



**Operator:** Welcome to Ecopetrol's earnings conference call, in which we will discuss the main financial and operational results for the second quarter 2022. All lines have been muted. There will be a Q&A session at the end of presentation.

Before we begin, it is important to mention that the comments in this call by Ecopetrol's senior management include projections of the company's future performance. These projections do not constitute any commitment as to future results nor do they take into account risks or uncertainties that could materialize. As a result, Ecopetrol assumes no responsibility in the event that future results are different from the projections shared on this conference call.

This call will be led by Mr. Felipe Bayón, CEO of Ecopetrol; Alberto Consuegra, COO; Jaime Caballero, CFO; and Yeimy Báez, Vice President of Low-Emission Solutions. Thank you for your attention. Mr. Bayón, you may now begin your conference.

**Felipe Bayón:** Good morning everyone and welcome to this conference call, where we will present the financial and operating results of the Ecopetrol Group for the second quarter and the first half of year 2022.

I am extremely proud to announce that we continue to excel in our results, achieving the best-ever quarter, as well as the best-ever semester in the history of Ecopetrol.

During the first half of the year, our net income has already exceeded the net income of the 12 months in year 2021. These results are underpinned by the company's ability to, amongst others, return to production levels above 700,000 barrels per day, capture the benefits of competitive oil prices and spreads through our solid commercial strategy, reduce inflationary pressures, thanks to cost efficiencies and mitigation measures, and a proactive management of our working capital.

Let's move on to the next slide. During the second quarter of the year, we made important progress in the four pillars of our 2040 strategy Energy That Transforms.

In the first pillar, growing with the energy transition, I want to highlight the following aspects:

- The declaration of success for the Uchuva-1 exploration well, that proves the potential for offshore gas in Colombia and supports our strategy to increase gas share in our total production.

- The return of a steady production level, reaching close to 740,000 barrels of oil equivalent per day for the month of July.



-The historical results of our downstream segment with a combined throughput for the quarter of 365,000 barrels per day, a record gross margin of USD 29 per barrel, and an EBITDA of COP 3.7 trillion underpinned by an excellent operational performance.

-We've expanded our agreement with Oxy in the Permian. This will allow us access to some 21,000 additional acres in the Delaware Basin.

-We've now completed the mechanical connection between the crude oil plants in the Cartagena refinery, allowing us to very soon increase the throughput from 150,000 barrels per day to 200,000 barrels per day.

-In the transmission, roads and telecommunication businesses, ISA was awarded with one of the largest transmission projects auctioned in recent years in Brazil throughout ISA CTEEP, which includes 1,139 kilometers to transport renewable energies with an annual income of USD 60 million and with an operational start-up expected between 2026 and 2027.

In the pillar of generating value through TSEG, I want to highlight the following milestones:

-We continue to make progress in the low-carbon hydrogen strategy, having closed alliances with six expert international companies that will contribute towards the fulfillment of the hydrogen road map.

-Only a few weeks ago, we signed an agreement with Toyota to begin mobility tests in a green hydrogen-powered vehicle that will allow us to conduct a technical assessment and to analyze the potential of this application nationwide.

-To ensure an adequate organizational alignment and a greater effectiveness of our energy transition strategy, the former Vice Presidency of Gas in Ecopetrol has now been transformed into the Low-Emissions Solution Vice Presidency. Yeimy Báez will continue to lead these efforts.

In the cutting-edge knowledge pillar, I want to highlight the following:

-We've now captured USD 63 million of benefits during the first half of the year with the implementation of the science, technology and innovation portfolio with the contribution of projects such as the integrated fields and the petro-technical database, where we're using advanced geophysical technologies and artificial intelligence tools allowing for more efficient well operation.



-We also use drilling technologies improving the consumption of injection water in the operations.

-Additionally, Ecopetrol, in partnership with Accenture, Claro and Microsoft, carried out the first 5G pilot test for industrial applications in the Barrancabermeja refinery in the maintenance operations, where we use secure devices to provide real-time remote assistance from experts, ultimately reducing three days of the overall maintenance schedule and representing activity optimization of more than USD 1 million.

Finally, in the competitive returns pillar of the strategy, and I know Jaime will develop on this later, I briefly want to highlight the following:

-CapEx execution for the first half of the year was the highest during the last six years, focusing on the generation of value-added barrels and reserves that enable stability to the country in terms of energy security.

-A record dividend distribution in the history of Ecopetrol of COP 448 per share and the payment agreement with the Ministry of Finance of Colombia to settle FPEC, the Fuel Price Stabilization Fund, and its balance as of the first quarter of 2022, which was COP 14.2 trillion. I believe this is the most expedited settlement and payment process in the history of the fuel subsidy mechanism in the country.

Let's move on to the next slide. The local and international macroeconomic environment has generated commercial, inflationary and logistical challenges, which we have addressed through proactive strategy actions to ensure that our businesses remain on track. Commercially, the main challenge has been China's low levels of crude imports due to various successive COVID-19 outbreaks and its restrictive policy to contain the virus.

As a mitigation mechanism, we have diversified ourselves into Europe, the U.S. and other Asian countries like India to maintain our realization at attractive levels, even under the current competitive price scenarios.

In terms of procurement, we have worked to reduce our exposure to short-term volatility within goods and services purchases, ensuring the contracting of rigs beyond 2022, the timely supply of inventories that are critical for our projects and operations, and maintaining constant communications with our suppliers.

In the cash flow management front, we've optimized working capital by accelerating the payments of the FEPC or Stabilization Fund accounts receivable.



Additionally, we are optimizing product inventories while ensuring the levels are the ones required to operate.

Finally, in terms of competitiveness, we are continually searching for new efficiency initiatives that contribute to contain this inflation impact on the group's expense structure.

Let's move on to the next slide. As we reached the first year since we integrated ISA into the Ecopetrol Group, the results and synergies witnessed the value it has provided to our shareholders. ISA continues its growth path, with the current construction of 33 energy transmission projects that are in execution and that represent some 4,900 kilometers of transmission lines. Nine of these projects contribute directly to the energy transition by connecting unconventional renewable energy sources to the transmission network and thus improving the capacities of the network for future connection of other renewable projects.

Particularly on the social dimension, ISA ranked third in the 2022 Private Social Investment Index that is run by Jaime Arteaga y Asociados due to its social and environmental investment strategy in Colombia and climbing two positions versus the prior year.

Now I want to give the floor to Yeimy Báez, who will present the key results in the business line of low-emission solutions.

**Yeimy Báez:** Thank you, Felipe. Last July, the Gas Vice Presidency was transformed into the Low-Emissions Solutions Vice Presidency, which integrates natural gas, biogas, LPG power, renewables, hydrogen and CCUS. We are incorporating components into a new DNA, moving toward an energy solutions portfolio that responds to our 2040 strategy, consolidating synergies with ISA in terms of electrical infrastructure, with Cenit to foster efficient logistics growth and with Esenttia, the Cartagena and Barrancabermeja refineries in low hydrogen and new fuels production. This approach to clean energy systems leverages our growth as a diversified energy group to continue leading the way towards the energy transition in Colombia and in the region.

Our portfolio includes: first, mature natural gas and LPG businesses in Colombia, that are essential in ensuring the country's energy security and will open new commercial horizons. As part of the 2022 commercialization process, we submitted to the market enough available gas declarations, not only to renew contracts expiring in 2022 and 2023, but also to support new demand.



Starting in Q3 of 2022, Ecopetrol will deliver an additional 10% of LPG to the market, equivalent to 4,800 tons per month as a result of operational optimizations, which will benefit more than 3.5 million Colombian families.

Second, growing businesses of self-generated and conventional renewable energies, that allow us to further decarbonize our operations.

I would like to highlight the progress in the development and construction of two solar farms, that would add around 49 MW of additional renewable capacity, as well as the beginning of construction of the solar farm in Providencia, with a projected capacity of 1.8 MW to support the island reconstruction in the wake of hurricane Iota. The Castilla and San Fernando solar farms have saved more than COP 15,000 million in energy costs and have eliminated over 22,000 tons of CO<sub>2</sub> emissions since their incorporation into the energy mix in October of 2019 and 2021, respectively.

Third, emerging opportunities in hydrogen, CCUS and biogas. We made progress in two fronts: the maturing of two industrial scale hydrogen projects at our refineries, based on the information gathered from the 50 KW pilot that has been operating in Cartagena since March, and in the proof of concept to public transportation and light mobility that will be in place before the end of 2022.

We also began five feasibility studies for underground CO<sub>2</sub> storage in four basins in Colombia with an investment of USD 3.5 million. The results will be available in Q4 this year.

I now give the floor to Alberto Consuegra, who will share our operating results for this quarter.

**Alberto Consuegra:** Thank you. During the first half of the year, we drilled nine exploratory wells in Colombia, four of them under our direct operation and five with our partners. As mentioned by Felipe, we highlight the discovery of Uchuva-1 exploratory well, located in deep waters in the Colombian Caribbean. The well was drilled in the Tayrona block in partnership with Petrobras, confirming the discovery of a natural gas accumulation located 32 kilometers off the Southern coast of La Guajira and 76 kilometers from the city of Santa Marta. The partnership will continue the activity in the Tayrona block to validate the size of the new gas accumulation.

Furthermore, in May, Ecopetrol and Oxy signed a joint exploration agreement for blocks Col-1, Col-2, Col-6 and Col-7, located in deep orders of the Northeastern Colombian Caribbean in search for hydrocarbons within a high potential area.



Ecopetrol will hold 40% of the exploration and production rights, and Oxy will hold the remaining 60% as operator.

The Ecopetrol Group currently has a robust and competitive portfolio that will enable the continuity of its exploration activities and will support the incorporation of reserves and production to guarantee the country's energy security.

We currently have 265 exploration opportunities, including 17 discoveries under evaluation and/or delimitation and 116 prospects concentrated in approximately six million hectares and distributed in highly strategic basins in Colombia, Brazil and the Gulf of Mexico in the United States. 90% of the aforementioned area is located in Colombia, while the remaining 10% provides diversification through strategic partners in other countries.

It is worth to highlight that 60% of the hydrocarbon volumes identified in the exploratory portfolio correspond to gas, a transition fuel. By the end of the year, we expect to drill 24 exploratory wells, in line with the plan.

Let's continue with the next slide please. Quarterly production was 705,000 barrels of oil equivalent per day, 12,400 barrels above the volume achieved in the first quarter, in accordance with the goals disclosed to the market. We achieved a higher performance within Rubiales, Chichimene, Akacias, Quifa and Nare fields and we were able to resume gas sales after maintenance activities conducted in the Cupiagua field at the beginning of the year.

The production from exploratory wells is also worth noting. Cumulative production from exploratory assets by the end of the second quarter reached 490,000 barrels of oil equivalent, approximately 2,700 barrels per day, derived from extensive testing of the Liria YW12, Ibamaca-1, Arrecife-1 side track, Arrecife-3, Flamencos-2 and Lorito-1, wells drilled in previous years, and El Niño-2, drilled in 2022.

It is worth mentioning the increase in execution capacity with respect to the first half of 2021. So far this year, we have drilled and completed 268 development wells and 249 workovers with an average use of 33 rigs.

We also resumed activity in the Piedemonte basin with five drilling rigs, three of them assigned to development wells and two to exploration activities.

Let us continue with the next slide please. We are pleased to report positive operational and financial results from our Permian Basin with a historically high cumulative production of 26,800 equivalent barrels per day during June, almost



double that on the first half of 2021, with an EBITDA margin of 88% for the first half of 2022.

In line with our TESG strategy, we highlight the low-emissions intensity of our Permian operations, which ranges between 8 and 9 k of CO<sub>2</sub> per barrel. This was achieved by implementing zero routine flaring and fugitive emissions monitoring and control programs in our facilities.

Furthermore, we have replaced 36% of diesel volume with compressed natural gas and we have recycled close to 5 million barrels of water, 43% more than what we recycled during the same period in 2021.

Due to the favorable results obtained, we have agreed to expand our activities in the Midland area and extend the partnership to Delaware area with Oxy, allowing Ecopetrol to increase its presence in the Permian. The joint development agreement, JDA, was executed, providing Ecopetrol access to a 75% working interest and an adjustment in the capital carry structure deferring it up to 2025. Activity in Delaware will start in the fourth quarter of 2022 and production and reserves will be reflected in 2023.

The forecast for year-end 2022 includes the drilling of 97 wells, the completion of around 95 wells, and an increase in production within a range of 4,000 to 6,000 equivalent barrels per day for an expected total average production in 2022 of 38,000 to 40,000 equivalent barrels per day, net Ecopetrol before royalties.

Let's continue with the next slide, please. Transported volumes increased by 117,000 barrels per day as compared to the second quarter of last year, as a result of the recovery in the demand for crude oil and refined products, the reception of crude oil from the Nare Association and additional barrels from third parties.

Additionally, June set a historical record with the largest shipment of South Blend crude oil exported through the Tumaco Maritime Terminal. The total shipment was 601,000 barrels bound for the West Coast of the United States.

On June 15<sup>th</sup>, we celebrated a decade of Cenit's operations. During this period, it has transported four billion barrels of hydrocarbons through its 9,000 kilometers of pipelines, reported COP 100 trillion in operating revenues, with a team of more than 1,000 people. Furthermore, TESG now plays a prominent role in the company's future.

Let's continue with the next slide, please. The downstream segment reached new historical records as our refineries reported an integrated gross margin of USD 29



per barrel, EBITDA of COP 3.7 trillion and an EBITDA margin of 15.1% for this quarter. As of the first semester, the downstream segment has executed 75% of its 2022 maintenance plan, reaching 97% operational availability in April and May, along with an outstanding HSE performance.

The Cartagena refinery registered a historical quarterly and half year EBITDA record of COP 1.6 trillion and COP 2.3 trillion and a quarterly gross refining margin of USD 31.6 per barrel.

The mechanical completion of the Cartagena crude oil plant interconnection project, IPCC by its acronym in Spanish, was completed and is currently advancing with assurance and start of activities. During the second half of 2022, a gradual increase in throughput is expected to be performed.

Esenttia continues to register its positive results trend due to the opportunities materialized from refinery grade polypropylene and propylene margins, an increase in raw materials' deliveries from the refineries and increased distribution of final product in higher-value regions.

We expect our results for the rest of the year will be leveraged by the gradual increase of the Cartagena's refinery throughput during the second half of 2022 until reaching 200,000 barrels per day once the IPCC start operations.

Also, the expansion of plant number two in Esenttia and the refinery's ability to ensure a stable delivery of RGP and upholding stability and operational availability in all our business units.

Let's move to the next slide please. During the first half of the year, efficiencies of COP 1 trillion were achieved. These results come in the midst of significant inflationary and supply chain challenges, which have resulted in cost increases for the company.

The Ecopetrol Group adopted a comprehensive strategy focused on cost control, improved operations and commercial strategies, capturing savings with a positive effect on EBITDA in the amount of COP 916 billion, allowing us to mitigate the impact of inflation on OpEx by more than 40% and to offset the challenges arising in the international market.

Lifting costs reported an increase of 19% compared to the first half of 2021, driven mainly by an increase in our operations and recovery of activities after the COVID-19 pandemic, as well as an increase in electricity rates.





With relation to the cost per barrel transported, price increases were offset by an increase in transported volumes, which subsequently decreased the unit cost by 5%, as well as the higher exchange rate effect in converting costs from pesos to dollars.

The total unit cost increased during the second quarter primarily due to higher blend crude oil prices on imported crude and products such as diluents, diesel and gasoline, in addition to the increase in operating costs and expenses due to inflationary pressures, resulting in a 13% weighted increase in the cost base.

I will now give the floor to Jaime Caballero, who will present Ecopetrol Group's key financial results.

**Jaime Caballero:** Thanks, Alberto. The EBITDA per barrel in the oil and gas business, excluding ISA's contribution, increased by USD 28.4 per barrel as compared to the first half of 2021, closing at USD 68.6 as a result of higher realization prices in the crude basket and an increase in the volumes of products sold locally.

Net income breakeven for the first half was USD 25.3 per barrel, an improvement of USD 8.1 per barrel compared to the first half of 2021, mainly due to the factors mentioned before.

Within the energy transmission and toll roads business, ISA's EBITDA margin closed at 69.6%, leveraged on higher operating income from the entry into operation of power transmission projects, an increase in construction activity from concessions in Brazil, and the positive effect of higher inflation levels in both Brazil and Colombia.

ISA's return on equity for the first half of 2022 was 11.1%, in line with the plan. This figure is lower when compared to the first half of 2021 due to the non-recurring benefit from the tariff review and adjustments to the basic network of the transmission system in the Brazilian subsidiary CTEEP.

Among the consolidated results, I would like to highlight firstly: the EBITDA margin reaching new historical levels driven by a successful commercial strategy; the outstanding operational performance across business segments, which translated into higher production, refinery throughputs and transported volumes; increased sales volumes, especially of middle distillates at a national level; and finally, the contribution provided by ISA.

The increase of the EBITDA in the first half of 2022 versus the first half of 2021 was of 116%. The company's EBITDA margin ratio for the first half of 2022 closed at 49.9%.



ROACE continues within double-digit levels, reaching 17.1% in the first half of the year, increasing 8 percentage points compared to the result obtained in the first half of last year.

A higher operating income leveraged this result, offsetting an increase in capital employed during the period. Ecopetrol's ROACE outperformed by 4 percentage points the peer group sample to date.

The downstream segment continues to stand out for its growing contribution to the group's EBITDA. It reached new historical levels leveraged on the operational stability of the refineries and higher price realizations.

Likewise, the midstream segment and the energy transmission and toll roads business continue to contribute stability to the group's revenues and the operating cash flow.

Lastly, the gross debt-to-EBITDA ratio for the group improved, closing at 1.6 times.

During the period, the rating agency Standard & Poor's confirmed Ecopetrol's long-term rating at BB+ with a stable outlook and the individual credit rating on investment grade. According to S&P, the rating reflects the stability of the company's financial results, in line with the favorable oil price environment, as well as the importance of the incorporation of ISA into the Ecopetrol Group.

Please let's go to the next slide. The Ecopetrol Group has maintained a strict capital discipline criteria that has strengthened and diversified, in line with the group's new businesses and the 2040 strategy. We are seeking to accelerate the decarbonization and value capture of the hydrocarbons core business, while consolidating growth in energy transmission and road concessions, as well as leveraging the energy transition through prudent diversification.

Regarding the competitive returns pillar, Ecopetrol continues to deliver historical financial results leveraged on current realization prices and additional measures taken by the group, such as the capture of efficiencies that are intended to improve group's operations, investments and commercial strategies. These efficiencies have mitigated inflationary pressures on our operating expenses and investments, which we expect to continue over the next few months.

Year-to-date, Ecopetrol distributed the highest dividend in its history, totaling COP 448 per share, composed by a COP 280 per share dividend declared in the ordinary general shareholders' meeting and COP 168 per share declared as a partial distribution of the occasional reserve. This dividend benefited more than 254,000



minority shareholders who received a dividend yield of 19.9%, based on the closing share price of June 2022.

At the end of the second quarter of 2022, the Ecopetrol Group registered a cash position of COP 12 trillion. The most relevant movements of the quarter include: firstly, the strong generation of operating cash flow for COP 6.2 trillion associated to business performance and collection of the account receivable from FEPC; secondly, a dividend payment of COP 5.7 trillion composed of COP 3.2 trillion paid to the majority shareholder and COP 2.1 trillion paid to minority shareholders as dividend payment on 2021 results and distribution of the occasional reserve, and on the other hand, payments made by our subsidiaries to non-controlling shareholders for COP 0.4 trillion; thirdly, the use of COP 4.6 trillion mainly related to higher organic investments in the oil and gas business allocated to drilling and completion of 268 development wells, 249 workovers and nine exploratory wells drilled in Colombia.

Lastly, there were debt payments mainly related to interest and amortizations for COP 1.7 trillion. During the quarter, a transaction was carried out on the maturities of the period for USD 160 million in order to limit exposure to high market rates and to extend their maturities.

Regarding the evolution of the Fuel Price Stabilization Fund, FEPC, after the payment made by the government in December 2021 corresponding to the settlement of the outstanding accounts for the first and second quarters of 2021, the accumulated balance of the fund at the end of 1Q 2022 amounted to COP 14.2 trillion.

To address the payment and compensation of this balance, the following was agreed with the Ministry of Finance: first, contributions from the nation for close to COP 8 trillion, COP 7.3 trillion from cash resources and COP 675.4 billion from the dividends declared on Ecopetrol's 2021 results that corresponded to the government. And second, the release of part of the occasional reserve that was distributed as an extraordinary dividend to the shareholders in the last extraordinary shareholders' meeting carried out in June. The total amount of the occasional reserve distributed was COP 6.9 trillion, of which COP 6.1 billion corresponded to the nation.

As of today, of the 1Q 2022 balance, there is only one pending installment from the Ministry of Finance for COP 3.2 trillion, which we expect to receive this month. The accumulated FEPC balance during the second quarter of 2022 amounted to COP 10.6 trillion, which would be covered with surpluses in the national budget during this year or with the resources allocated for such purpose in the 2023 national budget.



Let's move on to the next slide please. The execution of the investment plan during the first half of 2022 amounted to USD 2,229 million, the highest level of investment in the first half of the year over the last seven years. Of this amount, USD 1,813 million corresponded to organic investments made in the oil and gas business and USD 460 million to investments made by ISA. 67% of the organic investments made during the first half of the year were made in Colombia, while the remaining 33% corresponded to international investments, mainly in the Permian Basin of the United States.

During the period, notable investments were made on the T ESG front, particularly around water management treatment and usage, mainly within the Llanos Orientales, Piedemonte and Valle superior del Magdalena basins.

Likewise, we continue to mature the execution of decarbonization and energy efficiency projects, including incorporation of renewable energies, flaring and routine venting reduction, and studies for hydrogen production in the Barrancabermeja and Cartagena refineries.

I now pass the floor to Felipe for his closing remarks.

**Felipe Bayón:** Thank you, Jaime. We ended the first half of the year with great progress across the T ESG fronts: technology, environment, social and governance.

In the environmental dimension, decarbonization continues to be one of our top priorities. The goals that Ecopetrol has set around decarbonization contribute directly to the commitment announced by Colombia to reduce 51% of its emissions by 2030. We need to remind ourselves that Ecopetrol's direct and indirect emissions Scope 1 and 2 is broadly or roughly 4.5% of the total emissions of the country.

In the water management front, key to protect Colombia's biodiversity, we reported positive progress with a 77% reuse of water required to operate, advancing towards our goal of becoming water neutral by 2045.

And with respect to circular economy, on the first half of 2022, we have identified over 400 initiatives, 140 of those already in execution, 74 have been implemented. And this includes, amongst others, the use of industrial materials, composting and biomass biofuel, containers and packaging. It is also worth mentioning that, along with ISA, we have identified new synergies such as the development of modified asphalt, strengthening new circular businesses.



Let's move on to the next slide. In the social dimension, the Ecopetrol Group achieved the lowest TRIF in its history evidencing our best practices in the industrial safety and our commitment to life.

We were ranked by Merco Talento 2022 as the number one company in terms of attracting and retaining talent in Colombia.

Through our social investments, we continue to promote local development, always seeking to improve the quality of life of the communities, consolidating trustful relationships, boosting local economies, as well as education and the access to public services.

In terms of governance, as an international benchmark in the implementation of best practices, we continue to be ranked by the likes of S&P, Dow Jones, Merco and ALAS20.

Additionally, in July, we held several meetings with the incoming government and its teams. In those meetings, that were very positive, constructive, respectful, we were able to present the company's long-term vision, our strategy, our achievements, our objectives. And in particular, we had very deep conversations around the energy transition and the role that both Ecopetrol and Colombia are playing and can continue to play in this space.

Finally, in the technology front, we continue to make progress to finalize the construction of the Caribbean Center for Innovation and Technology in Cartagena, where the first hydrogen mobility park in the country will be headquartered and we will also have the first office of the regional center for training in renewable energies. This is an effort between the Colombian and German governments in the field of renewable energies.

Let's move on to the next slide. As we've presented today, Ecopetrol continues to demonstrate its technical, commercial, financial and operational strength. We are delivering on our operational goals and are committed to capture the value offered by the current environment, while proactively managing diverse initiatives confront the challenges of this very volatile juncture.

Thanks again everyone for joining us today and let's move on to the Q&A session.

**Operator:** If you have any questions, please dial zero (0) one (1) on your touchtone phone. If you wish to be removed from the queue, please press zero (0) two (2). If you are using a speakerphone, you may need to pick up your handset first before



dialing. Once again, if you have any questions, please dial zero (0) one (1) on your touchtone phone.

The first question is by Bruno Montanari, from Morgan Stanley. Mr. Montanari, the floor is yours.

**Bruno Montanari:** Good morning, good afternoon, everyone. Thanks for taking my questions. I have three questions if I might. First one, if you could comment on the expected pace of production into the second half of the year and if there is any particular area that can bring more upside or be subject to more challenges, that would be great.

Second, super interesting to see the company advancing in the shale JV in the U.S. So, the question is do you expect to see more similar moves, increasing its acreage or even trying to find new partners in the U.S. in the future?

And third, how confident is Ecopetrol with the continued rebalancing of the FEPC under the new administration? With the pace of increase, we saw now in the second quarter COP 10.6 trillion, there could be a bit of pressure on your working capital requirement going forward, so just looking to see how you balance the working capital funding versus the receivables being met by the government. Any comments would be appreciated. Thank you so much.

**Felipe Bayón:** The U.S. shale first and then I'll pass on to Alberto, so he can talk a little bit more on the broader vision on production going forward and then Jaime will take on FEPC.

So, in terms of the shale, and as we look at these two and a half years that we've been operating in the U.S., in the Permian, first of all, we are very, very pleased with the outcome and this is even with the fact that we had a very, very strong and very deep crisis during COVID. The May-June months in 2020 were very complicated.

And production continues to go in the right direction. As an overall business it's producing north of 50,000 barrels. There's opportunity right now to increase that production at the end of the year.

Lifting costs remain very, very competitive. We have an additional 95 wells to be drilled during 2022. This is on top of the 135 that we already have in production. It's worked well in terms of not only the production, the reserves. It's worked well in terms of the environmental side of the business, with reduced footprint in terms of CO2 intensity per barrel between 8 and 9 k of CO2 per barrel. The operator, Oxy, very experienced and continues to permanently break records around the operation.



And the other thing is that in these first six months, it's produced a little bit over USD 250 million of EBITDA, which is great. And then, if you look at, since inception in November 2019, it's north of USD 520 million of EBITDA.

In terms of what's coming up, and you see in the remarks Alberto was talking about, could we go north of 35, 40 mboed production before royalties, that's part of the plan going forward. We're expanding into the Delaware. So, it's 21,000 additional acres in the Delaware. So, not only Midland, where we have four rigs running continuously. There's three rigs going to be running in Delaware, eventually going up. So, I think there's a lot of opportunity. There's a lot of upside.

At this current moment, we've done with this expansion I think what was required in terms of going to a very prolific area in the Permian. We're not considering additional partnerships for the moment but we continue open to look at opportunities. So, very, very pleased with the outcome of the Permian. And as we've described, more value and more production to be obtained from not only Midland but also Delaware.

Alberto, if you want to expand a bit on production path or anything else or even the shale in the Permian, go ahead.

**Alberto Consuegra:** Thanks, Felipe. Bruno, good morning and thanks for your question. With regards to production, we maintain our guidance in terms of ending the year with an average production of 700,000 to 705,000 barrels per day. Just to remind that so far, the average production is 698,000 barrels. In order to get to the upper side of the guidance, we will have to get about 715,000 barrels in average from July on. So, there is a challenge in there.

Opportunities, we are adding additional production from the Caño Sur asset. Right now, we are in the planning of early start and we'll see a production ramp-up through the yearend.

Also, we are increasing our participation, as Felipe mentioned, in the Permian so, we will see additional barrels, anything between 4,000 to 6,000 barrels.

But we also have risks. One is the planned maintenance of the Cusiana gas plant, which will occur in October.

In addition to that, it's climate, weather. Also, remember that October and November are two months that are complex in terms of weather. And the third risk is about social unrest. So far, we've been having a quiet year, but still remains as a risk.



Also, we have the downside of the divestment in the assets of what we call Cegoc, which is an asset that we recently sold to Perenco. So far, we are in line, as I mentioned, with the production guidance that we shared with you.

**Felipe Bayón:** Thank you, Alberto. And Jaime, FEPC.

**Jaime Caballero:** Thanks, Felipe. Bruno, good to hear you. With regards to FEPC, what's the overall situation? As you're well aware, we had this agreement with the Ministry of Finance, where the balances until the end of the first quarter of this year were agreed upon and that's going well on track in terms of this execution. Basically, of the COP 14 trillion balance that needed to be sorted out, COP 11 trillion of them has already been crossed over in accounts, if you will and there's a COP 3 billion cash payment to be received this month. So that's well on track, and there are no changes to the terms of that.

In the second quarter of this year, a balance of about COP 10 trillion was accrued in the fund in favor of Ecopetrol, and that's very much in line with the projections that were included in the medium-term fiscal frame, which was published by the government last month. The good news is that, in line with that frame, in the draft national budget that has been circulated for Congress approval in September, COP 19 trillion have been included specifically for FEPC, and this is a COP 19 trillion cash payment that would be received by Ecopetrol. I think that gives us a lot of confidence around the 2022 balance being funded next year.

We are in discussions with the incoming administration with regards to optionality going into next year, and that optionality is particularly taking into account that medium-term fiscal frame assumes some important adjustments to the recognition formula that would ultimately impact prices at the pump. The incoming government wants to understand to what degree those adjustments are required and how much flexibility is needed around that.

So, we are working with the incoming administration to produce more options. There are some general principles that have been agreed upon. Clearly, all obligations that have been accrued to the fund are going to be covered. I think that's one basic principle. Another basic principle is, of course, that options need to be sustainable from a cash perspective, both for the national fiscal position, as well as to Ecopetrol. So, we're working on those options, but I would say that the general line is that there's a very good understanding of how this balance is accrued in time and we're working on options to sort it out and make it sustainable. Thank you, Bruno.

**Bruno Montanari:** Thanks a lot, very clear.





**Operator:** Thank you very much. Our second question is by Luiz Carvalho, by UBS. Mr. Carvalho, the floor is yours.

**Luiz Carvalho:** Hi, everyone. Thanks for taking the question and congrats on the results. If I may come back to the FEPC topic, Jaime, last time we discussed it, you mentioned about the committee that was formed for the transition between the government and that the discussion was going pretty well. So, can you provide any updates on the discussions, what are the main topics, and if you can include on your answer any updates on the fracking, the new exploration areas, and of course, the Stabilization Fund that you already commented on the first question.

And to that point, on the stabilization, in the release you mentioned that of the receivables of the FEPC aiming to receive part this year and the other part based in 2023 budget. And if you can comment on this 2023 budget resources, if this was already discussed with the upcoming government and if so, how the discussions are going. These are my two questions. Thank you.

**Felipe Bayón:** Hi, Luiz. This is Felipe. I'm going to give you a bit of context around the conversations with the incoming government. So, the team in Ecopetrol and the incoming government we've met, and I'd say I personally had sessions that amount to 27 hours altogether. And after that, we had some specific sessions on some topics that they wanted to discuss in more detail. So, it was a very detailed conversation that basically went all the way from strategy and long-term view of the company, current performance, we talked about exploration in a lot of detail, we showed them things like time to market, how much time it takes to work from a concept all the way to a lead, drill, and then basically develop something commercially and there was a lot of conversation around the quality of the portfolio that Ecopetrol currently has.

Some of the things that came out in those conversations, for example, were around the need for Colombia to continue to provide gas to industry, to citizens, to transportation, use. And if you look at our portfolio going forward, 60% of our exploration objectives are around gas. In terms of the north of 260 opportunities that we've identified, 60% of those are around gas. So, I think that resonated very well with the government. They acknowledge that being able to supply gas and basically fuel and diesel, gasoline and oil for our refineries is fundamental going forward. So, very good discussions around exploration. We talked about production. We talked about refining, transportation. We talked about gas and LPG and the transition. We talked about hydrogen in a lot of detail, renewables, we talked about CCUS and the likes.



There was an in-depth conversation around unconventional or fracking. So, we were able to share with them what these 2.5 years have meant for us as part of the company that we have jointly with Oxy in the Permian. As I mentioned, I think, in one of the prior questions, not only around the performance from the wells, production, reserves, but also in terms of emissions, seismicity, water management costs. The Permian is an operation that has an 88% EBITDA margin, probably the highest in the group. So, a lot of good conversations around fracking.

And we talked about the *Proyectos Pilotos* in Colombia, the pilot projects on fracking. And I'd say fracking is a very sensitive subject for the incoming government. We fully acknowledge that. And I want to reinforce that Ecopetrol, throughout its history, today and in the future, will continue to be not only respectful but also abide by the current legislation and regulatory frameworks, depending on the time we're in. So, conversations continue to happen. They've asked us for more detail. We'll continue to have those conversations.

I'd say overall, Luiz, they've been very respectful, the discussions, very constructive. We've been able to exchange ideas, as Jaime was talking about FEPC for example, and I'll hand over to him in a minute, but a very, very constructive attitude from both sides, in terms of understanding the views of the other and trying to jointly build from that. So, Jaime, if you want to take on the FEPC question.

**Jaime Caballero:** Thank you, Felipe. Luiz, good to hear you. To give a little bit more color around the nature of the conversations, the Stabilization Fund has been identified as one of the highest priority items in the commission, in the committee, that was heading the handover. It's actually a few days ago that a document was produced, which basically summarizes the key conclusions of the handover committee. And if you take a look at the elements associated to the energy sector and the general public finances chapter, FEPC is one of those items that's highlighted. So, this has full attention of the incoming administration and that is a good thing. That is a good thing, because it is creating the right conversations.

If we look at what are the expectations going forward, we are looking at a projection that basically has an ending balance this year. That's going to be somewhere between COP 24 trillion and COP 27 trillion perhaps. That's what we're estimating, in total. As the accrual, that's going to be linked to the fund by the end of this year. Of that, as I said before, COP 19 trillion are already included in the draft national budget and the incoming administration supports that, because that's already funded. So, the conversation is around how can the delta, if you will, between that



COP 19 trillion and the COP 25 trillion, for rounding purposes, how can that be funded.

And there are alternatives to that. One alternative that we have already discussed is that it is likely or it's at least a possibility that there are budget surpluses associated to this year. That was a figure or a mechanism that was actually used last year. Last year there was a surplus of about COP 3 trillion, which was used to cover the fund balance. And that's an option that we're looking into with the incoming administration.

There are other options, of course. And I'd say that one of the biggest ones on the table is the expected tax reform, which the government has already announced. The incoming government has announced that it intends to do a tax reform and there's a project that's going to be submitted in the coming weeks around that matter. And they are looking at options to increase the fiscal earnings associated to that.

So, I think the conversation is going in a good direction. It has a lot of depth. There's a lot of joint understanding about the problem and there's a commitment around making it sustainable. Luiz, I hope that gives you sufficient color. Thank you.

**Luiz Carvalho:** No, no. Thank you very much, Felipe. Very clear and good luck on this transition. Thank you. Very clear.

**Operator:** Thanks a lot. The third question is by Andrew McCarthy, from Credicorp Capital. Mr. McCarthy, the floor is yours.

**Andrew McCarthy:** Good morning, everyone. Many thanks, Felipe, Jaime, and the team for the presentation and congratulations on the strong results.

I have three questions. The first one is just a follow-up on what Bruno and Luiz were mentioning in terms of FEPC. I just wanted to understand in terms of the COP 19 trillion that you already have committed from the draft budget, what is the timing when you would receive those COP 19 trillion? Would that be the first quarter, second quarter, next year? Just to be able to better gauge that.

And then my second question, in terms of the outlook over the next few months, what you're seeing with recent conversations with your international clients, are you starting to see any headwinds there from maybe recession fears? And maybe that's taking its toll in terms of your engagement with those clients?

And then my third question is to do with the potential entry and the commercialization of renewable power generation business. What would be your preliminary observations with respect to how Ecopetrol could be a competitive enough player in



that space, in order to justify that capital allocation decision to that industry? It would be interesting to hear your initial preliminary thoughts on how that could work. That will be it for me. Thanks.

**Felipe Bayón:** Thanks, Andrew and thanks for being here today with us. I'll ask Jaime to follow-up on FEPC and specifically the COP 19 trillion and timing and how it's been included in the draft budget that will be approved by Congress over the next couple of months or so.

In terms of the next few months, I think there's a combination of inflationary pressures that we've discussed that are hitting some parts of the operation in terms of consumables, and goods, and spare parts, and the likes. We've done a lot in terms of looking at this longer term strategically and conversations with suppliers and providers and partners. And I think we've managed to basically deal with most of the impact.

But also, in terms of recession, I'd like Pedro, if you can chime in in a bit after Jaime talks about FEPC, what are you seeing, Pedro, with our newest office and organization we have in Singapore, currently in the U.S., talking to clients? I'm sure he'll have fresh looks on what are the clients expressing and how they see things.

And then on renewables, Yeimy, if you can get ready for that, in terms of how do we commercialize and again, it will depend on regulation being changed, particularly in Colombia. And even though we have a plan to grow all the way to 1,000 MW in terms of renewables, it's aimed at our own consumption. Yeimy can talk to that. So, Jaime, Pedro and then Yeimy. Jaime, go ahead.

**Jaime Caballero:** Thank you, Felipe. Andrew, with regards to timing of the payments, at this stage we don't have that level of granularity. That's something that we're still discussing with the incoming administration and actually with the existing administration, because we have been working jointly on a decree that would actually regulate this going forward.

I think conceptually the general principle is that the schedule of FEPC payments needs to be aligned in a very good way with any dividend distributions. That's a general principle, because obviously that's what gives confidence around the ability of both parties to honor those commitments. We are working on that.

I think something that gives us a lot of headroom in the conversation is that our operational cash generation is very robust at this stage. As you probably saw in our reported figures, we produced about COP 6 trillion to COP 7 trillion of operating cash



flow. When you look at free cash flow, probably there's a surplus of around COP 2 trillion to COP 3 trillion per quarter. So, as we look into the next six or seven months, we are in a place where we have a lot of room to maneuver. And what we are working on with the incoming administration is to produce a schedule that can be met and that meets the needs of both parties. I hope that helps. Thank you.

**Felipe Bayón:** Thanks, Jaime. Pedro?

**Pedro Gutierrez:** Yeah. Thank you, Felipe. Andrew, thank you for your question. Let me just give you a brief summary of what we're seeing in the main markets, basically the most important ones for our products and crude's.

On the crude side, basically in Asia we're seeing some issues in China, but they're more related to the lockdowns because of the COVID that they're going through. But certainly, we believe that we have passed through this. And right now, that we're in the trading cycle of September, we're seeing that the Chinese market is picking up a little bit. Obviously, they're being cautious again.

But one of the things that we are doing is basically focusing in another market that is growing, which is the Indian market. I was able to visit our main customers in India about a month ago and the demand for fuels, they're setting high records and so they're needing a lot more imports of crude. And certainly, they want to diversify. We are the second largest provider of Latin American crudes into India so we see that's a very strong market. But basically, the setup of our office in Singapore is helping us monitor what's going on in the dynamics of the Asian market.

Obviously, everybody is being very cautious. But again, the fuels market is quite strong given the margins are correcting a little bit down. We believe that towards the end of the year that still is going to be a strong market.

Now, in the U.S., what we're seeing is that, because of the fuels are correcting a little bit, the market still needs a lot of crude oil, especially the type of crude that we bring into this part of the world, which is basically heavy sour. We compete very well with the local sour and the Canadians, so we're seeing that very strong. But obviously recession is something that again everybody is looking at very cautiously.

Now, when it comes down to the local demand in Colombia for fuels, this year has been very strong and we're seeing that is going to continue strong. Basically, we reached a plateau, but we're also setting record highs in the country. So, we believe that depending on how the economy is going to be handled with the new government, the fuels market is going to continue strong.



That's basically what I would like to share with you from our clients and the different markets that are the most important for our crudes and our products. Thank you.

**Felipe Bayón:** Pedro, thanks a lot. And Yeimy, if you can talk about renewables and power generation.

**Yeimy Báez:** Sure, Felipe. Thank you. Thank you, Andrew, for your question. Well, we are already competitive with our renewable energy assets. Our clients in the upstream, midstream and downstream segments require efficient tariffs from us. So just to mention an example, the Castilla and San Fernando solar farms have saved more than COP 15,000 million in the energy costs and have eliminated over 22,000 tons of CO2 equivalent emissions since their incorporation in 2019 and 2021. Anyway, Colombia has resources to develop competitive renewables with the wind spin in La Guajira, and of course, our geographical position.

From the Ecopetrol Group standpoint of view, we are consolidating synergies with ISA in terms of electrical infrastructure and with Cenit to foster efficient logics growth. To further grow the synergies with hydrogen business will be essential as well, and I hope it helps to give more color on the renewable growth.

**Felipe Bayón:** Thanks, Yeimy. And thanks, Andrew, for your question.

**Operator:** Thanks a lot. Now, let's go to the fourth question by Anne Milne, from Bank of America. Mrs. Milne, the floor is yours.

**Anne Milne:** Thank you for the comments that you made with the incoming government. Those have been very helpful. I have a couple of questions. First, just to finalize on the conversations with the incoming administration. Have there been any discussions as we've seen in the local press that you might have had or Ecopetrol might have had with regard to the composition of the Board of Directors or management? That would be my first question.

Second is, you've mentioned in a number of areas the growth on the natural gas side some recent discoveries. There's also a news item about a small pilot project on importing LNG. I was just wondering if you could walk us through where you see natural gas production growing over the next five to ten years.

Also, I think there was some news about a project that was being analyzed to reconnect the pipeline between Venezuela and Colombia and maybe if you could provide a little bit of information on that. Thank you very much.



**Felipe Bayón:** Thanks, Anne. In terms of the conversations with the incoming government, and as I've mentioned before, we had several sessions, we talked about them. Over the last few weeks or so I've personally gone out to the news and the press and explained that, first, the incoming government has the freedom to basically propose the changes that they deem convenient and timely in terms of bylaws and also the nominees for the Board of Directors. It's within their realm. They have that absolute freedom to do that and they may decide to do that through an extraordinary AGM or through the normal or ordinary AGM in March. I think that's very clear.

I think you also asked about management. What I'd like to say is that the Board of Directors for the company has the accountability to appoint or remove the CEO for the company, as well as the direct reports to the CEO. Those need to be consulted between the CEO and the board and that's what we've done throughout all of these years. I think and I hope that that helps a bit in terms of governance and specifically around Board of Directors and senior management.

In terms of natural gas, I'm going to ask Yeimy if you can provide a bit more color around that.

Also, let me give you my views on Venezuela and Colombia, and the first thing is that there's infrastructure that has been in place for probably a little bit over 15 years. It's been seven or eight years since gas slowed through the infrastructure. I personally don't know what's the condition from an integrity point of view of the system. But I would highlight that with the recent announcements for example around Uchuva, the discovery that we've made offshore, Colombia has the possibility and the opportunity to continue to use Colombian gas, which is fundamental. It provides jobs. It will provide additional royalties and taxes and a positive impact to the regional economies in those areas. That's what we want to do and that's why I want to link it to the answer that Yeimy is going to provide in terms of our vision of natural gas going forward. Yeimy?

**Yeimy Báez:** Thank you, Felipe. Thank you, Anne for your question. Indeed, we have a very robust investment plan for gas. Right now, we are investing around USD 50 million per year and that investment is being deployed mainly in the Llanos foothills, onshore Caribe and Caribe offshore as well. We are very positive on the potential of those basins as it was proved by the Uchuva discovery but also the Liria discovery that we recently announced. So, we understand our responsibility to develop domestic resources to Colombia and we are doing so.



On the other hand, we also understand that we need to create optionality for the Colombian people. And that's the reason because we recently started the proof of concept in Buenaventura to import gas. This is essential. As you mentioned, having efficient gas for everyone in Colombia is our first priority. And to do so, we are working on both sides, pursuing domestic growth, but also to deploy new technologies as micro-LNG in those regions that haven't had necessarily the most efficient solutions for their residential consumption.

In the next five or ten years, we envision a demand growth in Colombia that will be leveraged not only for the industrial growth, but also for the renewable power generation that will be installed in the next decade that will require this backup power generation that will be very likely provided by the gas. Thank you for your question again.

**Felipe Bayón:** Thanks, Yeimy.

**Operator:** Thanks a lot. The fifth question is by Badr El Moutawakil, from Barclays. Mr. Moutawakil, the floor is yours.

**Badr El Moutawakil:** Yes. Thank you so much. Thank you so much for taking my question and congratulations on these earnings. Three questions on my side. I think some of them have probably already been answered before but pretty quick.

The first one is regarding the gross debt, especially in light of the limited free cash flow post dividends that was posted by Ecopetrol. If you can walk us through how are you thinking about your gross debt trajectory. We've seen obviously net leverage has decreased thanks to higher EBITDA. But just curious, how you're thinking about your gross debt levels, and especially if you're thinking about any type of market transactions to think about 2023 redemptions where you have 1.8 billion plus the ISA loan. So, any updates there would be great.

My second question is regarding what Anne asked before in terms of the board changes. Is there a timing for that potentially that we should be looking at that was communicated or that you think is relevant for us to keep in mind?

And my third question is regarding the FEPC and more so, two specific questions on that. The first one is, is there any push in Colombia to increase local prices in line with international markets?

And then my follow-up question, what's the breakeven price of Brent prices where the FEPC is not going to be accumulating anymore? If you can give us some details on that, that would be very appreciated. Thank you.





**Felipe Bayón:** Thanks, Badr. I'll take the number two and I'll ask Jaime to complement on the other ones, on one and three.

So, in terms of the board changes, there's no specific timing for that. As I was mentioning, there's one avenue that would be to wait for the ordinary AGM that takes place in March. That would give you a sense of that timing should that be the route that the incoming government decides to pursue. And there's another avenue where they actually request that we call for an extraordinary AGM. That could happen any time between the 7th of August, when they come into office, on March, and that would be the second avenue. But clearly, it's fully in the hands of the incoming government and what they decide to do.

And as Ecopetrol, we're ready, should we be asked to do the extraordinary AGM. It's going to take a few weeks. There's some administrative processes that need to take place. But should that be their decision, we're ready to move on and forward with that intent. Jaime, if you can talk about gross debt and free cash flow and FEPC.

**Jaime Caballero:** Thank you, Felipe. Hello, Badr. Good to hear you. With regards to gross debt, let me give some general comments. Our gross debt closed at about 24 billion in total this last quarter. When you look at the health of our metrics, we closed with a 1.6 gross debt-to-EBITDA ratio, and I believe a 1.4 net debt-to-EBITDA ratio, and these are ratios that are quite healthy. I'd say that from that standpoint, we are comfortable with the position.

I think the biggest consideration going forward is around two areas. Firstly, it's the refinancing of the 2023 expiries, which amount to about 4.7 billion. That's back-end loaded next year, so it's something that not needs to occur sometime in the second half of next year. That gives us some time, but of course, given the market conditions and the noise, I'd say, in the overall financial system, we are acting early on that and we have a host of options running in parallel to address that. That optionality includes tapping domestic markets in Colombia, where we haven't been for a long period of time, for many years, and there's a lot of appetite for our instruments. And also, we continue to look at international markets.

I think that's the general outlook that we expect. When are we going to do that, it's going to depend on market conditions, but the toolkit is good to go, if you will. We are in conversations with the incoming administration as well with regards to synchronizing the timing of those transactions, so that they make sense both from a domestic and international perspective and we don't end up creating some cannibalization. So, that's where we are on this.



I'd say that the overall context for this conversation of course is that operating cash flow and free cash flow of Ecopetrol is very robust, despite the FEPC impact. That doesn't mean that FEPC is not important. Of course, it's important from a working capital standpoint, but it does give us some leeway and some headroom to work this problem over the next six months. That's what I would say.

Finally, with regards to your question around breakeven prices and whether there is a push to increase local prices in Colombia, what I'd say is that the medium-term fiscal frame, in its design, it assumes some systematic increases over the next 18 months. I think there's a genuine question whether the prices at the pump and whether end customers can actually absorb that. And it's a genuine question. What we've seen across Latin America is that adjustments to prices at the pump are extremely sensitive. And to that extent, we can sympathize with the concern around an aggressive adjustment line over the coming months, that's why we're looking at other options. We're looking at other options that can address that. And those options include as, I said before, things like looking at the budget surplus.

If you've been looking at the news recently, the Director of the DIAN, which is the tax entity here in Colombia, has actually come out in public stating that surplus in tax earnings so far for the government amounts to COP 18 trillion versus its budget. So, these options are realistic and they give us confidence that this is going to become more sustainable over the coming months.

With regards to breakeven prices, I would say that you need to be careful about thinking it that way. I think that the way that the FEPC formula behaves is not completely proportionate to Brent prices and it considers weightings of product prices in the Gulf of Mexico particularly, and I think that FX has a massive impact as well. So, I wouldn't venture out to give you a breakeven price where things change. I think that's something that we need to monitor over time. I hope this helps. Thank you.

**Badr El Moutawakil:** Thank you so much and good luck for the transition, guys.

**Operator:** Thanks. The sixth question is by Declan Hanlon from Santander. Mr. Hanlon, the floor is yours.

**Declan Hanlon:** Hi. This is Declan Hanlon. Good day everyone and thank you for the call. Most of my queries have been addressed already. I just have one follow-up and this relates to the ISA bridge next year. Do you have an extension option there? And if so, can you provide some detail around that?



**Jaime Caballero:** Hi, how are you? With regards to the loan that was taken to acquire ISA, as you know that was about USD 3.7 billion, USD 2 billion of which were refinanced at the backend of the third quarter of last year. So, we have a remaining balance of USD 1.7 billion. There are several options around that. Those options do exist, including some form of extension. So, the optionality is there. Having said that, we are looking at it in a broader sense and what I mentioned is that it's likely going to be a combination of different instruments, going from domestic to international stuff. That loan has an expiry in August of next year so it would be premature to give you a final answer on this. Thank you.

**Felipe Bayón:** Thanks, Jaime.

**Declan Hanlon:** Thank you.

**Operator:** Thank you very much. There are no further questions at this time. We'll go back to Mr. Bayón for his concluding remarks. Mr. Bayón the floor is yours.

**Felipe Bayón:** Thank you so much. Again, thanks everyone for being here today with us and the interest you have in Ecopetrol and not only the historical results that were presented to the market, but also our view on some of the things that are transpiring right now as we're going through a change in government and we continue to implement strategy throughout the Americas.

I appreciate your questions and they're very useful to us. They help us further understand your apprehensions, concerns, areas of interest and we'll continue to work in that space. Please stay safe. Have a great day and thanks again for being here today with us.

**Operator:** Thank you very much. Ladies and gentlemen, thank you for your participation. This concludes today's conference. You may now disconnect.