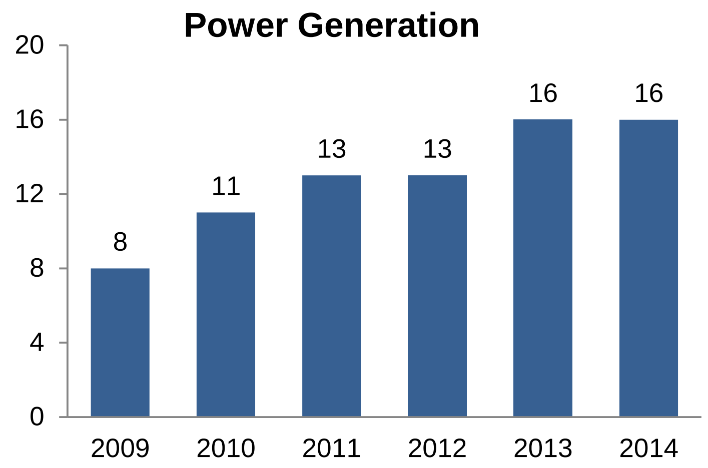
2. Natural Gas Market

In 2014 Peru produced an average of 1,237 MMSCFD, showing an increase of 4.56% compared to the average volume produced in 2013 of 1,183 MMSCFD. However, the average production in the last quarter of 2014 was notably 6% higher than what was produced in the last quarter of 2013.

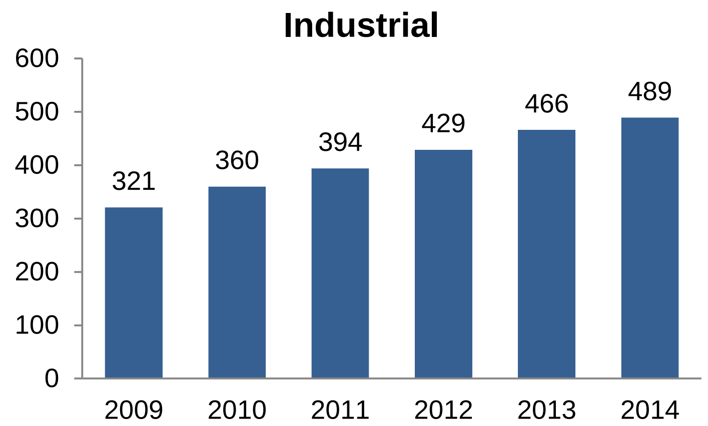
Out of the total production in 2014, on average 45% was exported to foreign markets whereas the remaining 55% was directed to local consumption.

3. Commercial Performance

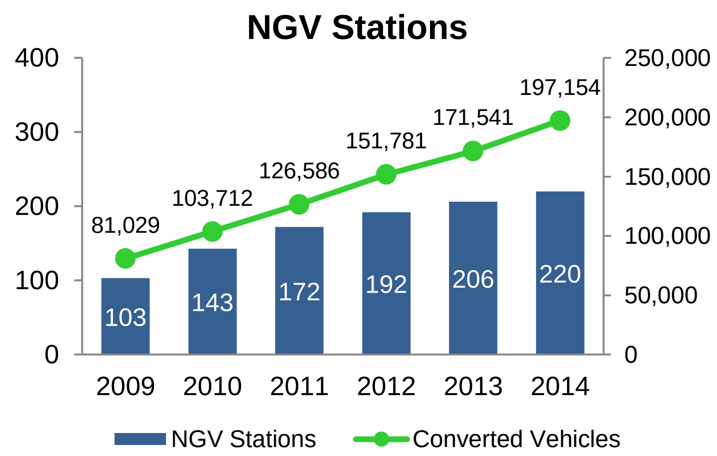
3.1. Client Base



No new power generators where connected in 2014. The Fénix Power and Termochilca thermoelectric plants were connected in the late 2013.

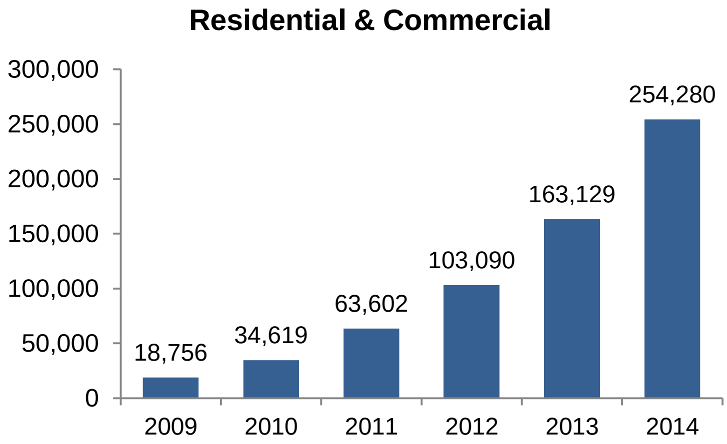


23 new industrial plants were connected during 2014. Cálidda was able to attend the demand for this segment in more than 34 districts.



14 new NGV stations joined Cálidda's distribution system and almost 200,000 converted vehicles are attended in the City of Lima and Callao.

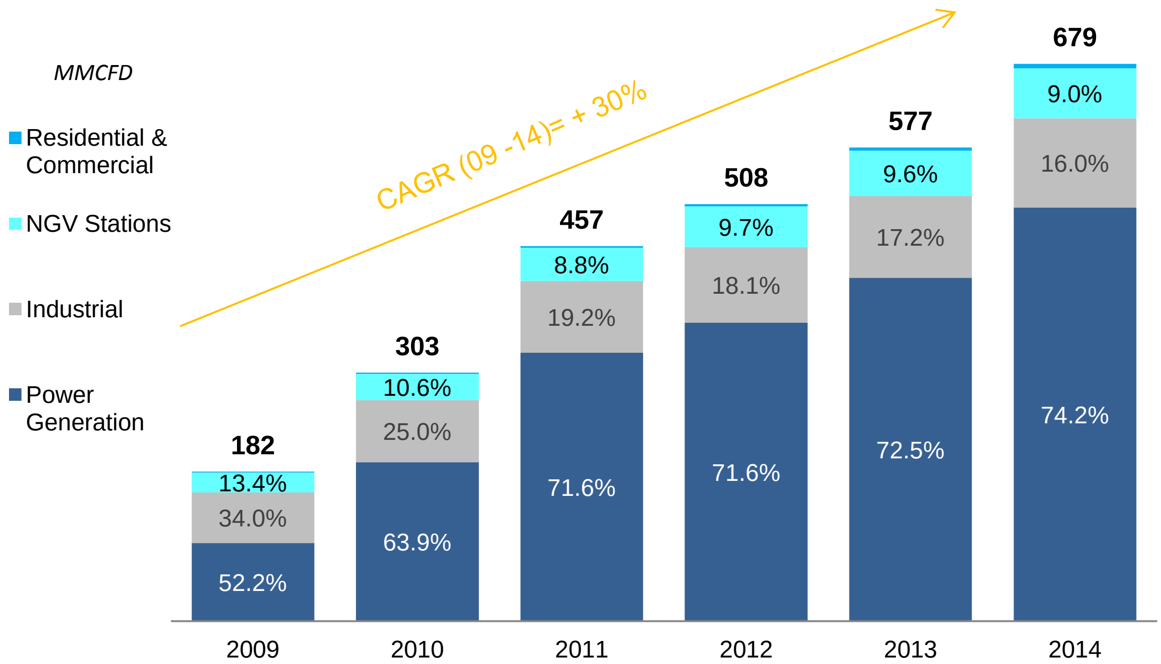
Further consumption in this segment is expected to come from the public transportation system, as public transportation buses are switching from diesel to natural gas.



Cálidda added 91,151 clients to the Residential & Commercial segment. As to residential clients only, 90,062 were connected over such period, and, therefore, a total of 250,752 households are now Cálidda's clients.

3.2. Volume

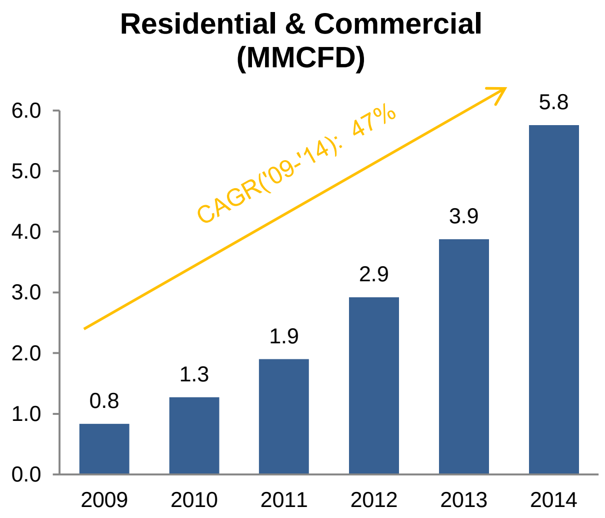
Cálidda has experienced a sustained increase in volume sold over the last few years, as shown in the next chart:

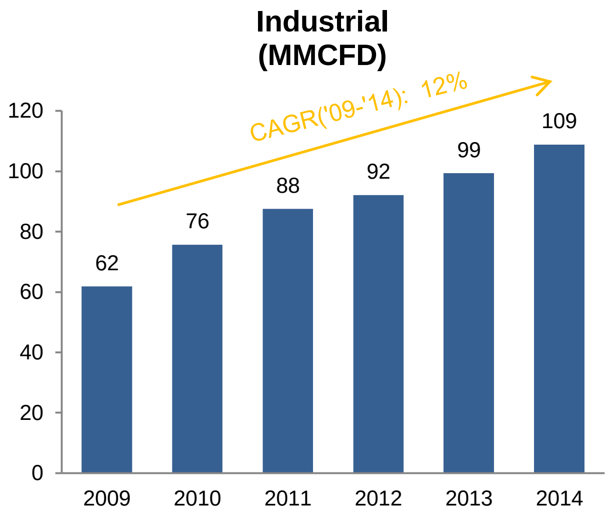


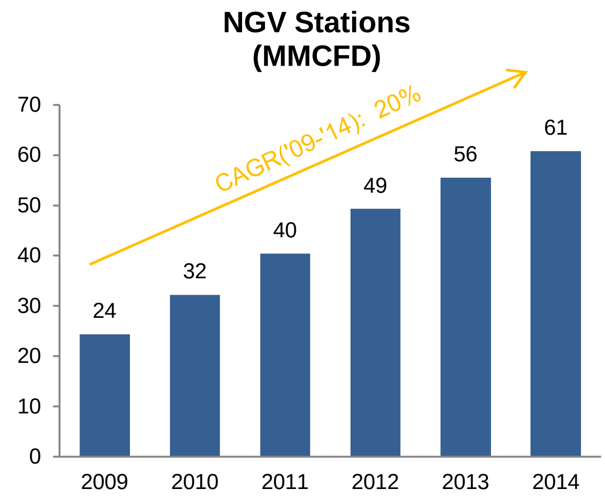
Cálidda now invoices more than 3.7x the volume sold in 2009. As of December, 2014 Take or pay contracts amount 541 MMCFD, 80% of total invoiced volume.

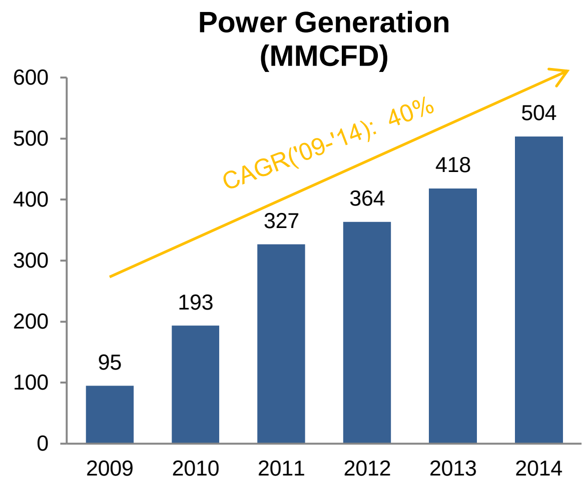
In 2014 the volume sold increase 18% compared to 2013. This increase comes from the power generation segment.

The volume breakdown by client segments is shown in the following charts:









Positive trends were present in all our four client segments for the current year, largely explained by the number of additional customers connected. The Residential & Commercial segment shows the strongest growth rate explained by the successful addition of new customers where Cálidda is already present. Secondly, the Power Generation segment shows also a strong growth rate, explained by the addition of Fénix and Termochilca in 2H 2013, and an additional volume agreed to distribute to Kallpa.

4. Operational Performance

In 2014 Cálidda connect 91,188 customers vs. 60,093 made in 2013.

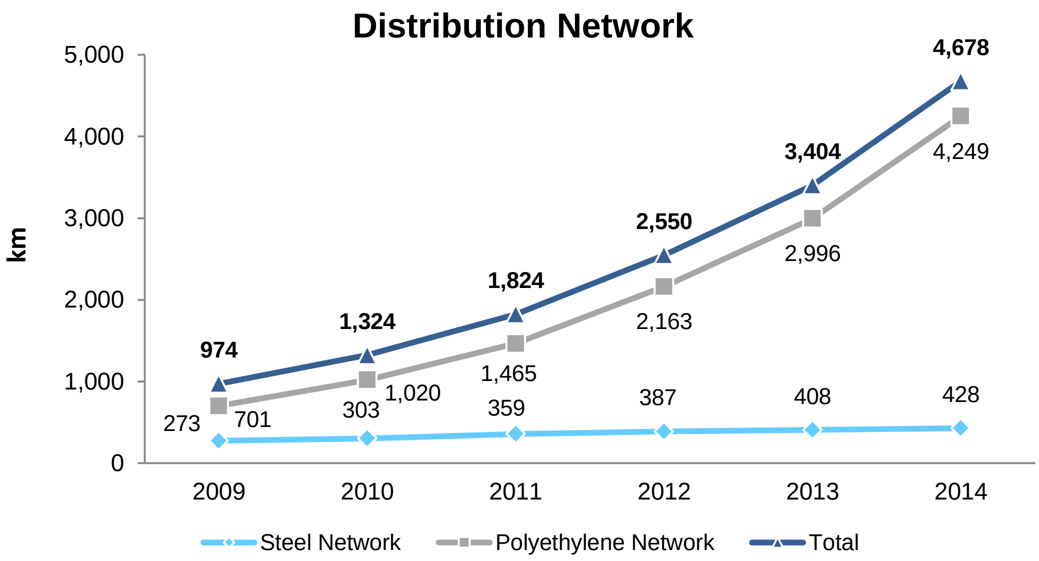
In the Residential segment, Cálidda distributes natural gas to 15 out of the 49 districts from the Metropolitan area of Lima and Callao: Villa El Salvador, Comas, San Juan de Lurigancho, El Agustino, San Miguel, Santiago de Surco, Jesús María, Magdalena, Pueblo Libre, Cercado de Lima, Los Olivos, San Martín de Porres, San Juan de Miraflores, Santa Anita, and Villa María del Triunfo. Likewise, in the Industrial and NGV Stations segments, Cálidda is present in more than 34 districts.

4.1. Distribution Network

In 2014, Cálidda has built 20 km of steel high pressure network and 1,253 km of polyethylene secondary network. Cálidda´s distribution system reached a total of 4,678 km of underground pipelines.

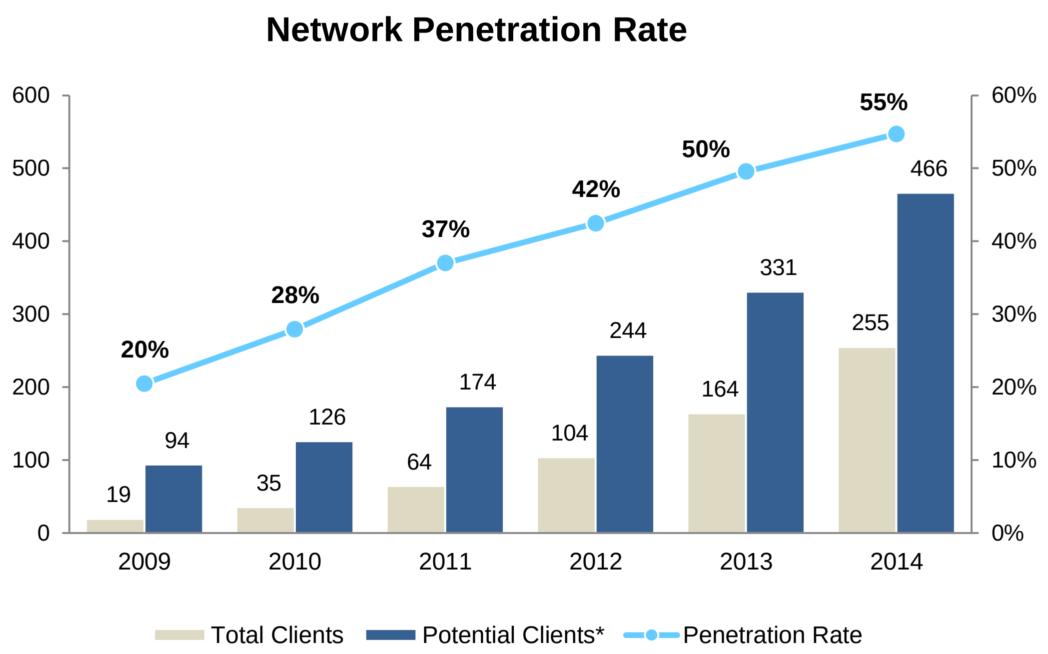
The pace of expansion in polyethylene secondary network (rings) has increased considerably, reaching 135,571 rings in 2014 compared to 86,361 rings in 2013.

The next chart shows the evolution of the length of the distribution system:



4.2. Network Penetration Rate

The network penetration rate is measured as the number of connected clients over the number of potential clients that are located near Cálidda's distribution network. In 2014, Cálidda estimated that there were over 466,000 potential clients (among households and other types of clients) close enough to Cálidda´s distribution network, out of which 255,005 are currently connected. Therefore, the network penetration rate is 55%.



(*) Clients who are adjacent to Cálidda's distribution network.

As can be observed, the network penetration rate has increased over the years due to the fact that Cálidda's commercial strategy is mainly focused on districts characterized by medium and low income families, where the savings produced by the use of natural gas, against alternative fuels, are more appreciated, and, therefore, with a higher acceptance of the service provided.

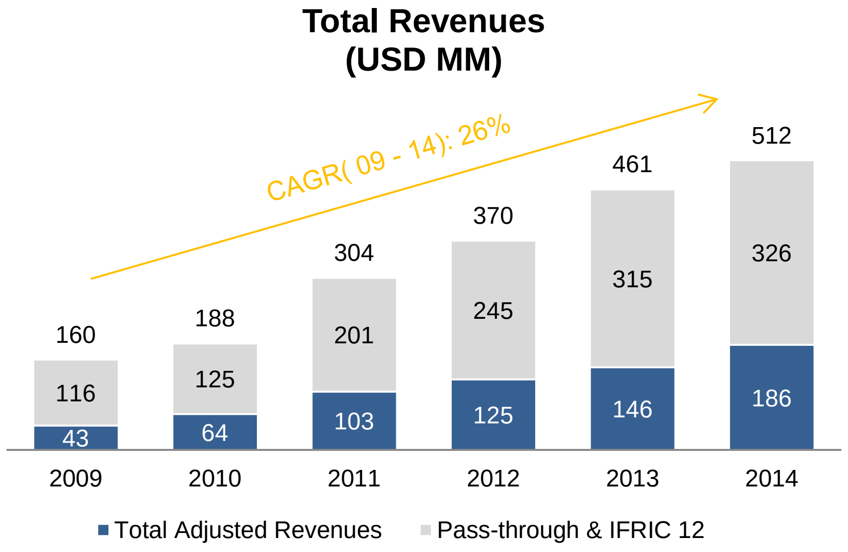
5. Financial Performance

5.1. Revenues

Cálidda's revenues are comprised of five items, namely:

- i) Distribution revenues, containing sales of distribution of natural gas;
- ii) Installation services, represented mainly by the construction of the network of natural gas within households (these revenues include connection fees and financial income derived from funding clients' installations);
- iii) Pass-through revenues, which are derived from gas supply and gas transportation services (which also represent cost of sales, without a margin);
- iv) IFRIC 12, which represents an accounting standard to book concession investments, and
- v) Other revenues, comprising maintenance and other non-recurrent services.

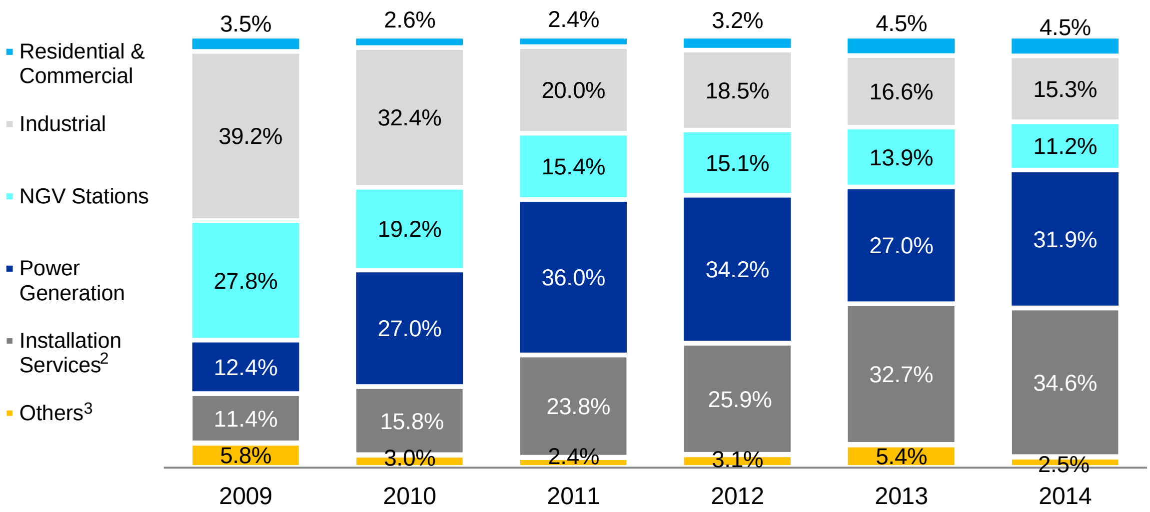
Total revenues for 2014 were USD 512 MM (including pass-through and IFRIC 12 revenues), corresponding to a 11% growth vs. 2013, explained mainly by a much larger customer base and related installation services, and secondly by the addition of power generation customers in 2H 2013.



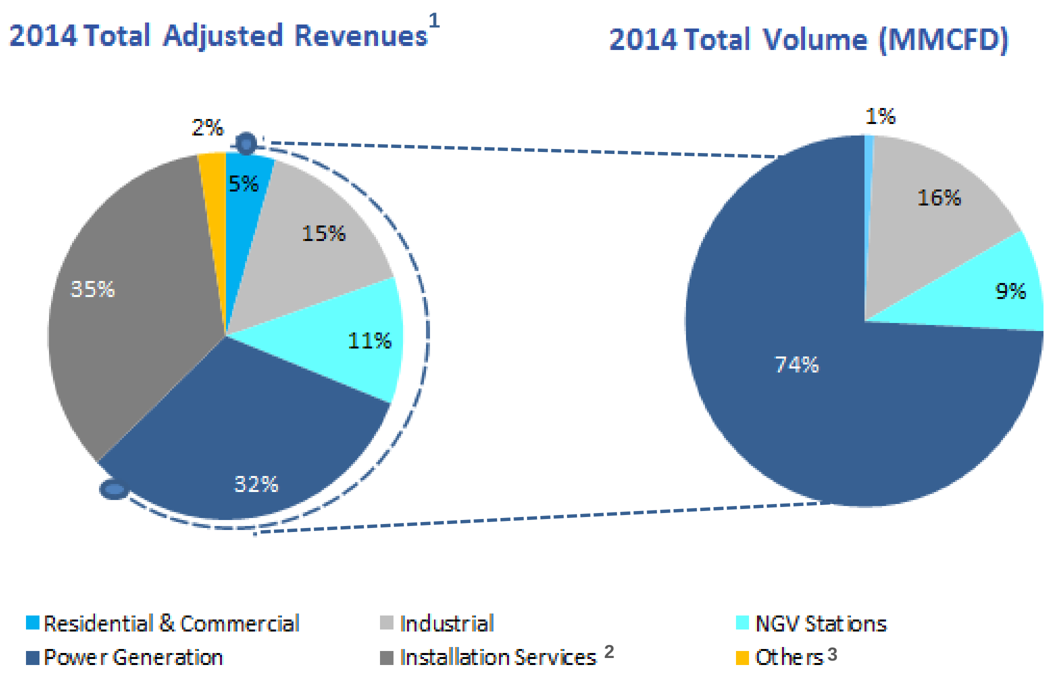
In 2014, Total Adjusted Revenues increased by 27% from USD 146 MM to USD 186 MM, driven primarily by distribution revenues that increased by 29%, from USD 91 MM to USD 117 MM, and by installation services that increased by 34% YoY, from USD 48 MM to USD 64 MM.

On the other hand, the following chart shows Cálidda's Total Adjusted Revenues by segment (excluding pass-through and IFRIC 12 revenues):

Revenues* Composition by Client Segment



(*) Excluding pass-through and IFRIC 12 revenues.



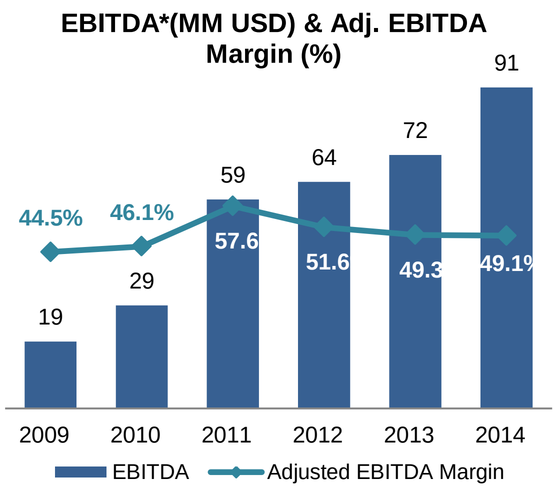
1) *Total Adjusted Revenues exclude Pass-through and IFRIC 12 revenues.*
2) *Installation Services include revenues from connection fees and financing.*
3) *Others: mainly derived from network relocation and other non recurrent services.*

In 2014, the Total Adjusted Revenues are represented by 63% from distribution revenues and 37% from installation services revenues and other revenues.

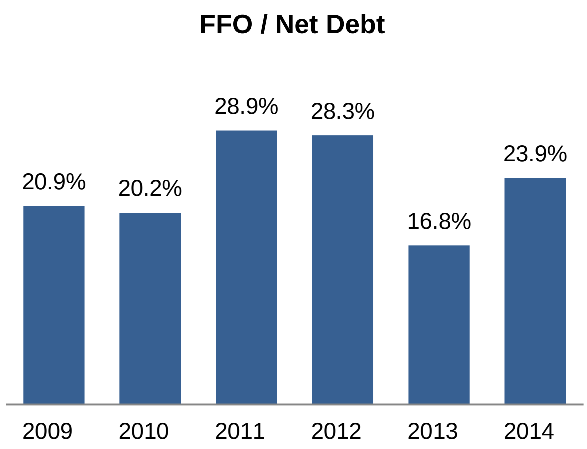
Furthermore, over 67% of our Total Adjusted Revenues are not dependable on demand volatility as firm contracts revenues account for 32% (mainly from power generation customers), and installation services revenues account for 35%.

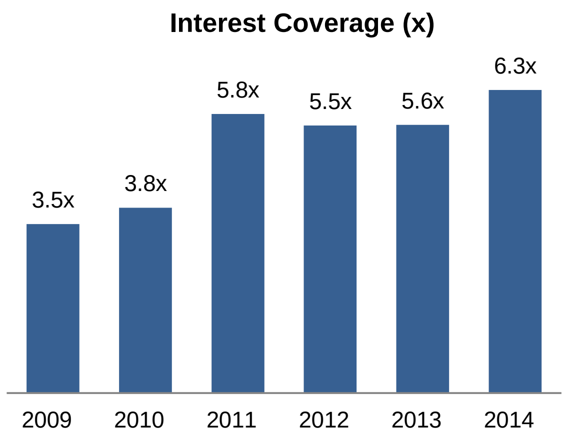
5.2. Financial Ratios

The operational profit in 2014 amounts to USD 70 MM, an increase of 32% from the USD 53 MM as of 2013. Likewise, the EBITDA as of 2014 amounts to USD 91 MM, which represents an increase of over 26% from the USD 72 MM EBITDA as of 2013.

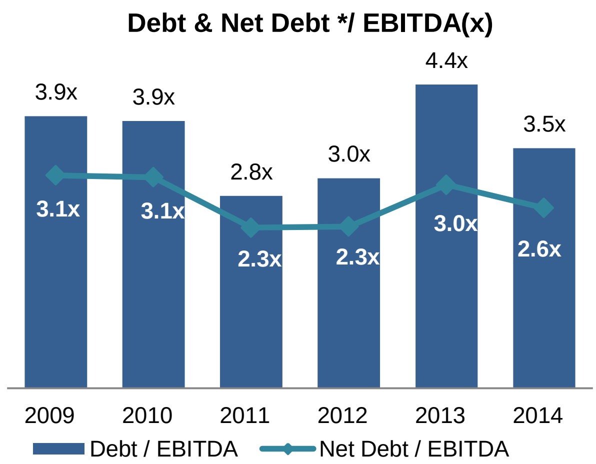


(*) Last Twelve Months.





(*) Ratio does not include 2013's debt prepayment penalties (USD 7.8 MM).



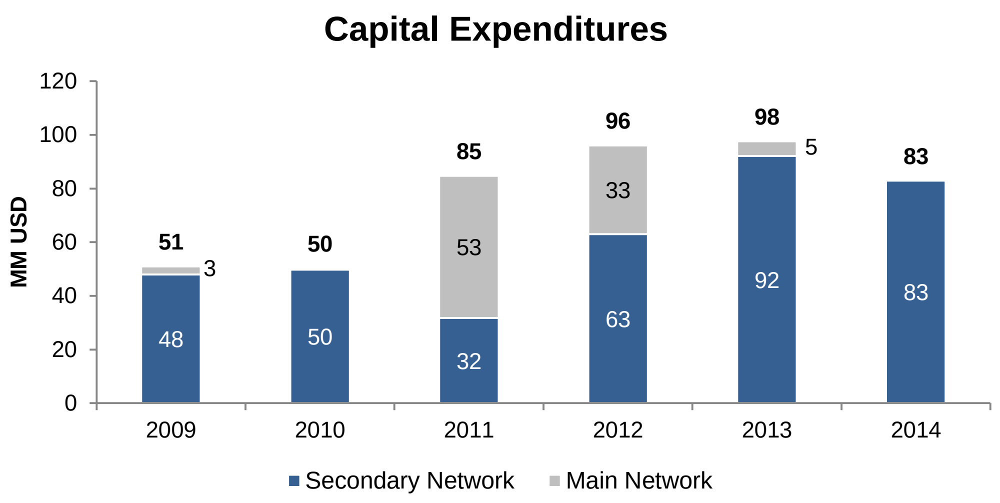
(*) Net Debt = Debt net of Cash Balance

Cálidda's 2014 EBITDA is higher than 2013's due to (i) higher volume invoiced mainly to 3 power generation plants (Fénix, Termochilca and Kallpa) and also volume sold in more profitable segments such as Residential & Commercial, Industrial and NGV Stations, (ii) higher revenues from households internal installations services, (iii) larger volume demand due to a larger client base, and lastly (iv) increase in the distribution tariff since May.

The Debt/EBITDA ratio reflects the USD 320 MM bonds issuance and the prepayment of total financial debt done in Q2 2013, including the shareholders subordinated and other senior debts.

5.3. Capital Expenditures

In 2014 Cálidda invested USD 83 MM in the expansion of its distribution network, mainly in the construction of polyethylene network in order to connect household customers.



OSINERGMIN resolution establishes an investment plan (capex) of US$ 428 MM for the period 2014 – 2017.

6. Annexes

6.1. Disclaimer

The information provided here is for informational and illustrative purposes only and is not, and does not seek to be, a source of legal or financial advice on any subject. This information does not constitute an offer of any sort and is subject to change without notice.

Cálidda and its Shareholders expressly disclaim any responsibility for actions taken or not taken based on this information. Neither Cálidda nor its Shareholders accept any responsibility for losses that might result from the execution of the proposals or recommendations herein presented. Neither Cálidda nor its Shareholders are responsible for any content that may originate with third parties. Cálidda or its Shareholders may have provided, or might provide in the future, information that is inconsistent with the information herein presented.

6.2. Definitions

Adjusted EBITDA

Our adjusted EBITDA, or Adjusted EBITDA, consists of our net profit for such period, plus (i) income tax expense, (ii) minus financial income, plus (iii) the sum of (a) financial expenses, and (b) amortization and depreciation included in each of general and administrative expenses, selling expenses and cost of sales, in each case, for such period. Our management considers that Adjusted EBITDA is a meaningful measure for understanding operating and financial performance. Adjusted EBITDA is not a presentation made in accordance with IFRS. Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, as indicative of the cash available to us to make payments under or as substitute for analysis of our results as reported under IFRS. For example, Adjusted EBITDA does not reflect (a) cash expenditures, or future requirements of capital expenditures or contractual commitments; and (b) changes in, or cash requirements for, working capital needs. In addition, because other companies may calculate adjusted EBITDA differently than we do, Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Application of IFRIC 12

Given that IFRIC 12 refers to service concession arrangements, as holder of the BOOT Concession Agreements, Cálidda must analyze its application to the Financial Statements. Based on the fact that the services to be provided by Cálidda are set forth by the MEM, who also determines the tariff rates, and that the assets comprising the Cálidda's natural gas distribution system shall be returned to such entity upon termination of the concession, management considers that IFRIC 12 applies to the Financial Statements. Under IFRIC 12, management considers that Cálidda's assets comprising the natural gas distribution system and used for natural gas distribution should be recorded as an intangible asset.

MMCFD

Million Standard Cubic Feet Per Day.

OSINERGMIN

The Peruvian Organismo Supervisor de la Inversión en Energía y Mineria.