

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



ASSETS	As of September 30, 2015		As of September 30, 2016		
CURRENT ASSETS:					
Cash and cash equivalents	\$USD	120,935,433	\$USD	166,668,840	Col\$ 479,997,925,334
Restricted cash		-		-	-
Accounts receivable		310,940,805		158,878,125	457,561,056,180
Inventories		9,989,675		9,548,823	27,500,132,626
Other assets, net		9,462,054		7,483,028	21,550,732,684
Total current assets		451,327,967		342,578,811	986,609,847,834
LONG-TERM ASSETS:					
Long-term accounts receivable		8,229,070		9,999,397	28,797,763,390
Investments in controlled entities		19,115,883		17,409,230	50,137,711,939
Property, plant and equipment, net		2,287,733,628		2,232,760,448	6,430,238,452,189
Other assets, net		176,408,427		173,218,952	498,856,160,912
Deferred tax		74,130,224		56,928,650	163,951,665,558
Total not current assets		2,567,617,232		2,490,314,677	7,171,981,753,997
Total assets	\$USD	3,018,945,199	\$USD	2,832,893,488	Col\$ 8,158,591,601,831
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable to related parties and affiliates		8,232,565		8,203,734	23,626,344,664
Accounts payable		25,645,595		35,227,671	101,453,930,060
Current provisions for employee benefits		2,862,552		3,178,353	9,153,497,089
Current tax liabilities		8,696,738		117,308,726	337,843,264,809
Provisions		9,301,961		6,968,253	20,068,219,939
Total current liabilities		54,639,411		170,886,736	492,145,256,380
LONG-TERM LIABILITIES:					
Accounts payable to related parties and affiliates		370,000,000		370,000,000	1,085,581,600,000
Bonds issued		747,543,366		747,868,966	2,153,825,228,257
Hedging		108,411,460		109,011,622	313,949,021,556
Other financial obligations		7,844,416		183,175,353	556,335,359,255
Provisions		40,032,565		36,217,326	104,304,087,150
Deferred tax		454,084,731		460,276,195	1,325,672,428,021
Total long-term liabilities		1,727,916,538		1,916,549,462	5,519,566,624,239
Total liabilities		1,782,555,949		2,087,436,199	6,011,711,880,619
SHAREHOLDERS' EQUITY:					
Total shareholders' equity		1,236,389,250		745,457,289	2,146,879,721,212
Total liabilities and shareholders' equity	\$USD	3,018,945,199	\$USD	2,832,893,488	Col\$ 8,158,591,601,831

(*) TGI adopted International Financial Reporting Standards - IFRS to comply the rules defined by the Superintendency of Public Services in Colombia. The date of the first comparative financial statements under IFRS is December 31, 2015. The intermediate monthly financial statements for that year (2015) were preliminary and non-audited.



INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (*) - IFRS
FOR THE PERIOD JANUARY 1st TO SEPTEMBER 30th, 2016 AND FROM JANUARY 1st TO SEPTEMBER 30th, 2015
 (Expressed in U.S. dollars (\$USD) and Colombian pesos (COL\$))

	As of September 30, 2015		As of September 30, 2016		
OPERATING REVENUES:					
Sales:	\$USD	327,185,545	\$USD	332,308,365	COL\$ 1,009,763,423,538
Gas transportation service		327,185,545		332,308,365	1,009,763,423,538
OPERATING COSTS:					
Operation and maintenance		39,939,141		38,378,102	115,019,162,155
Depreciation		54,449,012		57,669,876	176,636,488,002
Amortization		4,048,759		3,748,244	8,143,196,592
		<u>98,436,912</u>		<u>99,796,222</u>	<u>299,798,846,749</u>
Gross Margin		228,748,633		232,512,143	709,964,576,789
OPERATING AND ADMINISTRATIVE EXPENSES:					
Personnel and general services		19,445,742		17,066,899	51,780,096,935
Provisions		(99,185)		(139,388)	(497,047,974)
Depreciation		342,818		332,635	1,018,824,905
Amortization		1,768,110		1,771,821	3,980,624,232
		<u>21,457,485</u>		<u>19,031,966</u>	<u>56,282,498,098</u>
OTHER INCOME		348,248		138,404	420,367,917
OTHER EXPENSES		<u>1,244,173</u>		<u>1,068</u>	<u>3,317,687</u>
Operating income		206,395,223		213,617,513	654,099,128,920
Financial income		8,923,134		9,228,117	50,431,323,153
Interest expenses		53,765,976		59,041,355	177,689,707,835
Valuation coverage operating (net)		(3,613,324)		(2,922,283)	(6,950,630,459)
Foreign exchange gain (net)		(49,308,844)		12,656,716	38,766,129,635
Other financial expenses		1,367,980		2,172,223	11,743,671,784
Income before income tax		<u>107,262,232</u>		<u>171,366,486</u>	<u>544,912,571,630</u>
INCOME TAX		<u>95,578,823</u>		<u>108,688,075</u>	<u>313,014,910,057</u>
Net income (loss)	\$USD	11,683,409	\$USD	62,678,411	Col\$ 231,897,661,573
OTHER COMPREHENSIVE INCOME					
These Items will be reclassified to Income in future					
Participation in other comprehensive income of subsidiaries		-		-	2,644,546,875
Differences by conversion to presentation currency		-		-	443,235,550,504
OTHER COMPREHENSIVE INCOME		<u>-</u>		<u>-</u>	<u>445,880,097,379</u>
TOTAL OTHER COMPREHENSIVE INCOME		<u>11,683,409</u>		<u>62,678,411</u>	<u>(213,982,435,806)</u>

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STATEMENTS OF CASH FLOWS (*)

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

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

	As of September 30, 2015	As of September 30, 2016	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	11,683,409	62,678,411	231,897,661,573
Reconciliation between net income and net cash provided by operating activities:			
Depreciation and amortization	60,229,988	63,522,578	189,779,133,732
Exchange (gain) loss	15,985,461	41,714,878	(1,579,251,348,387)
Hedging operations	2,029,160	2,799,975	(12,786,941,356)
Employee benefits	131,113	254,874	620,985,889
Amortized cost assets	(435,304)	(418,028)	(948,427,984)
Amortized cost liabilities	336,221	356,590	445,816,870
dismantlement	0	2,021,221	3,804,968,225
Deferred tax	90,818,681	566,528	1,802,596,740
Equity method	0	2,312,706	7,188,516,893
Net gain from sales of property, plant and equipment	0	0	0
Impairment assets (accounts receivable, inventories)	(24,976)	415,694	1,212,113,926
Recovery provision	0	0	0
Provisions	(74,209)	(555,082)	(1,708,161,800)
	<u>180,649,343</u>	<u>178,704,142</u>	<u>(1,158,943,095,021)</u>
Changes in assets and liabilities of operation, net:			
Current Assets			
Accounts receivable	(254,486,573)	36,382,708	120,281,227,358
Inventories	389,911	302,207	999,096,838
Other assets	49,995,392	79,032,693	261,281,720,158
Other non-financial assets	(5,160,406)	(2,693,767)	(8,905,561,964)
Non-Current Assets			
Long-Term Accounts receivable	2,426,513	183,941,329	608,110,033,277
Other assets	(344,683)	(789,628)	(2,540,788,612)
Current liabilities			
Accounts payable	19,550,759	348,149,884	1,144,371,362,328
Labor obligations	(112,521)	884	2,922,934
Collections in favor of third parties	1,727,493	(374,577)	(1,238,350,339)
Revenue received in advance	3,928,194	7,532,987	24,803,988,472
Estimated liabilities	2,352,567	288,122,813	952,534,020,807
Other liabilities	(10,687,500)	(10,866,749)	(35,928,472,667)
Long-Term Liabilities			
Accounts payable	0	0	0
Provisions	(1,871,235)	3,531,917	11,016,317,900
	<u>(17,642,864)</u>	<u>1,106,797,762</u>	<u>1,915,946,411,019</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investments in controlled entities	(684)	(2,588,106)	(8,490,154,204)
Property, plant and equipment	(19,600,667)	(7,569,808)	(24,993,054,724)
Other assets	0	0	0
	<u>(19,601,351)</u>	<u>(10,128,012)</u>	<u>(33,483,208,928)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Pay dividends	0	0	0
Capital additional	0	0	0
Financial obligations	(95,162)	175,755,008	581,046,057,076
	<u>(95,162)</u>	<u>175,755,008</u>	<u>581,046,057,076</u>
Foreign exchange difference	(35,117,304)	(1,151,343,239)	(2,130,236,701,285)
NET INCREASE IN CASH	(72,456,871)	120,081,619	333,272,667,882
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>193,392,103</u>	<u>46,887,321</u>	<u>146,725,368,453</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>120,935,233</u>	<u>166,968,940</u>	<u>479,997,926,334</u>

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