

# TGP ACQUISITION UPDATE

January 2014



# Disclaimer

This presentation contains statements that are forward-looking within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are only predictions and are not guarantees of future performance. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential exposure of TGI, its consolidated subsidiaries and related companies to market risks and statements expressing management' expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Although TGI believes that the expectations and assumptions reflected in such forward-looking statements are reasonable based on information currently available to TGI's management, such expectations and assumptions are necessarily speculative and subject to substantial uncertainty, and as a result, TGI cannot guarantee future results or events. TGI does not undertake any obligation to update any forward-looking statement or other information to reflect events or circumstances occurring after the date of this presentation or to reflect the occurrence of unanticipated events.

# Table of contents

---

1. Transaction Description
2. TGI Update
3. Rating Agencies



# 1. TRANSACTION DESCRIPTION



# Background and current situation

- TGI's vision is to become “the number one independent natural gas transportation company in Latin America by 2024”
- Consistent with this objective, TGI has been looking for growth opportunities outside Colombia, with Perú being a natural market to expand
- Over the past 12 months, several of the shareholders in Transportadora de Gas del Perú (“TGP”) have expressed their willingness to sell their stakes in the company
- TGI has been interested in this process with the objective of not only becoming a shareholder but also of participating in the O&M activities of TGP
- TGI has been in private bilateral discussions with the Techint group (“Techint”) since May 2013 with a view to potentially purchasing their stake in TGP
- On December 16 2013, sent Techint a binding offer for their 23.6% stake in TGP and their 100% stake in COGA (the company that operates TGP)
- Both parties have been in negotiations over the past few weeks, and the signing of an SPA was announced on January 16, 2014

# Investment Merits and Strategic Fit

## Attractive location

- Perú is a growing, market oriented economy with low inflation rates
- Natural gas transportation infrastructure is of strategic importance given the role of natural gas in its energy matrix
- Ample proved reserves of natural gas and NGL
- Attractive market dynamics, supported by an adequate and stable regulatory environment

## A great company

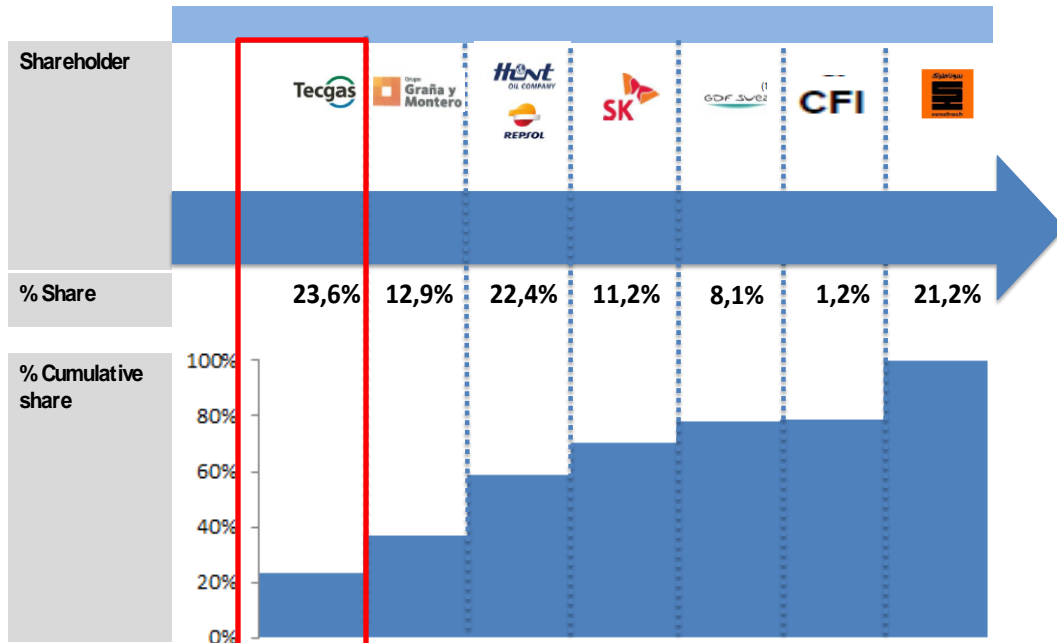
- Responsible for the transportation of natural gas and NGLs from Camisea to the Peruvian coast
- Strategic importance – TGP is the backbone of Perú's economy
- Stable, predictable cash flows based on long term contracts with a diversified client base
- Strong growth prospects
- Strong operational track record
- Long term concessions and legal stability agreements

## Strategic Fit

- Consolidates TGI as leader in gas transportation in the Andean Region
- Provides increased access to the growing Peruvian market
- Opportunity to make operations more efficient and have bilateral knowledge transfer
- Complements the investments of the EEB Group in Contugas and Calidda



# TGP OVERVIEW



<b>Pipeline length (Km)</b>	<b>1.398</b>
<b>Compressor stations</b>	<b>1 (72.000 hp)</b>
<b>Capacity</b>	
Liquids	11.000 bbs/day
Natural Gas	1.230 MCFD
<b>Payroll</b>	
TGP	17
COGA	244
Techint	200
TOTAL	461
	<b>2013 (E)</b>
<b>REVENUES (MM)</b>	<b>507</b>
<b>EBITDA (MM)</b>	<b>348</b>
<b>EBITDA MARGIN (%)</b>	<b>69%</b>
<b>NET DEBT /</b>	

Concession with Peruvian Government until 2033, extendable for additional 30 years.

# COGA Overview

- Responsible for O&M of TGP's natural Gas and NGL pipelines since the beginning of concession (10 years of experience).
- 244 employees.
- Operates from 5 locations owned by TGP: Lurín, Kiteni, Ayacucho, San Clemente and Chiquintirca compressor station.
- O&M contract linked to the life of the concession (2033)
- Cost of O&M are assumed by TGP, COGA has net income of approximately USD 2,5 million.
- TECHINT and COGA have subscribed an agreement for assistance and maintenance for: Geotechnical works, repairs, emergency attention, Maintenance of right of way, personnel. (59% of total costs).

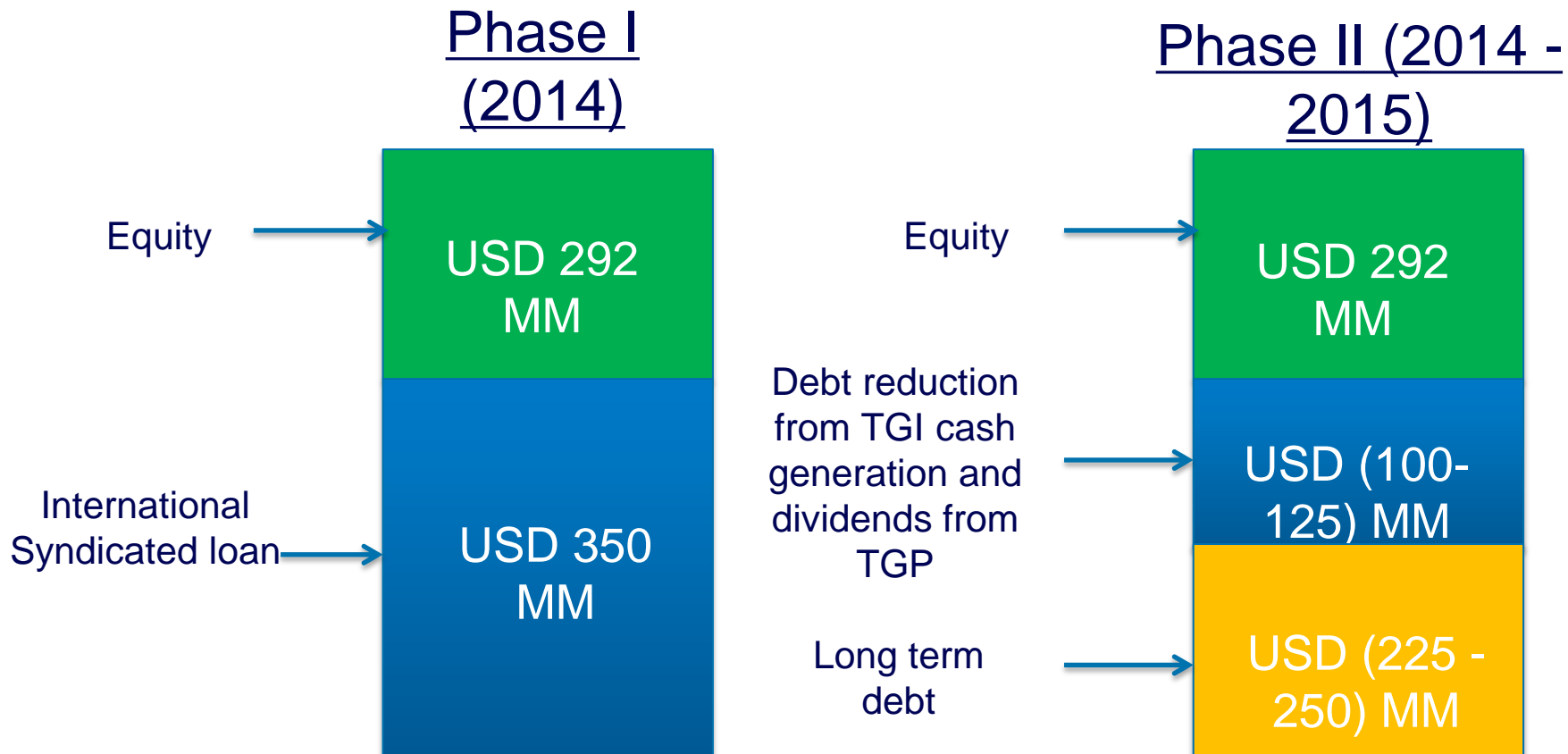
	(2012)
REVENUES (MM)	118
EBITDA (MM)	7
EBITDA MARGIN (%)	6,3%
NET INCOME (MM)	3,41(*)
TOTAL ASSETS (MM)	25
TOTAL LIABILITIES (MM)	20
EQUITY (MM)	5

TGI will acquire 100% of the shares of COGA

\* Net income from 2014 will be approximately USD 2,5 million



# Financing Plan



# Timetable – next steps

- January 16 SPA signing
- January 17 Start of ROFO process
- February 16 End of ROFO process
- Early March Closing

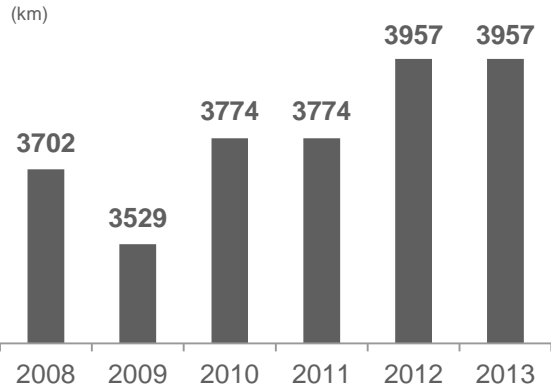
## 2. TGI UPDATE



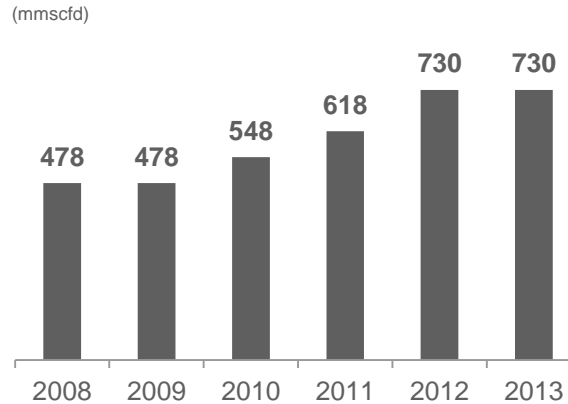


# TGI Operational performance 2013

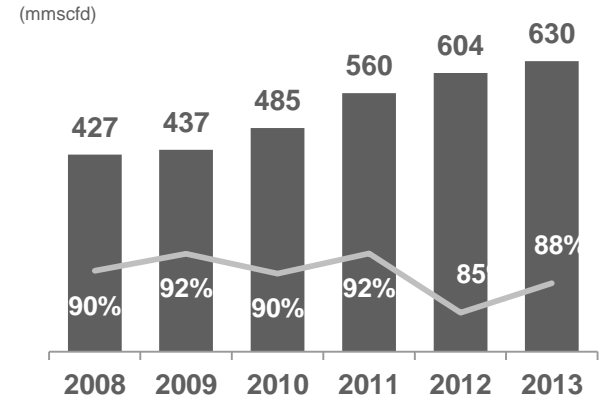
## Network length



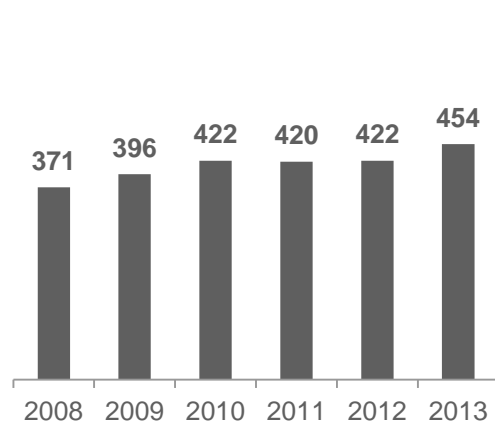
## Capacity



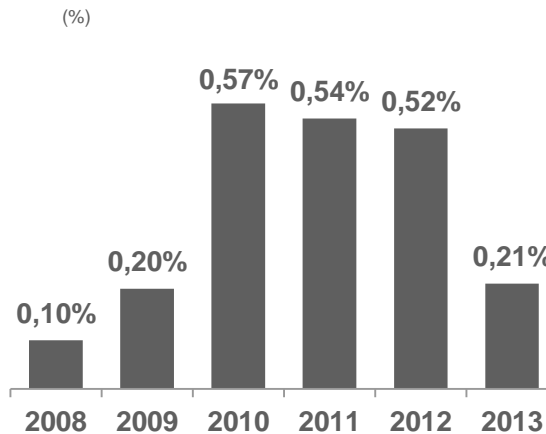
## Firm Contracted Capacity



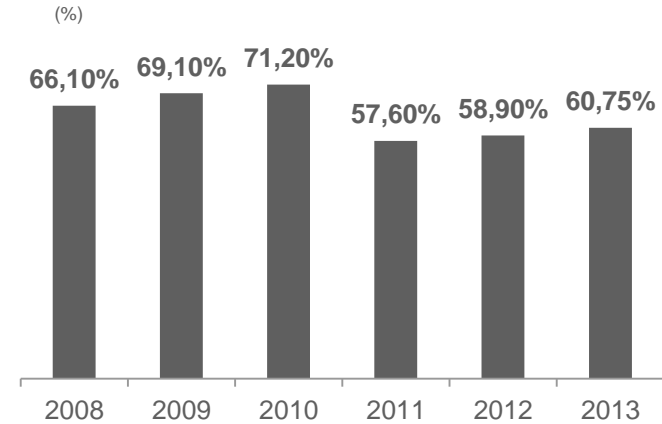
## Transported Volume



## Gas Losses



## Load factor



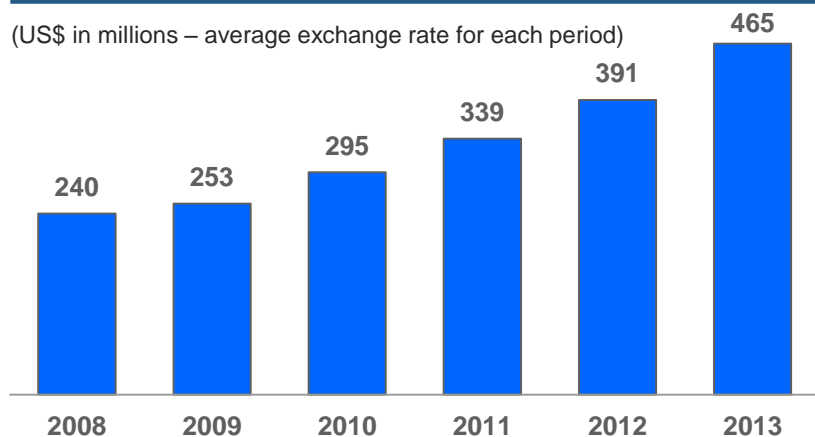
Source: Company information.

# TGI Financial performance 2013

2013 Preliminary figures subject to changes and board of directors approval

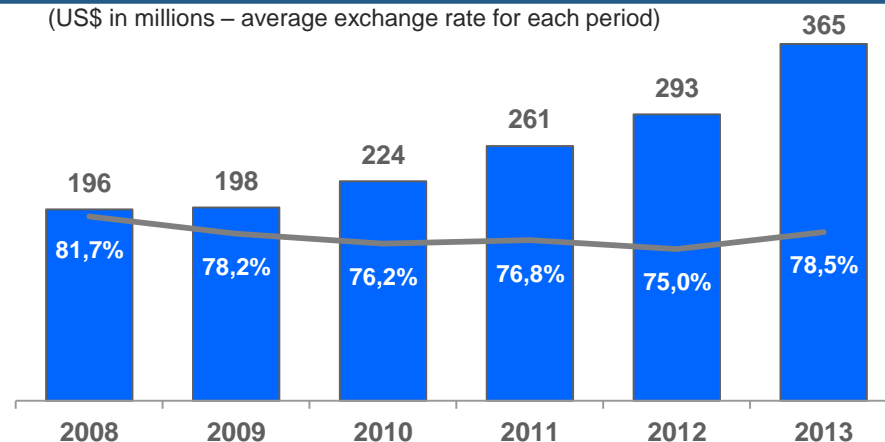
## Revenues

(US\$ in millions – average exchange rate for each period)



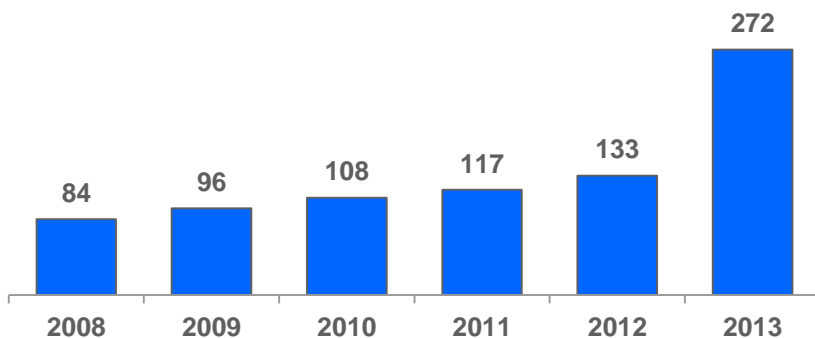
## EBITDA and EBITDA margin

(US\$ in millions – average exchange rate for each period)



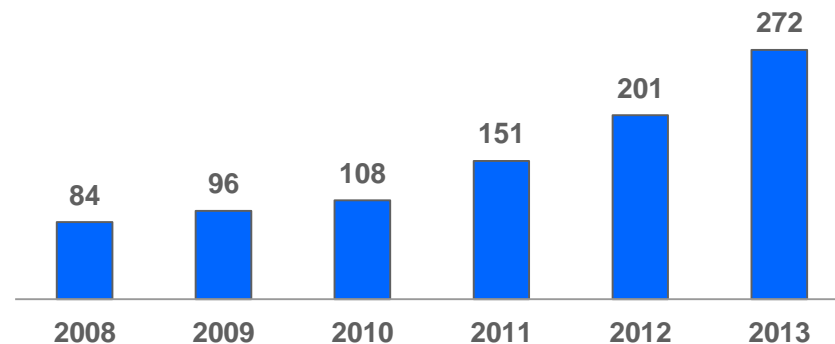
## Funds from operations <sup>(1)</sup>

(US\$ in millions – average exchange rate for each period)



## Recurring Funds from operations

(US\$ in millions – average exchange rate for each period)



Source: Company information

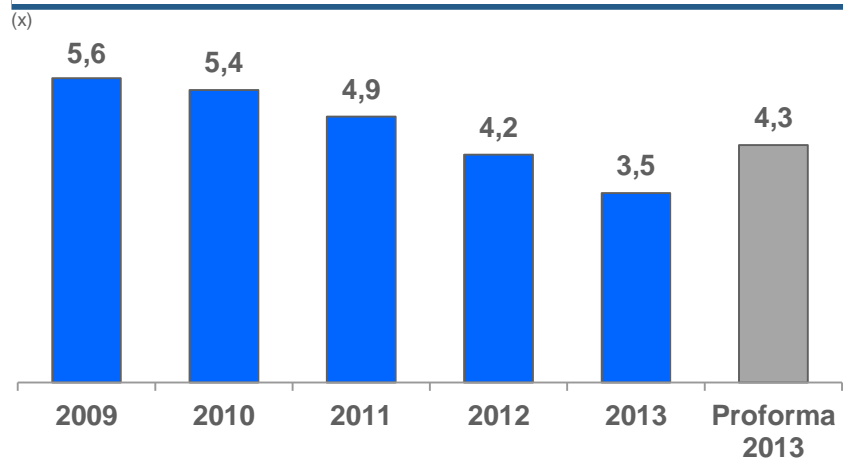
(1) FFO calculated as net income plus depreciation, amortization and provisions, adjusted for effect from exchange rate and hedges.

(2) 2012 FFO includes the LM transaction premium~ USD 69 million (one time event)

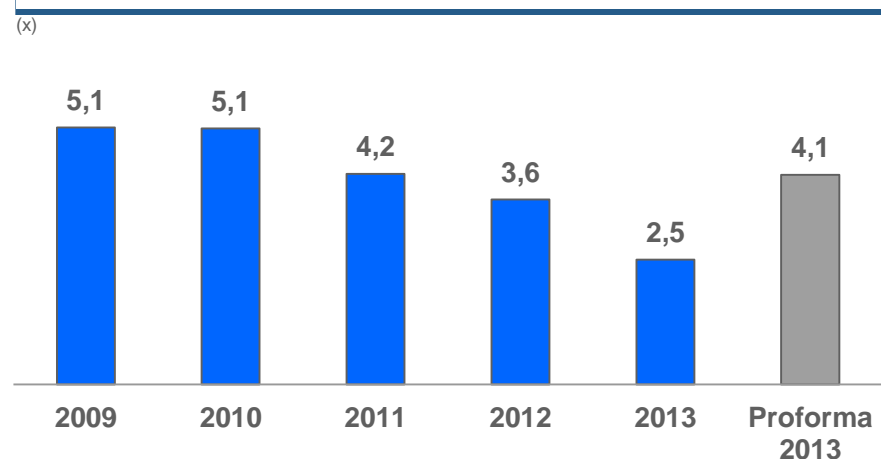
# Financial performance 2013

2013 Preliminary figures subject to changes and board of directors approval

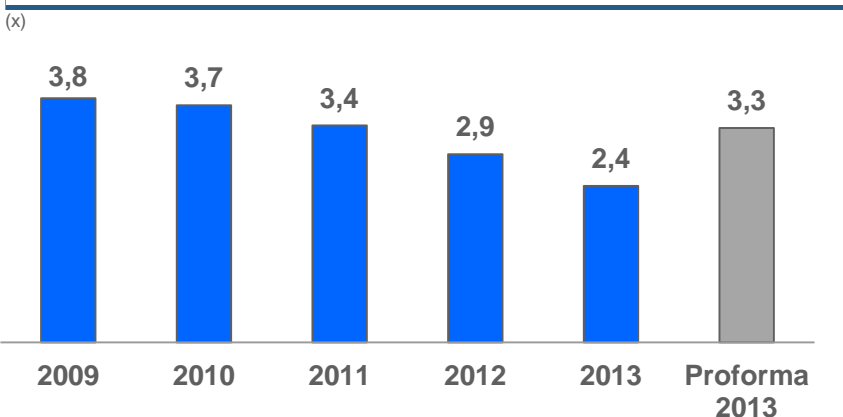
**Debt / EBITDA**



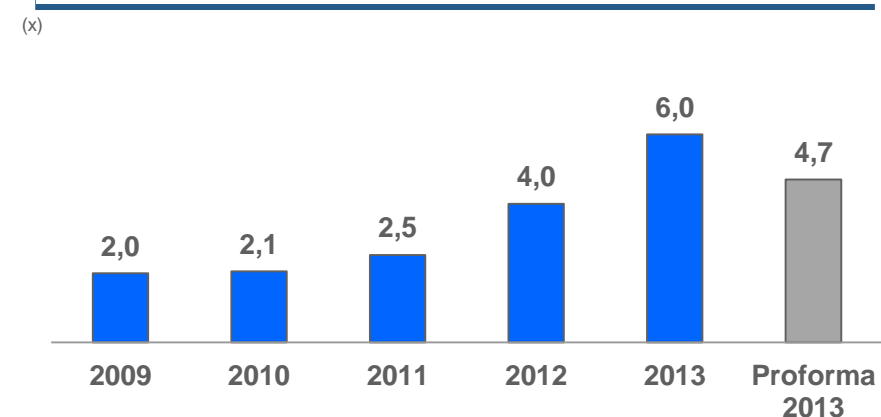
**Net debt / EBITDA**



**Senior Debt / EBITDA**



**Interest coverage (1)**



Source: Company information.

Note: Total debt includes senior debt, subordinated debt and mark-to-market.

(1) Interest coverage ratio calculated as EBITDA / net interest

(2) FFO calculated as net income plus depreciation, amortization and provisions, adjusted for effect from exchange rate and hedges.

(3) Interest: net interest






## 3. RATINGS IMPACT



# RATINGS IMPACT

- Prior to announcing the transaction, TGI talked with all 3 rating agencies
- Actions taken by the rating agencies are as follows:

RATING AGENCY	FEEDBACK
	Affirmed BBB- Rating, outlook stable
	Affirmed Baa3 Rating, outlook stable
	No action taken as of COB on 21/01/2014