

ENERGY SECTOR:

PILLAR OF COLOMBIA'S
ECONOMIC RECOVERY

 *DiegoMesaP*

 *DiegoMesaEnergia*

 *@DiegoMesaP*

 *Diego Mesa*



El futuro
es de todos

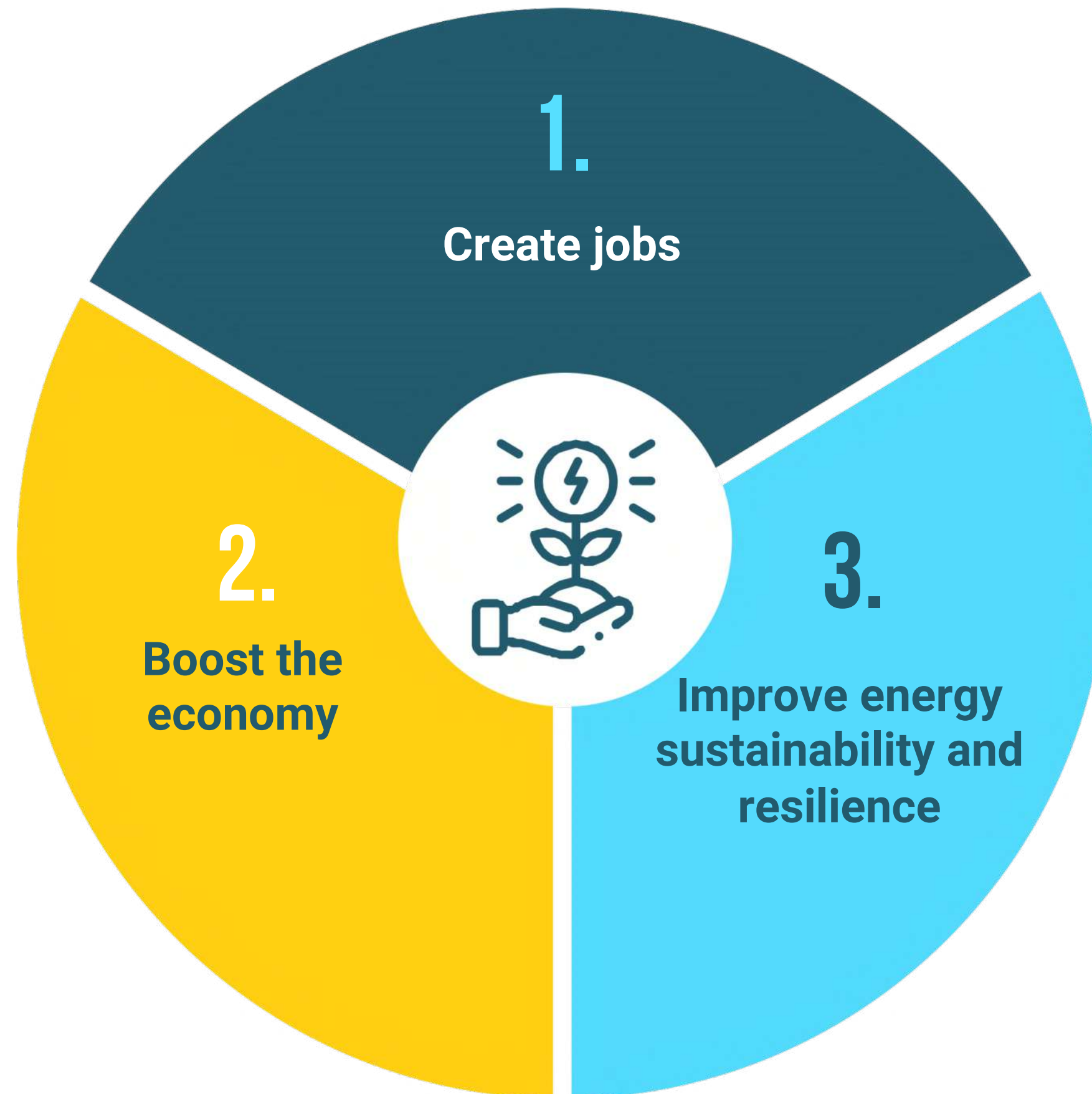
Minenergía

#LaNUEVAENERGÍA

THE ENERGY SECTOR IS POWERING THE GLOBAL ECONOMIC RECOVERY

Several measures have been taken within the energy sector around the globe

GOALS FOR A SUSTAINABLE RECOVERY FOR THE ENERGY SECTOR



THE WORLD IS WORKING ON



POWER



TRANSPORT



HOME



INDUSTRY



CLEANERS FUELS



INNOVATION

THE MINING AND ENERGY SECTORS ARE KEY FOR THE ECONOMIC RECOVERY OF COLOMBIA



7%

▶ **OF THE NATIONAL GDP**
comes from the Mining,
Hydrocarbons and Power
sectors

12%

Of the Government
revenue



In 2019

MINING AND ENERGY SECTORS REPRESENTED

34%

Of FDI

56%

Of exports

Between 2018 - 2019, FDI in the
energy mining sector grew 21%

**THE COVID-19 CRISIS
OFFERS AN OPPORTUNITY
TO PROMOTE A
FAIR, SUSTAINABLE AND
RESILIENT ECONOMIC
RECOVERY**

**The energy industry plays
a vital role in supporting
this recovery**

1.

BASED ON

4 STRATEGIC AXES



Renewable energy
and new energy
technologies



Energy security



Sustainable mobility



Mining diversification

2.

MEETING THE OBJECTIVES OF OUR CLIMATE CHANGE PLAN

ROYALTIES ARE KEY RESOURCES FOR OUR COUNTRY'S DEVELOPMENT



1.

**MORE RESOURCES FOR PRODUCTIVE REGIONS
FROM 11% TO 25%**

2.

**REGIONAL INVESTMENT IS MAINTAINED (34%)
AND LOW INCOME MUNICIPALITIES WILL RECEIVE MORE RESOURCES
FROM 10,7% TO 15%**

3.

**5 % OF ROYALTIES RESOURCES
FOR ENVIRONMENTAL PROJECTS**

4.

**ROYALTIES WILL PROMOTE EDUCATION
NO LESS THAN 5% SHOULD BE INVESTED IN EDUCATION
INFRASTRUCTURE AND DEVELOPMENT**

5.

**MORE RESOURCES FOR SCIENCE, TECHNOLOGY AND INNOVATION
FROM 9,5% TO 10%**

**WE ARE
COMMITTED TO
ACHIEVE
COLOMBIA'S
ECONOMIC
RECOVERY**

WE HAVE PRIORITIZED 33 PROJECTS

that represent investments of more than **USD \$ 9 BILLION**

and more than **54.000 JOBS**



24 ENERGY PROJECTS

* Including transmission projects



8 MINING PROJECTS



7 HYDROCARBON PROJECT

***6 OFFSHORE PROJECTS THAT ADD
1.9 BILLION USD IN INVESTMENT AND
300 DIRECT JOBS**



**THE ENERGY
TRANSITION WILL
LEVERAGE THE
ECONOMIC
RECOVERY**



AUCTION CAPACITY



14 SOLAR
WIND
PROJECTS

2.500 MW

MORE THAN

6.000

JOB

**2.7 USD BILLION
INVESTMENT**

BY 2022

2.800

MEGAWATTS

Including installed capacity
enabled by the auction



12%

MATRIX

And it will continue to grow: 8.000 MW of Renewable
energy projects have an approved grid connection

IT WILL BRING INVESTMENT OPPORTUNITIES IN TRANSMISSION INFRASTRUCTURE AND NEW TECHNOLOGIES

16 TRANSMISSION PROJECTS

That represent an investment of almost

360 MILLIONS DOLLARS
ABOUT 800 KM

STORAGE SYSTEMS

We are structuring the first auction for the Caribbean coast

- ▶ To mitigate restrictions on transmission networks

Scheduled for I semester 2022

- ▶ We are currently evaluating different ways of participation for this technology



NEW TECHNOLOGIES

- ▶ Advanced Metering infrastructure
- ▶ Hydrogen and Geothermal energy
- ▶ Sustainable Mobility

OUR SUSTAINABLE MOBILITY STRATEGY



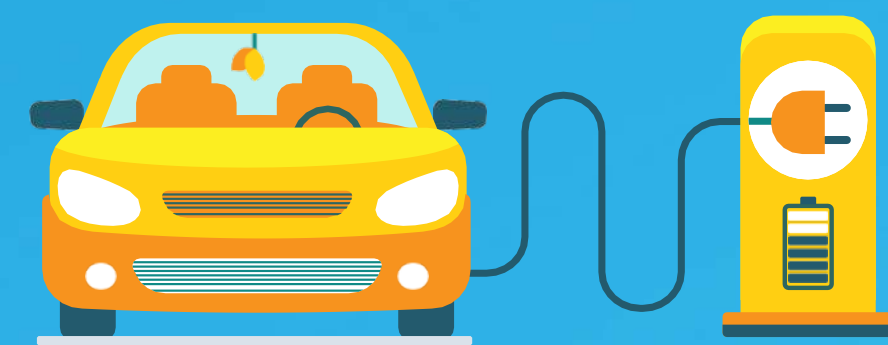
▶ **APPROVED FIRST PROGRAM FOR SUPERIOR MIX OF BIODIESEL 20%**

▶ In 2019 Colombia

SURPASSED 600 THOUSAND
Vehicles converted to Natural Gas

▶ **WE HAVE MORE THAN 800 NATURAL GAS**
Service stations

▶ **WE REACHED OVER 1500 HEAVY DUTY**
Natural Gas dedicated vehicles



Goal for 2030
600.000
ELECTRIC
VEHICLES

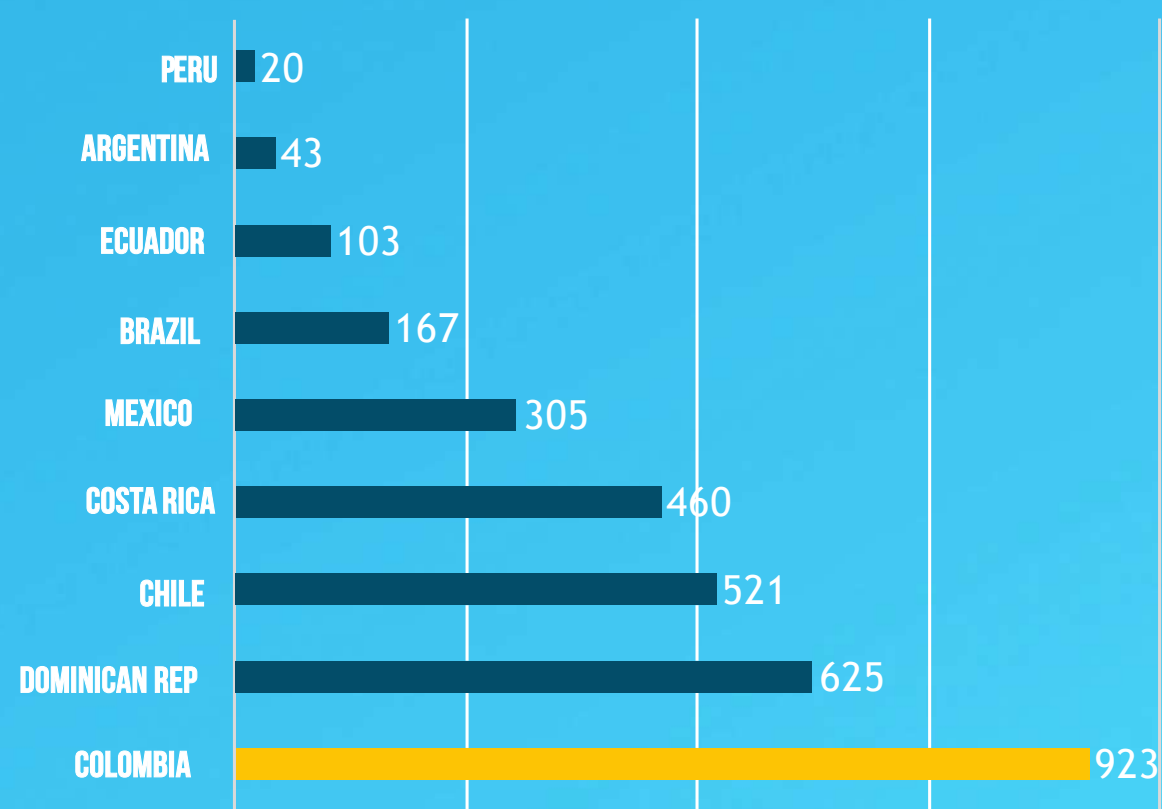
⚡ Vehicle tax cannot exceed 1% of the commercial value of the vehicle

📋 VAT: 5%
Tariff: 0
Consumption Tax: 0%

🌿 10% discount on minimum vehicle insurance premiums

🛣️ Discount on vehicle technical inspection

💰 Exemption on restriction measures to vehicular circulation



In 2019, Colombia led vehicle sales at the regional level

Sales of electric and hybrid vehicles in Colombia grew 83% in the first half of 2020, compared to the same period in 2019

GAS

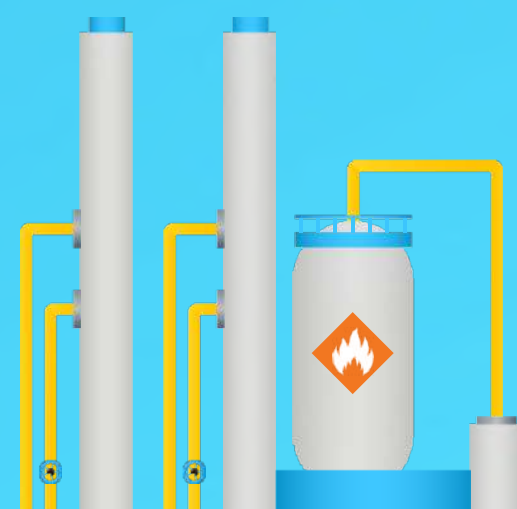
OIL AND GAS



**WE WILL KEEP
PROMOTING THE
HYDROCARBONS
SECTOR TO BOOST THE
ECONOMY**



CRUDE RESERVES
2.036 MMBBL
FOR 6,3 YEARS



3,1 TCF GAS
FOR 8 YEARS

WE HAVE ESTABLISHED **4 STRATEGIC AXES**



Development of offshore
exploration and production



Promotion of continental
basins exploration



Enhanced Oil Recovery



Unconventional deposits

We are working on stimulus to promote
investment that allows us to increase our
reserves and production

PERMANENT PROCESS OF AREAS ALLOCATION



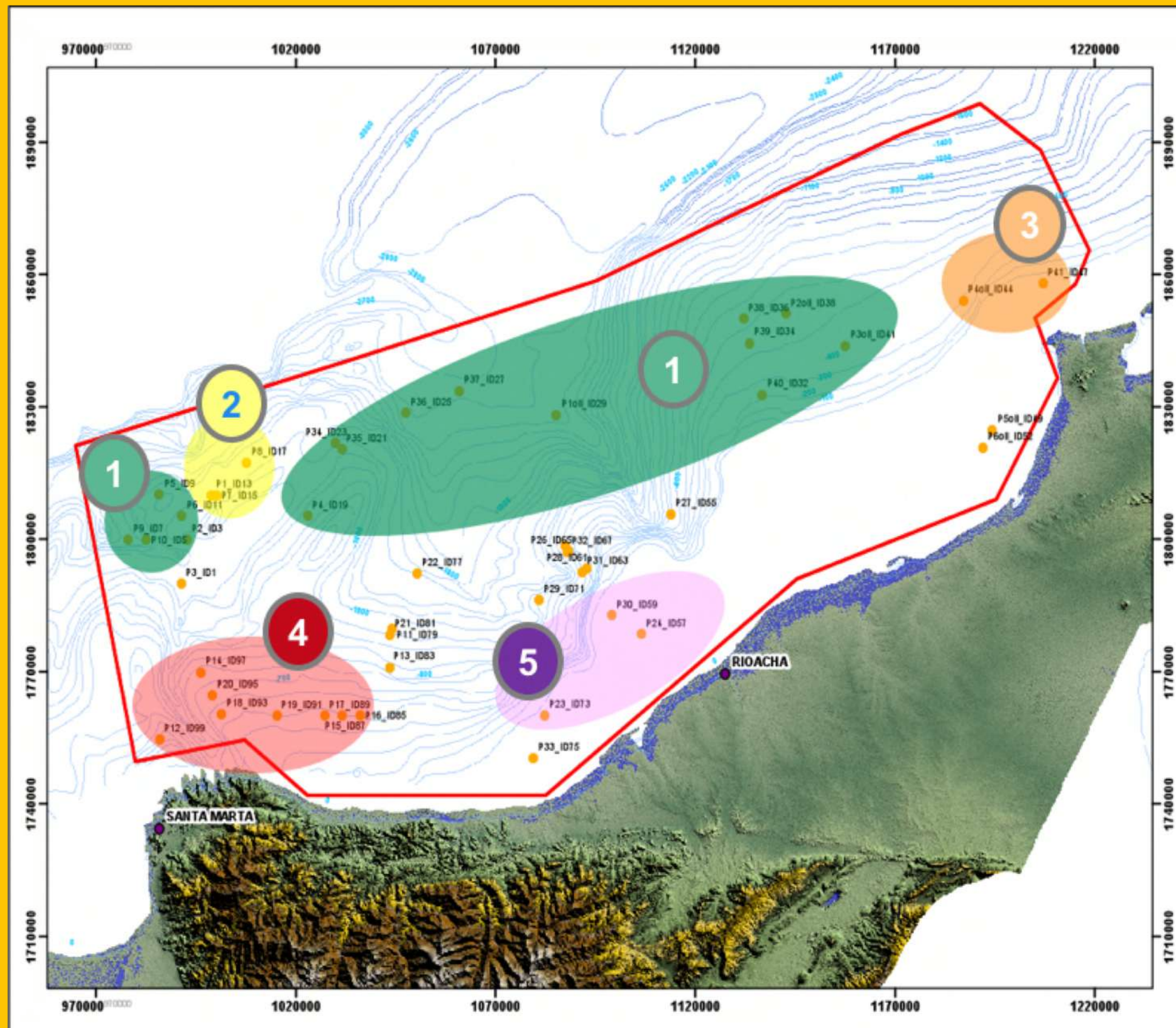
- **IN 2019 THE ANH**
developed 2 cycles
- 26 allocated blocks
INVESTMENTS OF USD \$940 M
- **3RD CYCLE IN THE FOURTH
QUARTER OF 2020**
4 blocks offered
- **THE 4TH CYCLE**
will take place in 2021

WE HAVE SHOWN THE HIGH POTENCIAL OF OUR OFFSHORE BASSINS

- **EXPEDITION OF OFFSHORE E&P
CONTRACT**
February 2019
 - 5 new contracts signed with associated
investments of
USD \$ 1.9 BILLIONS
 - **EXPLORATORY CAMPAIGN**
will run between 2021 and 2022
 - **WE ARE WORKING ON**
Incentives to develop the outcomes
of exploratory campaign
- Regulations for
offshore operation

COLOMBIAN OFFSHORE REPRESENTS A GREAT OPPORTUNITY FOR INVESTMENT IN THE LONG TERM

The samples acquired during the piston core campaigns have allowed us to characterize, with a high level of precision, the type of hydrocarbon present in the different areas of the offshore Caribbean.



OIL AND
WET GAS



DRY GAS AND
CONDENSATES



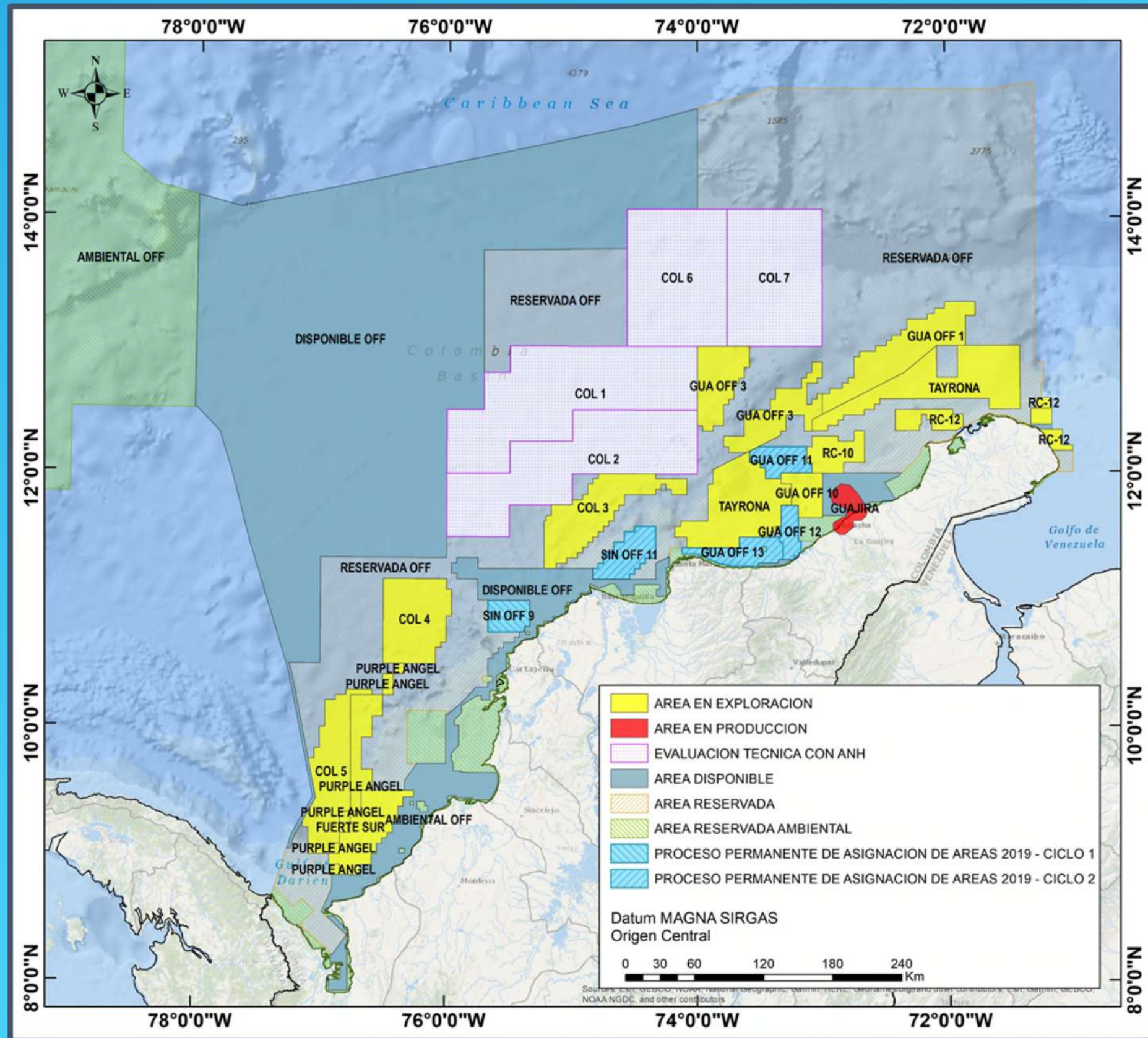
DRY AND
WET GAS



NATURAL GAS



MIX WITH OIL



IN 2021 WE WILL HAVE A NEW EXPLORATORY CAMPAIGN

- We Issued the E&P offshore regulation
- Chevron/Noble Energy will be drilling in 2021 in COL 3
- With the joint venture of Ecopetrol-shell new exploratory wells will be drilled
- Due to the high potential of the offshore blocks, Oxy kept the Gran Col assets



BEFORE THE PANDEMIC WE WERE IN THE PATH OF RECOVERY OF THE EXPLORATORY AND PRODUCTION ACTIVITY

INITIAL VISION 2020

INVESTEMENT



5.000-6.000
MUSD

EXPLORATION



42
Wells
1.400
Km.

PRODUCTION



900
KPDB

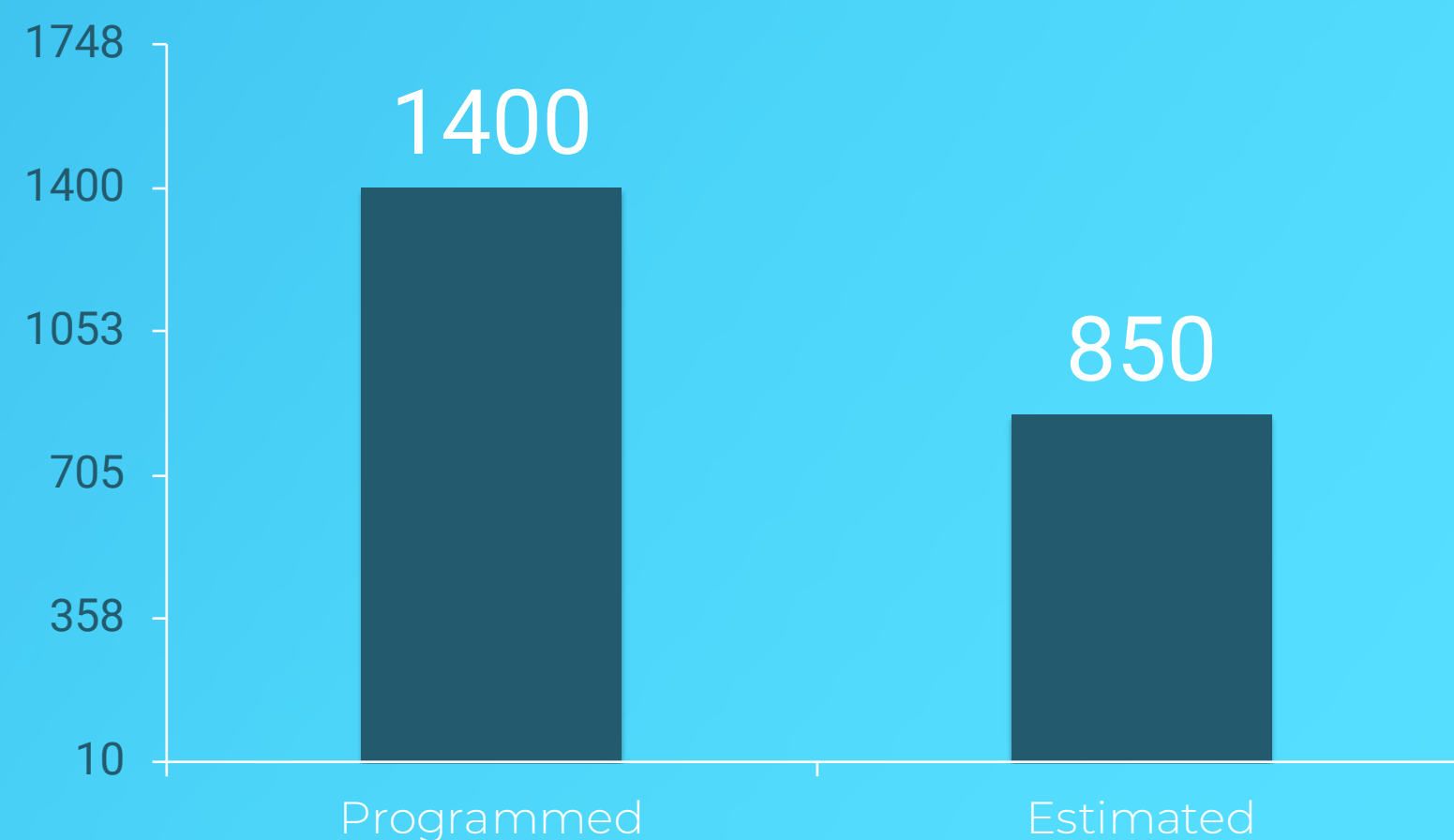
EXPECTED PRICE



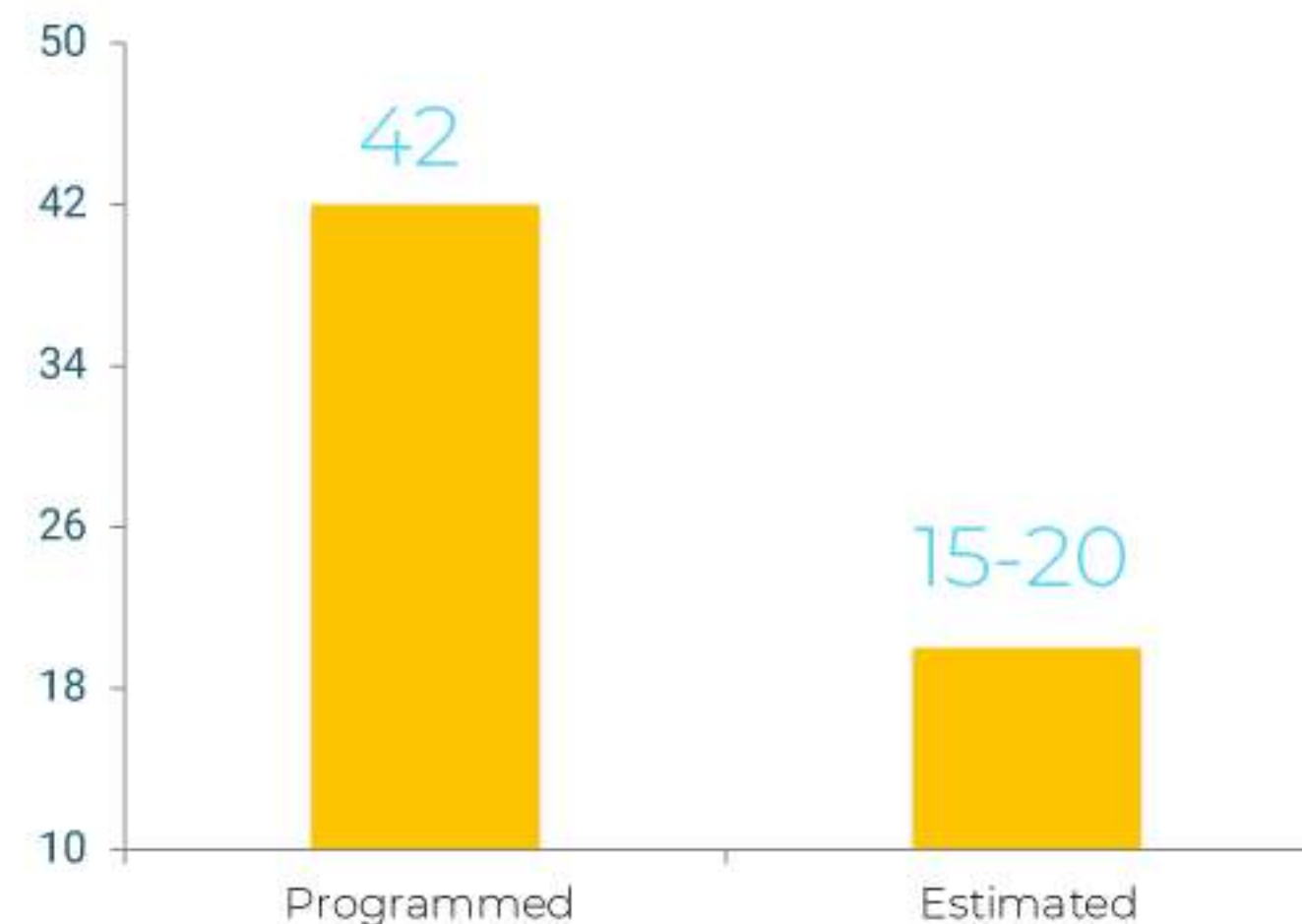
67
USD

DUE TO THE MEASURES ADOPTED, THE EXPLORATORY ACTIVITY WILL BE DIMINISHED IN 2020, BUT WE EXPECT A RECOVERY IN 2021

SEISMIC ACTIVITY (KM 2D)



EXPLORATORY WELLS



EXPECTED
PRODUCTION



750-850
KBPD

EXPECTED
PRICES



35-45
USD

MEASURES ADOPTED HAVE HELPED THE COMPANIES THROUGH THE CRISES AND WILL HELP DURING THE RECOVERY PROCESS

A

ACUERDO 002 –ANH

- Flexibility / Extension of deadlines for the exploration phases
- Flexibility / Reduction of Guarantees: Modification of percentages

B

ACUERDO 004 - ANH

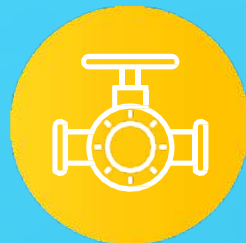
- It is allowed to defer the payment of X% of production up to 6 months depending on the conditions of the international price

C

MEDIDAS TRIBUTARIAS

- Extension of the Term for the payment of Income Tax
- Automatic VAT refund: Decree 535.
- CERT- Tax refund certificate to preserve production and reserves

WE ARE ADOPTING THE NECESSARY MEASURES TO DIVERSIFY OUR GAS SUPPLY



SECOND REGASIFICATION TERMINAL



LOCATION: **PACIFIC COAST**



REGASIFICATION CAPACITY: **400 MCFD**
STORAGE CAPACITY: **170 CUBIC FEET LNG**



PROCESS OPENING: **OCTOBER 2020**

AWARDING PROCESS: **MARCH 2021**



DIEGO MESA PUYO

Minister of Mines and Energy
COLOMBIA

*Sustainable development of
the mining-energy sector with a social,
environmental and governance purpose to
transform Colombia.*

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