

**Operator:** Good morning. My name is Hilda, and I will be your operator today. Welcome to Ecopetrol's earnings conference call, in which we will discuss the main financial and operational results for the first quarter 2022. All lines have been muted. There will be a question-and-answer 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.

The call will be led by Mr. Felipe Bayón, CEO of Ecopetrol; Alberto Consuegra, COO; and Jaime Caballero, CFO. Thank you for your attention.

Mr. Bayón, you may begin your conference.

**Felipe Bayón:** Good morning, everyone, and welcome to our conference call of the results for the first quarter of 2022. I am proud to announce that during this quarter, we continued to deliver historical financial results underpinned by some of the following issues. First, positive industry conditions with an average Brent of USD 98 per barrel in the quarter, which is 60% higher than the price we observed in the first quarter of 2021. Second, the company's efforts to capture efficiencies and savings that helped us mitigate inflationary pressures. And third, our focus on sustainable value generation for our stakeholders with a clear commitment with our TESG goals.

Additionally, I would like to highlight the recent approval in the AGM of a dividend of COP 11.5 trillion equivalent to COP 280 per share, which represented a dividend yield of 10.4% for our shareholders and a payout of 69% of the net income of year 2021.

In the same meeting of the AGM, some changes were approved in the company's bylaws aimed at strengthening our corporate governance and at giving continuity to the 2040 strategy announced a few months ago, which we have named Energy that Transforms. The changes introduced to the bylaws included amongst others, the extension of the board members' period from two to four years.

In terms of production and after some operational and public order challenges faced at the beginning of the current year, we continue to take decisive steps on the recovery path. The production for the first quarter of the year was 692,000 barrels of oil equivalent per day, whilst in March, we reached an average production of 705,000 barrels, and in April 708,000 barrels equivalent per day. All this aligned with the production target for the year between 700,000 and 705,000 barrels of oil equivalent per day.

Although we are facing challenges in terms of higher costs and working capital requirements associated with the increase in the account receivable related to the Fuel Prices Stabilization

Fund or FEPC in Spanish, whose evolution and impacts will be explained in detail by Jaime later on this call, it is important to note that none of these compromises the fulfillment of our business and investment plans for 2022.

Let's go on to the next slide. We started the year with important milestones in the four pillars of our 2040 strategy. In the strategic pillar of growing with the energy transition, I want to highlight the following: first, the success declaration of the El Niño-2 exploratory well located in the Boqueron Block in Tolima, Colombia. Second, we were awarded six new exploratory blocks located in the Santos Basin in Brazil, in line with our exploratory efforts in high potential basins. Third, the authorization by the Board of Directors for the divestment of 51.8% of our participation in Invercolsa as part of our active portfolio management with the objective of reallocating capital within our strategy of energy transition.

In the pillar of value generation through T ESG - technology, environment, social and governance, I want to highlight the following.

First, we joined the 1 trillion trees initiative by the World Economic Forum to contribute to the protection of biodiversity and the fight against climate change, committing to protect 30,000 hectares of forest, compensate 2 million tons of CO2 equivalent, and grow 12 million trees by 2030.

Second, we were included for the second consecutive year in the S&P Global Sustainability Yearbook 2022, standing out from peers on our commitment to advancing ESG issues.

Third, in line with our commitment to the disclosure of sustainability information and anticipating what will be required both locally and internationally, we released our Integrated Sustainable Management Report and the second SASB report. In the latter, we significantly increased the number of reported metrics from 156 in 2020 to 514 in the 2021 report.

Fourth, the consolidation of our low emissions portfolio aligned with the delivery of value, and the objectives of the energy transition.

I would like to highlight the operational start-up of the first green hydrogen production pilot in Colombia located in the Cartagena refinery with a 50-kilowatt electrolyzer with the capacity to produce some 7,300 kilograms of hydrogen per year. The energy for that equipment coming from 270 solar panels. This will allow us to assess the technical environmental feasibility and performance of this green hydrogen generation technology. The hydrogen produced in the pilot is being used and will continue to be used to improve the quality of fuels produced at the refinery, for which today we use gray hydrogen.

Finally, in March, we announced our pledge to be water neutral by year 2045 by reducing 66% of the capture of freshwater that we use in our operations, the elimination of discharges into water bodies and the compensation of 34% of the remaining water capture.

In the cutting-edge knowledge pillar, we mainly highlight:

First, the alliance with Accenture and Amazon Web Services with whom we are developing an open data platform for an efficient water use and management in the oil and gas industry.

Second, with the support of UNIRED, the launch of the seventh version of the Innóvate program that seeks to use technology and innovation to strengthening the social, economic, environmental and governance efforts in the territories in which we operate.

Third, the start of a project to create the Innovation and Technology Center of the Caribbean in Cartagena, which will approach solutions to the challenges of the energy transition and the petchem industry with hydrogen as one of the key items in such a center.

Fourth, we made progress in the consolidation of the energy tech ecosystem with the signing of an MOU with TecNALIA, Europe's flagship research and technological development center.

Finally, in the competitive returns pillar, I would like to highlight a few things. First, the financial results obtained in our operations in the Permian, with an EBITDA amounting to USD 111 million in the first quarter and an EBITDA margin of 87%.

Second, the first commercial operations close by Ecopetrol Trading Asia located in Singapore for 1.09 million barrels of crude oil.

Third, the efficiencies of COP 358 billion resulting from initiatives in workovers, maintenance, improvement in product and petchem margins, dilution strategies, optimizations of the lifting cost, amongst others. And I want to take the opportunity to thank each and every employee in Ecopetrol for achieving these outstanding milestones in terms of efficiencies.

Let's now move to the next slide, where I want to discuss the challenges and opportunities that we currently see in the market environment and what these represent to Ecopetrol. Although the higher international prices of crude oil have contributed to our results, the price scenario has also generated pressures in terms of inflation, increase of energy costs, and challenges in international logistic chains, which generate pressures on our operating costs and some delays in the execution times of our projects. We have actively worked to mitigate the impacts of the situation, focusing our efforts aside from efficiencies, mainly on the following measures.

The continued strengthening of our commercial strategy, seeking to maintain our realization prices at attractive levels even under a competitive price scenario.

The consolidation of our operations in the Asian market through the consolidation of new relationships with clients in the region, strengthening commercial relationships in that continent, as well as developing the crude trading strategy with third-parties.

The systematic monitoring to supply price indexes and their impact on the projections of our different segments.

Guaranteeing the required inventory level for critical OpEx and CapEx operations.

And lastly, the adoption of new contractual structures, seeking to mitigate volatility with long-term contracts, limiting the indexation to factors such as inflation.

Having said all of this, there was an increase in the imports volume associated with a higher domestic demand for fuels and a decrease in the national supply of said products, due to scheduled refinery maintenance both in Barranca and Cartagena. This represented a decrease in the volume of exported products in order to supply domestic demand.

As for the performance of gas, its increase compared to the previous quarter was due to higher economic growth reflected in the increase in gas consumption in the regulated market, mainly in households and small businesses.

I want to now give the floor to Alberto Consuegra, who will talk about the main operational results for the quarter.

**Alberto Consuegra:** Thank you, Felipe. During the first quarter of 2022 along with our partners, we drilled seven exploratory wells in Colombia. The success of the appraisal well El Niño-2 located in the Boquerón Block, department of Tolima, operated by Perenco, confirmed the extension of the discovery of El Niño-1 in the Guadalupe formation, by finding 27-degree API crude oil. On the other hand, the Pilonera-1 well was sealed and abandoned.

The cumulative production from exploratory wells in initial and extensive tests reached 220,000 barrels of oil equivalent at the end of first quarter 2022, 2,453 barrels of oil equivalent per day on average. 33% of the production of the quarter corresponded to oil and 67% to gas.

On March 11th, the Cupiagua XD 45 well operated by Ecopetrol and located in the Piedemonte Llanero was spotted. This is the second exploratory well in the area to search for gas unlike crude in the vicinity of the Cupiagua field.

We highlight the reactivation of the Caribbean offshore exploration in Colombia with two wells being drilled simultaneously: Gorgon-2, where we seek to verify the extent of the gas sands discovered in Gorgon-1 back in 2017, and Uchuva-1 at an approximate well depth of 837 meters and located 32 kilometers from the coast of the Municipality of Palomino in the department of La Guajira.

Concerning the international exploratory activity, on March 28th, Ecopetrol Brazil formalized the concession contract of the S-M-1709 block, which represents the first step of a position and strategy in the southern region of the Santos basin. Additionally, in this same basin, during the third permanent offer cycle of the ANP held on April 13th, six

offshore blocks were awarded to Ecopetrol Brazil. Our subsidiary will have a 30% stake and Shell, the operator, will have the remaining 70%. With this new participation, Ecopetrol is now partner in 12 blocks in Brazil.

Can we please move on to the next slide. In order to meet the 2040 Ecopetrol Group strategy, a new operating model for the upstream segment, exploration, production, projects and drilling, including the creation of the upstream Vice Presidency, which seeks to guarantee an integrated vision for the segment, greater regional autonomy, more synergy with the subsidiaries, higher efficiency in the CapEx execution and reduce time to market from exploratory finding to first commercial hydrocarbon.

On production, we had some challenges at the beginning of the year due to the maintenance of the Cupiagua gas plant and the impacts associated to some blockades mainly in the Yariguí, Capachos and CPI Sur Oriente fields. By March and April, production has been stabilized at over 700,000 barrels of oil equivalent per day. As Felipe said, we are now in line with the goal set out for the year.

It is important to highlight that the organic investments in the segment for the quarter amounted USD 603 million and these are in line with the plan and in accordance with the project activity set. The gas and LPG business is progressing and the fulfillment of the announced balance plan, with a significant contribution to the total production of the Ecopetrol Group reaching 22% during the first quarter with an average production of 152,000 barrels of oil equivalent per day.

Let's go to the next slide, please. In the Permian Basin, results were achieved in line with the year's activity plan. We reached the total gross production of more than 60,000 barrels of oil equivalent per day, and more than 30,000 barrels of oil equivalent per day net to Ecopetrol before royalties. From an environmental perspective, 2.1 million barrels of water were recycled in completion operations and up to 35% of the diesel used in the activity was replaced for compressed natural gas, reducing the greenhouse emissions of the project.

With regards to unconventional reservoirs in Colombia, the ANLA granted the environmental license for the Kalé project on March 25th. The license is expected to be in force by the second half of the year, once the environmental authority has reviewed the claims presented by the third parties involved.

With respect to the ruling of the first court of Barrancabermeja that suspended the license, Ecopetrol filed an appeal within the corresponding legal term. Concerning the Platero project, we are waiting for the dates of the hearings in relation with environmental impact study, which was presented back in February of this year.

In Ecopetrol, we are convinced of the importance of unconventional reservoirs in terms of energy security for the country. That is why we will advance in the activities related to the pilot projects, including the communication scenarios with the communities and other

stakeholders to disclose the progress and resolve the doubts and concerns regarding the projects.

Please move on to the next slide. The volume of crude oil transported increased by 24,000 barrels per day as compared to the first quarter of the previous year, mainly associated with the entry of crude oils from the Nare Association into the Vasconia Barrancabermeja refinery system and the capture of additional barrels that are entering from the Llanos pipeline.

On the other hand, the transported volume of refined products of the first quarter increased by 9,000 barrels per day, as compared to the same quarter of 2021. To increase the operational storage capacity at the Pozos Colorados terminal, the construction of a tank with a nominal capacity of 260,000 barrels was completed in March of this year. This tank, built by using the hoist ring system, has a geodesic roof of 61 meters in diameter and 13 meters high, being the largest geodesic tank built in Colombia. The construction of the tank involved the active participation of 62 women, representing 42% of the workforce.

With the transport of refined products through the Oriente pipeline and the construction of the Apiay truck gathering station, the goal of transporting 3,300 barrels of fuels per day to El Meta department was exceeded with the possibility of reaching up to 5,500 barrels per day due to the increase in demand in the area.

Finally, the co-dilution projects in Apiay and Cusiana enabled the use of LPG as a diluent for crude oils through facilities assembled within the plants. This service generated significant economic benefits to Ecopetrol Group and clients, representing savings in dilution costs during the first quarter of 2022.

Let's move to the next slide, please. The downstream segment reached record results on its quarterly EBITDA of COP 1.6 trillion, the highest EBITDA margin since 2016, reaching 9.6% and the highest integrated gross margin of the refineries in the last five years at USD 13.9 per barrel. These results were leveraged on a stronger product basket versus Brent, inventory optimization, an efficient commercial strategy, integrated planning of the logistics chain, financial discipline, and cost control.

During the first quarter of the year, scheduled shutdowns were performed in both refineries to ensure operational availability and increase the reliability of the assets, along with an outstanding HSE performance. We've currently reached a successful execution of 60% of the 2022 maintenance plan. This intensive shutdown cycle had an anticipated impact on the throughput level for the first quarter, as well as for the current quarter.

The Cartagena refinery recorded historical quarterly EBITDA records, reaching COP 745 billion with a gross margin of USD 18.6 per barrel. On February 18th, we celebrated the 100th anniversary of the Barrancabermeja refinery, a strategic state asset which has been supplying the demand for clean fuels within the country, supplying the production of

petrochemicals for the national industry and acting as a leading force of the national economy.

In Esenttia, the positive trend in results continues due to the realization of margins between polypropylene and refinery-grade propylene, the increase in the level of raw material deliveries by the refineries, and the distribution of final products in regions where value is higher.

Let's move to the next slide, please. During the first quarter of the year, efficiencies of COP 358 billion were achieved within a comprehensive strategy focused on mitigating the inflationary effects that the global economy is experiencing, as previously mentioned by Felipe. Inflation has mainly impacted the purchase of materials, oil services, infrastructure maintenance and the cost of energy. The Group's competitiveness and efficiency strategies have managed to mitigate the impact of inflation on EBITDA by more than 70%. At the end of the first quarter of 2022, we have achieved savings with a positive effect on EBITDA for COP 318 billion, as compared to an impact of COP 440 billion associated to inflation.

The lifting cost experienced an increase of 15%, mainly associated with the increase in operations after the release of restrictions related to the COVID-19 pandemic and an increase in energy tariff, which grew by 18%. In relation to the cost per barrel transported, the increases in prices were offset by a lower unitary cost due to the higher volume transported, as well as the effect of a higher exchange rate by re-expressing costs in pesos to dollars. Our total unit cost naturally reflects the effect of higher Brent prices on crude oil and product imports. It also reflects the effect of the increased activity on the fixed component of our costs.

I now give the floor to Jaime Caballero, who will talk about the main financial results of the Ecopetrol Group.

**Jaime Caballero:** Thanks, Alberto. For the first quarter 2022, the Group's net income closed at COP 6.6 trillion, a record high quarterly result.

Compared to the fourth quarter 2021 results, the following aspects stand out. Firstly, a COP 2.2 trillion increase in EBITDA, in line with a stronger price environment, outstanding refining margins, ISA's contribution, excellent operating and financial results for the Permian and COP 358 billion in operating efficiencies. All of that, despite ongoing maintenance in some units in both refineries, higher product imports, strong inflationary pressures, a rise in working capital requirements, mainly driven by the increase in the accounts receivable from the Fuel Price Stabilization Fund or FEPC for its Spanish acronym, and higher global competition on the supply of crude oils addressed to Asia.

Secondly, non-recurring events of COP 0.3 trillion, due to the write-off of the Rydberg project in Ecopetrol America as a result of the decision to relinquish its development, following a technical and economic feasibility analysis.

And thirdly, higher income tax provisions due to stronger results and an increase in the nominal rate taxation from 31% to 35%, as a result of the tax reform approved last year.

Please let's move onto the next slide to see the main financial KPIs. Amongst the metrics for the oil and gas business, which exclude ISA's contribution, the EBITDA per barrel stands out, closing at USD 57.2, which represents an increase of USD 19.3 per barrel versus the first quarter of 2021, explained by higher sales prices of crude and products basket.

On the other hand, the net income breakeven closed at USD 35.2 per barrel, registering an increase of USD 1.8 per barrel, mainly due to a higher volume of purchased products, lower throughput in refineries and an increase in financial expenses.

Amongst ISA's KPIs, the EBITDA margin excluding construction stands out, closing at 83.5% as a result of higher operating revenues driven by the positive impact of macroeconomic variables in Brazil and Colombia, the entry into operation of energy transmission projects following the first quarter of 2021, and a growth in operating costs below the variation in operating revenues, among others.

ISA's return on equity for the first quarter of 2022 was 11%, in line with the plan. This result represents a reduction in contrast to first quarter of 2021, as the latter incorporates a non-recurring benefit associated to the periodic tariff review and adjustments to the basic network of the existing system in the Brazilian subsidiary.

Finally, I would like to highlight some results at a consolidated level. A historic EBITDA margin driven by higher realization prices in our crude oils and products and ISA's consolidation.

Our ROACE, which continues to be above double-digit levels, closing at 14.5%, the best result recorded in the first quarter in the company's history. This result is explained by a higher operating income, partially offset by an increase in taxes and capital employed.

Thirdly, on the EBITDA contribution by segment, the downstream results are particularly noteworthy, setting a historical record thanks to positive market differentials for products, especially gasoline, diesel and jet and likewise, the growing participation of the electric power transmission and toll roads concession segment, providing greater stability to the Group's operational cash generation.

Fourthly, I'd like to highlight the gross debt to EBITDA ratio, which closed at 1.8 times explained by a stronger EBITDA performance. This provides Ecopetrol with greater financial flexibility and remains aligned with an indicator below 2.5 times by yearend.

Please let's go to the next slide to discuss the cash position. At the end of the first quarter of 2022, Ecopetrol registered a cash position of COP 16.5 trillion. The most relevant movements of the year so far have been:



Firstly, operating cash flow of COP 3.8 trillion that excludes the pending balance of COP 6.3 billion associated with the account receivable from FEPC generated during the first quarter of 2022.

Second, the outflow of COP 3.4 trillion, mainly due to higher organic investments, highlighting the increase in drill development wells and workovers within the hydrocarbon business, with a larger investment level versus the first quarter of 2021 with CapEx efficiencies for COP 40 billion.

Thirdly, debt payments mainly related to interest and amortizations for COP 1.2 trillion and lastly, dividend payments for COP 0.3 trillion made by our subsidiaries to non-controlling shareholders.

Regarding the dividends approved by the General Shareholders' Meeting on March 30, 2022 for COP 280 per share, we can confirm that in April the following payments were made: 100% of the minority shareholders for COP 1.32 trillion and the first installment to the nation for COP 1.58 trillion.

Please let's move to the next slide to discuss the Fuel Price Stabilization Fund and its current effect on the company's cash position. This fund was created in 2007 and is a mechanism that the government uses to mitigate the potential impacts that market volatility within the international crude and product prices can have on Colombian households and businesses. The current accumulated balance is due to a sudden rise in international prices as a consequence of the conflict between Russia and Ukraine, combined with the inflationary scenario in Colombia caused by the post-pandemic economic reactivation and the international supply crisis.

The implementation of this mechanism allows the Group to access realization prices and get margins out of international references by recognizing the GAAP or differential between the international price and the local price of fuels such as gasoline and diesel through the application of an established formula periodically reviewed by the Ministry of Mines and Energy. The FEPC seeks to stabilize fuel prices for Colombian consumers, mitigating the impacts that fluctuations in international prices may generate on operating costs, inflation and the economic growth. The payment of this differential implies a periodic settlement and if there is a balance in favor of the Ecopetrol Group, the payment will be made from the national budget available funds for this purpose.

Currently, the regulations do not establish specific payment dates, but historically, the government has honored this obligation in periods of less than one year. The last payment dispersed by the government was in December 2021 of the outstanding accounts of the first and second quarters of 2021. As of today, the balance of the account receivable amounts COP 14.1 trillion, including COP 7.8 trillion of the outstanding balance of the second half of 2021, currently under review by the Ministry of Mines for its liquidation.

For the first quarter of 2022, 50% of the sales volume corresponded to exports and 20% to national territory sales exempt of subsidy. The percentage of sales that is widening the accumulation of the FEPC receivable is therefore 30%, corresponding to total local sales of gasoline and diesel. Of each barrel sold by Ecopetrol of gasoline and diesel, the company recognized a cash income of about 50% and 37% of accrued income respectively, while the rest went to the account receivable, given the current price levels of both products in Colombia to end consumers. Ecopetrol has been working together with relevant government entities with the clear objective of having the balance of the FEPC recognized and paid. Additionally, and with the goal not compromising the current investment plan, we have activated a contingent financing plan for potential temporary liquidity mismatches. Any marginal debt will comply with the maximum leverage metrics released in the 2040 strategy.

We consider that this liquidity situation is transitory to the extent that the National Government announced on April 20th its full commitment to pay this deficit using different sources and tools such as excess funds of the Ministry of the Finance budget estimates and debt service, higher Ecopetrol dividends than those estimated in the national general budget, and inclusion of the outstanding sum of the account receivable in the 2023 budget. In addition, the government announced its intention to publish a draft decree with a new proposal for our pricing methodology, payment terms and a convergence path for prices.

Finally, it is important to note that Ecopetrol is carrying out analysis of additional operational alternatives that can protect cash, such as controlling certain sales in frontier areas and certain restrictions on imports.

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

**Felipe Bayón:** Thanks, Jaime. Before concluding, I would like to emphasize some points about our strong corporate governance practices. Our commitment to the definition and implementation of corporate governance policies has been fundamental to the professional management of the Ecopetrol Group as a world-class organization. These are policies that transcend governmental cycles and are aligned with the company's strategy.

Ecopetrol's Group corporate governance policies are designed for the long-term and have several layers of protection, allowing its key strategic elements to be maintained. In this way, the protection of the value to every shareholder and other stakeholders is the cornerstone for making decisions all the time. It's an integral part of our decision-making process.

The corporate governance mechanisms enable the consistency of the strategy and seen as a whole can ensure its reliability and stability. I would like to highlight the following mechanisms. First, the succession policy and the matrix of skills and experience for the Board of Directors. Second, the nomination of two Directors by the oil and gas producing departments and by the minority shareholders. Third, a historic clause to maintain at least

three directors in the next board term. Fourth, independence of board members greater than that required by law. Fifth, the succession policies for the CEO. And sixth, the succession program and talent map for the first line of senior management.

Please turn to the next slide for the closing remarks. This year began with record financial results, in line with the expectations set out in the 2040 strategy. In line with our social responsibility in all the regions in which we operate, both in Colombia and in the other countries in which we're present and in view of the current situation, our objective goes beyond the generation of profits to the commitment with a shared value for all of our stakeholders. The Ecopetrol Group continues to demonstrate its resilience and technical, financial, and operational strength. We are committed to capturing value from the opportunities in the macro-environment while proactively managing different initiatives to meet the challenges of a changing environment. We continue to work to enhance our competitiveness, with a continued focus on the targets outlined in our business plan.

Thank you again for joining us today in this conference call. Thank you for your interest in Ecopetrol, and I will now open the floor to the Q&A session.

**Operator:** Thank you. We will now begin the question-and-answer session. If you have a question, please press 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 speaker phone, you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, please press zero (0) one (1) on your touchtone phone.

We have a question from Bruno Montanari, from Morgan Stanley. Please go ahead.

**Bruno Montanari:** Hi, everyone. Thanks for taking my questions. I have three questions. The first one is about production. I understand you are reaffirming the target for the year so I'm curious as to what the plan is to catch up to this small shortfall now in the first quarter. I'm also thinking that social unrest could be sustainable and a persisting impact, which is clearly out of your control so wondering if there's a plan B to grow and reach the target.

The second question is about the refining margin. The company had an impressive refining margin even with some maintenance activity and I believe the spreads continued to increase after the quarter end so the question is: can we expect even better refining margins now in the second quarter?

And then, the third one about FEPC. I'm wondering if there is a maximum time for the government to pay in the law or if there is a risk that a different government could leave those receivables open indefinitely. Clearly, this government is committed to paying but the question here is if a less well-intentioned government could use this as a source of funding at the expense of the company. Thank you very much.

Felipe Bayón: Thanks, Bruno. Thanks for being here today. I'm going to ask Alberto to take the first two, the one on production and the one on the refining margin, and then Jaime to talk about FEPC.

Please bear in mind, Bruno, that April we had 780,000 barrels so the trend is very important as well. So, we do maintain overall the range that we've signaled to the market. Alberto, if you could provide more context and detail. Please go ahead.

**Alberto Consuegra:** Thanks, Felipe. Good morning, Bruno. When we look at production, I will insist that we are seeing that we are going to be complying with the guidance (700,000 to 704,000). We see that the contribution to start matching up will come from greenfield projects at the end of the year such as Caño Sur and Acacías. We are going to be in line with our ongoing workflow in projects in the main mature fields such as Castilla, Chichimene and Yariguí. A lot of activity coming from Piedemonte. We're having five rigs in this moment, three developing and two in exploration wells so we expect some production, both oil and gas, coming from this activity and also Permian will be continuously contributing to the production.

We recognize as well that there are risks. One coming from maintenance activities that we're going to have in Cusiana and Chichimene in complying with times, with the plan right now.

The other one is about [payment \[0:37:44.9\]](#), whether it's something that is affecting right now some of our operations, particularly the Cupiagua plans, in terms of the LPG production and the other one, as you mentioned, has to be with social unrest, something that is not in our control, but we believe that by anticipating and managing the alerts we can do something to prevent that these upheavals can affect our production levels. So that's kind of where we see the picture in terms of production.

With regards to refining margin outlook, it remains very strong. I have to tell you that in the first quarter of this year, we have completed about 60% of our planned maintenance activity. That means that during the rest of the year we are going to see a higher throughput in both refineries, which will help us to maintain very strong margins. That, together with the forecast in terms of truck prices or gasoline or diesel will help to maintain very strong margins as we expect in the next three quarters.

**Jaime Caballero:** Thank you, Alberto. I'm going to pick up where you left with the FEPC question. And Bruno, good to hear you, I'm going to cover your question a little bit holistically to give some broader view of how we're approaching this. So firstly, as I mentioned in my remarks, the balance due at the end of the first quarter of this year is COP 14.1 trillion. That covers essentially the balance of the second half of last year, 3Q, 4Q and the first quarter of this year.

We are accruing at a rate of about COP 2 trillion per month, give or take, that's the accrual rate that we're having so far, which is going to take us by the end of the year to a balance that's going to end up being anywhere between COP 25 trillion to COP 30 trillion. We are fully confident about the recovery of this balance. Why? Basically, we have been in discussions with the Ministry of Finance over the last number of months. The Ministry has been vocal and publicly has recognized the balance due so far as well as the projection that I am stating here, so this is of public knowledge. They made public statements about it and particularly, I think there's three elements that give a lot of clarity of how this is going to be addressed.

The first thing is that there is clarity around the mechanisms for funding the balance essentially and I mentioned that in my remarks. We're talking about surpluses from the existing budget of this year, where the government is having material under execution versus the plan. Secondly, they're also having much higher tax revenues than those that they were anticipating. Thirdly, there is some surplus in terms of Ecopetrol dividends versus the original plan that they had. And fourthly, there is a window of opportunity to include the accrued balance of this year into the budget of next year's plan. So, the avenues by which this can be addressed by the government are very clear.

The other element that gives us a lot of confidence is that the government has announced a joint roadmap with the Ministry of Mines and the Ministry of Finance for convergence of prices between international prices and domestic prices. That's something that's being worked. We are part of that conversation in terms of providing technical options to address that and we think that effort is well underway. And thirdly, the government also announced its intent to release a decree with detailed regulation that is going to give greater clarity around the sources of funding into the future, as well as the timelines of payments. Now, all of this we believe is very good news. We believe that these are very clear signals from the national government as to how this is going to be approached.

And with regards to your specific question about a maximum timeline, the regulation that we have currently is not specific around timelines, but there is a historical practice. That historical practice, and I want to recall here that FPEC has been in place for over 14 years now, has been that the balances are recognized within 12-months periods.

In line with this, I'm actually happy to announce that the detailed accounts for the third quarter of 2021 were actually agreed with the Ministry of Mines earlier this week. Again, that's another strong signal that this is progressing. So therefore, we're expecting recognition in the very near future of that balance, the second half of last year, consistent with that historical practice. I know that I took a long answer to this, but I wanted to give a lot of clarity on where we are in this matter. Thank you.

**Felipe Bayón:** Thanks, Jaime. And I think it's very relevant that we provide as much context and color around a subject that we know it's absolutely relevant and timely. So, thanks for that. Can we please go to the next question? And thanks, Bruno.

**Operator:** Thank you. Our next question comes from Anne Milne, from Bank of America. Please go ahead.

**Anne Milne:** Thank you very much and congratulations on the good results this quarter. I wanted to ask you something a little different, maybe on your hydrogen strategy and maybe what your future plans are for investment and production and what we can expect there going forward. Thank you.

**Felipe Bayón:** Thanks, Anne, and good to have you here in the call today. I'm going to ask Yeimy Báez, who actually happens to be in Rotterdam today. She is visiting one of the largest hydrogen projects in the world and she came back from Chile a couple of days ago. So, lots of things happening in hydrogen. So Yeimy, can you help us? Please go ahead.

**Yeimy Báez:** Sure, Felipe. Hello, Anne. Thank you for your question. So, in terms of hydrogen, last year we were defining our strategic plan for the entire group that was approved by our Board of Directors and Executive Committee in last December. The good news is that different companies around the world are willing to work with Ecopetrol in order to develop different projects down in Colombia but also in Latin America. We have been in a process to choose the right partners for Ecopetrol that actually will be announced in a couple of weeks.

We are now focused on main three workstreams. The first one is related with decarbonizing our own production of hydrogen in our refineries. So, currently we produce around 130,000 tons of hydrogen per year. 90% of that hydrogen is grey and 10% is actually blue because we are capturing the CO<sub>2</sub> and selling that CO<sub>2</sub> to the beverage industries in Colombia. But of course, we want to incorporate low emission technologies that will help us to abate the emissions in our downstream segment.

Second, we are seeing that the sustainable mobility is a growth avenue for hydrogen in Colombia and we are willing to help the country to develop that demand locally.

And third, and I think this is the most ambitious objective for us, we're seeing that in Colombia, there is potential to position an exporting hub in the future of hydrogen-related products as e-fuels, ammonia, green ammonia, and we are working to get it with other companies located in Colombia that are also targeting these kinds of markets.

So, in summary, we have an investment plan for 2022. That is about USD 6 million. We deployed the first pilot in our refinery located in Cartagena and we are actually moving very fast to deploy industrial-scale projects in Colombia. This is something that will be a game changer in the future and in Ecopetrol, we want to be part of this change that is actually a worldwide challenge for the energy industry.

**Felipe Bayón:** Thanks, Yeimy. Thanks for the update, and thanks, Anne. Can we go to the next question, please?

**Operator:** Thank you. Our next question comes from Andrew McCarthy, from Credicorp Capital. Please go ahead.

**Andrew McCarthy:** Good day, and many thanks, Felipe, Jaime, Alberto, for the presentation and the opportunity to ask questions. Firstly, just wanted to ask on the evolution of the CapEx execution for this year. In the business plan, you obviously have the goal of the USD 4.8 billion to USD 5.8 billion for this year. Just looking at the figure for the first quarter coming in slightly shy of USD 1 billion, just wondering if that is something we should see maybe seasonally a lower number or whether we should maybe read something else into that in terms of maybe scaling back a little bit the plans for this year?

And then, just connected with that, you're coming up to the halfway point of the year soon, are you seeing any kind of re-calibration of where you're focusing the CapEx between the different segments of business? So, is that mainly still aligned with what you talked about in recent months? So, that's on CapEx.

And then, just a very brief follow-up on the Fuel Price Stabilization Fund. Jaime, you mentioned maybe reaching the range approximately of COP 25 billion to COP 30 billion in the year. I was just wondering, is that based on taking the current balance plus what you're expecting to accrue in the remaining nine months of the year? Or is that already net of some assumption of amounts that have already been repaid by the government? That's it for me, guys. Thanks very much.

**Felipe Bayón:** Thanks, Andrew, and thanks for being here. Thanks for your question. I'm going to ask Alberto to take the first one on CapEx and then Jaime to expand on FPEC. Alberto?

**Alberto Consuegra:** Thanks, Felipe. Andrew, good morning. With regards to CapEx execution, definitely, the first quarter is seasonal. It's something that you see every year and it's very much in line with the plan for this quarter at the Ecopetrol Group. When we look at the activity set, actually we have delivered what we had in the plan for the upstream. We saw some delays in terms of activity in both the downstream and midstream that we hope to correct in the next quarters.

Something to highlight is that we had the highest level of execution in the last seven years during this first quarter and it was about 85% of what we had in the plan. So, we project to be in the official range between USD 4.8 billion and USD 5.8 billion in 2022 and we don't see any changes in terms of CapEx execution alone or in every segment.

**Jaime Caballero:** Thank you, Alberto. I'm going to take, Andrew, your question around FPEC. Good to hear you. Couple of things, your question is basically what's the basis of projection and the COP 25 trillion to COP 30 trillion range in pesos that I mentioned, I'm referring to

the 2022 accrual, right? Because essentially, we are accruing at a rate every month of about COP 2 trillion to COP 2.5 trillion depending on behavior, so that's what that projection refers to.

I think that the uncertainty around the projection going forward and clearly there is a number of months ahead of us, it will depend on three factors. I think, of course, the evolution of international prices is going to be a factor in the formula. The exchange rate is a massive factor in the formula. It can create strong behaviors upward. And of course, the third element is the degree to which domestic prices are adjusted, which is something that we are expecting. It's something that we're expecting as it's part of this convergence path that the Ministry of Mines and the Ministry of Finance had announced to bridge the gap between international prices and domestic prices at the pump. I hope this helps. Thank you.

**Felipe Bayón:** Thanks, Jaime. Thanks, Andrew. Do we have any more questions?

**Operator:** Thank you. We have a question from Luiz Carvalho, from UBS.

**Luiz Carvalho:** Hi, everyone. Thanks for taking the question and thanks also for the very detailed presentation. We really appreciate the level of disclosure that you guys provided. Basically, two questions from my end. A couple of days ago...

**Felipe Bayón:** Luiz? Sorry, Luis...

**Luiz Carvalho:** Yes.

**Felipe Bayón:** We can barely hear you. Can you try to speak closer to the microphone, so we can get the question? Sorry about that, but please go ahead.

**Luiz Carvalho:** Is it better now? Can you hear me now?

**Felipe Bayón:** Yes, a little bit better. Go ahead.

**Luiz Carvalho:** Is it better now? Okay. So a couple of days ago...

**Felipe Bayón:** Yes, Luiz. Go ahead.

**Luiz Carvalho:** [unintelligible - 0:53:20.8] published a report stating that Colombia will lose its energy independence within five years under the policies proposed by one of the candidates. And of course, due to Ecopetrol's relevance, you would be the most impacted company, right? So, I just wonder if you can provide more color on how the company can protect its current operations from a governance perspective in the case that the government wants to change dramatically the landscape of the energy industry in the country?

The second one goes on capital allocation, as we think about dividends and [unintelligible – 0:54:08.6] for 2022, and how we should see the dividends on the back of the investments that you announced and potential acquisitions and portfolio diversification? Thank you.



**Felipe Bayón:** Thanks, Luiz, and I'll take the first one. So, in terms of energy independence I'll give you some of the context and some of this was already included in the material, but I think your point is a very relevant one. The first one is we are seeing, indeed, the increased demand in Colombia in terms of gasoline, in terms of diesel, and it's in the range of 25% more, both in gasoline and diesel, compared to pre-COVID numbers. So, there is a lot of demand. We are actually in the first days of putting our crude oil into the expanded Cartagena refinery. We're taking that refinery from 150,000 to 200,000 barrels a day. So formal and official operation will take some weeks, but we're already managed to put crude into that project, which we did under COVID and everything else. So, I think first point I want to make Luiz is that Ecopetrol is fully aligned and synchronized with the needs of the country in terms of fulfilling demand.

And I need to say that I'm very respectful about the presidential campaigns and the election processes so I won't comment on that. But I do want to comment that we have a long-term strategy that you guys know that we published a couple of months ago, the Energy that Transforms - 2040 Strategy. And from that point of view, you see that the company will continue to grow. Even though we're largely present in Colombia, we now have a lot of investment, a lot of activity, outside of Colombia as well. Mainly with ISA, but also in terms of things like fracking in Texas in the U.S. and things like Brazil. So, we're diversified both in terms of geographies and in terms of businesses as well.

And then the last thing I want to share with you Luiz, which is probably not that well known, is that with the current existing portfolio of exploration opportunities, we can have eight to ten years of activity in front of us. We have more than 250 opportunities identified in what we call the hub. So basically, with the 68 existing licenses and areas that we have under contract with the government in Colombia, I think it's 48 in Ecopetrol and 20 in Hocol, we have sufficient runway in front of us and I think that's important so we're very confident. I think we have a very solid strategy and as importantly, we've demonstrated with the current results that we have a sound plan, more importantly, a very resilient and consistent delivery in terms of how to implement that plan.

So, Jaime, I think the other one is probably for you. If you can give us a bit of color. Thanks.

**Jaime Caballero:** Thank you, Felipe. Hello, Luiz. Thank you for your question. And so, let me address capital allocation strategy. I would start basically by saying that the capital allocation strategy is unchanged as portrayed in the strategy to 2040 that we announced earlier this year. Now, that strategy portrays very clearly what are our strategic accesses. We have prioritized four pillars in it, which are well aware of. We have an ambition to grow in a sustainable way, building our know-how and delivering competitive returns. That's what we're all about.

Now, when we look at how this year is performing so far, it is very clear that we're having an extremely robust year. It's probably going to be a historical year for Ecopetrol, and we

are well ahead of the '22 to '24 plan. That creates certain surpluses to the plan, and the way that I would share with you how we're thinking about it is that we see this kind of ranking of priorities. Firstly, we need to deliver our existing investment plan. That's where we're focused on right now. So that gets prioritized in any shape or form. Secondly, we continue to look at further growth opportunities, whether they are in the hydrocarbon business or in the ISA's business. Thirdly, we are also conscious around our balance sheet and we continue to look at opportunities to optimize our debt position with this plan. And fourthly, to go to your question, dividends. I think that in a year like the one that we're having, additional dividend payments can occur. As you know, our dividend policy states a very clear range for ordinary dividends, but in extraordinary circumstances, it does accommodate for extraordinary distributions. At this stage and given where we are, in May, and given what our working capital situation is and the conversations that we have around FEPC, in particular, I would say that it'd be premature to determine anything around extraordinary dividends, but I think that depending on how that cash exposure to FEPC evolves over the coming months, that might be a conversation to be had. I hope this helps. Thank you.

**Felipe Bayón:** Thanks, Jaime. Can we please go to the next question?

**Operator:** Thank you. Our next question comes from Barbara Halberstadt, from JP Morgan. Please go ahead.

**Barbara Halberstadt:** Hi, good morning. Thank you for the very detailed presentation. Some of my questions have already been answered. I wanted to follow-up on something different. If you could comment in terms of your commercial strategy for the placement of crude internationally, if you're seeing opportunities in new markets and how you're thinking about that, especially with the and all the volatility we're seeing in international demand. And also, if you could comment, there has been some headlines of one plant in the U.S. that is likely to close in the next two years, a refining plant that uses a lot of the Ecopetrol oil, and how you're thinking about diversifying the markets you supply to? Thank you.

**Felipe Bayón:** Thanks, Barbara, and thanks for being here today. And I will ask Pedro, if you take the question and help us with the answer. Please go ahead.

**Pedro:** Sure, Felipe. Thank you. Yes, Barbara, thank you for your question. Just let me give you some background about the company's commercial strategy, which continues to be the diversification of destinations and the focus to end users. Our preference is to place our barrels in the base of the data and the refineries of our customers. And we also have contracts in all the main markets globally, so we can move our barrels to the areas that provide the best realization for Ecopetrol. So that provides a framework of the strategy that has been very successful in the recent years and continues to be the same.

Now, one important information, as part of our strategy, is that we just started operations in our new commercial office in Singapore to serve the Asian market. Last year, we closed with over 60% of our exports to this region, which is the largest growth region in the world.

Now, our exports mainly go to destinations in Asia in places like China, India, Korea, and Japan and Brunei, where we have a very important customer, and those are the customers that we have today. I visited with my team in the last week Singapore and Korea, and we are very optimistic about the opportunities in the region given the rapid recovery of those economies and the Southeast Asian economies.

Now, specifically, you're asking about the Houston refining facility, which is a refinery owned by LyondellBasell in the Gulf, in the U.S. We received the formal communication that they are closing the refinery. So, we have been supplying this refinery since 2008 and is one of our main customers in the U.S. Gulf Coast.

Now, what are we doing in order to replace this customer? We are basically focusing on three things. The first one is that the oil demand will continue and will be picked up by other customers in the region, given that the demand in the U.S. is going to continue growing. So, we are already identifying and having conversations with some of those customers and the possibility to place some of those barrels in the U.S. Gulf Coast.

And second, our Singapore office is working on expanding our customer base in Asia, and we are confident that some of those barrels will be placed in Asia. And the last one is that we just signed a deal with Repsol to supply crude to their system in Spain. Given the conditions of the market due to the Russian sanctions, Europe is diversifying the sources of crude oil. So, Europe becomes also an area and a market that is very interesting to us. So, basically that's what we're doing regarding your two questions. Thank you.

**Felipe Bayón:** Thanks, Pedro and thanks, Barbara, for your question. Can we please move on to the next one?

**Operator:** Thank you. Our next question comes from Badr El Moutawakil, from Barclays. Please go ahead.

**Badr El Moutawakil:** Yes. Thank you so much for taking my question and congrats on these earnings today. Basically, I have two questions or mostly two follow-ups. My questions have been answered. So, the first one is on the Stability Fund. Thank you, Jaime, for giving us an update on the timing of the payment. But just curious, trying to understand, if we have a new government that is elected in a month or two now in Colombia, basically there is nothing in the law that forbids or limit the capacity or the willingness of the government to make these payments for the Stability fund. So I'm just trying to play the devil's advocate here. I have seen obviously the progress that you guys have made with the bylaws, changing the Board's members from two to four years, making them more independent, so that limits the potential involvements on the sovereign, but just trying to think, can Colombia sovereign, once we have a new government, decide to stop making these payments or are these payments by law?

And my second question is regarding your funding strategy. I think last quarter or two quarters before, you guys were mentioning that you were monitoring market conditions to potentially address your redemptions, especially you have a COP 1.8 billion maturing in 2023, I think in September 2023, with obviously market conditions now being a little bit on the negative side and with broadly cost of fundings being higher. So just curious, how are you thinking about coming to markets or potentially doing your debt management given the large cash that you guys have, but also upcoming redemptions. Thank you so much.

**Felipe Bayón:** Thanks. Go ahead, Jaime.

**Jaime Caballero:** Badr, thank you for your question and I'm going to cover both fronts. Good to hear you, by the way. First, on the Stability Fund, the first thing that I'd say is that the fact that these outstanding accounts are binding is not in question. They're binding legally. The regulation around the FEPC is very clear that this money is owed to Ecopetrol, and this has been recognized publicly by the Ministry. So, we don't consider any scenario where a future government can simply disregard the balances that are due.

I think the space for uncertainty, if you will, in full transparency here, is around the timeframes of payment and the methods of payment, but there is no uncertainty whatsoever around the debt. If a government hypothetically decided not to honor these balances, it would be a default and Ecopetrol would be entitled for legal action in that regard and it's legal action that we are prepared to use, by the way, because it's very clear. Now, fortunately, the government is not in that place at all. As I've stated repeatedly over this call, the government has had a very proactive approach around the balance and the government has identified on its own the mechanisms by which it's going to honor both past balances and those that are accumulating at this stage. But I want to be very clear, there is no gray area around the fact that this is a binding obligation.

With regards to the second point, which is around our funding strategy, you played it well, Badr, and we do have a number of expiries over the coming 18 months. They are well spaced, which gives us a lot of flexibility to accommodate to different market windows and we're preparing for that. To quote my team, our financing tool kit is very robust. We have basically the capabilities to use any and all instruments around liability management, around short-term or long-term credits or even bonds, including sustainable bonds, by the way, which is something that we want to do, and we'll take advantage of market opportunities as they arise.

One important point of note is that we have been working this with the Ministry of Finance as well to make sure that we have all the necessary approvals in place to tap the markets when those opportunities arise. Thank you very much.

**Felipe Bayón:** Thanks, Jaime. Thanks for the answer and Badr, thanks for the question. If we can go to the next one, please.

**Operator:** Thank you. The question comes from Hernan Goicochea, from LatinFinance.

**Hernan Goicochea:** Hello, can you hear me? Hello?

**Felipe Bayón:** We can. Go ahead.

**Hernan Goicochea:** Hello? Hello, can you hear me? Hello?

**Felipe Bayón:** Yes, we can, Hernan, go ahead.

**Hernan Goicochea:** Hello? Okay. Sorry, I wasn't sure. Well, first of all, I just want to say congratulations on the first-quarter earnings. My question is following up, you mentioned the interest in the sale of 51.8% in Invercolsa. I had a follow-up question regarding that. When is Ecopetrol expected to finalize the sale? How much is it looking to earn and what would the proceeds be used for?

**Felipe Bayón:** Thanks, Hernan, I'm going to ask Nicolas Azcuénaga, our VP of New Businesses and Strategy, to give you an answer, but we will not disclose numbers in terms of expected proceeds, but we can talk about the process and the timing and everything else. So, Nicolas, if you can go ahead.

**Nicolas Azcuenaga:** Yes, Felipe. Thank you. Hi, Hernan, good morning to you and thank you very much for your question. In terms of the timeline, we are going to go through the process that is called Law 226 in Colombia and that includes two phases: one it's democratic phase and the second one is through the rest of the interested parties and that will take us up until the remaining of this year. That's the timeline expected for the sale of Invercolsa and as Felipe said, we won't be disclosing expected values at this point in time. Thank you.

**Felipe Bayón:** Thanks, Nicolas and Hernan, thanks for the question. Do we have any further questions?

**Operator:** Yes, we have a question from Andres Cardona, from Citigroup. Please go ahead.

**Andres Cardona:** Hi, Felipe, Jaime. Just one quick question, it's about the Fuel Prices Stabilization Fund outlook for the second quarter of the year. How much are you expecting from the government to be amortized in the second Q?

**Jaime Caballero:** Hi, Andres. How are you? It's Jaime here. On FEPC, as I mentioned previously, we are accruing monthly a balance of about COP 2 trillion, give or take. That's the rate in which the balance is accumulating. How much of the previous balance is going to be amortized, to use your language, I think that, as I mentioned previously, the balance for the third quarter of last year is well on track for that. Possibly, the balance for the fourth quarter as well. Will it come in, in the second quarter of this year or in the third quarter of this year, I don't know. I think it's progressing but I do believe that it's going to be somewhere over the next few months that the balance of last year is going to be finalized. Thank you.

**Felipe Bayón:** Thanks, Jaime. Do we have any additional questions?

**Operator:** We have one last question. It's from Mr. Andrés Duarte, from Corficolombiana.

**Felipe Bayón:** Go ahead.

**Andrés Duarte:** Thank you. Thank you for taking my questions. These are two very short questions, and again, congratulations for the outstanding results for all of the Ecopetrol's employees. These questions are related to the mid and long-term views of the company for energy transition and gas production. So, the first one, related to energy transition, is that in Colombia only about a fifth of the final energy consumption is related to power generation. The rest is liquid fuels, gas, coal and biomass, and the share of liquid fuels is actually more than 40%. So, I was wondering for the long-term view of the company or for the strategic plan, are you expecting a decline on the consumption of liquid fuels at some point before 2040? That's the first question.

And the other one, related to gas production is, if we assume that the shale pilot does okay from an economic standpoint as of today, is the company expecting the future local gas production to come more from the shale production or from the offshore reserves? Those are the two questions. Thank you very much, and again, congratulations.

**Felipe Bayón:** Thanks, Andrés, and thanks, and we'll pass those on to the team. So, in terms of the overall context on energy transition, I'll give you a few data points that we used when we rolled out the strategy a couple of weeks back, the 2040 strategy. If you think about diesel consumption, and remember, diesel is mainly used by trucks and transportation of goods on roads, we do believe there is going to be an increasing trend in terms of demand from now until 2040, so the diesel will be used and part of that we believe is that it's not as straightforward in terms of changing the source of energy for those trucks for a different one. And also, that's part of the issue. There will be some things that will be done in terms of intra-city or transportation inside cities. We already see gas trucks and we already see some electric vehicles and the likes and some of that may happen. But we do believe diesel will continue to grow. And maybe just worth mentioning, Andrés, that we are actually working with Fanalca on building the first-ever hydrogen bus in Colombia so that's taking place as we speak.

In terms of gasoline, we expect that there may be a peak around '31, '32, '33, and again forecast will change and that's something we all know and eventually it will stay flat for some years and then come down a bit. That's basically some of the underpinning considerations and assumptions that we've made for the long-term strategy. And again, remember we've said the company will grow its EBITDA by 40%, from COP 9 billion to COP 10 billion on a year to COP 14 billion and 50% or up to 50% of that EBITDA will come from low-emission businesses. So, I hope that helps in terms of understanding where we are.

And in terms of production coming from unconventional and offshore, I think it's a mix. So, if you look at again the strategy, maybe you remember we have a graph where we show production to 2030, 2040 and we see in that space. If you look at the 2030 milestone, we see production in the range of 800,000 to 850,000 barrels. There is a tranche that comes from base production, from the production that we have today. There is the tranche that comes from EOR, Enhanced Oil Recovery. To give you a sense, in 1Q, EOR accounted for 38% of our production. So, it's very relevant and it's something where we believe Ecopetrol has a lot of expertise. And on top of those two tranches, you have unconventional both in the U.S. and in Colombia. You have offshore exploration in the Caribbean and you have further exploration. So, you see there is actually a combination of at least five building blocks. And that basically should go from 800,000 - 850,000 to basically 700,000 to 750,000 by the end of the strategy period or 2040. So, lots of things in play.

Piedemonte reactivation is very important. We're putting a lot of capital into gas. It's been a long time since we've had five rigs operating in Piedemonte, in Casanare. It's been 26 years since we have two offshore rigs drilling, so lots of things happening from that point of view, Andr's. So, thanks for the question. Do we have any additional questions, Hilda?

**Operator:** Thank you, Mr. Bayón. We have no further questions. Do you have any final remarks?

**Felipe Bayón:** Sure, sure, and thanks for that. So, again, thanks, everyone for being here today in our 1Q results conference call. Thanks for the interest in Ecopetrol, thanks for your questions. As I've said before, they help us a lot in terms of understanding what are the areas of interest and what are the things that we need to put a lot of focus on. So, we really appreciate that. Please stay safe, take care of yourselves and hopefully, we'll see you soon in one of these next conference calls. So, stay safe and have a great day.

**Operator:** Thank you. Ladies and gentlemen, this concludes today's conference. We thank you for participating. You may now disconnect.