**CONFERENCE CALL SCRIPT**

Financial and Operating Results

Fourth quarter and full year 2009

**Slide 2**

Introduction by Alejandro Giraldo

Good afternoon and welcome to the conference call where we will review the operational and financial results of Ecopetrol for the fourth quarter of 2009 and the full year

Before we begin its important to mention that during this call, management's comments may include forward-looking statements relating to future performance. Such statements do not constitute any guarantee of performance, nor do they take into account any risks or uncertainties that may occur or materialize. Consequently, Ecopetrol hereby declines any responsibility in the event that actual performance differs from comments made on this call.

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Introduction by Alejandro Giraldo.

--Today's call will be hosted by Mr. Javier Gutierrez, Chief Executive Officer of Ecopetrol, He is joined by several members of the Company's senior management team: Adriana Echeverri – Chief Financial Officer, Nelson Navarrete – Executive Vice President for Exploration & Production, Pedro Rosales, Executive Vice President for Downstream, Camilo Marulanda – Executive Vice President for Growth and Strategy, Mauricio Echeverry – General Counsel, Héctor Manosalva – Vice President for Production, Enrique Velasquez – Vice president for Exploration (e) and Alejandro Giraldo – Director of Investor Relations.

I would now like to turn the call over to Mr. Javier Gutierrez, Chief Executive Officer of Ecopetrol.

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Thank you and good afternoon everyone. Thank you for joining us in this conference call.

I will summarize the Highlights of 2009 and review the progress made in executing on our strategic plan, go over the financial results for the quarter and full year, and discuss the outlook for 2010.

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In 2009 we made important progress towards the consolidation of our strategy which will allow us to achieve our goals in 2015. Most important achievements are:

By the end of 2009 our 1p gross reserves amounted to 1.88 billion barrels of oil equivalent based on SEC prices and methodology, which represents a 35.5% increase when compared to 2008. The reserves replacement ratio was 359 percent. Historically high levels for Ecopetrol.

In Exploration we increased significantly our activity and reported a success rate of 26% with evidence of hydrocarbons in 5 out of the 19 A3 wells drilled.

Group´s oil and gas production grew 17%, the highest rate since we launched the strategic plan. The average yearly production reached 521 thousand barrels of oil equivalent per day including the production of Hocol and Savia, two companies that we acquired in the first semester of 2009. Ecopetrol´s production increased by 12% when compared to 2008, amounting to 500 thousand barrels per day.

In the downstream business, we continued to strengthen our corporate group through the re acquisition of Glencore's interest in Refineria de Cartagena; and the increase of our interest in OCENSA. We met the goal of delivering cleaner fuels with low sulfur content and international quality standards. We continued to expand our transportation network by adding 501 kilometers of pipelines and by strengthening the transportation system for heavy crudes in the eastern region of the country.

Our sales volume increased 19%, led by a 40% growth in exports of crudes and products, including exports to new markets in Asia and Africa. Our exports currently represent 46% of our total sales, compared to 35% in 2008.

In 2009 we started our financing program with two successful transactions in favorable financial terms: 1) In May the company signed a loan agreement with local banks for $2.2 trillion pesos, and 2) In July we tapped the international capital markets with a 1.5 billion dollar bond issuance. Additionally we were rated Baa2 with investment grade by Moodys.

Fourth quarter's net income increased 42% as compared to the previous quarter due to higher production and sales. As of the third quarter we complied with all provisions of Sarbanes Oxley act.

Finally, regarding organizational consolidation it's important to highlight the 5 year collective bargaining agreement with Ecopetrol's coexisting labor unions.

**Slide 6**

Slide 6 sets forth the progress in the execution of our investment plan. During 2009 capital expenditures (CAPEX) investment amounted to 6.3 billion dollars, of which 2.4 billion were allocated to acquisitions and $3.9 billion to organic investments. In comparison, total capital expenditures investment amounted to $4.8 billion dollars in 2008.

Out of the total investment, 38% was allocated to acquisitions, 42% (2.7 billion dollars) was allocated to Upstream projects, 18% (1,1 billion dollars) to Downstream projects, and the remaining 2%(0,1 billion dollars) to corporate internal initiatives.

Total CAPEX investment for the fourth quarter of 2009, including acquisitions, reached 1.7 billion dollars, compared to 1.5 billion dollars in the fourth quarter of 2008.

**Slide 7**

Slide 7 shows the progress in our exploration and production

Regarding exploration, 19 exploratory wells were drilled during 2009 (16 in Colombia, 2 in the US Gulf Coast and 1 in Brazil). Five wells exhibited preliminary evidence of hydrocarbons: the Quriyana-1 and Tempranillo-1 wells (operated by Ecopetrol) and the Quifa-7, Quifa-8 and Quifa-9 wells (operated by MetaPetroleum). The global exploratory success rate was 26% in 2009 compared to 33% in 2008.

Out of the 19 exploratory wells drilled in 2009, 7 were drilled during the last quarter of the year (6 in Colombia and 1 in Brazil) as compared to the 6 exploratory wells drilled during the fourth quarter of 2008.

In 2009, Ecopetrol acquired 5,060 kilometers equivalent of seismic in Colombia and 4.810 kilometers abroad. Additionally, 5 blocks were granted in Colombia and 25 abroad, which increased the exploration area in 3.5 million hectares.

In production, the annual average gross equivalent production of crude oil and natural gas of the Group increased 17% in 2009 from an average of 447 thousand barrels of oil equivalent per day in 2008 to 521 thousand barrels of oil equivalent per day in 2009. Production in 2009 includes one thousand barrels from the K2 field in the US Gulf Coast.

In December 2009, the Group's average gross production reached 583 thousand barrels of oil equivalent per day, an increase of 32% compared to the 440 thousand barrels in December 2008. This increase is driven by: (1) a 38% growth in the production of heavy crudes, mainly in the Central region (Chichimene and Castilla fields), (2) the successful water injection projects in mature fields which led to an 11% increase (3) the growth in demand for natural gas which led to a 9% increase and (4) The production contributed by companies acquired in 2009.

Hocol contributed with a year average oil equivalent production per day of 15 thousand barrels and Savia with 6 thousand. This figures only include production starting on the date when these companies were acquired.

As mentioned in slide 5, our reserves balance grew 35,5% reaching 1.88 billion barrels of oil equivalent in December 2009. Reserves to production ratio was 9.9 years. The Company added a total of 682 million barrels of oil equivalent of proved reserves.

According to SEC prices and methodology, the increase in proved reserves was a result of the following:

- Fields Production revaluation: 572 million barrels of oil equivalent
- Acquisitions: 108.5 million barrels of oil equivalent
- New Discoveries : 63 million barrels of oil equivalent
- Price variation: negative 61 million barrels of oil equivalent

The largest reserves addition came from the Central Region (37%), mainly from the Castilla and Chichimene fields, both located in the Meta province and operated by Ecopetrol. The North East region was second largest in reserves addition (29%), the main contributor of which was the Pauto field located in the Casanare province and operated by BP.

Now let’s turn to slide 8

**Slide 8**

Slide 8 presents a summary of our local and international exploration and production portfolio which includes 166 exploratory blocks (53 of them in Colombia, 101 in the US Gulf Coast, 7 in Brazil and 5 in Peru) plus Savia´s 11 blocks in Peru and Hocol´s 9 blocks in Colombia. Currently 98.6% of group’s production comes from Colombia.

**Slide 9**

Slide 9 presents the progress in our Downstream strategy.

As a result of the strategy undertaken by Ecopetrol in order to improve the quality of fuels, in July 2009, sulfur content in diesel fuels was reduced from 1,000 to 500 parts per million in Bogota, and from 3,000 to 2,500 parts per million in the rest of the country. On January 2010, for Bogota and the mass transport systems in Bucaramanga, Pereira and Cali, we began delivering diesel fuels with less than 50 parts per million of sulfur, and for the rest of the country with less than 500 parts per million.

Regarding refining, during 2009 Ecopetrol acquired 51% of Reficar, which is key in the integration of the modernization projects for the Barrancabermeja and Cartagena refineries. The modernization plans in both refineries will generate potential estimated configuration and construction savings of 911 million dollars.

As of December, the hydro-treatment project in the Barrancabermeja refinery was 94% completed, and operations are expected to start during the first half of 2010. Barrancabermeja refinery's load decreased 6.5% in 2009 versus 2008 due to unfavorable market conditions.

As part of the petrochemical development plan for Ecopetrol, the Barrancabermeja refinery increased its polyethylene production capacity by 11 thousand tons per year, a 19% increase. Likewise, propylene deliveries increased by 32 thousand tons per year (36% increase).

In transportation, we achieved significant progress in the consolidation of the heavy crudes transportation system in the Llanos Orientales, undertaking several projects to increase the transportation capacity which are detailed in this slide.

Likewise, the Poliducto de Oriente transportation system commenced operations on December of 2009 and the capacity of the Pozos Colorados – Galan line was increased to 45 thousand barrels per day. Furthermore, 50% of the Caño Limon-Coveñas pipeline reverted back to Ecopetrol. 501 kilometers were added to Ecopetrol´s pipelines, representing a 6% expansion of capacity

Regarding bio-fuels: (1) In Ecodiesel the commissioning of the structure for the refining and biodiesel plants continues, with significant progress in civil works. The commercial operation will begin in the first half of 2010 and; (2) Bioenergy acquired land for the first phase of its agricultural development project and the development of the basic seedbed (100 hectares) was completed. In addition, free trade zone status was granted, which will lead to material tax benefits.

**Slide 10**

Slide 10 presents more detail on main refining, petrochemical and transportation's projects which allows us to create value from our production growth, materializing the synergies of our vertical integration model.

**Slide 11**

Slide 11 sets forth the most important progress in organizational consolidation during 2009:

- We signed a new five-year collective bargaining agreement with Ecopetrol's coexisting labor unions, enabling improvement in labor harmony key in achieving our goals
- The combined frequency of accidents decreased 28% due to various initiatives which improve the security and reliability of our operations
- Ecopetrol's budget for social projects in 2009 amounted to COP$136 billion (compared to COP$126 in 2008) was earmarked to: 1) Development in regions; 2) Social investment projects; 3) Science and technology; 4) Retraining: and; 5) Local suppliers development.

- Regarding environmental conservation and community relations, ten projects were selected to benefit from a $2,5 billion pesos grant from Ecopetrol´s National Biodiversity Program, in partnership with the Ministry of Housing, Territory Development and the Environment.
- For the second year in a row, Ecopetrol was ranked as number one in the Merco corporate reputation survey (Corporate Reputation Monitor), which evaluates the corporate responsibility efforts and results of Colombia´s largest corporations.
- Pursuant to an efficient strategy in the supply chain, we generated savings for $ 600 billion pesos, and we avoided costs for $200 billion pesos.

**Slide 12**

Let's review our financial results in 2009

**Slide 13**

On slide 13 we present the financial results of Ecopetrol S.A which had a positive trend throughout the year, with quarterly growth in total sales, operating profit and EBITDA. Let's comment on the key figures

**Revenues**

In the fourth quarter of 2009, higher oil prices and the increase in export volumes generated a 39% increase in total sales, when compared to the same quarter of 2008. The Company had sustained sales growth in every quarter. Revenues grew 15% when compared to the third quarter of 2009.

Nonetheless, when compared to 2008, 2009's full year revenues decreased 15% as a result of lower crude oil and products prices.

**Net income**

Net income for the fourth quarter of 2009 amounted to $1.7 trillion pesos, a 42% growth when compared to the third quarter of 2009. Nonetheless, net income decreased by 18% decrease compared to net income reported for the fourth quarter of 2008 mainly due to non operating losses

Full year´s net income amounted to $5,3 trillion pesos, or $129.87 pesos per share, a 55% decrease when compared to the same period in 2008, mainly due to the decrease in WTI prices

**Ebitda**

Higher EBITDA and margin compared to the fourth quarter of 2008 was due to higher crude production as well as the cost saving initiatives meant to decrease operating costs.

## Costs

In the fourth quarter of 2009, **variable costs** increased by 9%, when compared to 2008, mainly due to higher average prices for purchases of crude oil and to higher volumes of low-sulfur diesel imports in order to meet the low-sulfur requirements.

**Fixed costs** increased by 7.3% in the fourth quarter of 2009 when compared to, mainly due to higher maintenance and contracted services required to support increasing production levels, as well as higher labor costs.

For full year 2009, **operating expenses** increased by 19% when compared to 2008, due to higher expenses resulting from unsuccessful exploratory activities and the amortization of goodwill from companies acquired in 2009.

## Non-operating profit

Non-operating loss in the fourth quarter of 2009 was primarily due to the impact of the Colombian peso revaluation during the fourth quarter of 2009 on the dollar-denominated investments in the Company's financial portfolio which generated a book net loss. Full year´s exchange rate related loss was COP$23.4 billion pesos, again due to the Colombian peso revaluation. It is worth mentioning that exchange rate risk in dollar-denominated assets has been partially offset by the dollar-denominated debt raised in 2009.

## Slide 14

Slide 14 presents our lifting, refining and transportation costs:

Average lifting cost for the year 2009 was $7.23 dollars per barrel, compared to $8.32 dollars per barrel in 2008. This cost reduction was due to higher production

Refining cash cost in 2009 amounted to $5.95 dollars per barrel, 18 cents higher than in 2008 mainly due to higher demand, higher prices of the catalysts, higher labor costs, and a load reduction

Transportation cost in 2009 in peso terms decreased 6% due to rising transported volumes. Nevertheless, the reduction was offset by the peso revaluation.

Now let's turn to slide 15

## Slide 15

Returns on assets and equity of Ecopetrol S.A. have been fairly stable since the second quarter of 2009. Both of them below 2008, a year of unusual high oil prices.

Regarding our subsidiaries results,. Reficar generated the largest revenues to the group with $3.9 trillion pesos during 2009 while Hocol had the largest Ebitda ($0.5 trillion pesos) and net income ($0.3 trillion pesos).

**Slide 16**

Slide 16 shows a summary of Ecopetrol's segments report

The **Exploration and Production** segment reported $1.9 trillion pesos to the Group's net income in the fourth quarter of 2009 and $5.7 trillion pesos for full year 2009, mainly driven by the increase in the production of heavy crude oil for export.

The **Refining and Petrochemical** segment accumulated net losses of $104 billion pesos during the fourth quarter and $489 billion pesos for full year 2009. The losses were due to the narrowing of the crack spreads, which decreased the refining margin.

The hydrocarbon **Transportation** segment generated net income for the fourth quarter of 2009 of $291 billion pesos, mainly due to the revenues from higher transported volumes.

The **Marketing and Sales** segment had net income of $132 billion pesos, as a result of the improvement of the hydrocarbon sales margin in exports during the fourth quarter of 2009.

The **Corporate** segment reported an accumulated net loss of $385 billion pesos in 2009, mainly due to other non-operating expenses, such as interest payments, net worth tax, and retiree expenses.

Starting 2010 our segment reporting methodology will be modified. The primary modification refers to changes for the reporting of the Sales and Marketing segment, as it will no longer take "theoretical ownership" of crudes and products from the Exploration & Production and Refining & Petrochemical segments. In summary: revenues, costs, and expenses related to commercialization and delivery to end client (exports or refined), will be allocated to their respective segments. Under the current methodology these items are allocated to the Sales and Marketing segment. Additionally, Corporate segment costs will be gradually allocated among other segments, and we anticipate that in the future this segment will be eliminated and will no longer be included in the report.

**Slide 17**

Slide 17 presents a summary of Ecopetrol's balance sheet and cash flow

Our balance sheet remains solid, with low indebtedness level which provides flexibility to fund the investment plan. As of December 31, 2009, assets amounted to $53.1 trillion pesos and liabilities to $20.4 trillion pesos. Financial obligations amount to $5.4 trillion pesos which include the local syndicated loan and the international bonds.

Our company continued to have a strong cash generation. Starting cash balance as of January 1, 2009 amounted to $12.1 trillion pesos. Cash generated from operating activities during 2009 amounted to $32 trillion pesos while cash generated from financing activities amounted $5.4 trillion pesos. These sources were sufficient to fund the following: (1) operations for $22.8 trillion pesos, (2) capital expenditures for $7.6 trillion pesos, (3) acquisitions for $5.2 trillion pesos; and (4) Dividend payment for $8.9 trillion pesos.

**Slide 18**

Let's now review our goals and highlights for 2010, please turn to slide 19.

**Slide 19**

Slide 19 summarizes the investment plan which was presented in December of last year amounting to US$6.9 billion for 2010. 65% of resources are earmarked to Upstream business and more than 90% of investments will be carried out in Colombia.

The Capex plan for 2010 is 11% higher than the plan executed in 2009. Nevertheless, acquisitions are not included in the $6.9 billion dollar budget. In 2010 the Board of Directors will analyze each business opportunity individually and if approved, required funds will be allocated for the transaction.

The investment plan is based on a price for the WTI of 56 dollars per barrel. Under this price scenario, the financing needs for the year 2010 would reach no more than $3.5 billion dollars. The sources of funds are: bond issuances, local or international, loan facilities with commercial banks, EXIM or multilateral loans, and the divestment of non-strategic assets.

Subsidiary companies will have additional financing needs for up to US$2.3 billion, such resources should be raised by each subsidiary.

**Slide 20**

Finally, slide 20 presents a summary of our outlook and goals for 2010:

In the Upstream segment, in line with our strategic plan we expect a 12% growth in the production of Ecopetrol S.A. and a 15% in Group's production.

In the Downstream segment we plan to increase the profitability of the refining business by improving inventory administration and optimizing processes among other initiatives. We expect to conclude the design and engineering phase of the Barrancabermeja refinery, as well as to increase Propilco's capacity and to launch Ecopetrol's petrochemical plan.

Regarding the master plan for oil transportation we have scheduled important projects such as the expansion of the OCENSA and ODL pipelines, the increase in the capacity to receive crudes from third parties in Apiay-Porvenir and Araguaney-Porvenir, the expansion of the Coveñas port and the completion of the Pozos-Galan project among others.

Financially, according to investment plan, financial needs will amount to a maximum of $3.5 billion dollars.

Regarding Ecopetrol's internal consolidation, in 2010 we will continue with our initiatives to reduce accidents and environmental incidents. We expect to be listed in the Dow Jones Sustainability Index and ranked as one of the top 20 preferred companies to work for in Colombia.

As a conclusion, we´ve made significant progress towards our goals in the initial two years of our strategy. We've built the foundations to keep growing as a profitable company as well as to keep generating value for our shareholders and investors in 2010.

Now I open to questions from our participants