Bogotá D.C., April 2009

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CLARIFICATIONS

- For information purposes, we have converted some of the figures in this report to their equivalent in USD, using the TRM for the end of the period as published by the Colombian Financial Superintendency. The exchange rates used are as follows:
  - 2007: 2,014.76 COP/USD;
  - 2008: 2,243.59 COP/USD.
- In the figures submitted, a comma (,) is used to separate thousands and a point (.) to separate decimals.
- TGI´s 2007 results reflect the company's operation between March 3rd and December 31st of such year. Therefore, and only for comparison purposes, TGI's 2007 financial results were annualized dividing the figures by 304 (days elapsed between March 3rd and December 31st) and multiplying the result by 365 (number of days in one year).
- 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.

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RELEVANT INFORMATION

- The Colombian economy will face in 2009 the challenge of mitigating the negative impact resulting from lower internal consumption, exports and investments. The country is currently implementing anti-cyclic measures to counteract the abovementioned and the Government foresees growth figures within a range of 0.5% y 1.5%.
- The expansion of TGI´s main pipelines (Guajira and Cusiana) will be undertaken with investments amounting to around USD 450 mm. Investments in the Guajira pipeline are around Usd 150 mm and will be financed with TGI´s cash flow. They will increase transport capacity by 70 mmcfd (to 260 mmcfd) and should be ready for operation during the first

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half of 2010. On the other hand, the Cusiana investment will be financed with local loans granted to EEB that will be used to finance a trust-type financial vehicle to which TGI will contribute with its construction contracts. The project should be ready by the end of 2010 and should enhance capacity by 180 mmcfd (to 390 mmcfd).

- TGI has been implementing a strategy to cover the exchange rate risk to which the principal of its foreign debt is exposed. Last January, it contracted forwards and swaps for an amount of Usd 200 mm, which grants the company the right to purchase foreign currency in 2017 at a predefined rate. TGI´s goal is to improve such coverage.
- On March 7th, Transcogas Peru signed the concession contract with the Peruvian Government for the construction of the ICA gas distribution network. Transcogas Peru is a joint EEB and TGI company in which the former holds majority stocks (75%). Distribution capacity may reach 240 mmcfd, most of which would be directed to the pretrochemical, industrial and fishing sectors. Investment could amount to Usd 250 mm, 30% of which will be equity and the remaining 70% would be financed through local Peruvian banks and multilateral loan entities. Construction is expected to last around 30 months (it is expected to start in 2010) and commercial negotiations should be finalized this year with the subscription of supply and transport contracts.
- Fitch and Standard & Poors maintained TGI's rating of BB, changing its outlook from stable to negative. S&P pointed out that the change reflects the impact of the devaluation of the peso in the leverage indicator (Debt/Ebitda). The report also highlights the company's sound cash flow standing, its revenue stability, its natural hedge with respect to the devaluation of the peso and the favorable regulatory environment in which the company operates.
- It is expected that by the first half of 2009, CREG updates the remuneration methodology for the natural gas transport activity for the next tariff period (5 years). We expect that such update may include signs for investments aimed at improving the system's reliability. At the end of last year, CREG issued for comments resolution 157, where it proposes an increase in the cost of capital and it establishes that the investment related to the transport activity will continue to be paid in Usd.

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MACROECONOMIC INFORMATION

Selected economic indicators

Population	44 Mm
Area	1.1 Mm K^2
2008 GDP in USD bln (e)	202.4
2008 per capita GDP in USD (e)	4,650
2008 GDP growth (%)	2.5
2008 change in consumer price index (%)	7.67
Sovereign debt rating (local currency)	BBB+ (S&P) / BBB- (Fitch)
Sovereign debt rating (foreign currency)	BB+ (S&P) / BB+ (Fitch)
TGI rating	BB (S&P)/ BB (Fitch)

Sources: Dane; Banco de la República.
e: estimated

Evolution of selected economic indicators

	2004	2005	2006	2007	2008	2009 (p)
GDP growth	4.87	4.72	6.80	7.50	2.50	0.5 / 1.5
Change in consumer price index	5.50	4.85	4.48	5.69	7.67	4.5 / 5.5
Direct Foreign Investment (USD mm)	3,015	3,540	3,951	7,870	10,564	7,000
TRM (USD/COP) (1)	2,412	2,282	2,238	2,015	2,244	2,473

Sources: Banco de la República; DANE; Anif, Bloomberg survey
(e) Estimate
(e) Expected
(1) Year end.

At the end of March, a series of entities revised downwards their expectations regarding world economic output for this year. The information reveals the extent of the deterioration of the economic environment in developed countries and their impact on emerging ones. The reality is demythifying some of the paradigms built over passing months. Today, it is difficult to defend the fact that growth in China and India will offset the downturn of the developed world and that emerging markets are immunized against the crisis. What we are seeing is a crisis of global dimensions. It also seems clear that 2009 will not be the recovery year and that the role of governments, specifically those from the developed world, will be significant, not only in overcoming the crisis itself, but also in defining new "rules of the game" to avoid a situation like the current one from reoccurring.

However, the impact will not be the same everywhere. Growth projections for 2009 published by The Economist last March, reveal significant differences at regional level and per country. Among the largest countries, Japan will be the most affected, with a contraction two times greater than the European Union; China and India will show the greatest growth in 2009, but at rates well below those expected a few months back; Asian countries, which economies were mostly supported by international trade, will show severe contractions, and Latin America will experience a relatively less severe impact. But even in this region, differences between countries are significant. Chile and Peru can readily implement anti-cyclic policies

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and will have a stable outlook; Brazil has a very large internal market that may help it offset the reduction in exports, and Mexico, due to its closeness with the US, will greatly depend on what happens next door.

In despite of the fact that the Government revised downwards its growth projections for2009, and that the economy contracted during 4Q of 2008, the outlook for Colombia is relatively optimistic and the country may be classified among those in the region with the greatest strengths to overcome the crisis.

Regarding the country's external environment, exports, foreign direct investment and remittances are expected to decrease, and the cost of external financing is expected to increase. Nevertheless, the country has most of its external financing needs cared for and devaluation would compensate the decrease in exports and the reduction of remittances. Internally, a decrease in internal consumption and private investment is expected, compensated by an increase in public spending and an expansive monetary policy that should begin to reactivate the economy, when confidence is regained. Let us look at these subjects, analyzing first our external environment.

When facing a restricted financial market environment, the government took the lead to guarantee financing needs by placing a global bond for an amount of Usd 1.000 mm at the beginning of this year. It also negotiated loans amounting to Usd 2,400 mm and contingent loans for an amount close to Usd 6,500 mm.

Furthermore, foreign direct investment (FDI) will probably be lower than 2008 Usd 10 bln figure. However, the flows during the first two months of 2009 (close to 1.1 bln) were well above those of the same period in 2007. Most of the FDI in Colombia, is destined to the mining and hydrocarbons sector and execution of these projects is subject to contractual obligations. In addition, the oil price seems to have stabilized at a level greater than usd 40 per barrel; and this price is still attractive to undertake several projects in this sector. An increase in the flows of foreign investment portfolio may also be expected, in part due to the release on restrictions placed on these type of investments, but most importantly, due to the differentials in interest rates in a scenario where reference rates of the world's most important countries are at zero, or tend to come close to zero. According to ANIF (a Colombian "think tank"), foreign investment in Colombia will reach Usd 7 bln in 2009, 30% less than in 2008

Now, Colombian exports will drop in 2009. Explained mainly by lower international prices of basic commodities (mainly oil and coal), the worsening of the economic conditions of our main trading partners (USA, Venezuela and Ecuador) and trading restrictions imposed by the latter countries to exports of some Colombian products. The impact of the decreased exports should be moderate as their weigh is relatively low in the economy (around 20% of GDP) and because the devaluation of the peso may partially offset the reduction in prices and external demand.

These previsions allow the Central Bank not to consider feasible a massive devaluation of the peso in 2009, and this perception is shared by other entities (according to a survey conducted by Bloomberg to eleven financial institutions and published last March, the estimated average devaluation for 2009 is 15%). This in turn, will help a more expansive monetary policy, as the plunge of international prices in some imported goods may be easily reflected in local inflation.

Locally, internal demand decreased since the beginning of 2008 and, together with the decrease in exports, explains the industrial slow down that the country began to experience during the second half of 2008. This behavior was affected greatly by a decrease of consumption in homes and public spending, as private investment continued growing at high rates. Home consumption has been decreasing before the aggravation of the crisis last September as a result of the restrictive monetary policy and the slowdown of public spending reflects a seasonal situation due mainly to the first year in power of new local governments.

Despite of the foregoing, there are evidences that may support demand during this year: (i) the room to implement and expansive monetary policy, (ii) soundness of the financial sector; and (iii) the possibility of increasing public spending.

Between the years 2006 and 2008, the central bank put in place a restrictive monetary policy, increasing its interest rates and demanding greater reserves for bank deposits. The intervention rate reached 10% in November 2008 and as of then, it has been lowered by 300 bp to 7%. We are just beginning to observe lower interest rates in loans and this trend is expected to continue throughout 2009. In addition, inflation is behaving in a more favorable manner and this would open the doors for further reductions. The inflation target for this year is 5% (ranging between 4.5% and 5.5%) and BR feels confident that it will meet this target. Market expectations endorse its optimism; March's survey conducted by BR to 40 financial entities regarding inflation expectations for this year, rendered a mean slightly under 5%.

The Colombian financial sector enjoys a relatively sound position to face this international crisis and the internal slow down. BR reacted quite in advance to halt growth in loans by increasing the cost of money as of 2006. Additional measures were taken by the BR and the Financial Superintendency (SF) to increase provisions for bad loans (which value today exceed the total amount of loans past due by 4%) and to avoid the liquidity risk on foreign currency operations. The solvency ratio was at the end of March was 14% (5 percentage points above Basel recommendations). It is also worth noting that capital in the financial sector will be strengthening this year. According to information from SF, loan lending institutions obtained profits in 2008 amounting to Cop 4,862 bln (around Usd 2 bln) and practically half of these proceeds will be capitalized.

In addition, Colombian companies have found in the local capital market a good alternative to finance their needs. In 2008, corporate bonds were issued amounting to around Cop 6,000 bln (approx Usd 2.6 bln) and for this year the figure already amounts to Cop 3,000 bln (approx Usd 1.6 bln). Excess cash of lending institutions and pension funds is playing an important role in the foregoing behavior, in addition to operation made by the Government to change to change the structure of its Cop debt denominated debt. At the beginning of this year, the Government changed local notes with maturities between 2009 and 2011, for maturities between 2012 and 2019, reducing financing need for this year by Cop 2.4 bln.

Even though Colombian fiscal management ability is tight, the Government has put in place measures to increase public investment, particularly in the fields of infrastructure and social investment. According to the latest financial plan (January 2009), the Government will increase its fiscal deficit and will postpone expenses in order to increase by 31% investments in infrastructure (specifically in roads, housing and drinking water). Local governments are also expected to increase investments; as mentioned above, they postponed expenditures during 2008 and today enjoy fiscal surplus. It seems the problem is not related to finance but rather to execution, and therefore the Government is focusing on expediting the decision making process.

In March, the Government also announced a series of measures aimed at increasing housing demand in lower income groups. The strategy encompasses greater subsidies for the down payment and subsidies on monthly payments, together with a substantial reduction with respect to the time frames required to obtain construction licenses. It is estimated that the financial cost can be reduced by 25%. The construction sector has significant weigh in the Colombian economy, it is labor intensive and has an important multiplying effect on other sectors of the economy.

Therefore, there are objective elements to visualize the country's performance with moderate optimism for 2009. It has enough room to relax monetary policy, the financial system is sound, the internal market can support financing for the private sector and the government's expenditure strategy could have an important role as an anti-cyclic tool. The markets seem to have acknowledged that the Colombian situation is relatively sound. As of the deepening of the crisis last September, the Colombian peso devaluated at a lesser level compare to the currencies of Brazil and Mexico, the stock exchange market is one of the less affected in the region, and the same is true with respect to the ratio differential of Colombian debt to US debt.

Finally, it is worth addressing briefly the Peruvian economy where the EEB group has interests. The Peruvian GDP showed the best performance in Latin America during 2008, growing around 10%. Performance for 2009 is not expected to be as good, but even though, the most recent estimates are around 3% for this year, an outstanding performance within the current context.

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MARKET INFORMATION

Natural Gas Reserves and perspectives

	Total NG reserves TPC	R/P Natural Gas years (1)	R/P Oil years (2)
2004	7.2	32.1	7.7
2005	7.5	31.8	7.6
2006	7.3	29.6	7.8
2007	7.1	26.6	7.0
2008	N.A	N.A	N.A

Source: ANH
N.A: Not available
(1) Results from dividing total reserves by current gas production. It estimates the duration of reserves given the production level at a certain point in time.
(2) Results from dividing total reserves by current oil production. It estimates the duration of reserves given the production level at a certain point in time.

2008 was an exceptionally good year for exploration of hydrocarbons in Colombia. In total, 96 A3 wells (wildcats) were drilled, which meant an increase of 37% in drilling activity when compared to 2007. Seismic activity also increased with the acquisition of more than 16,000 km (almost 50% more than the previous year).

Furthermore, most of the blocks with greater gas potential in Colombia (those awarded in the "Ronda Caribe" at the end of 2007) are still in their initial drilling stages and thus, determining the existence of reserves in these areas would still require a few years. There is also a favorable expectation regarding the gas associated to a coal mine. The company operating the mine announced reserves amounting 2.3 TPC.

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Natural gas demand per sector - Mmcfd

	Refineries	Petrochemical	Industrial	Residential-Commercial	Vehicle	Thermal	Exports	Total	Change %
2004	85.2	11	161.2	137.3	22.9	178.4		**595.9**	**5.15**
2005	82.4	10.7	170.4	143.5	30.3	192.4		**629.7**	**5.67**
2006	90.9	12.7	209.1	152.1	49.8	181.8		**696.4**	**10.59**
2007	98,0	13.1	226.1	162.8	74.2	157.2		**731.1**	**4.98**
2008	91.2	12.1	240.3	166.2	78.1	134.7	147.2	**869.8**	**18.97**

Source: UPME.

During the last decade, natural gas became much more important for Colombia as an energy source. As a result of the “Natural Gas Massification Plan”, a Government policy under implementation in Colombia since the beginning of the 90’s, gas went from representing 6% of the country’s primary energy supply to 16%.

In 2008, natural gas demand grew 18%. When excluding exports to Venezuela, one may observe a reduction of around 1%, which is explained by a reduced consumption of gas in the thermal sector. Most of Colombia’s power generation is hydro and its production costs are lower than thermal generation. Given the above, during rainy years, like 2008, thermal generation drops.

A study conducted in last November by Naturgas and UPME, concludes that natural gas demand will grow 3% per year in average, for the next 12 years. When reviewing the figures of the study by regions, practically all growth will be explained by demand in the interior regions of Colombia, which translates into significant opportunities and challenges for TGI. In the following paragraphs we analyze the recent evolution and projections for the demand of natural gas.

Between January and June of 2008, nearly 26,000 vehicles were converted to natural gas, amounting to a total of 262,000 vehicles operating in the country with this fuel. Demand in this market segment increased close to 6% and it is expected that this upward trend will continue in the future given the fact that Colombia has decided to eliminate subsidies to liquid fuels (gasoline and diesel) and at present has freeze liquid fuel prices despite the downturn in international quotes. According to a study conducted by Naturgas and UPME, demand in this segment will grow at annual rates of 9% until the year 2020, where 600,000 vehicles will have been converted to natural gas in Colombia.

Regarding household demand, last year 300,000 new users were connected, for a total of 4.7 million households in the country with access to this fuel. Household demand in Colombia has been growing at steady and moderate rates (an average of 5% annually during the past four years). The aforementioned study estimates that demand in this sector will grow around 3.4%, and by the year 2020 7 million users will be using natural gas.

Thermal demand dropped around 14% in 2008. As mentioned, in Colombia during the rainy season, hydro generation increases affecting thermal generation. Demand in this sector is highly volatile and its future will depend on the results obtained at the auctions of "reliability charges" (a scheme designed to enhance generation capacity where hydro and thermal projects compete) and on the future hydrological conditions.

Last year, the gas industrial demand grew 6% when compared to 2007. This represents a significant change, especially if the slowdown of industrial activity during the second half of the year is taken into account. Naturgas and UPME foresee, in a very conservative scenario, that demand in this sector may grow by 2.2% during the next 12 years.

With respect to exports to Venezuela, the commitment consists on supplying 150 mmcfd in 2009 and 2010, and 100 mmcfd in 2011. As of that year, Colombia would import 150 mmcfd even though the by national gasduct has a 500 mmcfd capacity, which ensures local supply.

To summarize, natural gas growth potential is paramount, particularly inland and Colombia faces the challenge of guarantying that the necessary investments to enhance production and transportation capacity are undertaken in a timely manner.

Natural gas production in Mmcfd

	Guajira	Cusiana	Others	Total
2004	457.8	78.4	71.6	**607.8**
2005	457.8	119.6	72.5	**651.0**
2006	440.2	189.2	85.3	**714.7**
2007	457.8	219.6	66.6	**744.1**
2008 (1)	574.5	216.7	85.3	**876.5**

Source: UPME

The most important challenge for Colombia is to ensure gas supply. The most significant investments undertaken in the country to meet this objective relate to increasing production in the Guajira and Cusiana fields, and the enhancement of TGI's transport infrastructure. According to the study conducted by Naturgas and UPME regarding (base case scenario), the execution of these projects and the import of gas from Venezuela will ensure reliable supply of this fuel in the next decade, without the need of new discoveries.

TGI hopes to increase the Guajira's pipeline capacity by 70 mmcfd, to reach 260 mmcfd during 1Q 2010. The investment thereof amounts to US$ 150 million that will be financed with TGI's own resources. The expansion will be exclusively made by increasing gas pressure in the pipelines, through new compression stations and by increasing compression capacity in existing stations. Today, there are four (4) compression stations along 580 km, consisting of the Ballena – Barrancabermeja section. With this expansion Project, there will be a total of seven (7) stations.

Economic feasibility of the project is guaranteed, as the company has already signed contracts with 15 clients amongst which we find distributors, generators, refineries and industrial customers. The transport contracts signed will cover the entire new capacity which the company plans to build and their enforcement is subject to the completion of enhancement works underway.

Cusiana's capacity is expected to increase by 180 mmcfd, reaching 390 mmcfd before the end of 2010. The Project will be undertaken in two stages: the first stage is expected to be completed before the end of 1Q 2010 and will increase capacity by 70 mmcfd; the second stage should be concluded by the end of 2010 and bring to the system additional capacity of 110 mmpcd. The company hopes that by May it will have completed contracting this new capacity.

Cusiana's total investment amounts to around US$ 300 mm, which will be financed through local loans to EEB loan, TGI's parent company.

Finally, works are underway in the ICO project (Interconnection Center - West) in Venezuela. They will complete the construction of 3 compressor stations that will enable the transport of gas to Paraguaná. This project is important because is part of the system that will enable Colombia to import gas from Venezuela.

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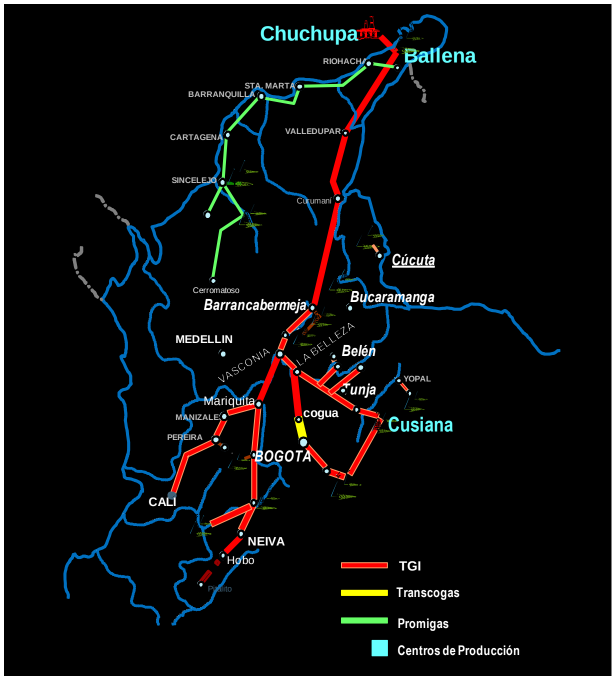
OPERATIONAL PERFORMANCE



Selected operational data

	2007 (1)	2008	Unit	Change %
Total capacity (2)	443	443	Mmcfd	0
Transported volume (3)	369	370	Mmcfd	0,3
Firmed contracted capacity(4)	390	427	Mmcfd	9,5
Load factor (5)	65,6	66,1	%	0,8
Availability (6)	99,4	99,3	%	(0,1)
Losses (7)	0,75	0,08	%	(89.3)
Gas pipeline length	3.702	3.702	Km	0
Gas pipeline length	2.314	2.314	Mll	0

(1) EEB assumed control over Ecogas assets, rights, and contracts on March 3rd 2007. Only to make comparisons easier, TGI's 2007 results were annualized by dividing the results by 304 (the days between March 3rd 2007 and December 31st 2007) and multiplying the result by 365 (total days of the year).
(2) Nominal transporting capacity at the end of a period.
(3) Average volume transported in a certain period.
(4) Contracts by which TGI is obliged to keep a certain transporting capacity available to the costumer.
(5) Ratio between the nominated volume by costumers and the transporting capacity.
(6) Real gas transporting capacity in a certain period in relation with the nominal capacity.
(7) 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.

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The transported volume has remained stable despite the significant increase in contracted capacity. In 2008, transported volume in the TGI system was affected due to the following: (i) a reduction in thermal generation as a result of high rain levels, (ii) maintenance performed by ECOPETROL in the Barrancabermeja refinery (the largest refinery in the country) which lasted approximately one month and, (iii) maintenance works carried out by BP, Cusiana's field operator, in its natural gas processing plants, which lasted about 15 days.

Also, contracted capacity grew 9.5% as a result of new firm contracts signed by the company and also the capacity increase in contracts in force.

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COMMERCIAL PERFORMANCE

Volume by transporter – mmcfd

	2007 (1)	Share %	2008	Share %	Change %
TGI	369	50,5	370	51,2	0,3
Promigas	308	42,1	286	39,6	(7,1)
Others	54	7,4	66	9,1	22,2
Total	731	100,0	722	100,0	(1,2)

(1) EEB assumed control over Ecogas assets, rights, and contracts on March 3rd 2007. Only to make comparisons easier, TGI's 2007 results were annualized by dividing the results by 304 (the days between March 3rd 2007 and December 31st 2007) and multiplying the result by 365 (total days of the year).

In 2008, TGI increased its market share to 51.2% of the total natural gas transported in the country. TGI services the most dynamic market, which also has the greatest growth potential in the country. As shown in the study conducted by Naturgas and UPME, most of the growth during the next 12 yeas will be concentrated in the markets serviced by TGI and the company will be in charge of carrying out the most ambitious transport enhancement works that will be undertaken in the country in the coming years.

Contractual structure

	2007			2008		
Type of contract	**No**	**Volume Mmcfd**	**Average remaining life (years)**	**No**	**Volume Mmcfd**	**Average remaining life (years)**
Firm (1)	59	390	5.6	85	427	5.7
Interruptible (2)	1	8.0	3.6	3	8.2	2.1
Others (3)	1		0.3	1		0.17

(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.

Almost all additional capacity contracted by TGI during 2008 corresponds to firm contracts. This increase in firm contracting is explained by the action conducted to assign capacity in the

Guajira gasduct for 2011 and 2012 and because of the new contracts signed as part of the Guajira capacity enhancement. The auction process is a mechanism regulated by Creg, and it is applied when the transporter receives requests that exceed its transport capacity. This mechanism gives assignment priority to clients that maximize the present value of in-firm contracting.

In average, 73.3% of the remuneration of in firm contracts corresponds to fixed charges which generated revenue irrespective of the transported volume.

In 2008 two uninterruptible contracts were entered into within the framework of the new policy developed by the company for this purpose.

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FINANCIAL PERFORMANCE

Income structure – COP mm

	2007 (1)	Share %	2008	Share %
Revenues	423,151	100.0	471,419	100.0
By currency				
Sales linked to USD (2)	257,370	60.8	280,715	59.5
Sales not linked to USD (2)	165,780	39.2	190,704	40.5
By type of charge				
Capacity charges (3)	306,084	72.3	345,527	73.3
Variable charges (4)	65,330	15.4	72,075	15.3
Non-recurring charges (5)	44,729	10.6	41,253	8.8
Other (6)	7,008	1.7	12,564	2.7

(1) EEB assumed control over Ecogas assets, rights, and contracts on March 3rd 2007. Only to make comparisons easier, TGI's 2007 results were annualized by dividing the results by 304 (the days between March 3rd 2007 and December 31st 2007) and multiplying the result by 365 (total days of the year).
(2) 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).
(3) 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.
(4) 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.
(5) 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.
(6) Additional services provided by the company, such as new connections or odorization.

Revenues indexed to the USD maintained their share within total revenue by around 60%. Colombian regulation establishes that part of the rate that remunerates the investment must be indexed to the Us dollar. This enables TGI to have a natural protection, which in practice covers all USD denominated financial expenses with respect to variations in the exchange rate.

The weight of capacity charges within total revenues was also steady at around 73%. Capacity charges allow the company to maintain a steady flow of revenues irrespective of the transported volume.

Selected financial data

	Mm COP		Change		Mm USD	
	2007 (1)	2008	COP	%	2007	2008
Revenues	423,151	471,419	48,268	11.4	210,026	210,118
Operating income	250,382	294,903	44,522	17.8	124,274	131,443
Operating margin (%)	59.8	62.6	N.A.	5.7	59.2	62.6
EBITDA (2)	341,973	385,037	43,065	12.6	169,734	171,617
EBITDA Margin (%)	80.8	81.7	N.A.	1.1	80.8	81.7
Net Income	348,179	(180,700)	(528,879)	(151.90)	172,814	(80,541)

(1) EEB assumed control over Ecogas assets, rights, and contracts on March 3rd 2007. Only to make comparisons easier, TGI's 2007 results were annualized by dividing the results by 304 (the days between March 3rd 2007 and December 31st 2007) and multiplying the result by 365 (total days of the year).
(2) It is the Operating income plus amortizations, depreciations and provisions.

EBITDA Breakdown

	Mm COP		Change		Mm USD	
	2007 (1)	2008	COP	%	2007	2008
Operating income	**250.382**	**294.903**	**44.522**	**17,8%**	**124,274**	**131,443**
+ Depreciation, amortization and provisions	91.591	90.134	(1.457)	(1,6%)	45.460	40.174
= EBITDA	**341.973**	**385.037**	**43.065**	**12.6%**	**169,734**	**171,617**

(1) EEB assumed control over Ecogas assets, rights, and contracts on March 3rd 2007. Only to make comparisons easier, TGI's 2007 results were annualized by dividing the results by 304 (the days between March 3rd 2007 and December 31st 2007) and multiplying the result by 365 (total days of the year).

The increase in firm contracts (around 10% in 2008) impacted the company's EBIDTA significantly. The foregoing indicator grew last year above 12%. Company's net profit is negative, mainly due to an accounting effect related to the impact of the devaluation of the COP in the USD denominated debt.

Operating results

	Mm COP		Change		Mm USD	
	2007 (1)	2008	COP	%	2007	2008
(+) Operating revenues	**423,151**	**471,419**	**48,268**	**11.4**	**210,026**	**210,118**
Revenue	423,151	471,419	48,268	11.4	210,026	210,118
Capacity charges (2)	306,084	345,527	39,444	12.9	151,921	154,006
Variable charges (3)	65,330	72,075	6,745	10.3	32,426	32,125
Non-recurring charges (4)	44,729	41,253	(3,476)	(7.8)	22,201	18,387
Others (5)	7,008	12,564	5,555	79.3	3,478	5,600
(-) Operating costs	**141,816**	**149,285**	**7,470**	**5.3**	**70,388**	**66,539**

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Operation and maintenance	59,854	65,809	5,955	9.9	29,708	29,332
Depreciation and amortization	81,962	83,476	1,515	1.8	40,681	37,207
(=) Gross margin	**281,336**	**322,134**	**40,798**	**14.5**	**139,637**	**143,580**
(-) Operating and administrative expenses	**30,954**	**27,230**	**(3,724)**	**(12.0)**	**15,364**	**12,137**
Personnel and general services	25,089	20,573	(4,516)	(18.0)	12,453	9,170
Provisions, depreciation and amortization	5,865	6,657	792	13.5	2,911	2,967
(=) Operating income	**250,382**	**294,903**	**44,522**	**17.8**	**124,274**	**131,443**

(1) EEB assumed control over Ecogas assets, rights, and contracts on March 3rd 2007. Only to make comparisons easier, TGI's 2007 results were annualized by dividing the results by 304 (the days between March 3rd 2007 and December 31st 2007) and multiplying the result by 365 (total days of the year).
(2) Capacity 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, for example, it is necessary to meet firm contracts.
(5) Additional services provided by the company, such as new connections or odorization.

Increase in operating revenues is explained, mainly, by the increase in capacity charges. As mentioned above, contracted volume under this modality in 2008, grew by almost 10%. In addition, variable charges grew less in comparison with capacity charges because the transported volume in 2008 was similar to its preceding year. The foregoing is explained by the reduced demand in thermal generation (thermo production fell by 14% last year) and the maintenance works conducted in the Barrancabermeja refinery and in the processing natural gas plant in Cusiana.

TGI offered new services as deviations and occasional transport. Acceptance of these new services is reflected by the significant increase shown in the 2008 item "others". Deviation services consist on a client being able to receive or deliver gas in other sites different to those established in its contract. Occasional services are the transport of volume exceeding contracted capacity.

Increase in operation and maintenance costs (9.9%) is the result of pending maintenance works from the previous year undertaken by TGI in 2008. This maintenance works were relate to pipeline integrity, right of way maintenance and repairs of infrastructure. Furthermore, this line item registered a municipality tax (Industry and Trade) that was accounted for in Operating and Administrative expenses before 2008. The value of the said tax last year amounted to Cop 4,266 mm.

The reduction in administrative and operating expenses (12%) in 2008 is explained by extraordinary payments made during 2007 in relation to the company's bond issuance and the classification of the municipality tax, as mentioned in the above paragraph.

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Non operating results

	Mm COP		Change		Mm USD	
	2007 (1)	2008	COP	%	2007	2008
(+) Operating income	**250,382**	**294,903**	**44,521**	**17.8**	**124,274**	**131,443**
(+) Non operating income	**330,780**	**(233,658)**	**(564,438)**	**(170.6)**	**164,178**	**(104,145)**
(-) Non operating expenses	**207,249**	**205,368**	**(1,881)**	**(0.9)**	**102,865**	**91,535**
(=) Income before income tax	**373,913**	**(144,122)**	**(518,035)**	**(138.5)**	**185,587**	**(64,237)**
(-) Income tax	25,734	36.577	10,844	42.1	12,773	16,303
(=) Net income	**348,178**	**(180.700)**	**(528,879)**	**(151.9)**	**172,814**	**(80,541)**

(1) EEB assumed control over Ecogas assets, rights, and contracts on March 3rd 2007. Only to make comparisons easier, TGI's 2007 results were annualized by dividing the results by 304 (the days between March 3rd 2007 and December 31st 2007) and multiplying the result by 365 (total days of the year).

The devaluation of the Cop in 2008 (11.36%) had a negative impact on the valuation of the USD denominated debt in COP. This was reflected in the negative balance of the non-operational income account. The company's total indebtedness is USD denominated, and therefore its balance fluctuates according to the variation of that currency, which may result in negative or positive accounting records, according to the behavior of the exchange rate of the Cop. This also explains why the company's net income was negative last year. This is only an accounting effect and thus not way jeopardizes the company's cash generation capability.

The company's debt service is registered mainly in the non operational expenses. The value of this account has been relatively stable between 2007 and 2008 due to the commissions paid upon in the first year related to the bond issuance in the international capital markets.

Debt data

	2007	2008	Unit	Rate	Expiry
Total debt (1) / annualized EBITDA (2) OM: < 4,8	4.09	3.77	Times	N/A	N/A
Annualized EBITDA (3) / interest expenses (3) OM: > 1,7	2.01	2.01	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.

TGI made progress in the implementation of its coverage strategy. It is worth remembering that for TGI devaluation does not imply a risk with respect to its debt interest payment capability, given that the tariff regulation allows the company to have a significant part of its revenues linked to the Usd. In fact, TGI revenues linked to the Usd cover more the 100% of the USD denominated debt services. In order for this hedge to be effective, TGI has the policy of purchasing dollars every month until accumulating a value equivalent to the next coupon of the bonds and the interest payment of the inter-company loan.

As part of the hedge strategy, in the beginning of 2009 the company contracted "forwards" and "swaps" to hedge the payment of the principal of its notes against variations in the exchange rate. The company was able to hedge an equivalent of Usd 200 mm which grants the company the right to purchase foreign currency in 2017 at a predefined rate. TGI´s goal is to improve such coverage.

Capex

Mm COP		Change		Mm USD	
2007	2008	COP	%	2007	2008
6,077	27,346	21,269	350	3.0	12.2

Investments carried out in 2008 were aimed at improving reliability in the transport system. In this regard, new compression units were installed in Norean and Hato Nuevo stations, which are part of the Ballena – Barranca pipeline, and in Vasconia, which is the compression station where the pipeline coming from Ballena (Guajira) meets with pipeline coming from Cusiana. These are back-up units that allow TGI to provide the service in the event of maintenance in existing units.

Also, in the La Belleza – Vasconia pipeline, a new variant was constructed to provide a definite solution to a geotechnical instability problem.

Finally, the first installments of the Guajira and Cusiana gasduct expansion projects were paid.

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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 (10^9)
- 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.
- 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.
- Ml: 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: FINANCIAL STATEMENTS

TRANSPORTADORA DE GAS DEL INTERIOR S.A. E.S.P. - TGI S.A. E.S.P. AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2007 AND 2008
(Expressed in millions of Colombian pesos (Col$) and thousands of U.S. dollars (U.S.$) - see Note 1)

		As of December 31,					
ASSETS	**Note**	**2007**		**2008**			
CURRENT ASSETS:							
Cash and cash equivalents	2	Col$	103.541	Col$	260.737	U.S.$	116.214
Restricted cash			7.997		9.029		4.024
Accounts receivable	3		41.904		53.522		23.856
Inventories			23.937		36.175		16.124
Prepaid expenses	6		28.841		30.058		13.397
Total current assets			206.220		389.521		173.615
Permanent investments	4		-		3.030		1.351
Long-term accounts receivable	3		6.645		8.931		3.981
Property, plant and equipment, net	5		964.229		963.065		429.252
Other assets, net	6		2.244.694		2.177.225		970.420
Total assets		Col$	3.421.788	Col$	3.541.772	U.S.$	1.578.619
MEMORANDUM ACCOUNTS	15	Col$	1.518.849	Col$	1.684.995	U.S.$	751.026
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES:							
Financial obligations	7	Col$	45.759	Col$	49.876	U.S.$	22.230
Accounts payable	8		12.319		10.727		4.781
Labor obligations			369		292		130
Collections on behalf of third parties	11		7.389		7.447		3.319
Provisions	12		726		12.412		5.532
Total current liabilities			66.562		80.754		35.992
LONG-TERM LIABILITIES:							
Financial obligations	7		2.256.531		2.512.821		1.120.000
Provisions	12		606		2.030		905
Other liabilities	13		33.396		62.174		27.712
			2.290.533		2.577.025		1.148.617
Total liabilities			2.357.095		2.657.779		1.184.609
SHAREHOLDERS' EQUITY:	14						
Capital stock			750.000		750.000		334.286
Additional paid-in capital			24.703		24.703		11.010
Reserves			-		289.990		129.253
Accumulated results			289.990		(180.700)		(80.541)
Total shareholders' equity			1.064.693		883.993		394.008
Total liabilities and shareholders' equity		Col$	3.421.788	Col$	3.541.772	U.S.$	1.578.617
MEMORANDUM ACCOUNTS	15	Col$	1.518.849	Col$	1.684.995	U.S.$	751.026

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TRANSPORTADORA DE GAS DEL INTERIOR S.A. E.S.P. - TGI S.A. E.S.P. AND ITS SUBSIDIARY

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD FROM FEBRUARY 16, 2007 (DATE OF INCORPORATION) TO DECEMBER 31, 2007 AND FOR THE YEAR ENDED DECEMBER 31 2008
(Expressed in millions of Colombian pesos (Col$) and thousands of U.S. dollars (U.S.$) - see Note 1)

	Note	For the 318-day period ended December 31, 2007		As of December 31, 2008			
OPERATING REVENUES:							
Sales:							
Capacity charges		Col$	254.930	Col$	344.559	U.S.$	153.575
Variable charges			54.412		72.075		32.125
Non-recurring charges			37.254		41.253		18.387
Other revenues			5.837		13.532		6.031
			352.433		471.419		210.118
OPERATING COSTS:							
Operation and maintenance	16		(49.851)		(65.809)		(29.332)
Depreciation and amortization			(68.264)		(83.476)		(37.206)
			(118.115)		(149.285)		(66.538)
Gross Margin			234.318		322.134		143.580
OPERATING AND ADMINISTRATIVE EXPENSES:	17						
Personnel and general services			(20.892)		(20.572)		(9.169)
Provisions, depreciation and amortization			(4.889)		(6.658)		(2.968)
			(25.781)		(27.230)		(12.137)
Operating income			208.537		294.904		131.443
Non-operating income	18		275.499		22.415		9.991
Non-operating expenses	19		(172.613)		(461.442)		(205.671)
Income before income tax			311.423		(144.123)		(64.237)
Income tax	10		(21.433)		(36.577)		(16.303)
Net income		Col$	289.990	Col$	(180.700)	U.S.$	(80.540)

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TRANSPORTADORA DE GAS DEL INTERIOR S.A. E.S.P. - TGI S.A. E.S.P. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM FEBRUARY 16, 2007 (DATE OF INCORPORATION) TO DECEMBER 31, 2007 AND FOR THE YEAR ENDED DECEMBER 31 2008
(Expressed in millions of Colombian pesos (Col$) and thousands of U.S. dollars (U.S.$) - see Note 1)

	For the 318-day period ended December 31, 2007		As of December 31, 2008			
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income	Col$	289.990	Col$	(180.700)	U.S.$	(80.541)
Reconciliation between net income and net cash provided by operating activities:						
Depreciation and amortization		75.875		92.948		41.428
Exchange gain		(268.618)		256.074		114.136
Deferred tax		21.433		26.897		11.988
Provisions		606		(1.424)		(635)
		119.286		193.795		86.376
Changes in assets and liabilities of operation, net:						
Accounts receivable		(49.235)		(5.901)		(2.630)
Inventories		(23.937)		(12.238)		(5.455)
Prepaid expenses		(50.149)		(5.455)		(2.431)
Accounts payable		12.630		(2.810)		(1.252)
Labor obligations		369		(77)		(34)
Provisions		726		13.110		5.843
Collections in favor of third parties		7.389		58		26
Other liabilities		12.041		3.305		1.473
Net cash provided by operating activities		29.120		183.787		81.916
CASH FLOWS FROM INVESTING ACTIVITIES:						
Restricted cash		(7.997)		(1.032)		(460)
Increase in permanent investments		-		(3.082)		(1.374)
Increase in property, plant and equipment		(983.469)		(22.443)		(10.003)
Increase (decrease) in other assets		(2.279.134)		2.366		1.055
Net cash used by investing activities		(3.270.600)		(24.191)		(10.782)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Decrease (increase) in financial obligations		2.570.318		(2.400)		(1.070)
Capital contribution		774.703		-		-
Net cash provided by (used in) financing activities		3.345.021		(2.400)		(1.070)
NET INCREASE IN CASH		103.541		157.196		70.064
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		-		103.541		46.150
CASH AND CASH EQUIVALENTS AT END OF PERIOD	Col$	103.541	Col$	260.737	U.S.$	116.214

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