Opportunities in Colombia’s Petroleum Sector
Energy Strategic Pillars:

- Efficiency
- Sustainability
- Reliability and Coverage
Colombia has crude oil reserves of 1782 MMbbls and 3.9 TCF of gas which will last for 5.7 and 11.7 years.
To expand hydrocarbon self-sufficiency we have established four strategic axes:

- Exploration of continental bassins
- Possibility of exploring and producing unconventionals
- Development of offshore potential
- Enhance oil recovery in existing fields
We introduced different tax incentives to boost capital intensive industries

**Tax reform (2018)**

Gradual reduction of the income tax rate: For 2019 33%, for 2020 to 32%, for 2021 to 31% and for 2022 to 30%

Credit VAT paid on acquisition of productive real fixed assets (capital goods) against corporate income tax

Credit 50% of the ICA and GMF paid during the years 2019 to 2021 against corporate income tax. After 2022 the credit will be 100% of the taxes paid
Permanente Process of Allocation of Areas

- ANH will propose areas and companies can make applications for areas of their interest.

- For the first cycle, the ANH proposed 20 blocks.

- It is expected that the first blocks assigned under this new process will be signed during the first semester of 2019.

Source: ANH
The Colombian offshore represents a opportunity for investment in the long term

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

- Oil and wet gas
- Dry gas and condensates
- Dry and wet gas
- Gas and condensates
- Natural Gas mix with oil
In February the model E & P offshore contract was issued. To date, 5 conversions have been made from TEA to E&P contracts. We are working on the conversion of the 4 remaining contracts. In the 5 signed contracts the companies have committed to invest 1.8 billion USD.

The seismic carried out has shown the high potential of this basin.
Hydrocarbons self-sufficiency will allow us to avoid an increase in energy prices.

Unconventional exploitation could increase our reserves between 10 y 20 years of reserves.

The government set up a commission of experts to evaluate the exploration of unconventional hydrocarbons and we are now reviewing their recommendations.

Benefits of unconventional for Colombia:
- Increase the production by 450 kbd
- Increase of FDI in over 5 billion USD per year
- 36 billions of fiscal revenue in the next 25 years
- More than 60,000 new jobs

Source: Ecopetrol
Sustainable development of the mining-energy sector with social and environmental responsibility and governance to transform Colombia