Canacol Energy Ltd.

EPM Contract and Medellin Pipeline Project Conference Call

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CORPORATE PARTICIPANTS

Charle Gamba - *Chief Executive Officer*

Jason Bednar - *Chief Financial Officer*

Carolina Orozco - *Vice President, Investor Relations*

PRESENTATION

Operator
Welcome to the EPM Contract and Medellin Pipeline Project Conference Call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the "*" key followed by "0." After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press "*" then "1" on your telephone keypad, to withdraw your question, please press "*" then "2." You may submit online questions at any time today, using the window on the webcast. Please note this event is being recorded.

I would now like to turn the conference over to Carolina Orozco, Vice President, Investor Relations. Please go ahead.

Carolina Orozco
Good afternoon, and welcome to Canacol's EPM sales contract and Medellin pipeline project conference call. This is Carolina Orozco, Vice President of Investor Relations. I am with Mr. Charle Gamba, President and Chief Executive Officer and Mr. Jason Bednar, Chief Financial Officer.

Before we begin, it's important to mention that the comments on this call by Canacol's senior management team can include projections of the corporation's future performance. These projections neither constitute any commitments as to future results, nor take into account risks or uncertainties that could materialize, as [indiscernible] responsibility in the event that future results are different from the projections shared on this conference call.

Please note that all finance figures on this call are denominated in U.S. dollars. We will begin the presentation with our President and CEO, Mr. Charle Gamba, who will provide background to the Jobo-Medellin pipeline project, in order to provide context for our announcement of the new sale's natural gas contract with EPM, and an update on the pipeline project. Mr. Jason Bednar, our CFO, will then discuss financing considerations for the project, as well as adjustments for our preexisting bridge term loan that supports the project. A Q&A session will follow. Mr. Gamba is joining us on the line from Bogota and Mr. Bednar is joining us on the line from Calgary.

I will now turn the call over to Mr. Charle Gamba, President and CEO of Canacol Energy.

Charle Gamba
Thank you, Carolina, and good afternoon or good evening to everyone, and welcome. I want to talk to you about why the new sales contract we signed with EPM, as well as, the Jobo to Medellin pipeline project which that sales contract is literally part of, marks an important strategic step for us here at Canacol.

For those who haven't followed our story from the beginning, we began building our gas business for the acquisition of Shona Energy in 2012. At that time, we operated one gas field, selling 12 million standard cubic feet per day of gas to a single user, the Cerromatoso ferro-nickel mine, whom by the way, we continue to sell gas to this day. That represented approximately 1% of Colombia's natural gas demand. Recognize that we could grow the business by firstly proving up the significant gas resources we believed could be discovered on our lands, via exploration, drilling, and secondly by connecting those discovered gas reserves with a growing gas market on Colombia's Caribbean Coast.

We negotiated entry to that market at a time when we could see that the Guajira gas fields which had traditionally been supplying over 80% of the coastal market were entering into a terminal decline. As a result, we were able to provide the market with the critical supply of gas, at exactly the right time when it was e needed.

Fast forward now to 2021, where our gas now supplies over 50% of the gas consumed in the Caribbean Coast, with the majority of our sales being sold undertake or pay fixed gas price contracts. That's approximately 25% of Colombia's entire national gas demand. Having those contracts allow us to have reliable and predictable revenues, which has helped reduce our financing costs and also allowed us to weather unexpected market disruptions like the COVID pandemic, which had a very negative impact on some of our oil and gas producing peers, globally.

The Caribbean gas market has, and continues to be important to us, and we expect that to remain the case going forward. Our next strategic initiative was to access the market in the interior of Colombia, which currently represents approximately 60% of Colombia's gas demand. This strategic initiative has now been realized with the signing of the gas sales contracts with EPM. Gas demand in the interior of the country is more stable, than that of the Caribbean market, as most of the interior's demand is related to residential, industrial and commercial use.

Gas demand in the Caribbean market is dominated by thermal electric power generation, which is very sensitive to rainfall, which of course can be somewhat unpredictable. The main reason we launched the initiatives by gas to the interior of Colombia was exactly the same reason we acquired Shona, nine years ago in 2012. Ecopetrol's Cusiana and Cupiagua gas fields located in Llano's basin, which supply a majority of the interior market currently are set to enter terminal decline in two to three years' time. So, we saw an opportunity to repeat what we did in the Caribbean market nine years ago, that being to provide new gas supply just as consumers in the interior need to replace supply from Ecopetrol's mature declining fields in the Llanos basin.

As you can see in the chart, in the bottom right of this slide, which shows a recent supply forecast from the Colombian gas market authorities, local supply in the interior market is expected to decline by a lot more than the 100 million cubic feet per day that our pipeline project has planned to bring to the market, beginning in late 2024. Without new gas volumes from Canacol's field to the interior of Colombia would likely either half to reduce gas consumption significantly, or becoming increasingly reliant on reverting to more polluting sources of energy such as coal and petroleum. Our project to connect to the interior market is therefore not just the line for the Colombian government's commitment to transition to a cleaner energy matrix, but by ensuring a long-term affordable and stable supply of clean burning natural gas, this project is critical to the government's energy transition plan.

I now want to briefly provide context as to why connecting to the interior market isn't feasible without the Jobo to Medellin pipeline project. In short, the gas from Jobo would have to travel 1,500 kilometers through a sub-optimally routed network of existing pipelines with transportation fees alone in excess of $5 per 1,000 standard cubic feet. After providing for an adequate return on investment for the new Jobo to Medellin pipeline, we expect transportation fees to be less than half that level, allowing us to offer gas to the interior market, on attractive terms to both us and our consumers. Beyond Medellin the pipeline will make Canacol's gas available to consumers in Bogotá, Cali and other regional markets within the interior of the country.

The new gas sales contract will see us deliver gas to EPM in Medellin starting in December 01st, 2024 with an initial minimum volume of 21 million standard cubic feet per day, escalating to 54 million cubic standard cubic feet per day on December 01st, 2025, and remain at this level until the sales contract expires on November 30th, 2035. We won't be providing exact guidance related to expected pipeline transportation costs or sales pricing. But I can say that as currently designed, we expect the pipeline project to yield returns that will be very attractive to potential partners in the project and we expect our sales, the interior market including those under the new contract with EPM to generate netbacks in line with those we have proven we can achieve in the Caribbean market.

It's important to note that the Jobo to Medellin pipeline will also allow us to move gas to Bogotá, and Cali via the existing Transmetano and TGI gas pipeline networks. Current demand in Bogotá is approximately 200 million cubic feet per day, and that of Cali is approximately 60 million cubic feet per day. I strongly believe this is a win-win for Canacol and gas consumers in the interior of Colombia, in particular in Medellin and Antioquia.

To deliver the gas a new 20-inch pipeline will be built between Canacol gas treatment plant at Jobo to the City of Medellin located approximately 285 kilometers to the south. The pipeline will have an initial transportation capacity of approximately 100 million standard cubic feet per day, which can be subsequently expanded to 200 million standard cubic feet per day via the installation of additional compression capacity.

Total CAPEX for the project is anticipated at approximately $450 million. In the near term as it relates to this project, we will now focus on the following activities all of which are anticipated to complete…to be completed by the end of first quarter 2022. One finalized work on the environmental permit to submit to the National Environmental Permitting Authority the ANLA for approval prior to end of 2021.

Secondly, finalize the selection of the construction company that will be responsible for building and operating the pipeline. Thirdly, arrange necessary financing as required to execute the project. And fourthly, continue to negotiate and execute an additional 45 million standard cubic feet per day of gas sales contracts with consumers in the interior to fill the initial 100 million standard cubic feet per day capacity of the pipeline.

I will now turn the presentation over to Jason Bednar our CFO who will discuss financing considerations for the project. When he's done, I'll make a short closing statement. Thank you.

Jason Bednar
Thanks, Charle. I will also start by providing some background. Just over a year ago, we announced that a subsidiary of Canacol had entered into a $75 million senior unsecured bridge loan with the syndicate of banks. The bridge was entered into by the Canacol subsidiary that we intend to use to construct and own the Medellin pipeline with Canacol being the guarantor throughout the outstanding term of the bridge.

As required under terms of the bridge loan, we made an initial $25 million draw during August of 2020. The initial draws to be used for expenditures such as engineering and environmental permitting. The other $50 million is available under the bridge loan is budgeted toward our long lead time items needed for construction such as pipe. Under the original terms, the remaining $50 million was to be available to be drawn at any time, up to 12 months from the closing dates, and all amounts drawn where they have an initial two-year term ending in July of 2022.

What we announced today is that the bridge loan has now been amended to extend both the bridge term and the available period on undrawn amounts to July 31, 2023. I'd like to thank the banking syndicate for this amendment as it gives us increased flexibility on timing to utilize the bridge loan.

Detailed discussions are ongoing with respect to Medellin pipeline with the interested equity partners and the syndicate of banks interested in providing debt finance. Once equity partners and bank syndicate agreements have been signed, and any applicable conditions precedent have been met. We anticipate that long term funding will be advanced, and the bridge will be repaid thus bring Canacol of its guarantees on the bridge. I'll also mentioned that 25% is the maximum permitted ownership level and a gas pipeline for a gas producer under Colombian Law.

Note that the process of the Canacol leading developments of the project through its initial phases, but then divesting of our interest is a process we have been through before, albeit with the smaller project, our Sabanas pipeline, which we completed in 2019.

We have seen strong interest from both local and international equity partners, as well as, interest from national and international banks to finance it. With what is clearly a cornerstone infrastructure project for the Colombian economy and the government's ambitions to transition its energy matrix. We are positive about the level of interest in terms we can obtain.

At this point, I'll hand it back to Charle. Thank you, everyone.

Charle Gamba
Thanks, Jason. I'd like to close by thanking our counterparts at EPM for their persistence over the many years that we have worked together negotiating this important contract. Our ability to advance the project was delayed by a number of issues beyond our control, including a global pandemic, but I'm grateful that our team, as well as, that of EPM chose to persist. We're now ready to answer any questions that you might have.

QUESTION AND ANSWER

Operator
We will now begin the question-and-answer session. To ask a question, you may press "*" then "1" on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press "*" then "2." You may submit online questions at any time today using the window on the webcast. At this time, we will pause momentarily to assemble our roster.

Our first question comes from Luiz Carvalho with UBS. Please go ahead.

Luiz Carvalho
Hi, Charle, Jason, thank you very much for hosting the call and congratulations. I remember discussing Shona [indiscernible] almost 10 years ago. So, congratulations on

this one. Basically, if I may three questions here, the first one is after the signature of the contract, or in the meantime, if you guys received any contract from other cities in Columbia requesting additional gas or for potential additional demand? So that's the first one. The second one pretty much straightforward, when do you expect you'd say the sell down or the 75% to be sold, I mean any expectations in terms of timing that we can expect? And the third one, maybe I missed this one, but I didn't see in the press release, I am trying to get the presentation right now, if you can share a bit more details about the total CAPEX of the project and more details about the gas prices? Thank you.

Charle Gamba
Yes, I think with respect to your first question is Luiz, yes, we have been actively negotiating additional gas sales contracts with other consumers in the interior, particularly within Bogota and Cundinamarca, where current gas demand is about 200 million cubic feet per day. So, we have made progress on additional take or pay contract negotiations, with the objective being to fill the entire 100 million cubic feet per day of transportation capacity.

Secondly, with respect to the 75% sell-down, we will participate in up to 25% in the equity of the project. We have been in negotiations with other equity partners for the other 75% for which we have received various offers, which we will now, of course, move forward to close on.

And thirdly, with respect to total CAPEX, as I mentioned before, the total CAPEX for the project is estimated to be about $45 million. Our thoughts with respect to the financial structure would contemplate 70% debt, 30% equity, and our share of the equity, of course, would be 25% which was…up to 25%, which would be the maximum allowed by the Columbian regulators. So that would translate to approximately at 25% equity interest, approximately $35 million, up to $35 million on Canacol's part, which is a relatively small amount of capital to be spent over the next three years. Thank you for your question.

Operator
The next question is from…

Luiz Carvalho
Sorry, in terms of natural gas prices, sorry?

Charle Gamba
In line with our…, as I mentioned in our presentation, the netback for this contract as well as other contracts we're currently in negotiation is in line with our netbacks.

Luiz Carvalho
Okay. Thank you.

Operator
Pardon me. The next question is from Ezequiel Fernandez with Balanz. Please go ahead.

Ezequiel Fernandez
Good afternoon, everybody. Thanks for organizing the call. And it is great to see such transformational project for Canacol in Columbia going forward. So, I join in the congratulations. I have questions on pricing, the pipes permitting and the related drilling efforts. I would like to go one topic at a time, if you don't mind. Going first with pricing, I

imagine that you cannot comment a lot and you already said that the netbacks are similar to those in the Caribbean. But I wanted to know how much, if you have that information available, the average residential consumer is right now paying in Medellin for gas, and I'm talking about just the molecule, not including transport and distribution.

Charle Gamba
Hi, Ezequiel, I don't, unfortunately have that type of information at hand.

Ezequiel Fernandez
Okay, great. And maybe if the price you agreed with EPM includes transport or not? And how are you going to split between the gas price and the transport? How are you going to handle that?

Charle Gamba
Yes. We…as you realize, we don't discuss the details of any particular sales contract, neither pricing nor transportation, so I have no comment with respect to that.

Ezequiel Fernandez
Okay, great, I understand. My second question regarding the pipe permitting. I wanted to know if there is already something filed at the ANLA, at what stage it is, how long the whole process would take?

Charle Gamba
Yes. We'll…we've been working on the environmental permits for the past…for quite some time. Our plan now is to finalize the permit application, and we hope to have that submitted to the ANLA prior to yearend and this year. Typically, pipeline permits take between 12 to 18 months. We are, however, going to be applying for a special consideration with respect to this permit, which is a document referred to as a PINES, which is a project of strategic national importance to the government, which will cut the environmental permitting timeline down to around twelve months if that classification or status is given to this project. So, to answer your question with respect to permitting, we expect 12 to 18 months from submission by the end of this year.

Ezequiel Fernandez
That's great. And following up on the permitting side, two questions more, is the pipe expected to go through hot areas like natural reserves or Indigenous communities? And also, how are you working around securing the…all the strips of land needed, if you have a certain percentage already and if there is an instance in which the government on the basis of public interest, can help you with that?

Charle Gamba
Yes. We analyzed four different routes between Jobo and Medellin, and we analyzed each route from the perspective of topography, communities, environment, and security. So, with those four categories and analysis of those four routes, we settled on the routes that essentially has the fewest number of indigenous communities located along it, which means that the process of consulta previas, which are the community consultations will be minimized, there'll be a minimum of communities along that route. The topography along that route is slightly more challenging but not insurmountable, and security and environmental, there are very strict protocols with respect to environmental which, of

course, are embedded in the environmental permit so the study of alternative routes, et cetera, all of which go into that process. So, we really focused a lot on trying to avoid, as much as possible sensitive community areas, areas where there are a lot of communities and a lot of complicated negotiations. The process that I mentioned the Pines [ph] the status of the project is a project of strategic national importance. If the project achieves that status, it will greatly reduce the timeline with respect to having those community negotiations to a much shorter period of time, with the assistance of the Ministry of Interior.

Ezequiel Fernandez
Great. Is it supposed to be mostly underground or above ground?

Charle Gamba
Yes, the entire pipeline will be underground. So, the entire pipeline route will be underground.

Ezequiel Fernandez
Okay. That's great. And my final question is relating to drilling. I guess, that depending on how the rest of your contract portfolio evolves, you will need to ramp up more or less output. So, do you expect to drill outside of Jobo for these volumes or do you expect to be contained there still?

Charle Gamba
Yes, we will focus the majority of our drilling in the next three years, in and around the Jobo area as we've been doing the past seven or eight years. As we approach the…the start date for the pipeline in December of 2024, we will probably start to accelerate, particularly development drilling in 2023 and 2024 to ensure that we have more than enough productive capacity to meet our obligations for our sales to the interior, as well as, to the coast. The majority of our drilling will be focused in the current area where we've been active for the past eight years.

Ezequiel Fernandez
That's great. That's all from my side. Thank you very much.

Charle Gamba
Thank you. Thank you, Ezequiel. Thank you.

Operator
The next question is from Josef Schachter with Schachter Energy Research. Please go ahead.

Josef Schachter
Good afternoon, everyone and congratulations on moving this major project forward. I have two questions. First on the 25% ownership, do you have to be down to that level on the date when the pipeline is approved to have volumes or is there some date or is it when it gets up to 100 million. Do you have some flexibility in there, or is it the minute you start putting volumes through you have to be down to 25%?

Charle Gamba
We would have to be down to 25%, if the pipe is transporting gas, and our expectation is to…is to have the project completely farmed out with the award of the construction contract to our equity partners.

Josef Schachter
Okay. And the second question, in the contract with the buyers of your natural gas. Do you have some requirements for certain levels of 1P or PDP reserves for different timelines to meet those new contract…new requirement specs?

Charle Gamba
Yes, we presented our current reserve reports to the buyers for analysis and new agents. So, yes.

Josef Schachter
And do you need to increase production significantly in there or do the volumes and the reserves you have to date meet that need?

Charle Gamba
As you know, we're continually increasing our reserve base, we have 5.7 tcf of perspective resource identified over 165 identified prospects to drill, over the next 10 years, so our reserve replacement rates, 2P basis has been over 200% a year. So, we expect that to continue. So, we expect our drilling programs to continue to add new reserves from resources as we drill along. So, we're not particularly too worried about replacing and expanding our reserve base, given the history of doing that.

Josef Schachter
Okay. Thank you very much and again, congratulations.

Charle Gamba
Thank you, Josef.

Operator
The next question is from Román Rossi-Lores with Balanz. Please go ahead.

Román Rossi-Lores
Hello, good afternoon. Congratulations on the transformative deal. I have a few questions. And I'd like to ask them sequentially if I may. So, the first one, regarding the contract. Can you confirm is this is take or pay modality?

Charle Gamba
That's correct, yes, it is take or pay contract.

Román Rossi-Lores
Okay, thank you. And then, looking at the map, the pipe is only 100 kilometers away from the DCi [ph] Network. So, are you already thinking about an interconnection there, perhaps a deal with Transmetano to make the pipe to Sebastopol directional, and if so, if you have anything in mind in terms of work, investments, or permits?

Charle Gamba
Yes, the plan is to connect into the Transmetano pipeline, which is currently transporting gas from Sebastopol, the TGI pipeline to the City of Medellin. So, the idea would be to connect into that pipeline. At the connection points, the EPM volumes at the very least would flow west along the Transmetano to be delivered to EPM in Medellin and additional

volumes would flow east along the Transmetano to be injected into the TGI pipeline in Sebastopol.

Román Rossi-Lores
Okay. Great. And how big is the free customer's gas market that you could tap in Antioquia. I'm referring to those medium and large industrial and commercial customers that are not directly dealing with EPM. If you have any figures in million cubic feet?

Charle Gamba
It is approximately, just over 70 million cubic feet per day of total demand. In Medellin and another 10 or 15 in the remainder of Antioquia. So that's…the market is fairly sizable there. So, we are looking at additional sales contracts to other customers in Antioquia, in Medellin, as well as, the environments of Medellin but for the remainder of this, the majority of sales we are looking more into the interior in the markets of Bogota in particular. Bogota and Cundinamarca where current demand is 200 million cubic feet per day. All of which is currently coming from Ecopetrol's fields located in the Piedmont of the Llanos basin.

Román Rossi-Lores
Awesome. And just this is the last one. Considering the increase in volumes, we know that you need to increase treatment capacity, so where are you doing this investment and what are the CAPEX needs that you are anticipating?

Charle Gamba
Current treatment capacity at Jobo, we have three treatment plants currently operating there is about 300 million cubic feet per day would be the current treatment capacity. So, our plan is, in 2024 to install an additional 100 million cubic feet per day of treatment capacity which is identical to what we installed three years ago at Jobo…the Jobo 3 train, and that costs about $30 million…$30 million to install an additional 100 million cubic feet per day of additional treatment capacity. So, we would probably start that work late 2023 so that it would be ready by December of 2024.

Román Rossi-Lores
Awesome. Thank you very much and congratulations again.

Charle Gamba
Thank you. Thank you very much.

Operator
Again, if you have a question, please press "*" then "1." The next question is from Luiz Carvalho a follow up from UBS. Please go ahead.

Luiz Carvalho
Hi, thanks for taking the question again. Charle, just a follow up. How feasible do you think is to get the additional 200 cubic feet in the next five years intake or I don't know they given the size of the, I would say of the market currently around 600 million. I mean, what's the feasibility that you think here?

Charle Gamba
I think…if you look at that graph on slide number one in the low right, which I referenced a little earlier in the representation. You can see that, starting in mid-2024, the supply and

demand curves for the interior cross and of course that's all related to Ecopetrol's production in Cusiana-Cupiagua declining. So, you can see for example that by 2027, there is approximately 200 million cubic foot a day current shortfall in the interior market from those fields. So, the way we are looking to design a pipeline is sort of a phase 1 which is the…to install the 100 million cubic feet per day of initial capacity. And then within two or three years after that to evaluate the installation of phase 2 which is simply the installation of additional compression stations along the pipeline route and given the projected decline in the interior, I would say that it's a very good option to have…to be in a position to make the call, one or two years after the start-up of our pipeline project in December of 2024 to add an additional 100 million to supply additional gas to the interior.

Luiz Carvalho
Okay. Thank you

Carolina Orozco
Okay. Now, I'm going to be reading some questions that we have received through the webcast. The first question is from the Ricardo Rezende from JP Morgan. He says, how should we think about CAPEX in the coming years, given the additional reserves required to supply the EPM contract and the managing pipeline?

Jason Bednar
Yes, I can probably add to that. I've mentioned on a few conference calls recently that, we are working through some tail end of some, six-year strategic model. So, we've got a pretty good handle on what will be required. For context, our drill program this year is up to 12 wells and approximately $120 million worth of CAPEX. Moving forward, of course, we will have heavy drilling in 2023 and 2024. I would expect 2022 levels will also be potentially be ramped up from this year. but, it's certainly something that our cash flow can support and of course the $30 million Jobo expansion that Charle had mentioned, but we give up healthy cash flow, we still have a revolver that's untouched et cetera. So, it's…and debt levels of less than 2 times the EBITDA even on this decreased EBITDA levels due to COVID with our production levels recently ramping up. So, it's nothing that's concerning and it's certainly will be an exciting time as we drill forward.

Carolina Orozco
The next question is from Sofia Rojas from BD Capital. When do you expect to draw the remaining $50 million of the bridge loan, when do you anticipate a pre-payment?

Jason Bednar
Sure. Okay, so the bridge loan as I went through has been extended to essentially…the term is two years from now. So, as Charle mentioned, the environmental permit will likely take between 12 and 18 months. Our expectation is, loosely approximately six months before receipt of that permit and as you can understand, we will be in constant communication with the government on that. Approximately six months ahead of that receiving the permits we would expect to draw the last $50 million. So, if its 18 months from now at the outside and about 12 months from now, we draw that the last $50 million. We'd spend it on long lead time items, for example, pipes. So, it's well on its way to Columbia by the time the environmental permit gets received. And then, of course, we'd repay it back when the condition precedents are met and the long-term funding for both debt and equity partners is received. Now, one of those long…one of those CPs that has been discussed with the partners, it logically would be the environmental permit itself. So,

we probably draw it in 12 months, and we repay it back in 18 months when you receive the permit.

Carolina Orozco
Thanks, Jason. The next question is from Eric Pool [ph], a Private Investor. The local opposition to fracking in Columbia is well known, is there, any opposition to the use of the nature gas similar to what one finds with some climate change activities in North America?

Charle Gamba
Great. Thanks Eric [ph]. Yes, there is a quite a bit of our opposition to fracking in Columbia, no doubt about that, particularly for oil in the middle Medellin Valley. With respect to the use of natural gas and its role in the transition, not so much, there is very little in the way of renewable power here in Columbia, solar and wind. And a lot of that…a lot of the projects that are planned with respect to solar wind have quite a long timelines, 5 to 10 years out there. In the meantime, a lot of people in Columbia are cooking with wood and charcoal, so the Columbian government has made it very clear and as communicated very well that natural gas will first and foremost be a transition fuel essentially to eliminate or reduces as much as possible, the use of coal and wood and charcoal for domestic sources of energy, and the burning of oil and to generate power. So, gas has a very significant and well publicized role in the Columbian…in Columbia and it's accepted essentially as a cleaner fuel that's an important part of the transition.

But, of course, the Columbian government's objective ultimately, as the objective of most governments in the world, is to completely eliminate the use of fossil fuels including gas when the matrix will be entirely renewables, but that's not anticipated to occur within at least 50 years here. So, in the meantime, gas remains a very important part of the government's plan to essentially clean up the environment, especially the use of coal and wood and charcoal as well as petroleum.

Carolina Orozco
We have one question from Andres Duarte from Corficolombiana. What is the current and expected import gas price in Columbia?

Jason Bednar
I can tell you that I was just reading a Fitch report, who of course is one of our rating agencies for our bond. And they said the…that the price in 2020 was $5.83 plus another $2 to $3 to regasify and transport it. So that was the average price in 2020 according to Fitch. I have no more color on the current price, perhaps Charle does.

Charle Gamba
Yes. Thanks, Jason. I could add that there is very little gas being imported into Columbia at the moment, very little L&G, the last load that came out of the gulf coast, I believe in April or May of this year was loaded at about $8, so we could expect landed prices of $9. The forecast for landed L&G in Columbia for the next three to four years is between $10 and $14 in MMBtu. And as you know, L&G prices worldwide have escalated significantly from last year's lows. So, L&Gs landed in Columbia continues to be relatively expensive option and the prognosis or the forecast looks like this it's going to remain that way.

CONCLUSION

Carolina Orozco

Thank you. With this we conclude the presentation today. Thanks all for attending. Please do not hesitate to contact us should have any further questions. You may now disconnect. Thank you.