

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

**SALE PROGRAM OF SHARES OWNED BY EMPRESAS PÚBLICAS DE
MEDELLÍN E.S.P. IN ISAGEN S.A. E.S.P.**

SALES NOTEBOOK

This informative document aims at informing the Special Conditions Payees and Second Stage Investors about the sale process and the terms and conditions of sale

Medellin, 2016

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SALE TERMS AND CONDITIONS

COMPANY NAME OF THE ISSUING PARTY:	ISAGEN S.A. E.S.P.
TAX IDENTIFICATION NUMBER	811.000.740-4
ADDRESS:	Medellin – Antioquia
MAIN OFFICE ADDRESS:	Carrera 30 No.10 C-280 Transversal Inferior, El Poblado (sector Hotel Intercontinental)
MAIN BUSINESS:	Public services company (Empresa de Servicios Públicos, E.S.P.), constituted as a limited company, whose main purpose is to generate and commercialize electric energy, commercialize natural gas through networks, and commercialize coal, vapor and other energy products of industrial use.
SUBORDINATED ENTITIES:	No affiliated companies or subsidiaries.
TITLE CLASS:	Common shares. Any shares part of the Sale Program are common shares. The said titles are fully dematerialized and deposited at DECEVAL for their management and custody.
QUANTITY:	Three hundred and fifty eight million, three hundred and two thousand (358,332,000) common shares, property of Empresas Públicas de Medellín E.S.P.
SHARE PERCENTAGE:	Thirteen point fourteen percent (13.14 %) of total share capital.
FACE VALUE:	Forty nine (49) Pesos, Colombian Legal Tender, per share.
MINIMUM OFFERING PRICE:	Shares will be offered at a fixed price per Share in Public Offering in the First Stage, at four thousand five hundred and thirty (\$4130.00) pesos, Colombian legal tender. During the Second Stage, Shares will be offered at Second Stage Minimum Price which shall not be lower than the price offered in the Initial Public Offering of the First Stage, pursuant to the provisions set forth in Article 10 of Law 226 of 1995.
AMOUNT OF THE INITIAL PUBLIC OFFERING:	The sale public offering sum shall be COP \$1,479,911,160,000.
VALIDITY PERIOD FOR FIRST STAGE OFFER:	The First Stage Public Offering of Sale shall be valid for two (2) months as of the Business Day after the publication of the First Stage Offer Notice. Acceptances may be submitted during the term mentioned above, at the Acceptance Receiving Entity, on Business Days between 9:00 a.m. and 4:00 p.m.
VALIDITY PERIOD FOR SECOND STAGE OFFER:	The Public Offering of Sale for the Second Stage shall start on the date of publication of the Start Notice of the Second Stage.

The Second Stage Start Notice shall be published on two (2) newspapers of wide national circulation and on the BVC's (Bolsa de Valores de Colombia [Colombia Stock Exchange]) daily newsletter, and the following shall be informed to the general public: (i) the start of the Second Stage; (ii) the Public Offering of Sale for the Second Stage; (iii) the date of the Auction at Break-even Price, which shall be held, at least, after two (2) Business Days following the publication of the Second Stage Start Notice, and (iv) the terms and conditions under which Stock shall be offered during the Second Stage.

SALE METHODOLOGY:

The First Stage shall be carried out by means of an Offer to Alienate aimed at the Special Conditions Payees, pursuant to the norms established in Article 60 of the Political Constitution and Article 3 of Law 226 of 1995.

The Second Stage is intended for the general public complying with the requirements stated in the Sale Regulation. It shall be carried out by means of a negotiation methodology by Auction at Clearing Price.

INTRINSIC VALUE OF SHARES:

Date	Intrinsic value of a share
31/12/2010	\$1.166,85
31/12/2011	\$1.238,00
31/12/2012	\$1.331,97
31/12/2013	\$1.478,11
31/12/2014	\$1.558,39
31/12/2015	\$1.269,33 ¹

STOCK EXCHANGE IN WHICH SHARES ARE NEGOTIATED:

Bolsa de Valores de Colombia S.A.

PUBLIC OFFERING ADMINISTRATOR:

Bolsa de Valores de Colombia S.A.

GOOD CORPORATE GOVERNANCE CODE:

Adopted in 2012.

WARNING

This Sales Notebook has been issued by Empresas Públicas de Medellín E.S.P. (EPM) in the development of the Sale Program approved by the Board of Directors on its virtual session on March 15 and 16, 2016, the objective of which was the sale offering of three hundred and fifty eight million, three hundred and two thousand (358,332,000) common shares,

¹ Taking into consideration ISAGEN's assets for the closure of 2015 under IFRS. For other years (2010-2014), ISAGEN's assets were considered based on the accounting principles generally accepted in Colombia.

property of EPM in ISAGEN S.A. E.S.P, equivalent to the thirteen point fourteen percent (13.14 %) of the total share capital, subscribed and payed to the said company.

The purpose of this Sales Notebook is to serve as an instrument of information, and it is to be provided solely to be used by investors as support for the submission of Acceptances to the sale offering of Shares. The content hereof shall not be deemed a promise or statement over past or future facts or actions. This information has been prepared solely to assist potential investors to undertake their own assessment of the Stocks, and it is not intended to be comprehensive or to include all the information that a potential investor may require or want.

The submission of an Acceptance or a Purchase Order constitutes in itself the acknowledgment and agreement of each investor as regards: 1) neither EPM, nor any Acceptance Receiving Entity or their corresponding directors, officers, partners, employees, agents, representatives, advisors or consultants, affiliated companies, subsidiaries, controlling and/or controlled companies, grants, shall grant, or shall be considered to have granted no statement or warranty whatsoever, whether expressed or implied, as regards the accuracy, reliability or integrity of the information provided by ISAGEN to the public stock market and to the investing public in general; 2) neither the information herein stated, nor any other information, whether written or oral, provided to any potential investor or to their corresponding advisors and/or proxies, shall constitute or be deemed a grant of counseling services on investments, legal or financial subjects, or on any other matter, nor shall such information create any contractual relation with EPM and/or the Acceptance Receiving Entities, and 3) no statement or warranty whatsoever is to be granted as regards the achievement or reasonableness of the future operative or financial projections, perspectives or yield, if any, of the investment.

Potential investors must be informed of and comply with all the applicable legal requirements based on their nature. Neither EPM, nor any Acceptance Receiving Entity, shall be bound to reimburse or compensate a potential investor for any cost or expenses incurred by them for assessing or acting in accordance the said Regulation, or for any cost or expenses otherwise incurred in relation to the said transaction.

EPM reserves the right, in a discretionary manner, at any time, pursuant to the applicable laws and the said Sale Regulation, to: (i) add to or modify the said Regulation and (ii) extend or modify the schedule for the sale process. All the aforementioned without the need to give prior notice or notification to any person whatsoever, in which case, no potential investor shall be entitled to make any complaint against EPM or its corresponding directors,

officers, partners, employees, agents, representatives, advisors or consultants. In no event shall any claims or complaints of any nature be filed against EPM or against any of its representatives, affiliates, advisers or employees as a result of said decision.

This Sales Notebook has been prepared solely for the purpose mentioned above and under the expressed consent that each potential investor shall use it solely for such purpose.

By providing this Sales Notebook, EPM does not undertake any obligation whatsoever to amend, modify or update the information included herein, or to grant access to any additional information to any potential investor or person.

All data detailed herein was obtained from public sources of information. Therefore, in all cases, the source from where each consideration presented herein was obtained is explicitly listed. The information detailed herein has been the latest information published up to the date of preparation of this document. Specifically, regarding the description of the electric sector in Colombia, the monthly and annual reports of XM S.A. E.S.P., the documentation available on the website of the regulatory body, CREG, (Comisión Reguladora de Energía y Gas [Regulatory Commission for Power and Gas]), the documentation available on the website of the planning body, UPME, (Unidad de Planeación Minero Energética [Mining and Energy Planning Unit]), and the current legislation were all consulted. For the specific case of ISAGEN's description, the current bylaws, the last management report (from year 2014), the last financial report (from the fourth quarter of 2015), and the documentation available on the company's website were all consulted.

THE LISTING IN THE NATIONAL REGISTRY OF SECURITIES AND ISSUERS SHALL NOT IMPLY ANY RATING NOR RESPONSIBILITY WHATSOEVER BY THE FINANCIAL SUPERINTENDENCE OF COLOMBIA IN CONNECTION TO THE LEGAL PERSONS REGISTERED, TO THE PRICE, WORTH OR NEGOTIABILITY OF THE SAID SECURITIES, AS WELL AS IN CONNECTION TO THE CORRESPONDING ISSUANCE OR THE CREDITWORTHINESS OF ANY ISSUER.

THE LISTING OF SHARES IN THE STOCK EXCHANGE OF COLOMBIA S.A., AS WELL AS THE ARRANGEMENT AND EXECUTION OF THE SALE OFFERING BY THE STOCK EXCHANGE OF COLOMBIA S.A. DOES NOT IMPLY ANY CERTIFICATION OVER THE WORTH OF THE SAID SECURITIES OR THE CREDITWORTHINESS OF ANY ISSUER.

NONE OF THE RESOLUTION BY THE FINANCIAL SUPERINTENDENCE OF COLOMBIA RELATED TO SECURITIES ISSUED BY ISAGEN SHALL BE

CONSTRUED AS OPINIONS ON THE QUALITY OF SAID SECURITIES OR ON THE SOLVENCY OF THE ISSUER.

RISK OF INVESTING IN THE EQUITY MARKET

The return that may be yielded from holding a share results from the level of dividends that such share may pay, and from the gains and losses undergone by its price while owning the said share.

On equity market investments, as it is the case of shares, future gains are uncertain as they may be affected by the outcome of the issuing company, the sector that company may be in, economy factors, and the behavior of the public stock market. On the contrary, fixed-interest investments draw a fixed yield arranged beforehand.

Thus, share investors may exceed his/her gain expectations, via dividends or via share price valuation, but it may also be the case that, due to various circumstances, the initially estimated profit is not yielded and, eventually, a loss is generated.

1. Glossary of Terms

Unless otherwise expressly stated, the terms defined in this section, and which are not proper names, are to bear the meaning indicated below. Any definition in singular includes its corresponding plural, and vice versa, whenever it is so required by the context. It must be emphasized that the terms presented here apply both for the Sale Regulation and the Sales Notebook.

Shares: they are the three hundred and fifty eight million, three hundred and two thousand (358,332,000) common shares, property of EPM in ISAGEN S.A. E.S.P, equivalent to the thirteen point fourteen percent (13.14 %) of the subscribed and payed share capital constituting the object of this sale.

Acceptance: irrevocable and unilateral statement of will, by means of which acceptance of the Stock Public Offering of Sale is expressed, and through which the Acceptor agrees to purchase and pay Stock awarded to him. Only Beneficiaries of Special Conditions may submit their acceptance during the First Stage.

Valid Acceptance: it means an Acceptance that complies with all of the requirements stated in the Sale Regulation, including, but not limited to, such requirements as stated in Subsection 6.5, as the case may be, and that does not result in any of the grounds for rejection stated in Subsection 6.8.4 or in any other subsection of the said Sale Regulation.

Acceptor: Beneficiary of Special Conditions who files an Acceptance to the Public Offering of Sale of the First Stage.

Addenda: it means any explanatory or modifying document of the Sale Regulation, issued by EPM, that will become an integral part thereof.

First Stage Allotment: it is the act by means of which the BVC determines First Stage Share Awardees, in accordance with the Sale Regulation.

Awardee: an Acceptor who submits a Valid Acceptance, and who is awarded Stocks in the course of the First Stage of the Sale Program.

Acquirer: an investor of the Second Stage filing a Purchase Order, which is accepted during the course of the Second Stage of the Sale Program.

Annex: it refers to the following documents that are part of the Sale Regulation: Annex 1 Acceptance Form - Acceptor Representations; Annex 2 Natural Persons Power of Attorney Form; Annex 3 Power Form- Entities different from Legal Persons; Annex 4 Entities and Financing Conditions; Annex 5 Payment Commitment Form - Financing Entity; Annex 6 Disbursement Request Form - Severance Manager; Annex 7 Certificate of Limits and Prior Acceptances, and Annex 8 Verification Form of Resources.

Second Stage Start Notice: a notice to be published in two (2) newspapers with wide circulation in the national territory, and in the daily newsletter of the BVC, in order to give publicity to the sale of Stock during the Second Stage, whereby the general public shall be informed about the following: (i) the start of the Second Stage; (ii) the Public Offering of Sale in the Second Stage; (iii) the date on which the Second Stage Auction shall take place, which shall occur at least two (2) Business Days after the publication date of the Second Stage Start Notice, and (iv) the terms and conditions under which Stock shall be offered during the Second Stage.

Notice of Interruption: in the event of an interruption of the First Stage Public Offering, this is the notice that EPM shall publish on, at least, two newspapers of wide national circulation, by means of which the interruption of the First Stage will be informed, under the provisions of Subsection 2, Article 11, Law 226 of 1995. The term of the First Stage shall be deemed suspended as of the date of publication of the Suspension Notice until the Recommencement Date.

First Stage Offer Notice: it is the notice to be published on two (2) newspapers of wide national circulation. The said notice shall include, among other aspects, the Price per Share for the First Stage, the Acceptance Receiving Entities for the First Stage and their contact information (including their websites) where the Acceptor may consult the documentation to establish his/her relationship as customer of each Entity and to submit his/her Acceptance.

Notice of First Stage Recommencement: it is the notice that EPM shall publish on, at least, two (2) newspapers of wide national circulation. By means of this notice, the public will be informed about the Recommencement Date for the First Stage Initial Public Offering, after an interruption of the First Stage under the provisions set forth in Subsection 2 of Article 11, Law 226 of 1995, and Subsection 6.4 of the Sale Regulation.

Notices: they are the First Stage Offer Notice, any Suspension Notice, any First Stage Recommencement Notice, and the Start Notice for the Second Stage.

Actual Beneficiary: beneficiary who has the powers attributed to them in Article 6.1.1.1.3 of Decree 2555 of 2010, and as superseded, modified, supplemented or complemented by any other regulation.

Newsletter: the newsletters issued by BVC for this process, wherein the award results for the First Stage and the Second Stage are shown.

Regulatory Bulletin: it refers to any bulletin and their possible modifications, by means of which the BVC issues the operative instructions containing the rules and procedures to be followed by the Acceptance Receiving Entities of the First Stage and the Stock Exchange Commission Agents of the Second Stage, within the Sale Program through the BVC.

BVC: the Bolsa de Valores de Colombia S.A.

Management Level Position: it refers to the position which, according to ISAGEN's organizational structure, is of a managerial level.

Severance Pay: it is the social benefit paid by the employer to a Special Conditions Payee, which may be used by such Special Conditions Payee to pay for any Share allocated to them in the First Stage pursuant to the provisions stated in Decree 1171 of 1996, and as modified or complemented by any other regulation.

Stock Brokers: they are stock broker companies through which the Second Stage Investors shall submit Stock Purchase Orders during the Second Stage.

Payment Commitment: it is a firm payment commitment letter issued by the Financing Body under the provisions stated in Annex 5 of the Sale Regulation. In the Payment Commitment, the corresponding Financing Body undertakes to pay to the Acceptance Receiving Entities of the First Stage the Price of the Shares allocated, in a maximum period of three (3) Business Days as from the date when the First Stage Allotment is notified by the corresponding Acceptance Receiving Entity of the First Stage.

First Stage Allotment Communication: it is the communication sent by the Acceptance Receiving Entities of the First Stage to the Awardees in the First Stage, the Financing Bodies, and the administrators of severance pay funds, with the information and according to the procedure established in Subsection 6.11 of the Sale Regulation, which shall annex the corresponding receipt.

Book of sales: it is the document where Share characteristics, the conditions of the First Stage Initial Public Offering, the Second Stage Auction, and ISAGEN's relevant information are all established.

Accounts for Payment: they are bank accounts identified by each Acceptance Receiving Entity of the First Stage, arranged for Awardees, and/or Financing Bodies, and/or Severance Pay administrators to deposit or transfer the Share price under the terms and conditions stated in the Sale Regulation.

Deceval: it is the Securities Centralized Deposit of Colombia (Depósito Centralizado de Valores de Colombia, DECEVAL S.A.), an entity in charge of receiving, as deposits, securities registered in the National Registry of Securities and Issuers, to be managed through a computer system that ensures the safety of such securities and avoids the risks associated with their physical handling.

Direct Depositor: it is the person that, in accordance with Deceval's operation regulation, approved by the Financial Superintendence of Colombia, is allowed to access to Deceval's services directly, and has signed a mandate contract with the Awardee.

Special Conditions Payees: in accordance with the provisions stated in Article 3 of Law 226 of 1995 and Article 16 of Law 789 of 2002, they are constituted by: (i) ISAGEN's active workers, pensioners, and former workers who have been separated with just cause by the employer, provided they are national people or Colombian residents. (ii) ISAGEN employee and former-employee associations. (iii) Workers unions duly constituted pursuant to the law. (iv) Federations and confederations of trade unions duly constituted pursuant to the law. (v) Employee funds duly constituted pursuant to the law. (vi) Mutual investment funds duly constituted pursuant to the law. (vii) Severance pay funds and retirement funds duly constituted pursuant to the law. (viii) Cooperative organizations defined by the cooperative legislation, duly constituted pursuant to the law. (ix) Compensation funds duly constituted pursuant to the law.

Business Day: any calendar day from Monday through Friday, excluding holidays of the Republic of Colombia. In the event that the last day of any time period stated in these Sale Regulations is not a Business Day, the last day of said period shall be the Business Day after said calendar day. Whenever the Sale Regulations refer to a day without further details, it shall be understood to mean a Business Day. A Business Day shall be deemed to be between

9:00 a.m. and 4:00 p.m. (Colombian time). In any event, any Business Day on which any time period ends shall be deemed to last until 4:00 p.m. of said day.

Financing Bodies: it refers to Bancolombia S.A., Banco Bilbao Vizcaya Argentaria Colombia S.A., and Banco de Occidente S.A., which, in their capacity as financing bodies, have established a special credit line to finance the acquisition of Shares.

Entity Receiving Acceptances for the First Stage: the stock broker company identified in the First Stage Offer Notice, through which Acceptances shall be received during the First Stage.

EPM or Seller: Empresas Públicas de Medellín E.S.P (Medellin Public Companies)

First Stage Award Date: the date on which the BVC notifies the First Stage Award, through a Newsletter.

Second Stage Award Date: the date on which the BVC notifies the Second Stage Award, through a Newsletter.

Sale Date: the date or dates wherein, with regard to each Awardee, said Awardee is registered as shareholder in the book of shareholders, pursuant to the instructions issued by the Seller.

Resumption Date: the Business Day determined in the First Stage Resumption Notice wherein, following a suspension, the First Stage shall be resumed.

Auction Date: it is the date when the Auction is to take place in the Second Stage.

Acceptance Form: it refers to each form, processed by the Special Conditions Payee through the Acceptance Receiving Entities of the First Stage, with the pertinent information of each of the said Payees and where the Acceptor states, among other things, the number of shares he/she agrees to purchase, his/her agreement with all the terms and conditions of the Sale Regulation, the Acceptor's statements listed in Annex 1 thereof and in any other regulation included in the said form, pursuant to the BVC's Regulatory Bulletin issued for the First Stage.

Professional Investor: any Special Conditions Payee complying with the requirements, as applicable, stated in Article 7.2.1.1.1 of Decree 2555 of 2010, including: (a) having assets equal to or greater than ten thousand (10,000) minimum current legal monthly salaries and

at least one of the following conditions: (i) being the holder of an investment portfolio equal to or greater than five thousand (5000) minimum current legal monthly salaries, or (ii) having made, whether directly or indirectly, fifteen (15) or more sale or acquisition operations within a period of sixty (60) calendar days, in a time span not exceeding the two (2) years prior to the moment when the rating as an accredited investor is to be made according to the applicable Colombian laws. The added value of these operations is to be equal to or greater than the equivalent to thirty five thousand (35,000) minimum current legal monthly salaries; or (b) having a valid market professional certificate as an operator, issued by a stock market self-regulatory body; or (c) being multilateral and foreign financing bodies; or (d) being under the vigilance of the Financial Superintendence of Colombia.

Second Stage Investor: it is any natural or legal person that decides to submit a Purchase Order for the Shares offered during the development of the Second Stage.

Termination for Cause: it refers to those cases which allow for the unilateral termination of an employment contract by the employer, without the corresponding obligation to indemnify the employee, pursuant to the laws governing the employment relationship.

ISAGEN: ISAGEN S.A. E.S.P.

Public Book of Orders or Depth: it refers to any order entered by the point of purchase or the point of sale, constituting the number of offers in the Auction.

Credit Line: it is the credit line established by the Financing Body to finance the acquisition of Shares during the First Stage, under the terms and conditions stated in the Sale Regulation.

Auction Method or Auction at Clearing Price: operation by means of which the BVC, according to the agreement signed with EPM, shall take the orders, in accordance with the provisions stated in the Regulatory Bulletin issued by the BVC for the Second Stage, on the date stated in the Second Stage Start Notice, and shall allocate the said operations under the Clearing Price method.

First Stage Public Offering of Sal: a public offering of sale of Stock undertaken by the Seller, aimed at the Beneficiaries of Special Conditions.

Second Stage Public Offering: it is the public offering to alienate those Shares not acquired by the Special Conditions Payees in the First Stage, which shall be made by the Seller in the

secondary market in Colombia, for the general public, through an Auction method stated by the BVC, according to the terms and conditions of the Sale Regulation.

Initial Public Offering: the First Stage Public Offering of Sale and the Second Stage Public Offering of Sale.

Purchase Order: a unilateral manifestation of will of each Stock Broker, acting on account of their clients or principals, in their capacity as Second Stage Investors. The said statement of intent shall be considered as expressed by the mere fact of entering the corresponding Purchase Order in the BVC's X-STREAM negotiation system, pursuant to the provisions stated in the Regulatory Bulletin.

Colombian Pesos / \$: Colombian legal currency.

Price per Share for the First Stage: it is the fixed price per Share, equivalent to four thousand five hundred and thirty (\$4130.00) pesos, which shall be included in the First Stage Offer Notice.

Minimum Price for the Second Stage: it is the minimum price per Share, equivalent to four thousand five hundred and thirty (\$4130.00) pesos, for the Second Stage.

First Stage: it is the first stage of the Sale Program, wherein the Public Offering of Sale of the First Stage is conducted, aimed at the submission of Acceptances by Beneficiaries of Special Conditions.

Sale Program: the sale program of Stock owned by the Seller, as approved by the Board of Directors of EPM in the remote session undertaken on March 15 and 16 of 2016, corresponding to Record No. 1607.

Sale Regulation or Regulation: it refers to the Sale Regulation developed by EPM to outline the terms and conditions under which the sale and Award process of the corresponding Shares shall be carried out.

Operation Regulations: Deceval's operation regulations.

RNVE: the National Registry for Securities and Issuers, governed by Law 964 of 2005 and by Decree 2555 of 2010, as amended from time to time.

Second Stage: the second stage of the Sale Program, wherein the Public Offering of Sale of the Second Stage is conducted, aimed at the public in general.

Disbursement Application Form: it is a letter wherein the Acceptor expresses to the Administrator of Severance Pays managing his/her Severance Pays, his/her willingness to participate in the said sale process, stating the amount of Severance Pay he/she is willing to give for such purpose, through the processing and presentation of the form included as Annex 6 in the Sale Regulation.

Financial Superintendence of Colombia or SFC: the SFC (Superintendencia Financiera de Colombia [Financial Superintendence of Colombia]) is the technical body appointed to the Nation, whose functions are the inspection, vigilance, and control over any person carrying out financing, stock-market, or insurance activities, or any other activity related to the collection of money from the public.

Price Tick: universal rounding applied according to the price rank for a property, for Auction at Clearing Price purposes, which will be held for the Second Stage.

2. General Conditions of the Offer

2.1. General Aspects

In the second debate held on March 15 of 2016, the Municipal Council of Medellín in full authorized EPM to sell its equity share in ISAGEN; and it provided that said authorization is only applicable within the sale program of equity shares of the Nation - Ministry of the Treasury and Public Credit, as provided by Decree 1609 of 2013, extended by Decree 1512 of 2014, and amended by Decree 2468 of 2015.

The Board of Directors, in the remote session held on March 15 and 16 of 2016, corresponding to Record No. 1607, approved the "Sale Regulations of Stock of ISAGEN S.A. E.S.P. owned by Empresas Públicas de Medellín E.S.P.," and it vested powers on the General Manager to issue the necessary regulations to complete said Program.

By means of document no. 201630038304 of March 18, 2016, EPM sent a copy of the Sale Program to the Ombudsman, in compliance with the provisions of Article 7 of Law 226 of 1995.

Regarding EPM's Initial Public Offerings, the Share Sale Process shall have two (2) stages, thus: (i) The First Stage shall be aimed at the Beneficiaries of Special Conditions considered by Article 3 of Law 226 of 1995, for the full amount of Stock; and (ii) the Second Stage, under conditions of wide publicity and free participation, aimed at the public in general, for the full amount of Stocks not acquired by Beneficiaries of Special Conditions in the First Stage.

Following there is a short summary of the main aspects for both stages of the Sale process, stated in detail in the Sale Regulation.

Without prejudice to the aforementioned, COMPLETE READING OF THE SALE REGULATION AND OF ANY OTHER DOCUMENT GOVERNING THE SALE PROGRAM IS DEEMED ESSENTIAL, SO THAT POTENTIAL INVESTORS MAY PROPERLY EVALUATE THE CASE FOR INVESTMENT.

2.2. First Stage

2.2.1. Shares Offered for Sale

Three hundred and fifty eight million, three hundred and two thousand (358,332,000) common shares, property of EPM in ISAGEN S.A. E.S.P, equivalent to that company's thirteen point fourteen percent (13.14 %) of subscribed and payed share capital, are to be offered for sale exclusively to the Special Conditions Payees.

2.2.2. Price per Share for the First Stage

It is the fixed price per Share, equivalent to four thousand five hundred and thirty (\$4130.00) pesos, which shall be included in the First Stage Offer Notice.

2.2.3. Advertising

The First Stage Offer Notice shall be published in two (2) newspapers of wide circulation in the national territory. Additionally, information on the process will be permanently available on www.epm.com.co website.

2.2.4. Validity Period

The First Stage Public Offering of Sale shall be valid for two (2) months as of the Business Day after the publication of the First Stage Offer Notice. Acceptances shall be submitted before the Acceptance Receiving Entities of the First Stage during the aforementioned period, on Business Days between 9:00 a.m. and 4:00 p.m.

2.2.5. Acceptances

The presentation of Acceptances in the First Stage shall be carried out by processing the Acceptance Form available in the Sale Regulation as Annex 1 personally or by telephone. This is the only valid form to submit an Acceptance. In the event that the Acceptance Receiving Entity of the First Stage signs the corresponding Acceptance Form, a proxy form shall be attached, pursuant to the terms and conditions of Annex 2 and Annex 3 of the Sale Regulation, as applicable. Acceptances filed using any form other than the Acceptance Form shall not be considered. Acceptances filed for fractions of a share of Stock shall not be considered. The Entity Receiving Acceptances for the First Stage may request to establish a relationship with the Acceptor as a client (in compliance with all the statutory and internal procedures to this purpose) prior to receiving an Acceptance.

By processing and signing the Acceptance Form, the Acceptor acknowledges that he/she knows and agrees with the terms and conditions stated in the Sale Regulation, including any applicable rule.

2.2.6. Constraints to the Negotiability of Shares

Acceptors are bound not to negotiate, sell or limit their Stock ownership, and not to conduct business whose object or effect is that a third party becomes an Actual Beneficiary of Stock, during two (2) months following the First Stage Award Date, as it is established in the Acceptance.

With the purpose of ensuring compliance with the obligations herein stated, the Shares allocated during First Stage are to be immobilized or blocked so as to avoid their sale through the mechanisms established in Deceval's Operation Regulation for such purpose.

Once the said two (2) month period for the constraint stated in this Subsection is over, Shares are to be released.

2.2.7. Financing

Financing Bodies have established a special credit line to finance the acquisition of Shares by the Special Conditions Payees, for an amount no lower than the ten percent (10 %) of the total value of such Shares, and the conditions of which are detailed in Annex 4 of the Sale Regulation.

2.2.8. First Stage Award

The BVC shall Award the First Stage in accordance with the following rules:

- Once the period for the First Stage Initial Public Offering has expired, as well as the period stated in Subsection 6.8.2 of the Sale Regulation, the BVC, within, at the latest, the following two (2) Business Days, shall consolidate the information on the number and identity of Acceptors and the number of Shares on which Valid Acceptances have been generated, and shall carry out the First Stage Award process for each Acceptor whose Acceptance has been duly verified and validated, in accordance with the provisions established in the Regulation and the Regulatory Bulletin issued by the BVC for the First Stage.

- The First Stage Award shall be carried out by the BVC, acting before EPM, in observance of the following rules:
 - a. If the total demand, understood as the amount of Stock corresponding to Valid Acceptances, is equivalent or lower than the number of Stock offered, the total amount of Stock demanded shall be awarded.
 - b. If the number of Shares on which Valid Acceptances are submitted exceeds the number of Shares offered, the First Stage Award shall be prorated, in a directly proportional manner to the demanded number, and rounding down to the lower whole number, provided fractional Shares are not being allocated.
 - c. In the aforementioned event, if, after carrying out the First Stage Award, there are remaining Shares due to fractions resulting from the proration mentioned above, such remainder shall be allocated via an additional Share grant to each Special Conditions Payee, in alphabetical order for last names and names/company names, until such remainder is exhausted and, in any case, without exceeding the total number of shares demanded by each Special Conditions Payee on his/her corresponding Valid Acceptances.
- In order to ensure that Awardees do not alienate or transfer their ownership and/or rights over Shares, pursuant to Law 226 of 1995, Deceval shall block the said Shares immediately after they are allocated to such Awardees, for a term of two (2) months as from the First Stage Award Date.

2.2.9. Notification

Once the Award process is terminated, the BVC, at the latest, on the following Business Day, shall communicate the First Stage Award to the public and the Acceptance Receiving Entities of the First Stage, through the publication of the corresponding Newsletter. The latter, at their time, on the same date, shall communicate them to the Awardees, to the Financing Entities and the severance benefits managers (by certified mail, email or, failing this, by fax), by sending the Communication of the First Stage Award to the address, email or fax number indicated by the Acceptor in his Acceptance Form, and if it be the case, in the respective Payment Commitment or Disbursement Request. The Communication of the First Stage Award shall indicate the number of Stock awarded the outstanding amount and the indication that, if the payment has not been effected in advance, the Acceptor, the

Financing Entity or the severance benefits manager shall effect such payment within three (3) Business Days following the notification of the Communication of the First Stage Award.

The First Stage Award shall be made public via a Newsletter stipulated by the BVC and, additionally, on www.epm.com.co website, on the First Stage Award Date.

2.2.10. Payment

The payment of Shares shall be done in Colombian legal tender, in accordance with one of the following alternatives:

- a. Complete payment before presenting the Acceptance, in which case the Acceptor shall submit, together with his/her Acceptance, original receipt of allocation, or receipt of the electronic transfer of resources for the total price of the Shares included in his/her Acceptance, or the Resources Confirmation Form (Annex 8 of the Sale Regulation); in the event that an amount in cents results from such value, it shall be approximated to the superior closer peso unit; or
- b. Complete payment after Award, in which case the total price of Shares allocated shall be paid directly by the respective Financing Body, Severance Pay administrators, or Professional Investor, on the Accounts for Payment of the corresponding First Stage Acceptance Receiving Entity, within three (3) Business Days as from the date when the First Stage Award is notified by the corresponding Acceptance Receiving Entity of the First Stage. Without prejudice to the aforementioned, the Acceptance Receiving Entities of the First Stage shall have up to four (4) Business Days, as from the Award notification, to allocate to the BVC the total amount received on the corresponding Accounts for Payment, in accordance with the instructions determined for such purpose by the BVC on the Regulatory Bulletin issued for the First Stage;
- c. Acceptors opting to perform payment of Stock using different payment methods, including cash or a Disbursement Request, shall submit an Acceptance Form for each form of payment.

If the value in cash deposited by the Acceptor on the Accounts for Payment before submitting his/her Acceptance is greater than the price of the Shares allocated, the Awardee shall ask the Acceptance Receiving Entity of the First Stage, in written, the reimbursement of the surplus after the First Stage Award Date.

In case of reimbursements, there shall be no place for any acknowledgment and payment of interests or yield whatsoever, and any tax or expenses resulting from such reimbursement shall be borne by the Acceptor.

Once an Award is granted, the BVC shall request Deceval to make the account entry on the electronic record of shareholders; afterward, Deceval shall issue the corresponding certificates and register the corresponding encumbrances, in compliance with the legal formalities.

Pursuant to Article 2 of Decree 1171 of 1996, any Acceptor who is an active worker or a pensioner of ISAGEN, or a former worker of ISAGEN who has not been separated with Just Cause by the employer, may pay, either in whole or in part, the price for the Shares allocated with any Severance Pay he/she has accumulated, for which case the said Acceptor shall communicate in written to the entity managing the said Severance Pay, at least fifteen (15) calendar days prior to the expiration date of the Initial Public Offering period in the First Stage, his/her willingness to acquire shares in the development of the Sale Program using, for such purpose, the form included as Annex 6 in the Sale Regulation, so that, once the Award is notified, the said managing entity transfers the value of his/her accumulated Severance Pay to the Accounts for Payment to assign them as payment for the price of the Shares allocated. A copy of such communication, with a receipt from the respective severance benefit manager, shall be attached to the corresponding Acceptance. After the Stock award, payment shall be deemed as performed once the fund of severance benefits or the employer, as applicable, has transferred the resources to the Entity Receiving Acceptances for the respective First Stage, and, the latter, in turn, has transferred the funds to BVC to charge it to payment of the Stock price.

Provided the payment of Shares by the Financing Bodies, Severance Pay administrators, or Professional Investors is not done within the period stated in this Regulation, such Acceptance shall be deemed rejected, without establishing, for stock-market effects, any failure to comply with the operation by the Acceptance Receiving Entity of the First Stage, and consequently such entities are not bound to fulfill such operation. The provisions above shall be notwithstanding any penalties, as may be prescribed by the Regulations, in case of breach by the Professional Investors. EPM undertakes no liability whatsoever to the Beneficiaries of Special Conditions in case the Financing Entities or the severance benefit managers failed to perform payments under the terms indicated in these Sale Regulations; in this sense, any risks deriving from such payments are fully assumed by the respective Beneficiary of Special Conditions.

2.2.11. Sale of Shares Not Acquired by Special Conditions Payees

In the event that the Special Conditions Payees do not acquire the totality of Shares, the Second Stage of the Sale Program shall take place, offering the remainder of such Shares to any person complying with the legal and financial requirements set forth in Subsection 7 of the Sale Regulation.

2.2.12. First Stage Termination

For all the purposes of the Sale Program, the First Stage shall be deemed as completed on the Award Date or when it has been deemed to be vacant.

Within a maximum of nine (9) Business Days following the First Stage Award Date, EPM shall publish the Second Stage Start Notice. Therefore, the Public Offering of Sale shall start for the Second Stage, provided that Stock are available for the such offer.

2.3. Second Stage

2.3.1. Purpose of the Second Stage

The Second Stage has the purpose of offering to the general public any Share not acquired during the First Stage of the Sale Program.

2.3.2. Sale Rules

The Stock sale during the Second Stage shall be governed by the Sale Program, the Sale Regulations, Decree 2555 of 2010, the Newsletter issued by the BVC for the Second Stage and by any other applicable regulations.

The sale of Stock during the Second Stage shall be performed through a Public Offering of Sale for the Second Stage, which will be performed by Seller in Colombia, in accordance with the provisions of the current regulations, as applicable for the respective transaction.

2.3.3. Minimum Price for Second Stage Shares

During the Second Stage, Shares will be offered at Second Stage Minimum Price which shall not be lower than the price offered in the Initial Public Offering in the First Stage, pursuant to the provisions set forth in Article 10 of Law 226 of 1995.

2.3.4. Procedure for the Public Offering of the Second Stage

The Public Offering of Sale for the Second Stage shall start on the date of publication of the Start Notice of the Second Stage.

The Start Notice of the Second Stage shall be published in two (2) recognized newspapers of wide circulation within the national territory and in BVC daily newsletter, and the following shall be informed to the general public: (i) the commencement date of the Second Stage; (ii) the Second Stage Public Offering; (iii) the date when the Auction at Clearing Price shall take place, which shall be held, at least, as from the two (2) Business Days following the publication of the Second Stage Start Notice, and (iv) the terms and conditions under which Second Stage Shares are to be offered.

As from the commencement of the Second Stage Public Offering, the Seller shall offer the Shares via the Public Offering in the secondary market made by EPM according to the terms and conditions stated in the Sale Regulation, the Second Stage Start Notice, and the Regulatory Bulletin published by the BVC for the Second Stage, pursuant to the provisions stated in the current regulations and, especially, to the provisions set forth in Decree 2555 of 2010, the BVC's General Regulation, and the BVC's Sole Circular Letter.

The Public Offering of the Second Stage shall be carried out by means of a negotiation methodology by Auction at Clearing Price, which allows the entry of Purchase Orders on behalf of Investors, and Sales Orders, exclusively on behalf of EPM, by means of an independent instrument within the equity trading session in cash in the BVC's X-STREAM negotiation system, pursuant to the provisions stated in the Regulatory Bulletin issued for such purpose by the BVC.

Investors may submit their Purchase Orders to participate in the auction through the Stock Exchange Commission Agents established in the Second Stage Start Notice, or through any other active Stock Exchange Commission Agent member of the BVC and willing to voluntarily participate in the said auction. EPM shall define the Stock Broker through which the sale shall be ordered.

In accordance with the provisions above, any sale orders entered by Stock Brokers that are not authorized by EPM, as well as those entered by the Stoke Broker hired by EPM that fail to meet the conditions required by such entity and reported to BVC shall be directly removed by the BVC Manager. It shall be the sole responsibility of the Stock Brokers and of their operators to enter the Purchase Orders in the system and to complete sales in accordance with the Regulation Newsletter issued by the BVC for the Second Stage. Therefore, in the event that unauthorized orders are entered, the Stock Broker shall be liable and shall be subject to any applicable penalties.

Likewise, it is the sole responsibility of Stock Brokers acting during the purchase or sale, to complete the transactions to be entered and accepted in the system by virtue of this procedure, and lack of funds from their principal shall not be deemed as a valid excuse.

Stock Brokers who are willing to take part of the Auction at the Break-even Price shall enter their Purchase Orders at a price higher than or equal to the price defined in the Second Stage Start Notice.

2.3.5. Length of the Public Offering in the Second Stage

The Public Offering of Sale for the Second Stage shall be valid for the period defined in the Start Notice for the Second Stage.

2.3.6. Constraints to the Negotiability of Shares

Stock Purchasers during the Second Stage undertake not to trade, sell or limit their ownership of the Stock, to avoid making business transactions with the intent for a third party to become an Actual Beneficiary of the Stock, during the two (2) months following the Second Stage Award Date, as it is included in their Purchase Order.

Failure to comply with the provisions stated herein may lead the Acquirer of Shares, without prejudice to any other effects that may generate according to the law, including criminal penalties, to pay a fine in favor of EPM, in accordance with the time elapsed:

- a. If the said failure occurs within the first month following the Second Stage Award Date, a fine equivalent to the 30 % of the amount payed for the Shares allocated to the Acquirer.

- b.** If the said failure occurs within the second month following the Second Stage Award Date, a fine equivalent to the 15 % of the amount payed for the Shares allocated to the Acquirer.

With the purpose of ensuring compliance with the obligations herein stated, the Shares allocated during the Second Stage are to be immobilized or blocked so as to avoid their sale through the mechanisms established in Deceval's Operation Regulation for such purpose.

Once the said two (2) month period for the constraint stated in this Subsection is over, Shares are to be released.

In accordance with the provisions in sub-article 2 of Article 14 of Law 226 of 1995, in the event the purchase of Stock during the Second Stage has been performed in breach of the provisions of the Sale Program and of the Sale Regulations, the Second Stage Award shall be null and void as a matter of law, and Seller shall request the Awardee the return of the Stock and to Deceval the cancellation of the record or shall start any applicable legal actions. When restitution is not possible, the only possibility shall be the corresponding pecuniary compensation.

2.4. Other Relevant Conditions

Other relevant conditions for the Offering, included in the Sale Regulation, are listed below. Without prejudice to the aforementioned, COMPLETE READING OF THE SALE REGULATION AND OF ANY OTHER DOCUMENT GOVERNING THE SALE PROGRAM IS DEEMED ESSENTIAL, SO THAT POTENTIAL INVESTORS MAY PROPERLY EVALUATE THE CASE FOR INVESTMENT.

Rules to submit Acceptances by the Special Conditions Payees who are natural persons. See Subsection 6.5.1 of the Sale Regulation.

Documentation to be submitted by the Special Conditions Payees who are natural persons. See Subsection 6.5.2 of the Sale Regulation.

Rules to submit Acceptances by the Special Conditions Payees other than natural persons. See Subsection 6.5.3 of the Sale Regulation.

Documentation to be submitted by the Special Conditions Payees other than natural persons. See Subsection 6.5.4 of the Sale Regulation.

Verification of Acceptances. See Subsection 6.5.5 of the Sale Regulation.

Failures in the presentation of Acceptances and rejection events. See Subsection 6.8 of the Sale Regulation.

Confidentiality. See Subsection 6.9 of the Sale Regulation.

General matching criteria for the Auction. See Subsection 7.4.1 of the Sale Regulation.

Compliance. See Subsection 7.4.2 of the Sale Regulation.

3. Energetic Sector in Colombia

3.1. History

“In Colombia, the provision of electric power started in the late 19th century, when thousands of residents of the country’s capital city saw how the light of hundreds of lamps started to spread out, illuminating the streets of Bogotá. This event was the result of an initiative of private investors who set up the first companies with the purpose of generating, distributing and selling electricity.

From the initial use of electric power for street lighting and shops, it moved onto a residential use within the wealthiest layers of society, and later encountered workshops, factories and the tram. The parties in charge did not make the necessary investments to make the enlargements required in the sector, thus generating strong discussions and a political pressure which ended up with the State becoming the owner of such companies.

With the aim of promoting electrification in the country, in 1946, the Institute for Water Management and Electric Development (Electraguas) was created which, in 1968, became ICEL (Instituto Colombiano de Energía Eléctrica [Colombian Institute of Electric Power]).

In the 1950s, the term interconnection of regional systems started to expand, an idea which would only materialize with the creation of Interconexión Eléctrica S.A. (ISA) in 1967. During the 1970s and 1980s, several international events took place which affected the financial situation of the sector: global recession, increase in the price of oil, and the crisis of the international debt.

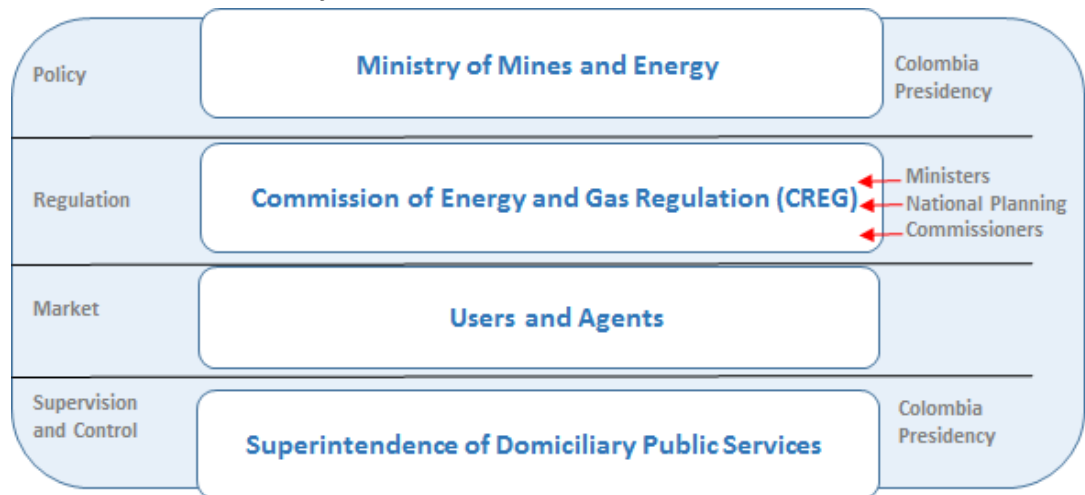
During the early 1990s, a diagnosis made to the electric companies of the State showed very poor outcomes in terms of administrative, operative and financial efficiency. Additionally, between 1991 and 1992 there was a rationing of electric power, the greatest in the history of the country.

With this picture, since the Constitution of 1991, competition was accepted, as the key principle to achieve efficiency in the public services, in order to make the free entry of any agent interested in providing services possible.

On December 1992, the National Government restructured the Ministry of Mining and Energy, dissolved the National Commission of Energy, and created three special administrative units: CRE (Comisión de Regulación de Energía [Energy Regulation Commission]) which in 1994 became the current Regulatory Commission for Power and Gas (CREG), UIME (Unidad de Información Minero Energética [Mining and Energy Information Unit]), and the Mining and Energy Planning Unit (UPME).

Based on the new Constitution's policy, according to which the State is to fulfill more a function of regulation, control and vigilance rather than administration, it has sold a good deal of the participation it had in the assets of the sector".²

3.2. Structure of the electricity sector in Colombia



Source: CREG

3.3. Electric energy market

The Colombian energy sector primarily consists of four activities that ensure the sustainability and supply of electric energy in the country, through the National Interconnected System (SIN [Sistema Interconectado Nacional]). Next, the four main activities in the electricity sector are defined:

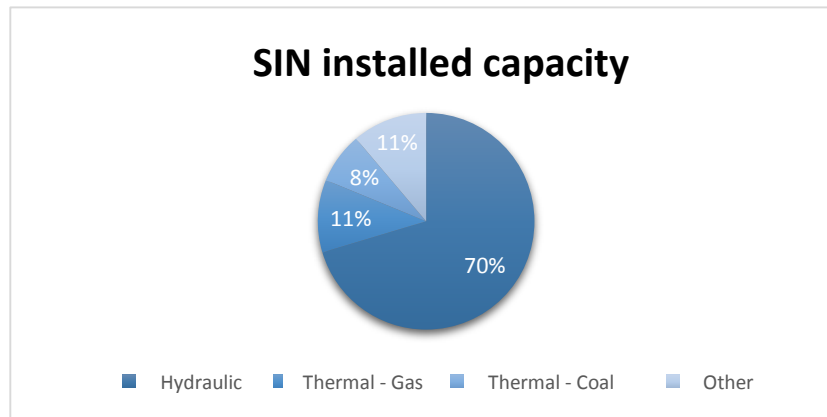
- Generation: Production of electric energy, composed mainly of assets of hydraulic and thermal generation.
- Transmission: Transportation of electric energy through the National Transmission System (STN [Sistema de Transmisión Nacional]), which is made up of the group of lines with their corresponding connection equipments that operate at voltages equal to or higher than 220 KV (kilovolts).
- Distribution: Transportation of electric energy through a group of lines with their corresponding connection equipments that operate at voltages lower than 220 KV (kilovolts).
- Commercialization: Purchase of electric energy in the Wholesale Market and its sale to other market agents or final users, both regulated and unregulated.

² This content is available at <http://www.creg.gov.co/index.php/sectores/energia/historia-energia>

Similarly, there are Non-interconnected Zones (ZNI [Zonas No Interconectadas]): the municipalities, districts, communities and villages that are not connected to the SIN.

3.4. Net effective capacity

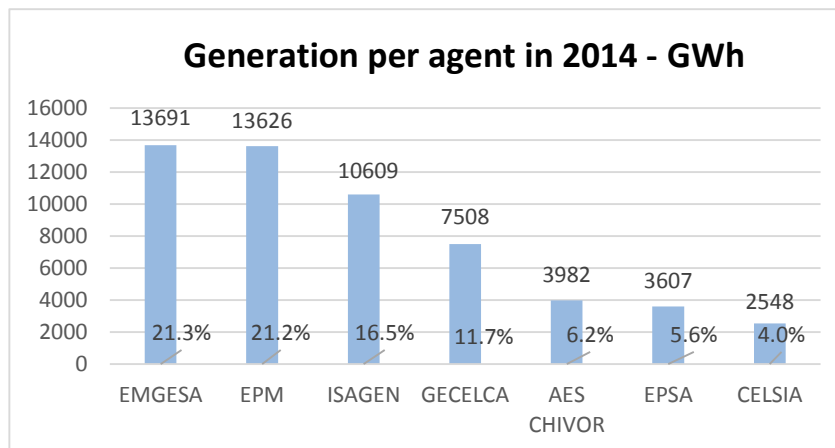
The net effective installed capacity in the SIN up to June 30, 2015, was 15,521 MW. Out of the total effective capacity, 70% corresponds to hydroelectric power plants, 19% to thermal power plants (gas and coal) and the remaining 11% is divided between liquid, gas-liquid, wind and biomass power plants.



Source: XM, author's calculations

3.5. Energy generation per agent

During 2014, 86.4% of the energy generation was provided by the seven major market agents, according to the graph shown below.

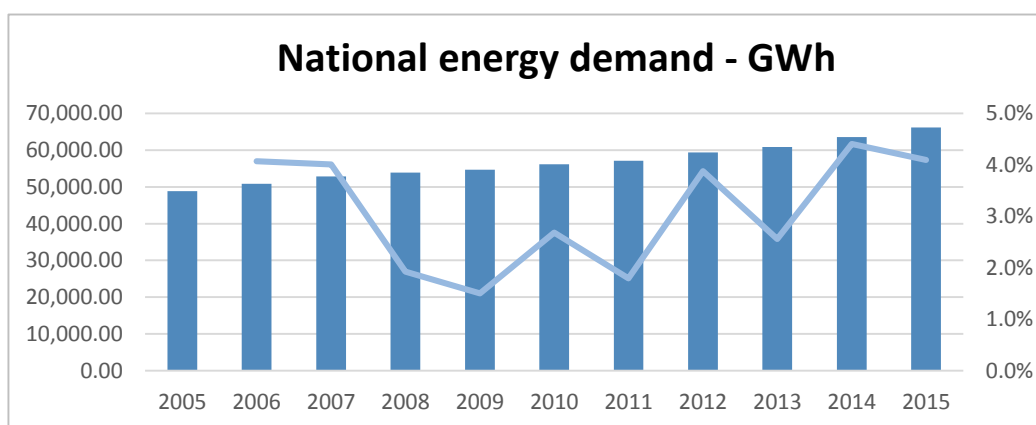


Source: XM, author's calculations

Similarly, during the same year, the total of energy generated in the country amounted to 64,327 GWh, of which ISAGEN provided the 16.5% of the total annual generation, with 10,609 GWh.

3.6. Energy demand

The energy demand in Colombia has grown permanently in the period between 2005 and 2015 at an Compound Annual Growth Rate (CAGR) of 3.08%. Specifically, during 2015, the demand reached 66,174 GWh with a positive variation of 4.1% compared to the previous year.



Source: XM, author's calculations

3.7. Ongoing projects

According to the *projects progress report of energy generation*, published by the UPME (Unidad de Planeación Minero-Energética [Mining-Energy Planning Unit]), cut-off dated December 2015, there are 10 projects under construction and development, which will provide a new total of 2,462 MW. Out of all new MW, 73% corresponds to hydraulic developments and the remaining 27% to thermal projects.

Project name	Department	Promoter	MW capacity	Technology	Estimated date of entry into operation
El Quimbo	Huila	Emgesa	400	Hydraulic	Oct 15 ³
Gecelca 3	Cordoba	Gecelca	164	Thermal	Sept 15 ⁴
Ituango	Antioquia	EPM	1200	Hydraulic	Nov 18

³ EMGESA declares the generation plant El Quimbo is in operation with a Net Effective Capacity equal to 396 MW as from 00:00 hours on November 16, 2015.

⁴ GECELCA S.A. E.S.P. declares the generation plant Gecelca 3 is in commercial operation with 164 MW as from 00:00 hours on September 17, 2015.

Project name	Department	Promoter	MW capacity	Technology	Estimated date of entry into operation
Termonorte	Magdalena	Termonorte	88	Thermal	Dec 17
Cucuana	Tolima	Epsa	60	Hydraulic	Nov 15 ⁵
Tasajero 2	Norte de Santander	Termotasajero	160	Thermal	Dec 15 ⁶
Gecelca 3.2	Cordoba	Gecelca	250	Thermal	Nov 16
Carlos Lleras Restrepo	Antioquia	Hidralpor	78.2	Hydraulic	Dec 15 ⁷
San Miguel	Antioquia	HMV Ingenieros	42	Hydraulic	Oct 15 ⁸
Tunjita	Boyaca	AES Chivor	19.8	Hydraulic	Jun 16

Source: UPME (December 2015)

3.8. Regulatory framework

In Colombia, the electric energy sector is mainly ruled by two laws: 1) The Residential Public Utilities Act (142/94) and 2) the Electricity Sector Act (143/94).

In addition, the Ministry of Mines and Energy is responsible for the development of policies, planning, control, coordination and monitoring of all activities related to public electricity service. To meet this objective, the ministry has the following entities:

Energy and Gas Regulatory Commission (CREG [Comisión de Regulación de Energía y Gas])

Its objective is to regulate the provision of residential public services of electric energy, fuel gas and liquid fuels utilities on a technical, independent and transparent way; to promote the sustained development of these sectors; to regulate monopolies; to encourage competition wherever possible and timely meet the needs of users and companies in accordance with the criteria set out in the Act.

UPME

It aims to comprehensively plan the mining and energy development, support the formulation of public policies and coordinate sectoral information with agents and interested parties.

⁵ EMPRESA DE ENERGIA DEL PACIFICO S.A. E.S.P. declares the generation plant CUCUANA 2 is in commercial operation as from November 10, 2015.

⁶ TERMOTASAJERO DOS S.A. E.S.P. declares the generation plant TASAJERO 2 is in commercial operation as from 00:00 hours on November 30, 2015.

⁷ HIDRALPOR S.A. E.S.P. declares the generation plant CARLOS LLERAS of 78 MW is in commercial operation as from 00:00 hours on November 22, 2015.

⁸ LA CASCADA S.A. E.S.P. declares the generation plant San Miguel connected to the substation San Lorenzo of 115 KV in the STR (Sistema de Transmisión Regional [Regional Transmission System]) of the EPM (Empresas Públicas de Medellín [Medellín Public Companies]) is in operation as from 00:00 hours on December 23, 2015.

Superintendencia de Servicios Públicos Domiciliarios (Residential Utility Services Superintendence)

It aims to monitor, inspect and control the provision of residential public services, the protection of rights and the promotion of the duties of users and providers.

4. General information of ISAGEN

4.1. Brief description of the company

The information presented below was consulted in full on the website of ISAGEN.

ISAGEN S.A. ESP (the “Company”) is a Colombian company dedicated to the generation and sale of electricity. The Company supplies energy to marketer customers who provide it to the regulated market, serving large customers with efficient energy solutions. In addition, the Company has the right to use the electric transmission line that connects Colombia with Venezuela, which allows the Company to attend this international market according to availability and economic viability of specific business with the neighboring country.

Currently, ISAGEN operates seven own electric energy generation plants with a total installed capacity of 3,032 MW. Such installed capacity is distributed in six hydroelectric power plants totaling 2,732 MW and a combined-cycle thermal power plant of 300 MW. The 90.1% of ISAGEN's installed capacity comes from assets of hydraulic generation, while the remaining 9.9% corresponds to the thermoelectric power plant, an aspect that provides ISAGEN with flexibility to meet energy commitments in times of low hydrological contributions.

With the entry into operation of the hydroelectric power plant Sogamoso of 820 MW, ISAGEN achieved a participation in the electric energy generation market higher than 18%, measured in terms of installed capacity. Furthermore, the results of generation in 2015 allowed ISAGEN to satisfy 19.37% of the electric energy demand of Colombia, positioning the Company as the second largest electric energy generator in the country.

4.2. Corporate name

ISAGEN S.A. E.S.P. (herein after referred to as ISAGEN), incorporated by Public Deed No. 230, dated April 4 of 1995, before the Sole Notary Public of Sabaneta, filed with the Chamber of Commerce of Medellín on April 17 of 1995, in volume 9, page 519, under number 3628.

4.3. Legal nature

ISAGEN S.A. E.S.P. is a mixed company of public services, incorporated as a corporation, commercial, subject to the legal regime established by the Residential Public Services Act.

4.4. Duration

According to the bylaws, the company's term of the duration is indefinite.

4.5. Company purpose and activities


According to the bylaws of the company, the Company's main objective is the generation and sale of electric energy, marketing of natural gas by networks, as well as the commercialization of coal, steam and other energy for industrial use. In order to develop its purpose, the Company may execute all related or complementary activities with the same

4.6. Grounds for dissolution

According to the bylaws of the Company, it will be dissolved due to the following reasons:

- Failure to develop the company purpose.
- Reduction in the number of shareholders to less than the legal minimum.
- Decision of the General Meeting of Shareholders taken with the favorable vote of the majority of the shares present at the respective meeting.
- Decision of the competent authority.
- Losses that reduce the net equity to less than the 50% of the share capital.
- Other reasons specified by law.

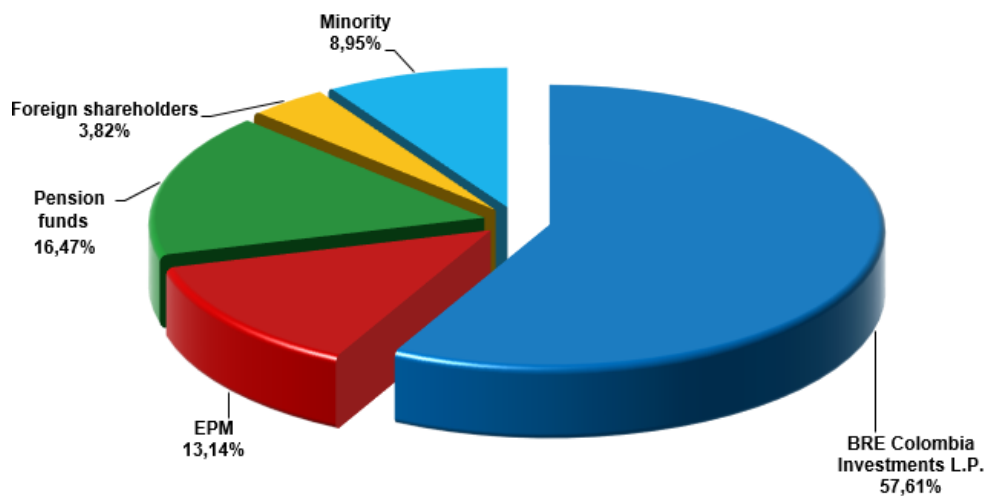
4.7. Strategy

VALUE 	Direct Decisions to Create Economic Value Together.				By generating intelligent energy, we contribute to society's prosperity.
	Increase company value.				
	Manage new investments and assets.	Maintain competitive operational efficiency.	Maintain adequate financial capacity.		
Strengthen ISAGEN's Position in Energy Markets.					
Create value for clients and markets through energy solutions.	Optimize energy sales transactions.	Strengthen stakeholder relations and recognition.	Consolidate the business portfolio.		
Develop Operational Skills.					
Manage processes for clients and markets.	Maintain competitive facility uptime levels.	Maintain bussines continuity.	Strengthen conditions for the Company's development in a sustainable enviroment.		
Build and Strengthen Skills and Capacity.					
Facilitate the employees' comprehensive development to face corporate challenges.	Strengthen Information and Communication Technology (ICT) to support company growth and development.	Adapt the organizational architecture to bussines needs.	Strengthen innovation capacity.		

Source: ISAGEN

4.8. Shareholders

According to the bylaws of the company, the equity of ISAGEN is represented by 2,726,072,000 shares with a face value of COP 49 per share, by the end of April 2015. Furthermore, the shareholding structure of the company reflects a majority control by the fund Brookfield Asset Management, which bought the 57.61% of the shares that the Ministry of Finance and Public Credit had on the energy generation company. The breakdown of the shareholding structure, cut-off dated January 31, 2016, is presented in the following graph:



Source: ISAGEN

4.9. State control and monitoring

The Company is subject to the control, supervision and monitoring of the Superintendence of Residential Public Services and the Financial Superintendence given its status as issuer of securities.

5. Description of the company

5.1. Company history

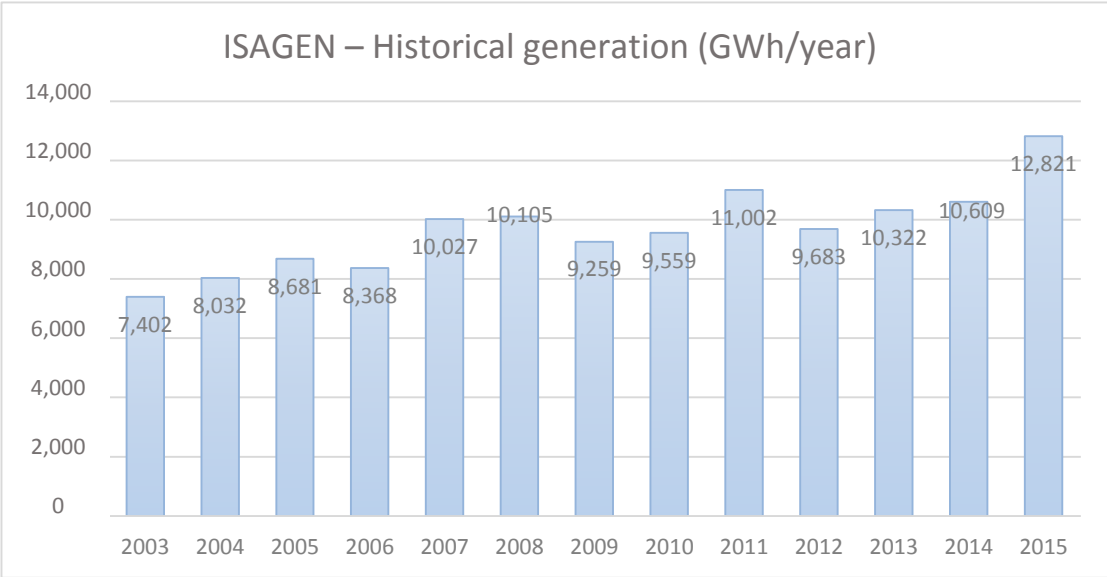
Next, there is a brief summary of the major events that have shaped the history of the company:

- In 1995, the limited company ISAGEN S.A. E.S.P. was created with a business strategy based on the desire to “be a universal competitor,” to know the customers and offer particular solutions. During this year, ISAGEN received four hydroelectric power plants, namely: San Carlos (1,240 MW), Jaguas (170 MW), Calderas (26 MW) and Chivor (1,000 MW).
- In 1997, the construction of the thermal power plant Termocentro (300 MW) was completed, which aims to provide support in times of low hydrology.
- In 1999, the company received the ISO 9001 certification for the processes of generation and sale of energy, due to the quality and customer orientation.
- In 2002, it completed the construction of the hydroelectric power plant Miel I (396 MW).
- In 2007, the “Transference of Shares Program” of the state was anticipated. With the above, the engagement of more than 70,000 minority shareholders was achieved. During this year, the company engaged in the Colombia Stock Exchange (BVC [Bolsa de Valores de Colombia]).
- In 2013, it completed the construction of the hydroelectric power plant Amoyá (80 MW).
- In 2013, ISAGEN was included in the *Dow Jones Sustainability Index*, recognized as the world's most demanding indicator to determine the degree of consistency in the sustainability management in connection with economic, social and environmental performance.
- In 2014, it completed the construction of the hydroelectric power plant Sogamoso (820 MW).
- In 2016, Brookfield Asset Management acquired 57.61% of ISAGEN's share total.

5.2. Historical generation of the company

During 2015, ISAGEN generated 12,821 GWh, 2,212 GWh more than the previous year. ISAGEN's generation showed an increase compared to 2014 mainly due to the entry into operation of the hydroelectric power plant Sogamoso.

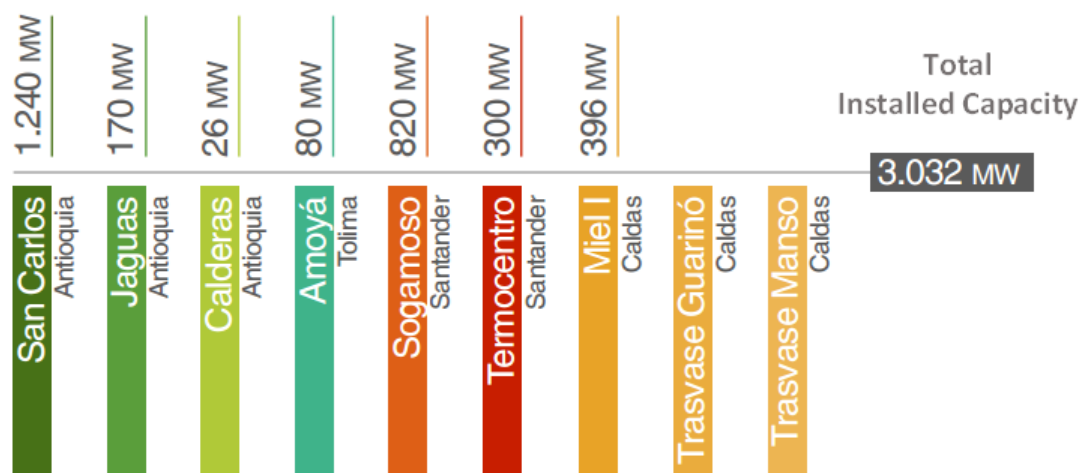
The total availability of ISAGEN's generation plants was higher than the 90%, a result achieved thanks to the operational efficiency of the Company and the operational flexibility given by a thermal power plant like Termocentro.



Source: ISAGEN

5.3. Main assets

The electric energy generation plants of ISAGEN are distributed between the departments of Antioquia, Caldas, Tolima and Santander. The geographical distribution of the main assets of the Company provides operational stability to ISAGEN's business, as these departments have different hydrological levels and cycles. The following graphic details of the generation plants comprised by the company:



Source: ISAGEN

5.3.1. Hydroelectric power plant San Carlos – 1,240 MW

San Carlos is ISAGEN's main asset of generation and the power plant with the largest installed capacity in Colombia. Located in the department of Antioquia, in the jurisdiction of San Carlos, 150 km away from the city of Medellín, San Carlos represents about 41% of the installed capacity of ISAGEN.

In 2014, San Carlos had an availability of 95.17%, consolidating its position as ISAGEN's power plant with the highest rate of availability. In the same period, San Carlos generated 5,521 GWh, the 52.05% of the total generation of the Company.

The first stage of the project San Carlos began operating in 1984 and the second one in 1987. Currently, the power plant has eight generation units, each of 155 MW, and it has potential for two additional units.

5.3.2. Hydroelectric power plant Miel I – 396 MW

Located within the jurisdiction of the municipality of Norcasia, in the department of Caldas, the hydroelectric power plant Miel I is ISAGEN's second largest asset of greater installed capacity. Miel I has an installed capacity of 396 MW, distributed in three separate generation units. Miel I is located in the east of the department of Caldas, a region with an outstanding water potential. The hydroelectric power plant uses the basins of the Guarinó, La Miel, Moro, Manso, Samaná Sur rivers and minor tributaries such as the Pennsylvania and Tenerife rivers.

In 2010, ISAGEN completed the construction of the transfer Guarinó, which provided an additional generation of 308 GWh per year. In June 2013, the Manso transfer went into operation, which added 104 GWh per year to the power plant. During 2014, ISAGEN received in full the benefits of the entry into operation of these transfers.

In 2014, Miel I reported an availability of 89.10%, generating 1,540.13 GWh. This generation corresponds to the 14.52% of ISAGEN's energy production.

5.3.3. Hydroelectric power plant Jaguas – 170 MW

With over 25 years of operation, the hydroelectric power plant Jaguas is ISAGEN's fourth hydraulic generation asset of greater capacity. Jaguas has an installed capacity of 170 MW distributed in two generation units of 85 MW each.

The hydroelectric power plant Jaguas is located in the department of Antioquia, upon the water potential of the Nare and Guatapé rivers, in the jurisdiction of the municipalities of San Rafael, San Roque, Alejandría, Concepción and Santo Domingo. In 2014, Jaguas generated 702.11 GWh, which is the 6.62% of the Company's generation.

In 2012, ISAGEN opened a bidding process for the development and implementation of a new control system for Jaguas. Currently, the power plant has a modern monitoring and control system that allows ISAGEN to manage historical and real-time information of the power plant efficiently and reliably through a high-speed network of data in optic fiber.

5.3.4. Hydroelectric power plant Amoyá – 80 MW

The hydroelectric power plant Amoyá is a run-of-the-river power plant, located in the southern department of Tolima, in the jurisdiction of Chaparral, about 150 kilometers away from the city of Ibagué. The hydroelectric power plant Amoyá has an installed capacity of 80 MW distributed in two separate generation units; it has an average generation of 510 GWh per year.

In 2014, Amoyá generated 402.07 GWh, reporting an availability higher than the 95%. During 2014, Amoyá generated the 3.79% of ISAGEN's total generation.

In 2011, Amoyá was certified by the Executive Board of the United Nations' Framework Convention on Climate Change as a project of Clean Development Mechanism (“CDM”), becoming the largest project of the energy sector registered as an CDM, at national and global scale. This certification will enable ISAGEN to sell bonds for the reduction of the greenhouse gases emission.

5.3.5. Hydroelectric power plant Calderas – 26 MW

Located near the municipality of San Carlos in the department of Antioquia, Calderas makes use of the waters of the Calderas and Tafetanes rivers for electric energy generation. Calderas was built between 1982 and 1986, and in 1987, the Tafetanes river deviation was completed, allowing the entry into operation of the power plant in 1988. After that, the power plant was out of service due to natural causes and systematic attacks against the infrastructure. In 2005, ISAGEN began works for the recovery of the power plant, and in 2006 Calderas could entry into operation again.

In 2014, Calderas had an availability of 95.55% and it generated 74.77 GWh. Even though Calderas is the smallest hydroelectric power plant of ISAGEN, its turbined waters are discharged in the San Carlos river, increasing its flow and thus the generating potential of the power plant San Carlos. Currently, Calderas operates as a minor plant, which does not incur costs related to the reliability charge.

5.3.6. Hydroelectric power plant Sogamoso – 820 MW

The project Sogamoso completed its construction and reached its maximum capacity of 820 MW on December 20, 2014. This power plant provides to Colombians about 8.3% of the energy consumed in a year, increasing by 60% the possibility of producing energy and positioning ISAGEN as the second generator in the country. The power plant is located in Santander, in the canyon where the Sogamoso river crosses Serranía de La Paz, 75 km upstream from its mouth at the Magdalena river and 62 km downstream of the confluence of the Suarez and Chicamocha rivers.

This hydroelectric power plant uses the waters of the Sogamoso river for energy generation. Its infrastructure consists of a 190 meters high dam, a landfill with a 354 m long channel and an underground powerhouse in which there are installed the largest three generation units in the country with 2,618 tons each. The reservoir, which stores the water used for the electric energy generation, has an area close to 7,000 hectares and a volume of 4,800 million m³, with the largest capacity of water storage in the country.

During 2014, Sogamoso generated a total of 321.87 GWh, the 3.03% of the company's total generation.

5.3.7. Hydroelectric power plant Termocentro – 300 MW

Termocentro is a combined cycle power plant with an installed capacity of 300 MW. The fact that this is combined cycle power plant allows using, through a steam cycle, the hot exhaust gases emitted in the gas turbines' process of combustion. This characteristic causes

Termocentro to be configured by two gas turbines, each of 100 MW, and a steam turbine that provides additional 100 MW.

In 2014, due to low hydrology conditions in the country, Termocentro increased its annual generation to 2,046.51 GWh, contributing to the energy sufficiency necessary to meet the domestic demand. This generation represents the 19.29% of the total produced by ISAGEN during 2014. The above figure shows the strategic importance of a thermal power plant, which provides operational flexibility to ISAGEN in times of adverse hydrology.

The power plant Termocentro is located in the middle valley of the Magdalena river in the rural area of Puerto Olaya, municipality of Cimitarra, in the department of Santander, approximately 200 km away from the city of Medellín, Antioquia.

5.3.8. Geographical distribution of assets



Source: ISAGEN

5.4. Projects under study

ISAGEN has a great growth potential, as the Company is constantly advancing in building a diversified portfolio of investment alternatives to timely meet the energy demand of the country according to the quality, sustainability and profitability criteria. Next, there is a summary of the main projects under study:

Plan of projects under study and/or pre-construction:

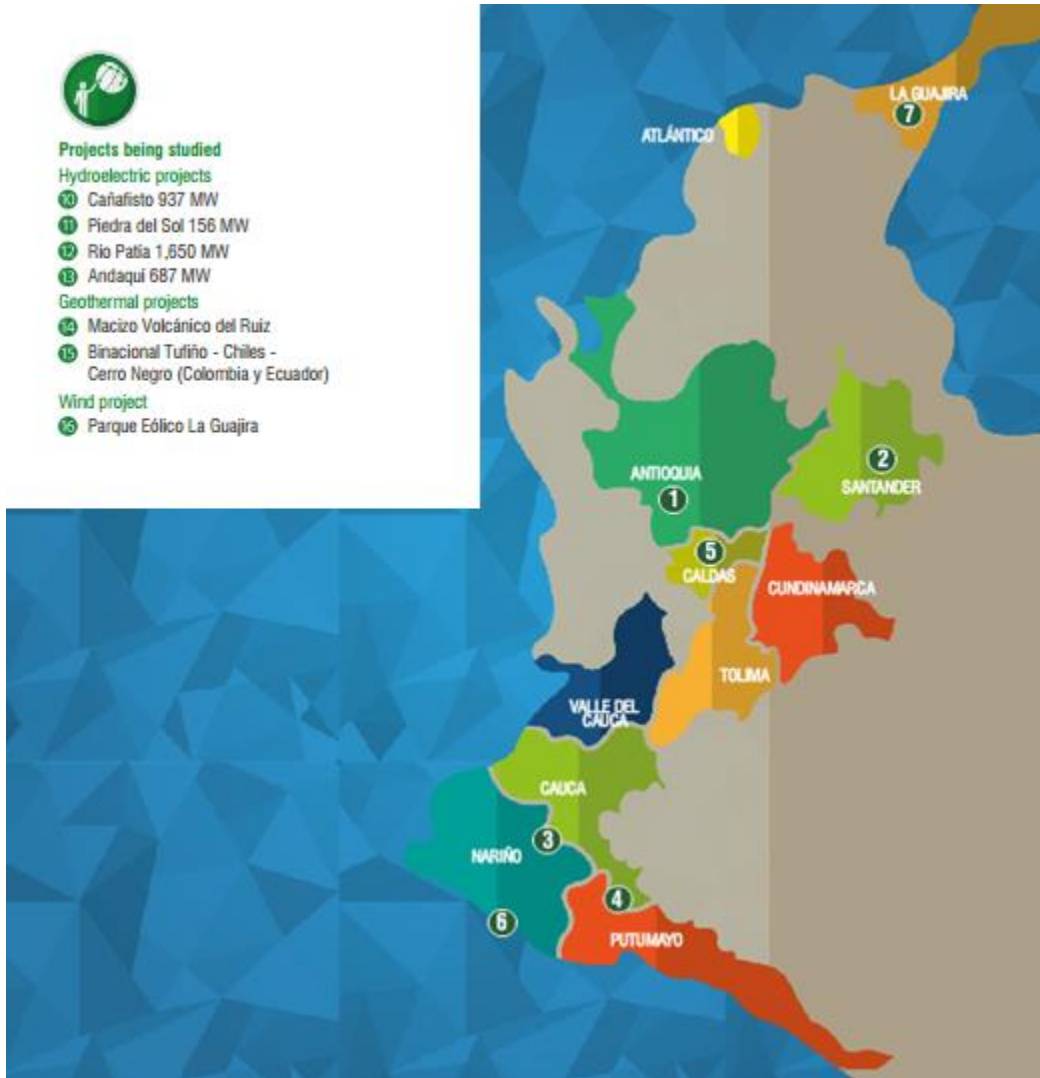
Project	Type of Project	Installed Capacity	Progress/Description
Cañafisto	Hydroelectric	937 MW	<p>In October 2014, it was submitted before the National Environmental Licensing Authority (ANLA [Autoridad Nacional de Licencias Ambientales]) the Environmental Impact Assessment (EIA) required to obtain an environmental license for construction and operation. During the year, the project was widely socialized in the area of influence and successfully conducted prior consultation with the Afro-descendant community of San Nicolas, with which the notarization process was signed. A total of 150 meetings was conducted attended by over 4,625 people representing the communities of the 16 municipalities and 41 villages or sectors of the area. Governmental and non-governmental organizations also participated. In addition, the property and socio-economic census was completed and the development of a proposal began for the management of the Cultural Interest Goods (BIC [Bienes de Interés Cultural]) affected by the construction of the project. This project is in the pre-construction stage.</p>
Piedra del Sol	Hydroelectric	156 MW	<p>The Hydroelectric Project Piedra del Sol is located in the department of Santander, in the municipalities of Pinchote, San Gil, Cabrera and Socorro. The system operates under the run-of-the-river system (no reservoir) and uses the waters of the Fonce river for energy generation. It will have an installed capacity of 156 MW and an average annual generation of 995 GWh per year, equivalent to the energy required to supply approximately 380,000 Colombians. The Colombian companies ISAGEN and HVM Ingenieros have advanced the Environmental Impact Assessment (EIA) for the construction of the Project and it is currently undergoing the stage of environmental licensing by the National Environmental Licensing Authority (ANLA). Piedra del Sol arises from the need to meet the growth in the energy demand in Colombia and the opportunity to leverage a renewable energy source, categorized as a clean energy project that reduces emissions of greenhouse gases (GHGs). It becomes a potential candidate for the Clean Development Mechanism (CDM), according to the criteria of the United Nations' Framework Convention on Climate Change (UNFCCC).</p>

Project	Type of Project	Installed Capacity	Progress/Description
Patía River	Hydroelectric	1650 MW	It consists of four cascade projects to leverage the hydroelectric potential of the Patía river between heights of 560 and 75 m above sea level. The following step was the implementation of the strategy of engagement, developing an agenda with national, regional, local and church authorities with presence in the 12 municipalities of the Patía I and Patía II projects' influence area, located in the departments of Cauca and Nariño. There were meetings there with the Community Councils and Community Action Boards (JAC [Juntas de Acción Comunal]) in order to socialize the implementation of the studies of Environmental Diagnosis of Alternatives (DAA [Diagnóstico Ambiental de Alternativas]). In addition, studies were advanced to analyze the socio-political environment as well as processes of engagement with the interest groups. This project is in the pre-feasibility stage.
Andaqui	Hydroelectric	687 MW	Due to the creation of the Natural National Park (NNP) Serranía de los Churumbelos, and since part of the dam project would be located within the park, the National Authority of Environmental Licenses (ANLA) issued special terms of reference for the Environmental Impact Study. In accordance with the interagency agreement with the Natural Sciences Institute of the National University of Colombia, in 2014 it was completed the update of the baseline studies of the biotic component in the influence area according to the requirements of the Environmental Authority. These studies showed the presence of sensitive ecosystems and some ecological characteristics that lead to advance an additional review of the project.
Ruiz Volcanic Massif	Geothermal	-	Pre-feasibility studies were completed and the possibility of moving into the exploration phase in one of the selected areas of the Ruiz Volcanic Massif, which is not part of Los Nevados National Natural Park, was confirmed. The environmental license application were submitted to the ANLA together with the relevant Environmental Impact Study. The environmental authority issued the order by which the project's procedure of environmental licensing began.
Bi-	Geothermal	-	In 2014, progress was made in developing basic pre-feasibility studies (geology, geochemistry and

Project	Type of Project	Installed Capacity	Progress/Description
national			hydrogeology) in the study area of Ecuador and Colombia. The ANLA issued the terms of reference for the Environmental Impact Study focused on the exploration and use of geothermal resources in Colombia.
La Guajira Wind Farm	Wind	400 MW	It followed the proceedings with the environmental authority for the modification of the environmental license and the engagement with the three communities in the area. The study of connection by which new alternatives were identified to connect the park to the National Interconnected System (SIN) was updated.

Source: ISAGEN

5.4.1. Location of the projects under study



Source: ISAGEN

5.5. Corporate Governance

5.5.1. General Meeting of Shareholders

The General Meeting of Shareholders is the highest decision-making body of the Organization, which has full authority to direct and decide the most important issues of the Company. It consists of the total number of registered shareholders in the Book of Shares, who participate by themselves or represented by their agents or legal representatives, in accordance with what is defined in the bylaws of the Company and the law.

Its regular session is held annually within the first 90 days of each period, as stipulated in the Company's bylaws (Article 19).

5.5.2. Board of Directors

It is the highest administration body. It guides the business management of the Company, in accordance with the guidelines set by the General Meeting of Shareholders. All management concerning the Board of Directors is carried out in accordance with the rules established in the Bylaws, the Good Governance Code and the Board of Directors' Rules.

Next, it is presented the board of directors⁹ appointed by the Extraordinary General Meeting of Shareholders for the period between 2016 and 2017:

Line	Principal	Alternate
First Line*	Orlando Cabrales Segovia	Jorge Humberto Botero Angulo
Second Line*	Juan Carlos Esguerra Portocarrero	Luz Helena Sarmiento Villamizar
Third Line	Rafael Miranda	Jerry Divoky
Fourth Line	Richard Legault	Sashin Shah
Fifth Line	Carlos David Castro	Andrés Felipe Crump
Sixth Line	Harry Goldgut	Jennifer Mazin
Seventh Line	Jesús Arturo Aristizabal Guevara	Tatyana Aristizabal Londoño

Source: ISAGEN

5.6. Risk Ratings

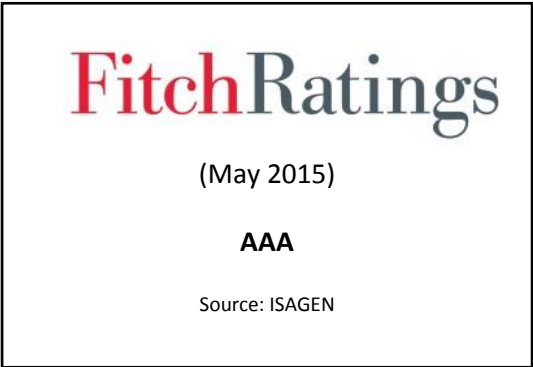
*The names with an asterisk refer to independent members.

At the date of completion of this document, the company had the following risk ratings:

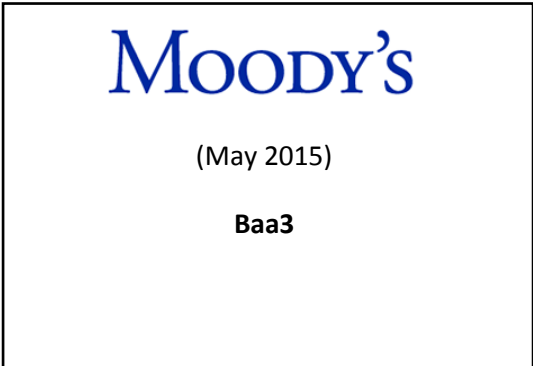
Domestic public debt bonds rating of COP 850,000 million



Corporate Debt Local Rating



International Rating – IDR (Issuer Default Rating)



Source: ISAGEN

5.7. Financial Position

5.7.1. Income Statement

Statement of Income

As 31 December 2014 and 2015 (Millions of Colombian pesos)

	Quarterly				Accumulated		Variation %
	1Q	2Q	3Q	4Q	2015	2014	
REVENUE	611,508	614,917	676,611	940,986	2,844,022	2,277,246	25
Energy	608,568	611,666	673,933	928,573	2,822,740	2,265,718	25
Gas	1,546	1,296	683	9,235	12,759	2,839	349
Technical Services	1,394	1,956	1,996	3,178	8,523	8,689	-2
COST OF SALES	295,728	320,992	409,785	726,088	1,752,593	1,566,370	12
Spot Market Transactions	37,343	57,783	125,040	401,262	621,428	684,388	-9
Charges for using and connecting to the NTS	55,138	50,803	55,440	55,997	217,379	198,067	10
NDC, CRDs and Commercial Exchange System	3,365	3,390	3,328	3,211	13,294	9,513	40
Transfer Law 99/93	14,552	13,992	11,774	9,867	50,185	39,732	26
FAZNI contribution	4,410	4,398	3,668	3,088	15,564	12,096	29
Depreciation	58,632	57,112	57,339	60,185	233,268	148,813	57
Fuels	65,437	64,573	81,177	97,852	309,038	254,763	21
Other operating expenses	56,850	68,941	72,019	94,627	292,437	218,998	34
GROSS PROFIT FROM SALES	315,780	293,925	266,826	214,898	1,091,429	710,876	54
Other revenue	2,271	3,500	4,400	16,813	26,984	12,212	121
Administrative expenses	(56,989)	(29,462)	(34,040)	(33,044)	(153,535)	(118,601)	29
Other expenses	(3,579)	(2,946)	(4,976)	(20,473)	(31,974)	(19,349)	65
Financial revenue	5,656	23,471	4,018	43,700	76,845	40,557	89
Financial expenses	(98,532)	(103,821)	(141,138)	(171,473)	(514,964)	(117,223)	339
PROFIT BEFORE TAXES	164,607	184,667	95,090	50,421	494,785	508,472	-3
INCOME TAX PROVISION	(68,062)	(69,492)	(40,214)	(19,636)	(197,404)	(150,055)	32
NET PROFIT	96,545	115,175	54,876	30,785	297,381	358,417	-17
NET MARGIN	16%	19%	8%	3%	10%	16%	-

Financial Statements pending approval by the Ordinary General Meeting of Shareholders.

Source: ISAGEN

5.7.2. Balance Sheet

Balance Sheet

(Millions of Colombian Pesos)

Assets	December 2015	December 2014	Variation %	Liabilities and Equity	December 2015	December 2014	Variation %
NON-CURRENT ASSETS				SHARE CAPITAL			
Property, plant and equipment, net	7,268,038	7,269,154	-0.02	Authorized: 2,726,072,000 common shares with a unit value of \$25			
	7,268,038	7,269,154	-0.02	Subscribed and paid	133,578	68,152	96.0
				Tax code reserve art.130	869,671	806,884	7.8
Intangibles and other assets				Legal reserve	68,027	51,134	33.0
Deferred charges	909	909	0.0	Share premium	49,344	49,344	0.0
Other assets	73,535	54,841	34.1	Retained profits	1,268,261	1,346,427	0.0
	74,444	55,750	33.5%	Temporary investment reserve	38,446	38,446	0.0
Accounts receivable				Temporary reserve - credit rating	720,906	910,744	-20.8
Customers	56	114	-50.9	Other comprehensive income	14,685	15,966	-8.0
Past due accounts	8,465	1,435	489.8	Fiscal year profit	297,381	358,417	-17.0
Other	43,322	19,447	122.8	TOTAL EQUITY	3,460,299	3,645,514	-5.1
Accounts receivable allowance	(8,521)	(1,421)	499.7				
	43,322	19,576	121.3	NON-CURRENT LIABILITIES			
Investments	84	84	0.0	Borrowings	612,025	516,054	18.6
				Bond obligations	724,161	917,015	-21.0
				Club Deal credit obligations	2,001,556	1,783,320	12.2
				Leasing LP	89,996	82,761	8.7
				Labor obligations	98,862	91,695	7.8
				Claims and litigations	4,202	4,342	-3.2
				Solidarity fund deposit	13,940	10,101	38.0
				Deferred income tax	683,425	568,332	20.3
TOTAL NON-CURRENT ASSETS	7,385,888	7,344,564	0.6	TOTAL NON-CURRENT LIABILITIES	4,228,167	3,973,619	6.4
CURRENT ASSETS				CURRENT LIABILITIES			
Inventory (net)	97,705	109,847	-11.1	Borrowings	310,486	96,537	221.6
Accounts receivable (net)	475,313	341,941	39.0	Contractual withholdings	12,688	70,806	-82.1
Other assets	43,534	288	15003.4	Accounts payable	285,460	238,678	19.6
Fixed income investments	1,822	84,522	-97.8	Taxes and contributions	16,773	23,040	-27.2
Available	364,318	244,086	49.3	Labor obligations	12,229	10,057	21.6
Democratic shareholding collection	195	215	-9.1	Estimated liabilities	13,880	38,080	-63.6
				Other liabilities	28,793	29,132	-1.2
TOTAL CURRENT ASSETS	982,887	780,899	25.9	TOTAL CURRENT LIABILITIES	680,309	506,330	34.4
				TOTAL LIABILITIES	4,908,476	4,479,949	9.6
TOTAL ASSETS	8,368,775	8,125,463	3.0	TOTAL LIABILITIES AND EQUITY	8,368,775	8,125,463	3.0

Source: ISAGEN

5.7.3. Main results

Main Figures	2015	2014	Variation %
Energy Generated (GWh)	12,821	10,609	21
Revenue (Millions of \$)	2,844,022	2,277,246	25
Operating Costs (Millions of \$)	1,752,593	1,566,370	12
Administrative expenses (Millions of \$)	153,535	118,601	29
Operating Profit (Millions \$)	937,894	592,275	58
Operating Margin	33%	26%	-
EBITDA (Millions of \$)	1,179,168	749,457	57
EBITDA margin	41%	33%	-
Financial Expenses	514,964	104,560	393
Income Tax Provision (Millions of \$)	197,404	150,055	32
Net Profit (Millions \$)	297,381	358,417	-17
Net margin	10%	16%	-

Source: ISAGEN

Medellin, March 31, 2016

**Legal Representative of
Empresas Públicas de Medellín E.S.P (Medellin Public Companies)**

CERTIFIES

That the truthful information provided in the Sales Book of the Sale Program of the Shares that Empresas Públicas de Medellín E.S.P. owns in ISAGEN S.A. E.S.P. was collected from the sources listed in the aforementioned book.

That the truthful information provided in the Sales Book of the Sale Program of the Shares that Empresas Públicas de Medellín E.S.P. owns in ISAGEN S.A. E.S.P., related to the energy sector in Colombia and the Issuer, is the best available information obtained.

That the information provided in the Sales Book of the Sale Program of the Shares that Empresas Públicas de Medellín E.S.P. owns in ISAGEN S.A. E.S.P. concerning the terms of sale and the general conditions of the offer is truthful information.

The absence of material omissions of information in the Sales Book of the Sale Program of Shares that Empresas Públicas de Medellín E.S.P. owns in ISAGEN S.A. E.S.P. that may affect the decision of future investors.

JORGE LONDOÑO DE LA CUESTA
Legal Representative
C.C.70.564.579