

**Statement of the Nation As  
Majority Shareholder of Ecopetrol S.A.  
(July 26, 2007)**

OSCAR IVÁN ZULUAGA ESCOBAR, of legal age, identified with citizen card number, 79.145.129 issued in Usaquén, acting in my capacity as Minister of Finance and Public Credit and, as such, acting on behalf of the Nation as the majority shareholder of ECOPETROL S A , hereby set forth the statements following the recitals below

**RECITALS:**

- 1) Whereas, by Decree Law 1760 de 2003 the *Empresa Colombiana de Petróleos*, an Industrial and Commercial State Company linked to the Ministry of Mines and Energy, was organized as a stock-held public company, of the type of the corporations, called ECOPETROL SA
- 2) Whereas, as of the establishment of ECOPETROL SA as a stock-held public company the following entities concurred as shareholders, besides the Nation: The Ministry of Finance and Public Credit, *Fiduciaria La Previsora SA*, the National Fund for Development Projects (*el Fondo Financiero de Proyectos de Desarrollo – FONADE*), the Financial Entity of Territorial Development, (*la Financiera de Desarrollo Territorial – FINDETER*), *La Previsora Compañía de Seguros SA*, and the *Fondo Nacional de Garantías SA*.
- 3) Whereas, by means of Law 1118, 2006 the Congress of Colombia authorized ECOPETROL SA to issue shares to be placed in the public market of securities, where a maximum of twenty percent (20%) may be acquired by individuals or legal persons. Accordingly, upon total or partial placement of such shares, in the hands of the public, ECOPETROL SA shall be transformed into a mixed economy company, where the Nation shall continue as the majority shareholder.
- 4) Whereas, the practices of good corporate governance recommend having a board of directors with members that satisfy defined profiles depending on the economic sector where the respective company operates and the corporate purpose of the same, in a transparent and independent way, in order to avoid future conflicts of interest among directors, managers, shareholders and the stakeholders.
- 5) Whereas, the statements and commitments herein included aim at guaranteeing the application of good corporate governance in ECOPETROL SA
- 6) Whereas, the Nation has unilaterally decided to bind itself with those who acquire shares of ECOPETROL SA on a free, express and spontaneous way, to vote in the Shareholders' General Assembly, herein after, the "Assembly", in the sense as appears in the following statement:

**FIRST. Dividend Policy:** With the purpose of effectively guaranteeing the right of all shareholders to receive dividends in conformity with the established in the Law, the Nation understands that to the effects of profit distribution, profits resulting from the application of the following procedure shall be considered as liquid profits:

- a) The figure of Profits of the company is taken based on the actual and reliable Financial Statements for each period; from this value, the following items exclusively, shall be subtracted:
  - (i) amounts needed to cover losses from previous periods affecting capital, i.e., when as a consequence of such losses (if any) the net equity is reduced below the amount of the subscribed capital, (ii) the legal reserve and the statutory reserves (if any), (iii) appropriations for the income tax and complementary tax payments;
- b) To the balance obtained as above, percentages to be distributed are applied pursuant to the established in the Law. This value shall be the minimum amount to be distributed as dividends, each period;
- c) Amounts resulting after distributing the minimum dividends shall be left at disposal of the Assembly to make the occasional reserves or to be distributed as dividends, additional to the minimum dividends established under letter b).

**SECOND. Commitment by the Nation to include in the list of candidates to the Board of Directors the persons as proposed by the Departments producing hydrocarbons exploited by ECOPETROL S.A. and the Minority Shareholders of ECOPETROL S.A.:** The Nation hereby undertakes, in Meetings where members of the Board of Directors of ECOPETROL SA are to be elected, to include in its list of candidates, for the places eighth and ninth, the persons proposed by the Departments Producing Hydrocarbons exploited by ECOPETROL S A , and by minority shareholders, as follows:

- a) In furtherance of the established in Paragraph First of Article 5, Law 1118, 2006, in the eighth place, the Nation shall include in the list of candidates to members of the Board of Directors a person designated by the Governors of the Departments Producing Hydrocarbons exploited by ECOPETROL SA. The name of the respective candidate shall be chosen by the Governors of such Departments, by simple majority, through previous voting; the result thereof shall be remitted to the Ministry of Finance and Public Credit, ten days in advance as the maximum, from the date the respective meeting of the Assembly will be held. In case that, for any reason, the name of the candidate is not remitted within the time as established, the Nation shall include in its list of candidates to members of the Board of Directors a person that has been designated by the governors, who, in any event, shall comply with the requisites established in this Article.

To these effects, the Nation undertakes to call to a Shareholder Assembly and to vote for this provision to be included in the corporate bylaws.

Additionally, the Nation undertakes to vote in such Assembly for the definition of the Departments Producing Hydrocarbons exploited by ECOPETROL SA , to be included in the corporate bylaws in the following terms: "Departments Producing Hydrocarbons exploited by ECOPETROL S A shall mean those contained in Article 4°, Law 756, 2002, or any law amending it, adding to it or substituting it where ECOPETROL S.A exploits hydrocarbons directly or in association with third parties. In such law the

term *Producing Department* is defined as one which income by way of royalties and compensations, including those of its producing municipalities, equals or exceeds three percent (3%) of the total royalties and compensations produced by the country. Assignments of owned resources from the National Fund of Royalties shall not be considered, nor those received by departments as a product of the reassignments established in Article 54 of Law 141, 1994"

- b) In the ninth place, the Nation shall include in its list of candidates to members of the Board of Directors, a person designated by the ten (10) Minority Shareholders with larger share participation. The name of the respective candidate shall be chosen by simple majority, through previous voting, the result of which shall be remitted to the Ministry of Finance and Public Credit maximum ten days in advance to the holding of the respective meeting of the Assembly. If such Minority Shareholders would not reach an agreement, the Nation shall include in its list the person designated by the five (5) minority shareholders with larger share participation. If such shareholders would not reach an agreement previous the date of the Assembly where the respective election is made, the Nation shall be free to propose the candidate, who shall, in any case, comply with all the requisites herein established.

To the effects noted under a) and b) hereof, it shall be understood that the commitment by the Nation of voting for candidates proposed by the minority shareholders of ECOPETROL SA and the Departments Producing Hydrocarbons exploited by ECOPETROL S A , shall be subject to having each proposed candidate fulfill the following conditions:

- I. Profiles shall adjust to those defined for the members of the Board of Directors of ECOPETROL SA in conformity with the established in the Corporate Bylaws and,
- II. Their capacity as independent member must be credited, according to the definition of independence established in the Paragraph of Article 44, Law 964, 2005 or any provision regulating or amending it.
- III. The commitment of the Nation established under letter b) shall lose its effect when minority shareholders may, according to their share participation, name a member in the Board of Directors of ECOPETROL SA in their own right; the above, notwithstanding the established in Article sixth hereof.

**THIRD. Issues not included in the Agenda of Extraordinary Meetings:** The Nation, with its vote, undertakes to support initiatives aimed at permitting the inclusion of additional issues to those foreseen in the Agenda of the extraordinary meetings of the Assembly of ECOPETROL S A , if submitted by one or more shareholders representing at least two percent (2%) of the subscribed shares of the company.

The Nation undertakes to vote in the Shareholders Assembly for this provision to be contained in the corporate bylaws.

**FOURTH. Decisions at the Shareholders' Assembly:** The Nation undertakes, according to its share participation, to ensure that asset disposal which amount is equal or higher than 15% of the stock exchange capitalization of ECOPETROL S.A., shall be discussed and decided at the interior of the Shareholders'

General Assembly and the Nation shall only vote affirmatively, if the vote of minority shareholders is equal or exceeds 2% of shares subscribed by shareholders other than the Nation.

Notwithstanding the above, if the majority established to which this Article refers is not reached, the Nation may request the calling to a new meeting of the Shareholders Assembly in the terms established in the corporate bylaws and in such meeting such decisions may be made with the majority as provided for in the Law or in the corporate bylaws.

To these effects the Nation undertakes to call to a Shareholders Assembly and to vote for this provision to be raised to the corporate bylaws.

**FIFTH. Right of withdrawal:** In the events set forth in Articles 12 and the following of Law 222, 1995, or the regulations adding, modifying or substituting them, in connection with the exercise of the right of withdrawal, if it is not possible to reach an agreement on the price of shares, the Nation undertakes to propose the Assembly and to vote for the value of acquisition and/or reimbursement of the Shares to be determined as follows, notwithstanding the shareholder opts for the procedure established in the law to such effect: The Chamber of Commerce of Bogota shall designate an investment banking firm with experience in the national or international market, who shall establish the value of the Shares. The valuation of the investment banking firm shall be final and compulsory for Parties. The costs of the above-mentioned investment banking firm shall be assumed by ECOPETROL S.A.

**SIXTH. Term and Termination:** This Statement shall apply during ten (10) years counted as from the date of execution. In any event, obligations and commitments assumed by the Nation hereunder shall end and lose their force and effect in the following cases: a) In any event of dissolution or liquidation of ECOPETROL S.A.; b) When the Nation loses its condition of majority shareholder of ECOPETROL S.A.; c) When the Nation and the minority shareholders representing more than half plus one of the shares owned by the minority shareholders consent to such termination.

**SEVENTH: Governing Law.** This statement shall be ruled and construed in conformity with the Colombian law.

**OSCAR IVAN ZULUAGA ESCOBAR**

Minister of Finance and Public Credit

(Original signed)