



# OPERATING AND FINANCIAL RESULTS

THIRD QUARTER 2020





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# SPEAKERS



**Felipe Bayón**  
CEO



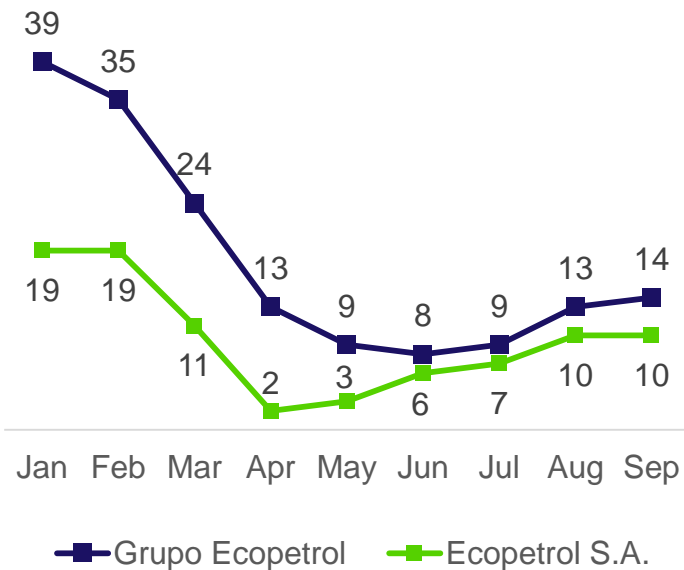
**Jaime Caballero Uribe**  
CFO



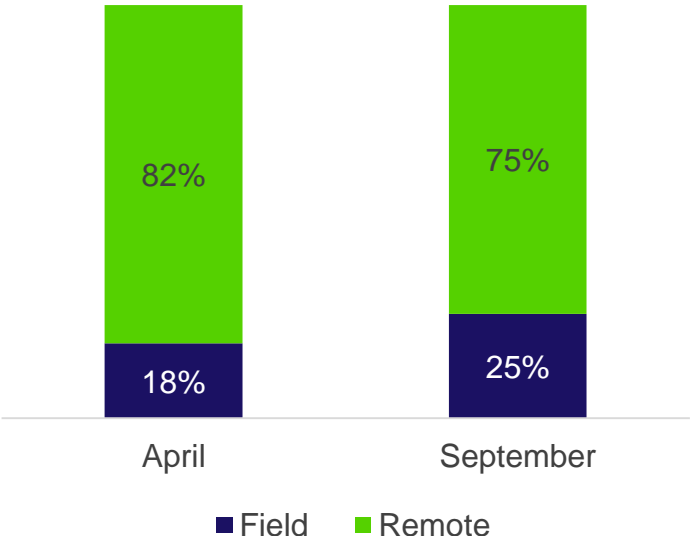
**Alberto Consuegra**  
COO

# Business continuity leveraged on digital transformation

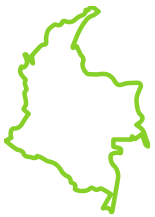
# Active Drilling Rigs  
(Average)



Employees Working Remotely  
& in Fields



As of September



**59%**

of the **APPROVED SOCIAL INVESTMENT**

has been delivered to support the country's COVID-19 health emergency

## Implementation of Artificial Intelligence & Analytical and Self-Management Tools



**~9,000**

Employees with secure digital connection



**+7,400**

Average daily virtual meetings



**~4,500**

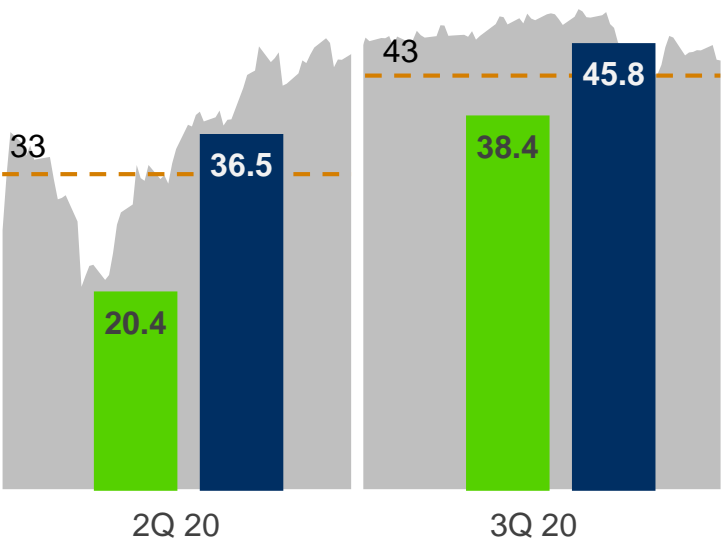
Average daily recurring connections



# Gradual recovery of demand and prices

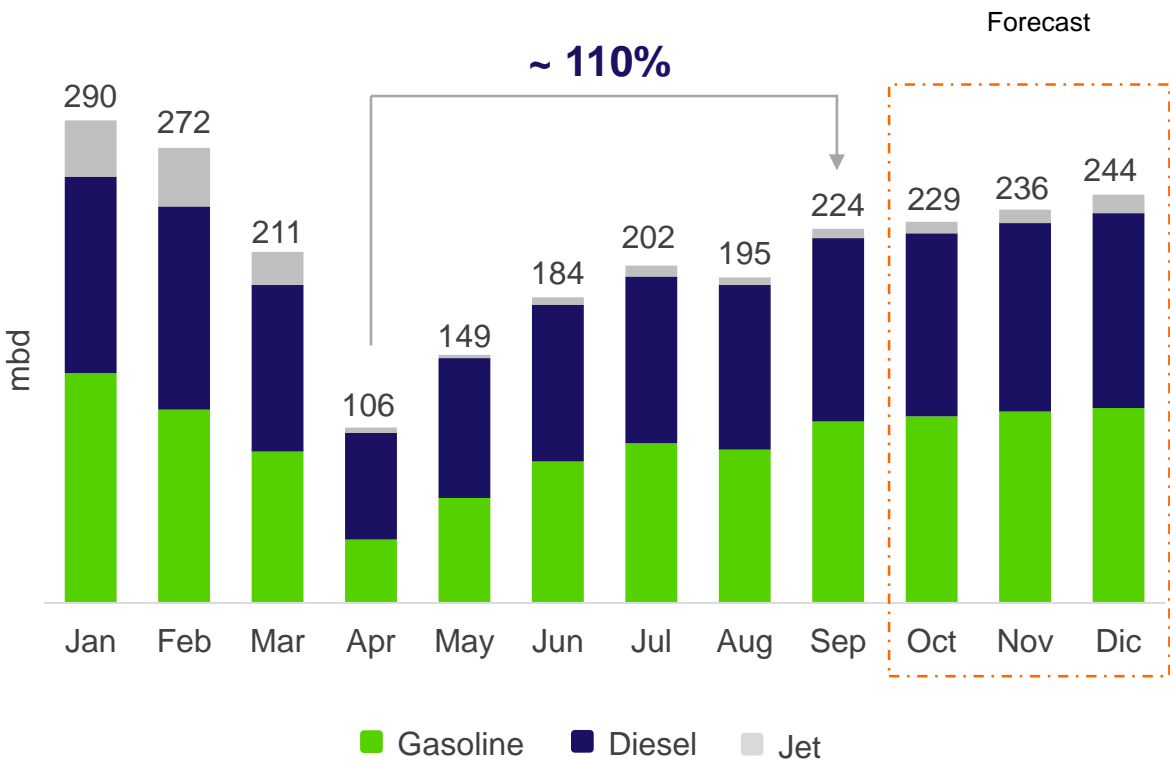
Basket Price US\$/BI\*\*

— 26.3 US\$/ BI — 40.2 US\$/ BI —



■ Historic Brent ■ Crudes ■ Products  
■ GE Basket — X Brent

Domestic Fuels Demand 2020\*

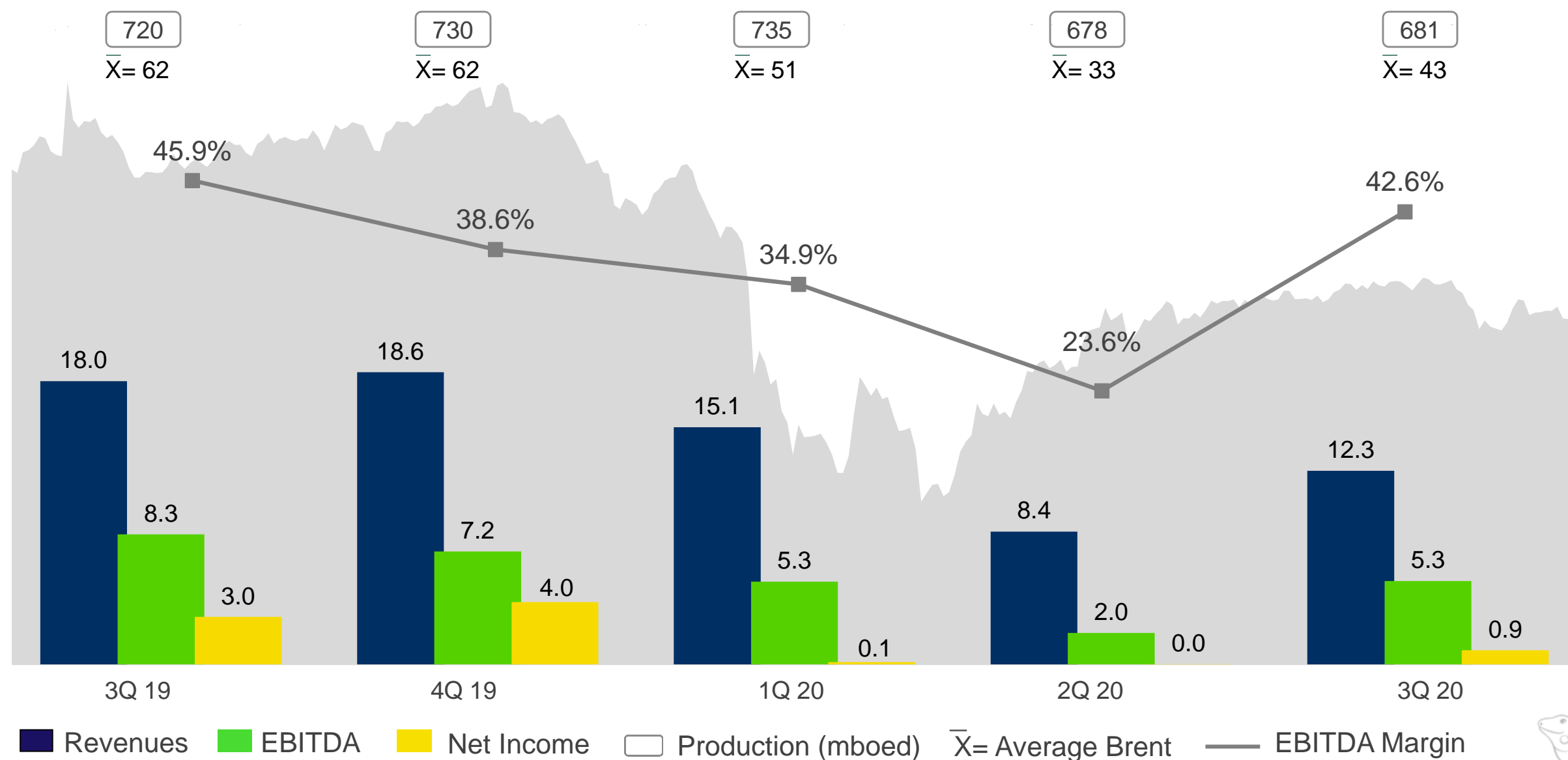


■ Gasoline ■ Diesel ■ Jet

\* Ecopetrol Group national fuel sales as of September 30, 2020. \*\* Ecopetrol calculations.



# Proven resilience in the “new normal”



Figures in COP Trillion. Brent in USD/BI, Source: Bloomberg.





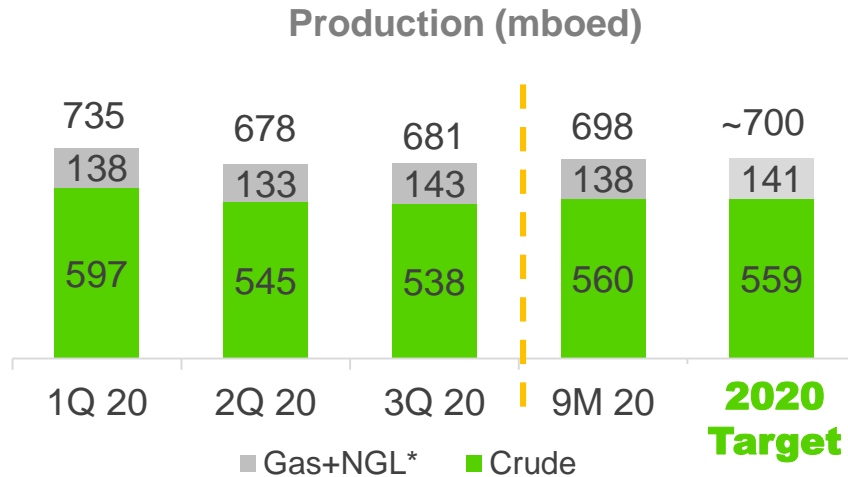
# Operating Results

Picture: Cusiana

# Operational recovery in line with market conditions

## Upstream

### Ronda Campos 2020



### Perdices Block

Hocol (50%)  
Lewis Energy (50%)

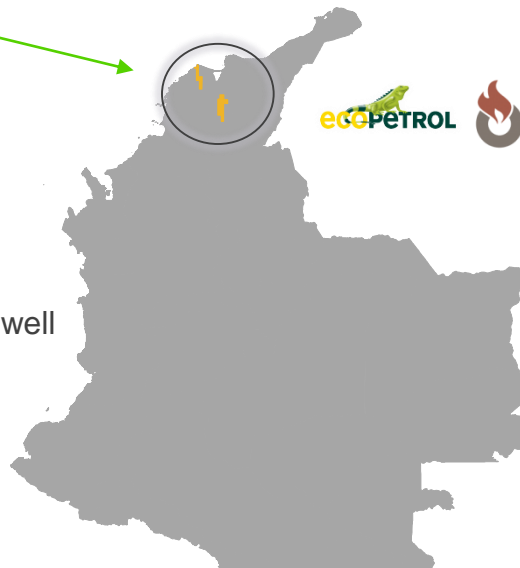
### Arrecife-1 ST

Commercial operation began on gas discovery well

### Exploration in Gas

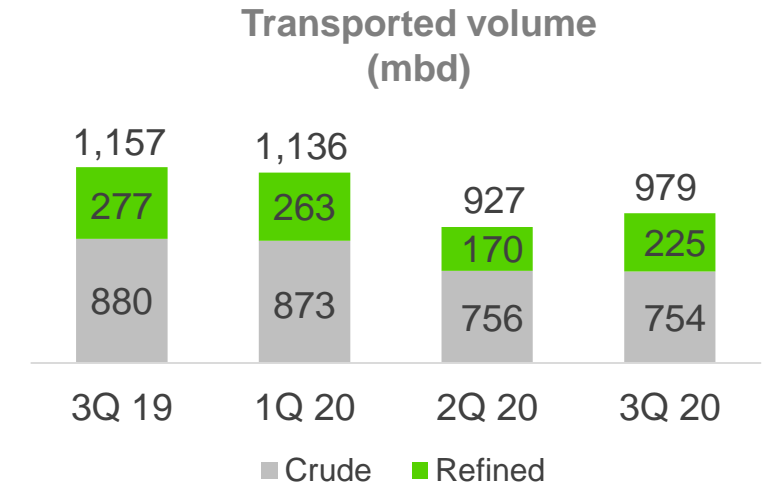
### Drilled Wells

**10**  
9M 20

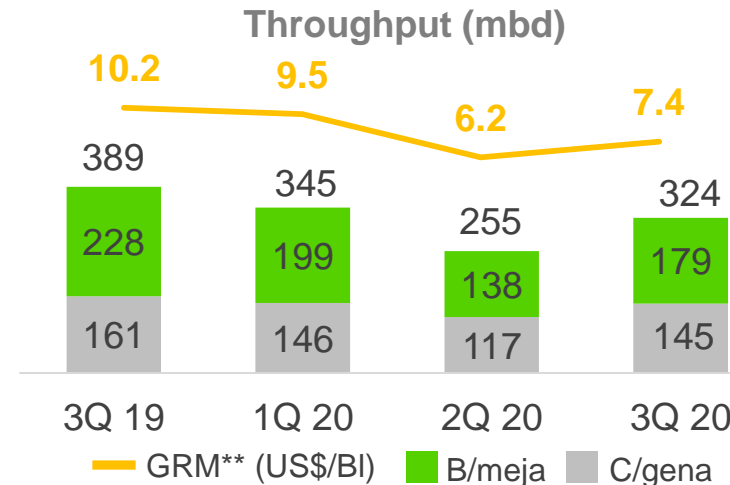


## Midstream

Heavy crude transport tests to **650 cSt** at Cenit, Ocesa, ODL an ODC pipelines



## Downstream



Domestic Crude  
**100%**  
SEP 20

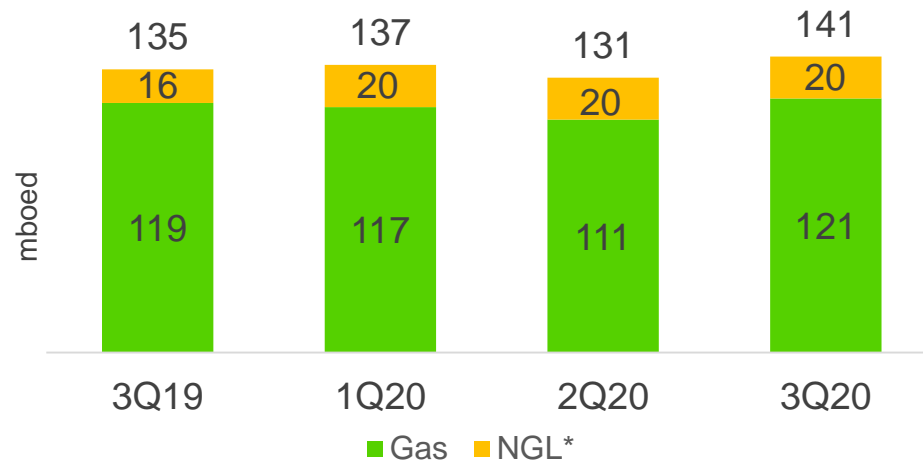
**Feedstock Cartagena**

\* Includes whites.\*\*Gross refining margin





# Growing gas contribution



EBITDA Margin **55%\*\***  
**34%** share of Upstream EBITDA } 9M 20

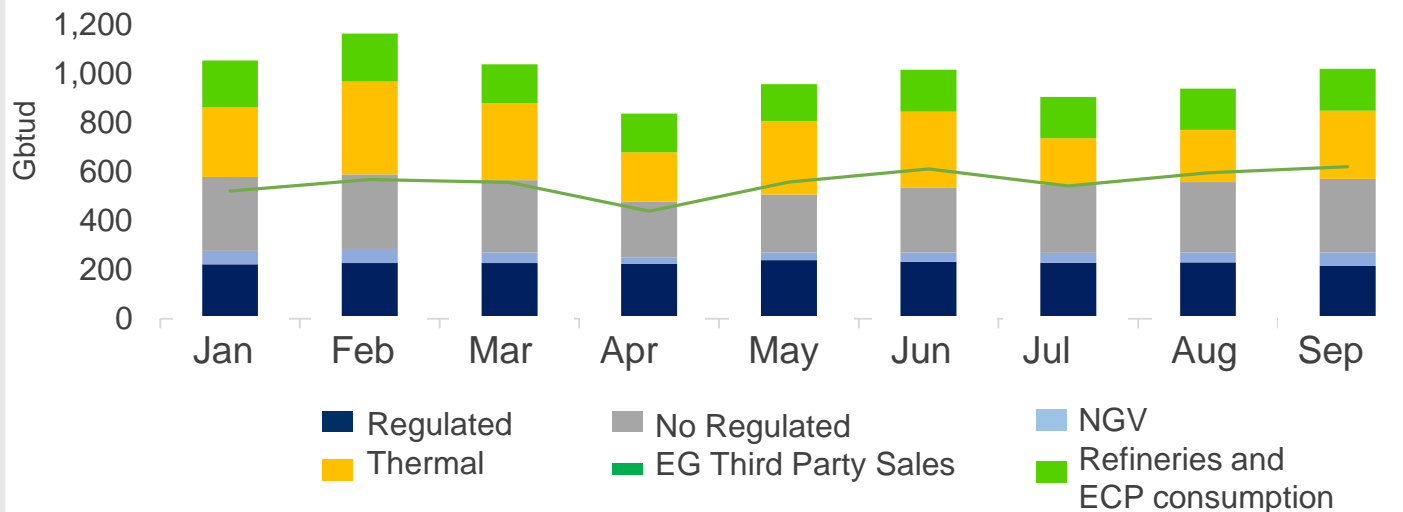


Financing, payments relief and volume negotiation **COP\$ 50 B**



Social investment in natural gas  
 ~ **COP\$ 6.5 B**

## 2020 domestic demand trend

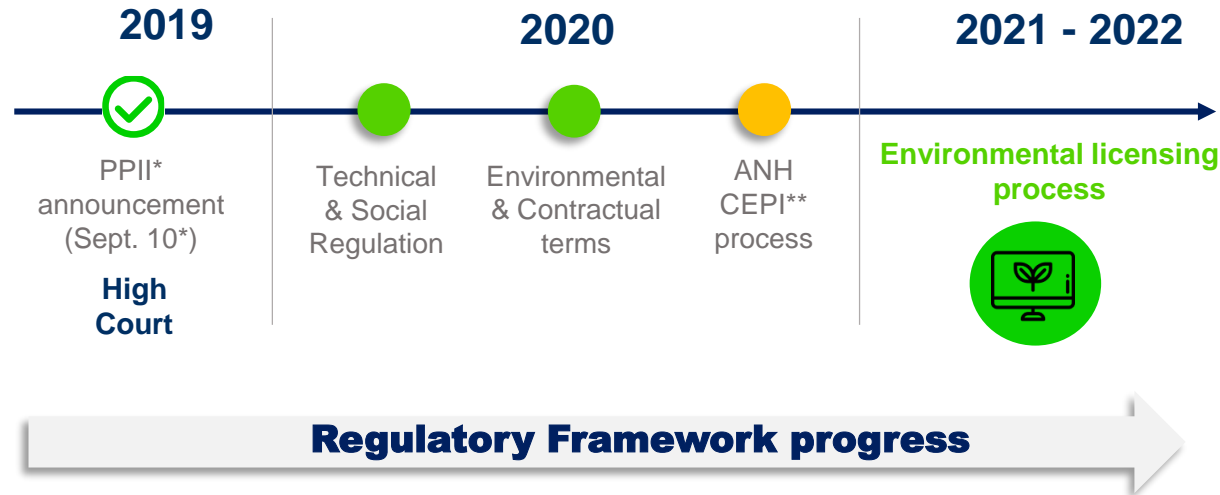


- ▶ **Market growth:** + 10 million natural gas users in Colombia
- ▶ **Successful** 2020 natural gas commercialization process from major fields
- ▶ **Consolidation** of the Guajira operation after Hocol's asset acquisition



# Progress in unconventional

## P P I I \*



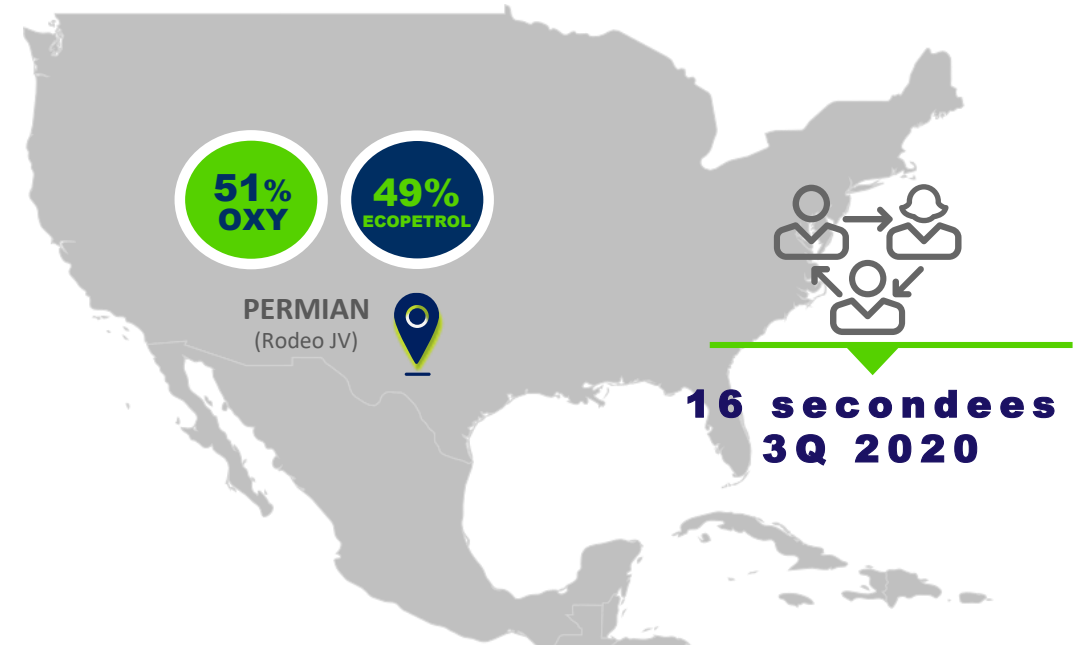
## PARTICIPATION IN ANH'S CONTRACTOR SELECTION PROCESS FOR THE ASSIGNMENT OF CEPI

1. Research Project Area
2. Research and operating activities program
3. Social Investment
4. Local content of goods and services
5. Low-impact technologies
6. Information transmission to stakeholders

\*Comprehensive Research Pilot Projects for Unconventional Reservoirs in Colombia

\*\*Special Research Projects Contracts

## P E R M I A N



**EBITDA  
Margin 3Q**

**61%**

**Production  
Avg. 3Q\***

**8.4  
MBOED**

**EBITDA  
3Q 2020**

**14  
MUSD**

**Production  
Avg. 9M\***

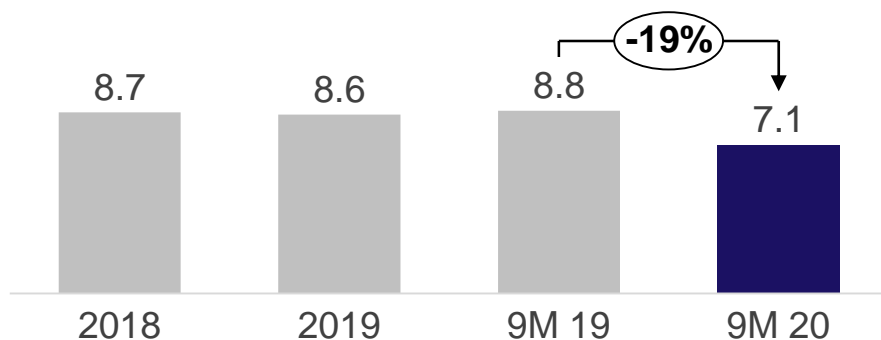
**4.9  
MBOED**

\*Ecopetrol's Net Production. Includes royalties

# Operating costs adjusted to current environment

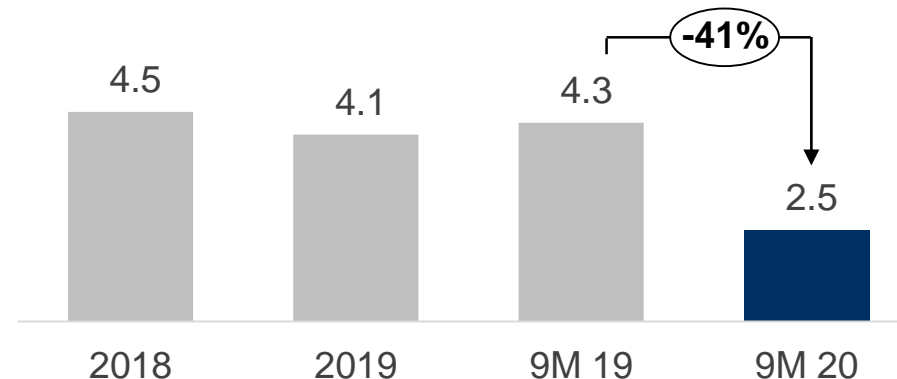
## Lifting Cost

US\$/BI



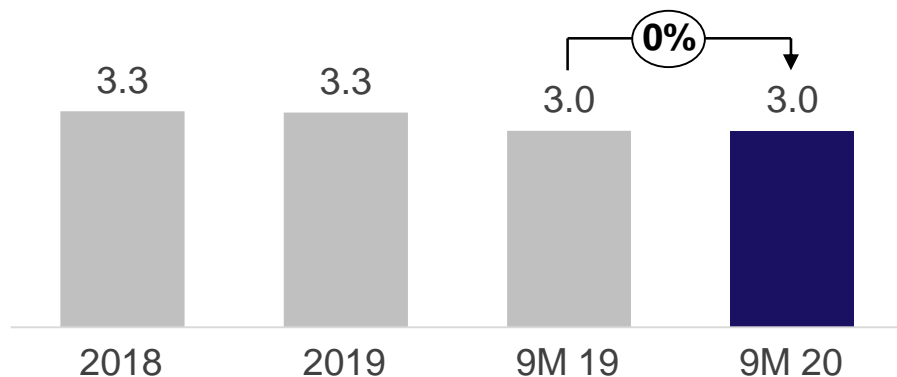
## Dilution Cost

US\$/BI



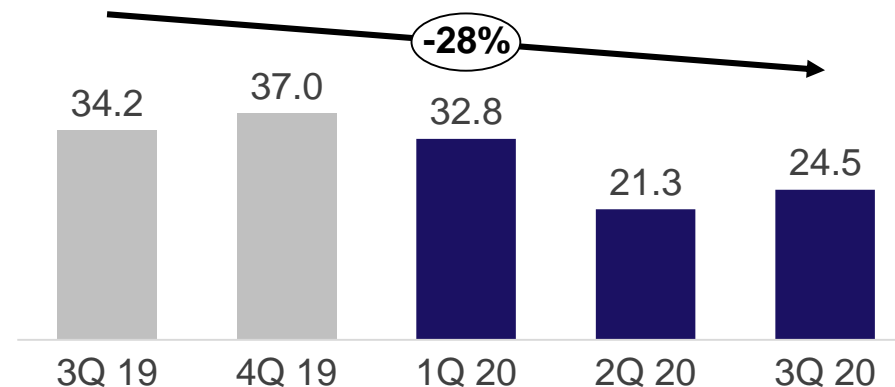
## Transportation cost per barrel

US\$/BI



## Total Cost per Barrel Trend\*

US\$/BI



\* Operating costs and expenses excluding depreciation, amortization, taxes, labour costs and purchases and imports of crude oil and products. Calculated on the barrels sold

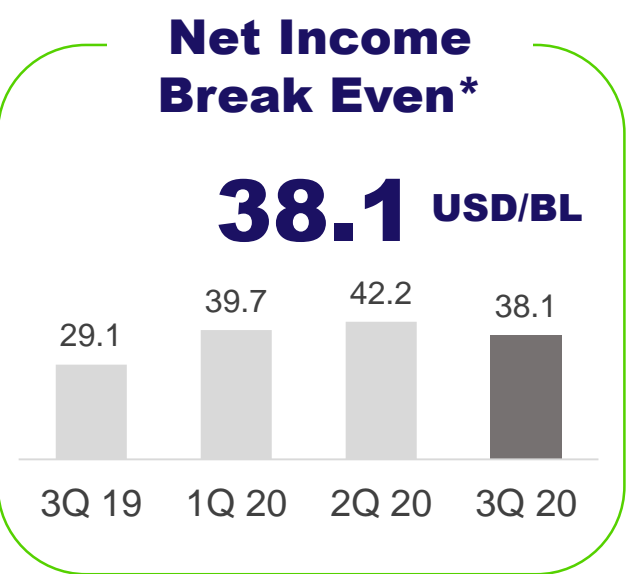
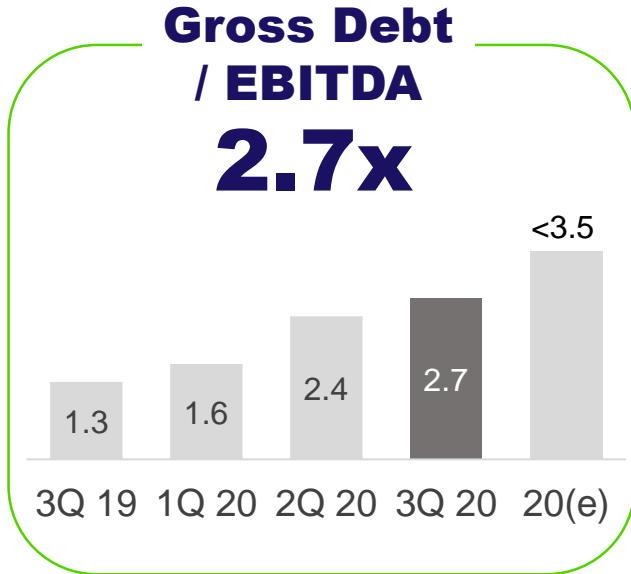
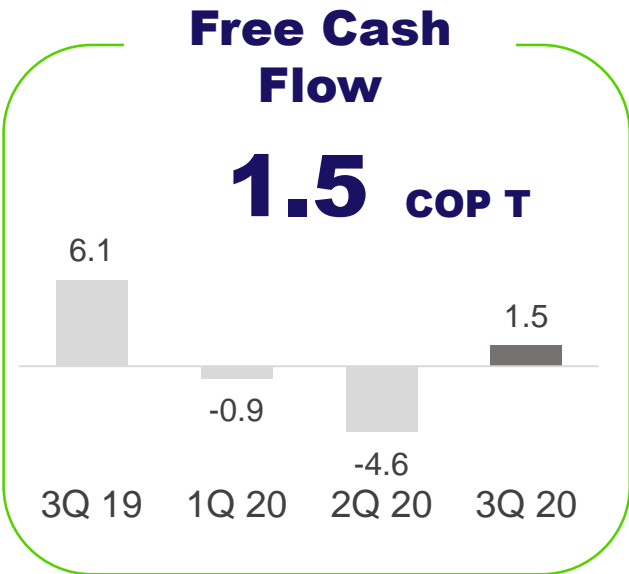
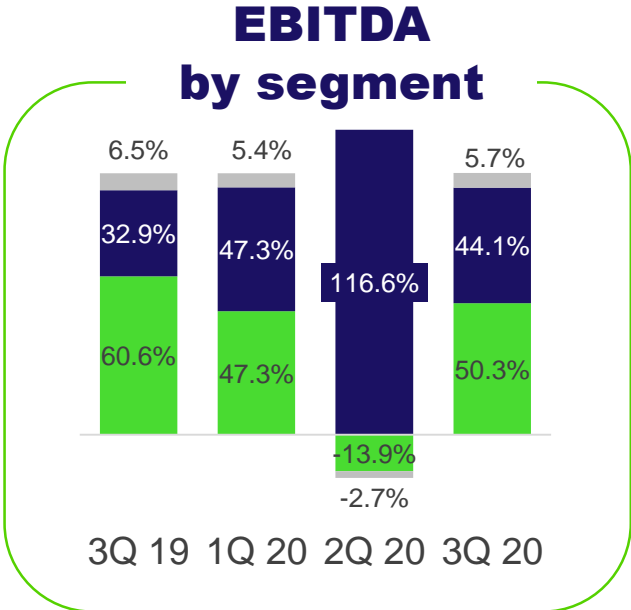
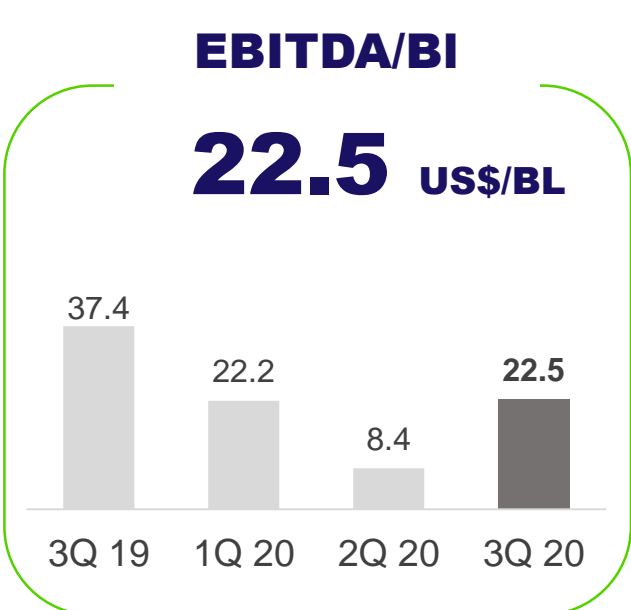
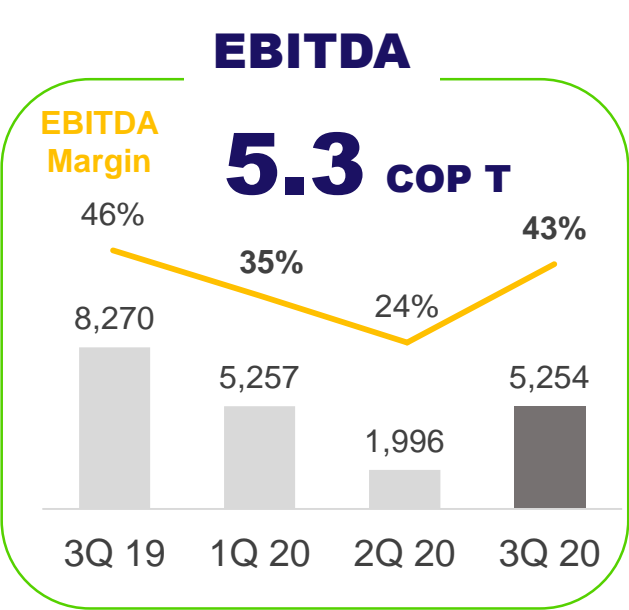






# Financials

# Financial indicators reflect an inflection point

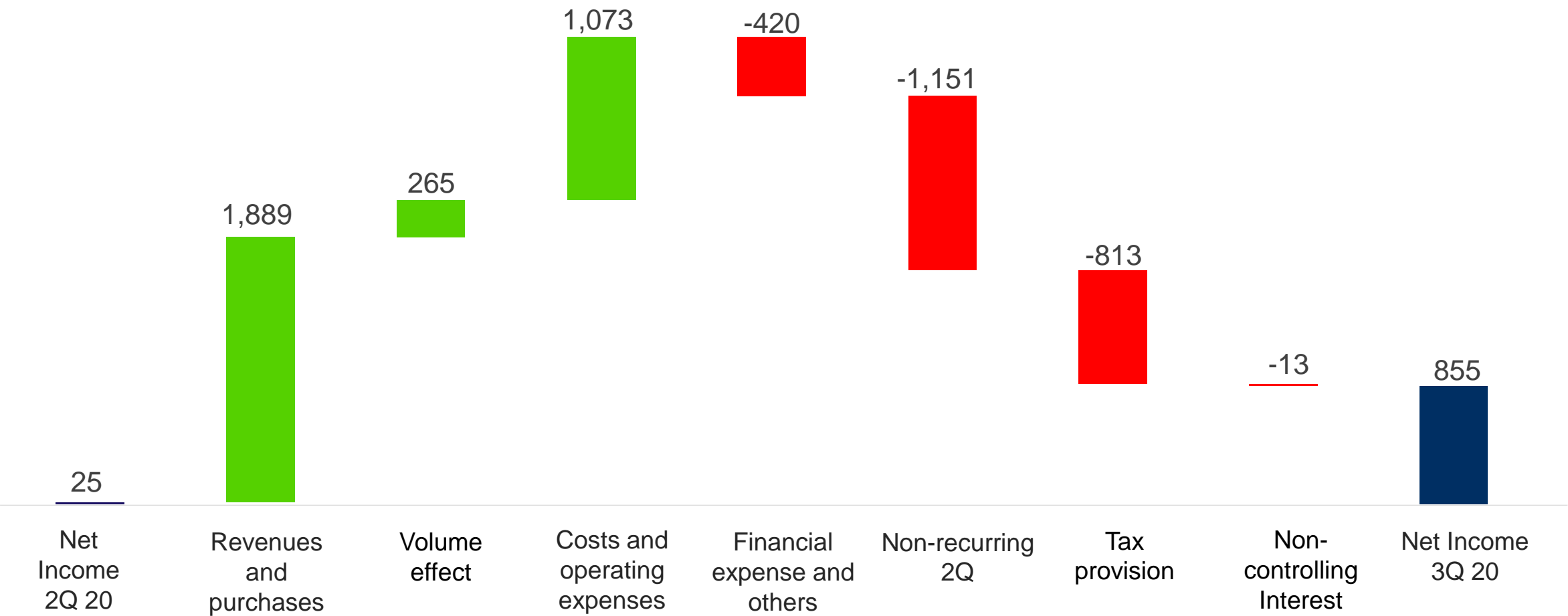


\*It is calculated with the Net Income before non-recurring events



# Net income growth underpinned by interventions

COP B  
(Variation between periods)

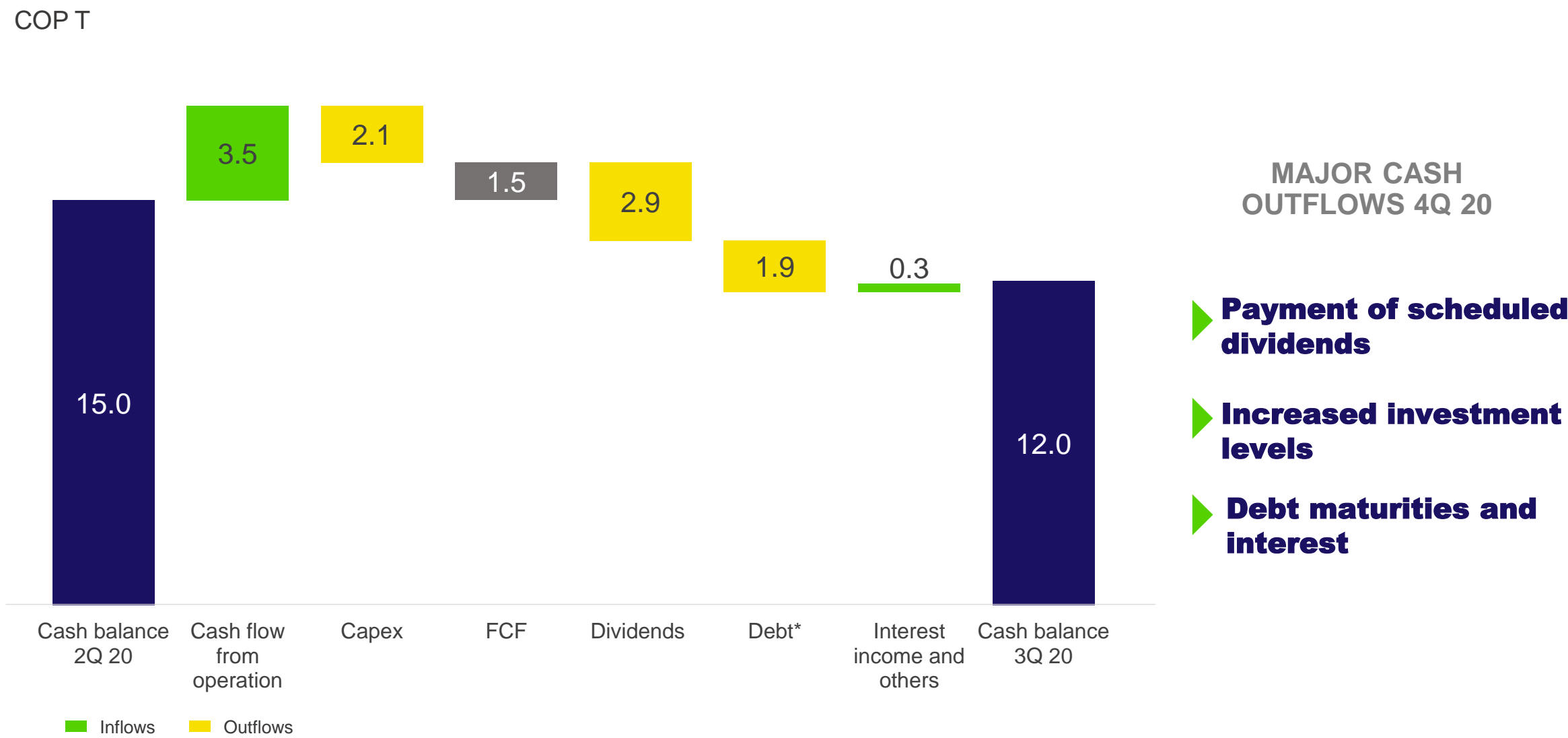


• Costs and operating expenses: includes transportation service, operational activity costs, royalties, inventory valuation effect, DD&A and operational expenses, exploratory expenses  
• Financial expense includes: exchange rate, equity method and financial expenses, net of financial income  
• Non-recurring includes: Gain in valuation of Guajira, Loss of control of Bioenergy, voluntary retirement plan and Pais Pais por Covid19, with their associated income taxes.





# Sustained discipline in cash management

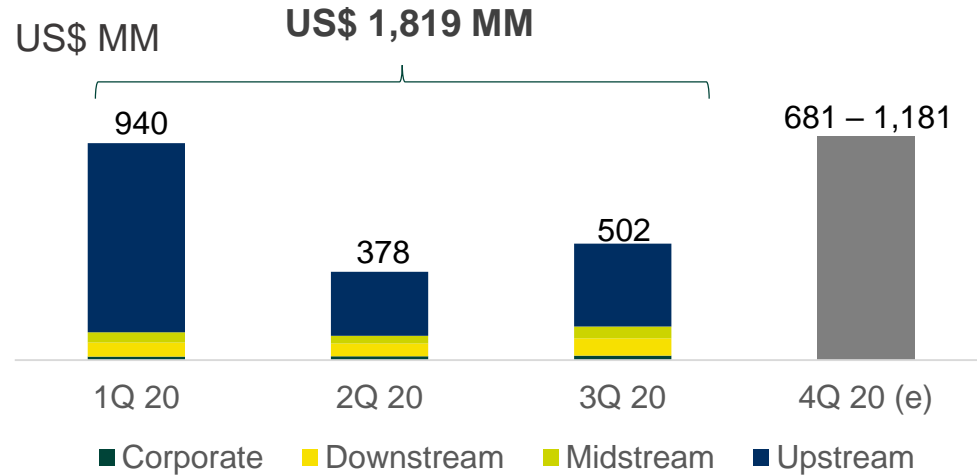


\*COP 1.9 T Debt refinancing (Ocesa Bond) less COP 3.8 T debt amortization (of Ecopetrol S.A. short-term debt prepayment COP 775,000 B and US\$ 221.5 million and US\$ 500 million of Ocesa Bond prepayment )  
Figures rounded to decimals



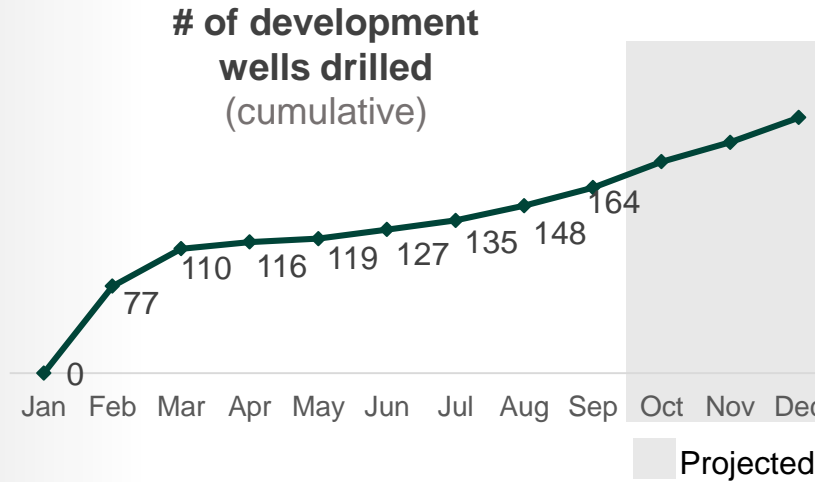
# Investment executed amidst challenging environment

## Investment evolution



\*Main drilling campaigns in Permian, Castilla, Rubiales and Llanito \*\*Workovers  
\*\*\*IPCC: Interconnection of Cartagena Crude Units

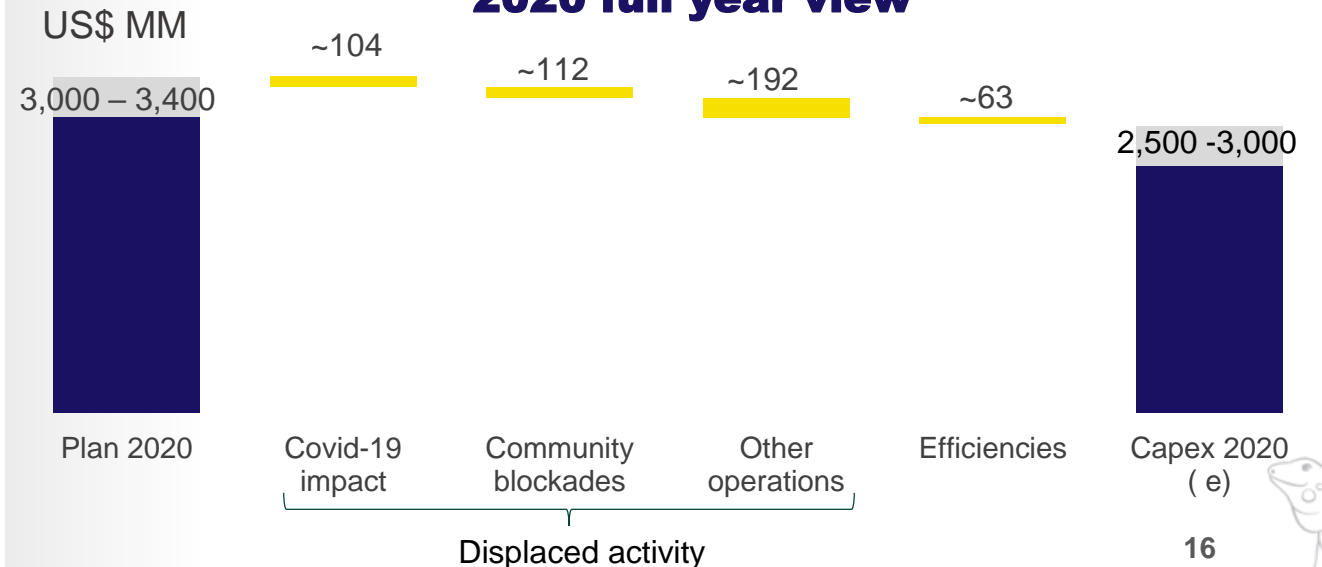
## Growth in 4Q 20



September  
+33% vs August

+ **Facilities**  
+ **Operational continuity**

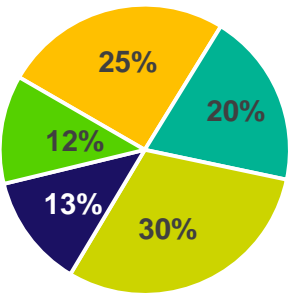
## 2020 full year view



# Making progress in our T ESG\* commitment

## SOCIAL

Social and Environmental Investment – 9M 20



### COP 192 B

- Access to Public Services
- Education, Sports and Healthcare
- Institutional Strengthening
- Road and Community Infrastructure
- Others

Joined the Initiative



## GOVERNANCE

Resumed participation



Dow Jones Sustainability Indexes



Progress in the assessment of **SASB** and **TCFD** adoption

## ENVIRONMENTAL



**64%**

Water Reuse  
(62% in 3Q 19)



### Fugitive emissions and venting (CH4):

Monitoring of **20%** of the production facilities

Closure of **496** leaks of 752 identified



### Methane emissions:

Progress in identifying areas with the highest concentration of methane in Colombia

Adherence to the Initiative "**Sembrar Nos Une**" with **6** million trees

**SAN FERNANDO**

## MEGA SOLAR FARM

**59** MWP  
Installed Capacity

**113** Thousand  
Latest generation panels

**47**  
Hectares

Emissions reduction of

**+500** Thousand  
Tons of CO<sub>2</sub>e,  
Equivalent to  
**3.9 million**  
trees

\*\*Technology, Environmental, Social and Governance.



# 2020 full year outlook

➔ **Results in line** with the new plan targets

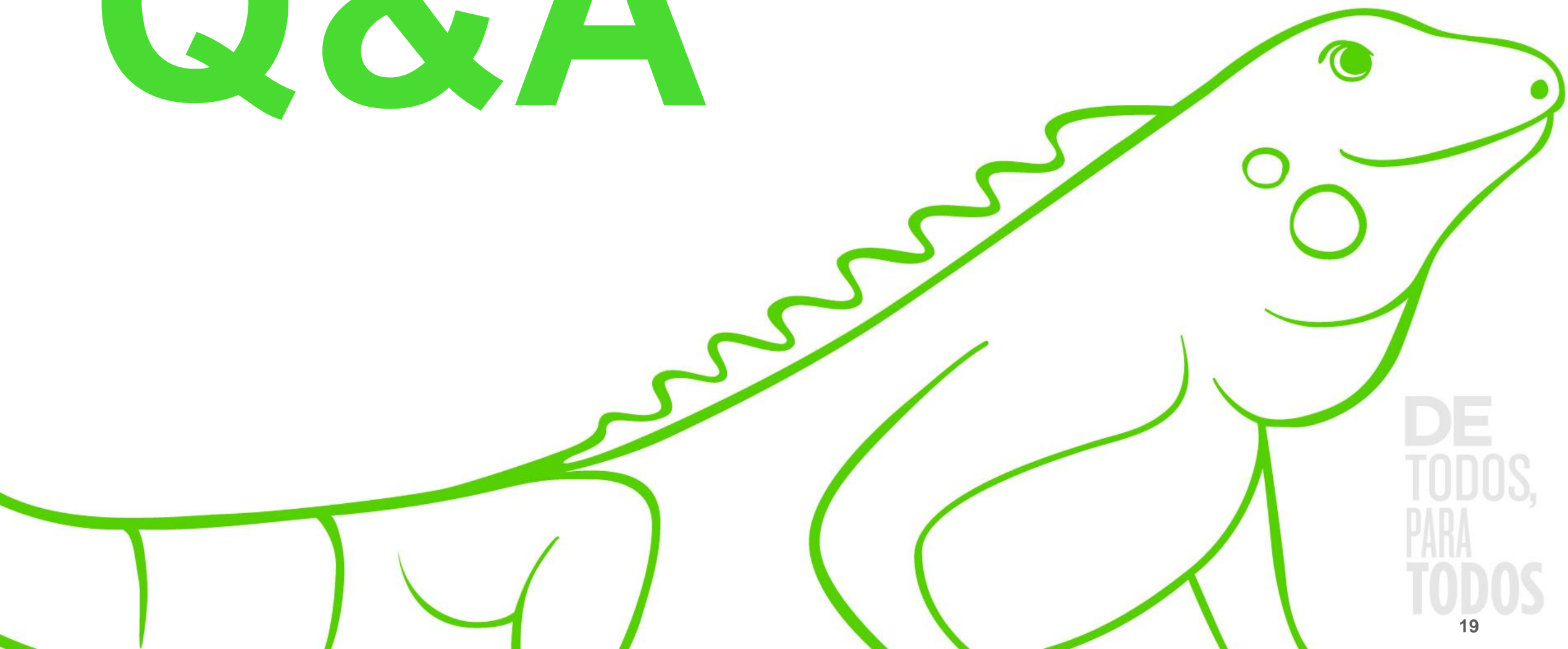
Indicator	Target
Operating Cash Flow	~ US\$ 1,900 M
Cash Breakeven*	< 30 US/BI
Gross Debt / EBITDA	< 3.5x
Production (mboed)	~ 700
Transported Volume (mbd)	~ 1,000
Refineries Throughput (mbd)	300 - 320

➔ **Increasing capex** momentum

➔ TESSG strategy **update**



# Q&A



DE  
TODOS,  
PARA  
TODOS

# Q&A PARTICIPANTS



**Felipe Bayón**  
CEO



**Alberto Consuegra**  
COO



**Jaime Caballero Uribe**  
CFO



**Jorge Osorio**  
VP Development and  
Production



**Jorge Calvache**  
VP Exploration



**Walter Fabian Canova**  
VP Downstream



**Milena López**  
Director of Strategy and  
Finance - Cenit



**Juan Manuel Rojas**  
VP Strategy and Business  
Development



**Pedro Manrique**  
VP Commercial and Marketing





DE TODOS, PARA TODOS

 **ecopETROL**



# GLOSSARY

Acronym	Definition
Bl	Barrel
Bn	Thousand of million
COP	Colombian pesos
TESG	Technology, Environmental, Social and Governance
EG	Ecopetrol Group
JV	Joint Venture
mbd	Thousand of barrels per day
mboed	Thousand of barrels of oil equivalent per day
KTON	Thousand of tons
Mbtu	Million of British Thermal Unit
mmbd	Million barrels per day
mmbbl	Million barrels
MtCO2e	Million Metric tons of Carbon Dioxide equivalent
ROACE	Return on Average Capital Employed: Operating income after tax / Capital Employed. Calculated in pesos
Tn	Million of million
USD	US dollar
USD Bn	Billion US dollar
USD M	Million US dollar
BTU	British Thermal Unit
cSt	Centistokes
NGV	Natural gas vehicle