

DEBT MANAGEMENT OPERATION EEB 2021 BOND

Financial Vicepresidency- Investors Relations and Finance Management
March 2015

Background

- As part of the financing strategy to buy Ecogas' assets, rights and contracts, Empresa de Energía de Bogotá issued bonds in the international market, with the following conditions:

Issuer:	EEB International Limited
Guarantor:	Empresa de Energía de Bogotá S.A. ESP
Amount:	US\$610 million
Coupon:	8,75%
Term:	7 years
Emission date:	October 31 th , 2007
Maturity:	October 31 th , 2014
First call date:	October 31th, 2011

- In 2011, the call option for EEB's 2014 was exercised by means of long-term obligations under a bond issuing structure abroad for up to US\$610 million, extending bond expiration date from 2014 to 2021 with a discount rate, from 8.75% to 6.125%.
- During 2013, two 2021-bond reopenings were conducted amounting to US\$139 million, increasing the total amount to US\$749 million, without modifying the remaining conditions.

Advantages from this management operation



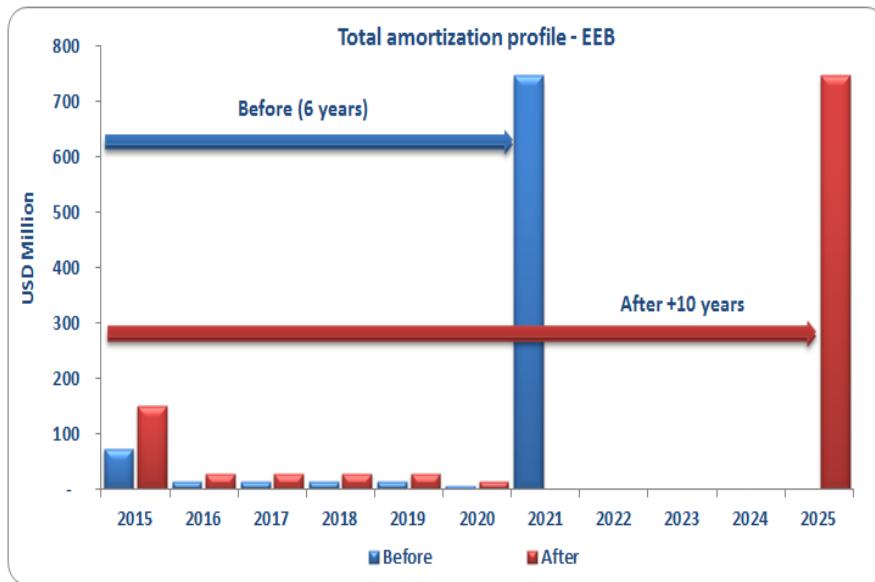
CASA MATRIZ DEL:



- The aim of this financial strategy is to generate financial flexibility that will allow EEB to undertake expansion projects that would lead to growth without jeopardizing company's financial commitments.
- Anticipated payment of the bond could be financed by means of a new bond issuance at a lower rate and for a longer term. According to market indications received, a new liquid 10-year benchmark for a potential bond issuance of EEB would be appropriate, however for corporate bonds such as EEB a 30-year benchmark could be an alternative given current market conditions.
- As a result of this new issuance, the company would be able to change **the main expiration date of its debt**, which was initially 2021 to 2025 and/or beyond such date.
- **Possibility of issuing additional amounts**, in this regard the new operation could be made for an amount that would (i) finance premium payments and (ii) provide additional resources for investment.*
- **Efficiencies in transaction costs** are obtained, given that amortization occurs upon a greater issuance amount.

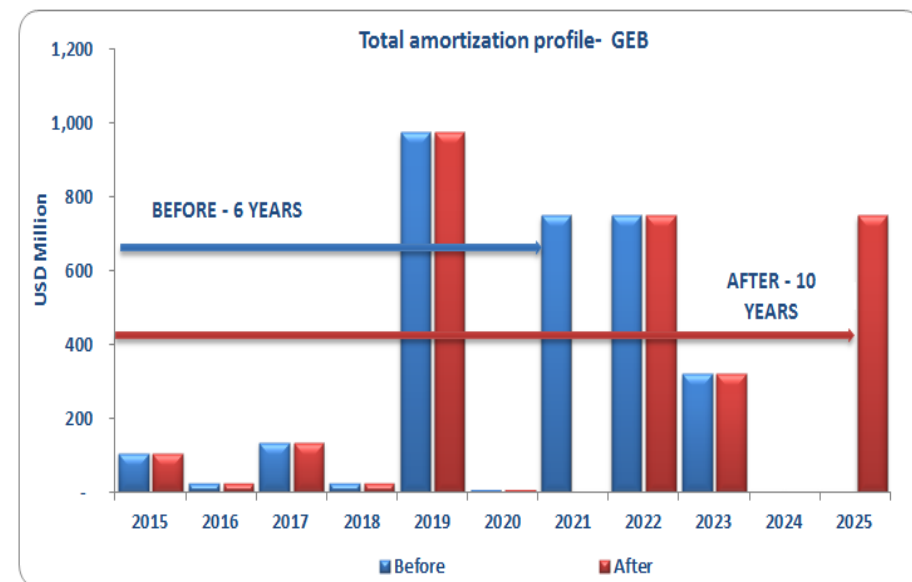
In addition to cost considerations, there would be an improvement in EEB's debt profile when moving expiration date from 2021 to 2025 or beyond. Accordingly, duration and portfolio's mean life cycle indicators on EEB's total debt would increase, reducing refinancing risks.

Individual



Indicator	Before	After
Duration	4.26	6.46
Average life	5.24	8.62

Consolidated



Indicator	Before	After
Duration	3.77	4.39
Average life	6.96	7.96

Request to the General Shareholders Assembly



- Pursuant to number 14 of article 58 of Corporate Bylaws and article 21 of the Good Governance Code, the following is submitted to the consideration of the General Shareholders Assembly: to delegate on the Board of Directors the approval of any total or partial refinancing of the 2021 Bond and/or decree a new issuance and placement of bonds in the international and/or local capital markets, as per that set forth in number 21 of article 66 of Corporate Bylaws.