



**DISPOSAL PROGRAM OF THE SHARES THAT EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. HOLDS IN
GAS NATURAL DEL ORIENTE S.A. E.S.P.**

**SECOND-STAGE START NOTICE AND
AUCTION NOTICE**

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. hereinafter **EMP** or the Seller, Industrial and Commercial Company of the State of the Municipal Order, domiciled at Medellin, Colombia, invites the general public to participate in the Second Stage of the disposal program concerning twelve million two hundred thirteen thousand and six hundred common shares (12,213,600) in GAS NATURAL DEL ORIENTE S.A. E.S.P. (hereinafter GASORIENTE) which are owned by EMP. This has been approved by the Board of Directors of EPM on May 28, 2019, as stated in Minutes No. 1666. By means of this notice, EMP announces to the interested parties the Second Stage of the Disposal Program.

In compliance with the provisions of Article 25 of the law 226 of 1995, the offering of the shares of GASORIENTE, aimed at the Special Terms Recipients in the First Stage, had a minimum term of two (2) months. The First Stage of the Disposal Program contemplated the offering of twelve million two hundred sixty-three thousand six hundred (12,263,600) common shares.

Indeed, EPM conducted the First Stage between June 17, 2019 and August 20, 2019, in which fifty thousand (50,000) shares were disposed of, remaining twelve million two hundred thirteen thousand six hundred (12,213,600) Shares, which amounts to nine point nine five nine two six percent (9.95926%) of the total shares in circulation of GASORIENTE, owned by EPM.

The capitalized terms that are used in this Second Stage Start Notice and that have not been defined in this Notice shall have the meaning attributed to them in the Disposal Regulations.

- 1 SELLER:** Empresas Públicas de Medellín E.S.P.
- 2 ISSUER:** Gas Natural del Oriente S.A. E.S.P. or GASORIENTE.
- 3 NUMBER OF SHARES:** twelve million two hundred thirteen thousand six hundred (12,213,600) GASORIENTE Empresas Públicas de Medellín E.S.P. en GASORIENTE S.A. E.S.P. Shares, which equate to nine point nine five nine two six percent (9.95926%) of the total shares in circulation of GASORIENTE owned by EPM. They constitute the subject of disposal, in compliance with the Second Stage Share Disposal Regulation of Empresas Públicas de Medellín E.S.P. en GASORIENTE S.A. E.S.P.

- 4 **SECOND STAGE INVESTORS:** the general public, natural or legal persons, who decide to submit a Purchase Order for the Shares offered in the development of the Public Offering in the Second Stage.

- 5 **AUCTION AT BALANCE OR AUCTION PRICE:** operation whereby the BVC (*Bolsa de Valores de Colombia* [Colombian Stock Market]), in the development of the contract entered into with EPM, will receive orders, as set forth in the Operating Guidelines that the BVC may issue for the Second Stage, on the date indicated in the Second Stage Start Notice and/or the Auction Notice, and will adjudicate operations under the Balance Price methodology.

- 6 **SECOND STAGE PUBLIC SALE OFFERING:** is the public offering for the disposal of Shares, formulated by the Seller in the secondary market in Colombia, to the general public, through the Auction at Balance mechanism that the BVC may perform according to the Second Stage Share Disposal Regulation and the BVC Operating Guidelines, which will be published to that effect.

The procedure of the Public Sale Offering in the Second Stage by which the auction is regulated can be found in point 6.4 of the Second Stage Share Disposal Regulation.

- 7 **PURCHASE ORDER:** is the unilateral statement of willingness which the Second Stage Investor makes through a Stockbroker, the purpose of which is to acquire one or more of the Shares offered in development of the Public Sale Offering in the Second Stage. Such statement shall be deemed as given upon entering the corresponding Purchase Order in the X-Stream negotiation system of the BVC, in compliance with the Operating Guidelines that the BVC may issue for the Second Stage.

- 8 **SALES ORDER:** is the order of sale that EPM presents through the Stockbroker contracted by it for the purpose of the disposal of Shares in the Second Stage.

- 9 **MAXIMUM AND MINIMUM NUMBER OF SHARES THAT MAY BE PURCHASED IN THE SECOND STAGE:** There is no minimum number of shares which may be purchased, i.e. Second Stage Investors may purchase from one (1) action onwards. The maximum number of shares for which a Purchase Order may be submitted is the entirety of Second Stage Shares, i.e., twelve million two hundred thirteen thousand six hundred (12,213,600) GASORIENTE common shares owned by EPM.

- 10 **MINIMUM PRICE PER SHARE FOR THE SECOND STAGE:** the minimum price per Share is COP \$2,893, as set forth in accordance with the Regulation for the Second Stage Disposal of the GASORIENTE Shares which are owned by Empresas Públicas de Medellín E.S.P.

However, in the Auction, EPM, through the Stockbroker contracted to that effect, will offer the Shares at an initial price which will respond to the market conditions and which may be

modified according to the orders entered during the auction. In all cases, the initial price or the modifications may not be lower than the Minimum Price Per for the Second Stage.

- 11 OFFER TERM:** is the date in which the Auction at Balance Price will be held. As such, it will take place on November 13, 2019, from seven thirty a.m. (7:30 a.m.) to eight a.m. (8:00 a.m.) Colombian time. The closing of this time period will be made randomly at a time interval between sixty (60) seconds before the defined time and sixty (60) seconds after.
- 12 PROCEDURE FOR THE PUBLIC SALE OFFERING IN SECOND STAGE:** The Second Stage Public Sale Offer procedure will be conducted through the negotiation methodology by Auction at Balance Price, which allows the entry of Purchase Orders on account of Second Stage Investors and sales exclusively on account of EPM, by means of an independent instrument within the stock wheel in the BVC X-STREAM negotiation system, as per the BVC Operating Guidelines which may be issued to that effect.

The Second Stage Investors may submit their Purchase Orders to participate in the auction through any Active Stockbroker who is a member of the BVC and who voluntarily wishes to participate in the auction.

The entry of Sales Orders in the Auction shall only be authorized for Valores Bancolombia. In accordance with the foregoing, the Sales Orders entered by Stockbrokers not authorized by EPM will be withdrawn directly by the BVC administrator.

It is the sole responsibility of the Stockbrokers and its operators to upload the Purchase Orders into the system, as set out in the BVC Operating Guidelines which may be issued for the development of the Second Stage. Therefore, should unauthorized Sales Order be entered, the Stockbroker will have to respond to the sanctions that may apply according to the provisions of with the BVC Operating Guidelines.

Stockholders who wish to participate in the Auction at Balance Price shall enter Purchase Orders at a price greater than or equal to the price set forth in the Second Stage Start Notice.

- 13 OVERALL HEDGE CRITERIA FOR AUCTION:** At the end of the Auction, the system will adjudicate the operations, through the hedge algorithm at Balance Price. During the Auction, the Balance Price will be calculated. For this, the system will base on the following criteria:
 - a. The Balance Price will be determined as that which maximizes the amount which is offered to adjudicate the greater number of shares in the Auction.
 - b. In the event that there is more than one price that meets the above criteria, the lower balance sheet price will be chosen. The lower balance sheet is understood as the lowest remaining amount at the indicated price.

- c. If there is still more than a price which meets the criteria set forth in the above verbatim, the allocation price that meets any of the following conditions will be chosen:
- (i) In the event that the cumulative amount of purchase is greater than the cumulative amount of sale, the higher price will be chosen. The cumulative amount for purchase (or sale) is understood as the sum of all amounts of Purchase (or sale) Orders that are compatible at the indicated price.
 - (ii) Provided the cumulative amount of purchase is lower than the cumulative amount of sale, the lowest price will be chosen. The cumulative amount for purchase (or sale) is understood as the sum of all amounts of Purchase (or sale) Orders that are compatible at the indicated price.
 - (iii) In the event that the cumulative amount of purchase equals the cumulative amount of sale, the system will calculate an arithmetic simple average of the prices that meet the conditions by rounding it to the Price Tick and this will be the Balance Price for the auction.

Once the Balance Price is determined, the system performs the hedge of active Purchase Orders that are compatible in accordance with the definition of the expected price in the BVC Operating Guidelines and that according to its order in the Order Public Book, they may be hedged according to the available quantity. If the hedge is for the total of the orders, they will disappear from the Order Public Book by automatically generating the recording and dissemination of operations. In the event that the Orders are partial, the system will discount from the order the appropriate amount, generate the respective operations and leave a remainder of the orders which will expire at the end of the Auction.

Upon completion of the Auction Award, BVC will inform the results to the market results through an Informational Bulletin and to the Stockholders through the systems of *BackOffice* where the value for compliance can be determined.

- 14 COMPLIANCE:** Operations will be reflected within the BVC compensation balance and will be considered in the Compliance Day Compensation cycle calculations.

The Stockholders and Custodians who, for compliance purposes have Purchase Orders which have been awarded within the auction, shall transfer all of this transaction resources to the BVC, as per the terms set out in the Operating Guidelines that the BVC may issue for the Second Stage.

Once the payment is received, the release of the relevant operations titles will be generated.

- 15 STOCKBROKERS:** all of the brokerage companies through which the Second Stage Investors submit the Purchase Orders; in conjunction with Valores Bancolombia S.A for the presentation of the Sales Order. The Sales Orders or Share Purchase Orders in the Second Stage must be submitted through a stockbroker company.
- 16 VALORES BANCOLOMBIA:** Valores Bancolombia S.A. Comisionista de Bolsa, and is the stockbroker company authorized by EPM to submit the Sales Orders.
- 17 SECOND STAGE DISPOSAL REGULATION:** In order to properly understand the Public Sale Offer in the Second Stage, the Second Stage Investors shall study the Disposals Program and the Second Stage Disposal Regulation, together with all of its appendices, which will be available to them at the page www.epm.com.co at no cost. The publication to the market will be informed in the relevant information icon on the Superintendencia Financiera de Colombia [Colombian Financial Superintendence] webpage: www.superfinancial.gov.co.
- 18 ASSET LAUNDERING PREVENTION AND CONTROL MECHANISM:** Stockbrokers companies wishing to participate in the auction must require all of its customers the documentation necessary to comply with current anti-terrorist asset laundering and terrorism financing regulations and SARLAFT procedures.
- 19 CIRCULATION ACT:** the Shares circulate in a nominative manner and are negotiated in the secondary market through the negotiation systems administered by the BVC and are fully dematerialized and disposed of in Deceval for administration and custody. The Shares may not be materialized again and, consequently, the Second Stage Investors, by placing a Purchase Order expressly waive the right to seek the materialization of the Shares. Due to the foregoing, any purchaser shall have a Direct Security Depositor empowered to act on behalf of a third party in the terms set forth in the Deceval's Operations Regulation.
- 20 PERSONAL DATA PROTECTION:** in compliance with Law 1581 of 2012 and Decree 1377 of 2013, in the development of the Disposal Program, non-public personal data of the Second Stage natural persons investors, shall only be treated only for the purposes and duration provided in the point 5.9 of the Second Stage Disposal Regulation.

The deposit and administration of the Shares through Deceval shall be governed by the Law 27 of 1990, Decree 2555 of 2010 and other rules that modify or regulate the subject matter, as well as the Deceval's Operations Regulation.

WARNINGS

THE SHARES OFFERED IN THE DEVELOPMENT OF THE PUBLIC SALE OFFER IN THE SECOND STAGE ARE FREE OF LIENS OR OWNERSHIP LIMITATIONS AND ARE FREE OF PRECAUTIONARY MEASURES.



THE SHARES OF GAS NATURAL DEL ORIENTE S.A. E.S.P WERE REGISTERED IN THE NATIONAL REGISTER OF SECURITIES AND ISSUERS BY MEANS OF RESOLUTION NUMBER 987 OF NOVEMBER 02, 1995 OF THE SUPERINTENDENCIA FINANCIERA DE COLOMBIA.

THE SHARES OF GAS NATURAL DEL ORIENTE S.A. DE E.S.P. WERE REGISTERED ON THE BOLSA DE VALORES DE COLOMBIA ON NOVEMBER 02, 1995.

IT IS CONSIDERED INDISPENSABLE TO READ THE DISPOSAL PROGRAM, SECOND STAGE DISPOSAL REGULATIONS AND THE SALES WORKBOOK SO THAT POTENTIAL INVESTORS CAN ADEQUATELY ASSESS THE APPROPRIATENESS OF THE INVESTMENT.

THE LISTING IN THE NATIONAL REGISTRY OF SECURITIES AND ISSUERS DO NOT IMPLY RATING NOR RESPONSIBILITY WHATSOEVER BY THE SUPERINTENDENCIA FINANCIERA DE COLOMBIA IN CONNECTION TO THE NATURAL OR LEGAL PERSONS REGISTERED, TO THE PRICE, GOODNESS OR NEGOTIABILITY OF THE SECURITIES, AS WELL AS IN CONNECTION TO THE CORRESPONDING ISSUE OR ABILITY TO PAY OF THE ISSUER.

REGISTRATION WITH THE BOLSA DE VALORES DE COLOMBIA S.A. OF THE SHARES, AS WELL AS THE ORGANIZATION AND THE EXECUTION OF THE SALES OFFER BY THE BOLSA DE VALORES DE COLOMBIA S.A. DOES NOT IMPLY CERTIFICATION ON THE SECURITIES' GOODNESS OR THE ISSUER'S SOLVENCY.

NONE OF THE PRONOUNCEMENTS OF THE SUPERINTENDENCIA FINANCIERA DE COLOMBIA REGARDING THE SECURITIES ISSUED BY GASORIENTE CONSTITUTES AN OPINION OF THE SUPERINTENDENCIA REGARDING THE QUALITY OF SUCH SECURITIES OR THE SOLVENCY OF THE ISSUER.

THE SINGLE PLACEMENT OF A PURCHASE ORDER CONSTITUTES THE EXPRESS STATEMENT OF THE SECOND STAGE INVESTOR IN WHICH HE OR SHE AGREES TO KNOW AND ACCEPT THE TERMS AND CONDITIONS OF THE DISPOSAL PROGRAM, SET FORTH IN THE DISPOSAL PROGRAM, IN THE SECOND STAGE DISPOSAL REGULATION, IN THE REGULATORY BULLETINS ISSUED BY THE BVC AND OTHER RELATED DOCUMENTS.

OCTOBER 30, 2019