



Orazul Energy Perú Unaudited Combined Financial Information As of June 2017

BASIS OF PRESENTATION

The tables and information contained herein show the combined financial picture of Orazul Energy Perú (OEP) and Aguaytia Energy del Peru S.R.L. (Aguaytia), and contain certain combination adjustments to eliminate the effects of inter-company transactions. As the two companies have been accounting in different currencies, for the purposes of this document, Peruvian soles have been converted to U.S. dollars at the average sales exchange rate for the six months June 2017 period, as reported by SBS¹. The U.S. dollar equivalent information should not be construed to imply that the soles amounts represent, or could have been or could be converted into, U.S. dollars at such rates. The information in this report is being provided solely for informational purposes, and does not constitute the official legal financial reporting of either OEP or Aguaytia, which are provided separately.

OVERVIEW OF COMBINED RESULTS

The combined companies achieved an adjusted 2017 year-to-date EBITDA of \$54 million. The results reflect macroeconomic events affecting the broader industry, including lower client consumption due to slower demand growth driven by the unforeseen damage caused by the “El Niño Costero” weather event as well as by delays in the execution of approved public-sector investment projects. Apoyo Consultoria expects a GDP growth recovery of 67%, from 2.1% in 2017 to 3.5% in 2018.

The Aguaytia loading plant began operations on July 16 and will diversify our customer base for natural gasoline. Additionally, we implemented a cost optimization initiative resulting in lower selling and administrative expenses, which decreased by more than 4% in the year-to-date period. Those results confirm our commitment to further improving our operations and creating value for our stakeholders.

¹ “SBS” means Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administration Entities (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones).



UNAUDITED COMBINING STATEMENTS OF PROFIT OR LOSS FOR 3-MONTH AND 6-MONTH PERIODS ENDED JUNE 2017

(In thousands of USD)

	Orazul Q2 2017	Aguaytia Q2 2017	Adjustments	Combined Q2 2017	Orazul YTD 2017	Aguaytia YTD 2017	Adjustments	Combined YTD 2017
Sale of energy and electrical energy transmission services	26,969	21,332	(886)	47,415	55,967	40,058	(917)	95,108
Sale of hydrocarbons	-	4,023	-	4,023	-	9,021	-	9,021
Total of sales	26,969	25,355	(886)	51,438	55,967	49,079	(917)	104,129
Costs of sale of energy and electrical energy transmission services	(13,580)	(10,373)	1,535	(22,418)	(27,288)	(21,955)	2,211	(47,032)
Cost of sales of hydrocarbons	-	(3,401)	1,038	(2,363)	-	(7,564)	2,069	(5,495)
Costo of sales	(13,580)	(13,774)	2,573	(24,781)	(27,288)	(29,519)	4,280	(52,527)
Gross profit	13,389	11,581	1,687	26,657	28,679	19,560	3,363	51,602
Administrative expenses	(3,826)	(4,433)	1,335	(6,924)	(7,450)	(9,032)	2,660	(13,822)
Selling expenses	(382)	-	-	(382)	(692)	-	-	(692)
Other income	5,762	120	(3,022)	2,860	8,982	126	(6,023)	3,085
Other expenses	(928)	(693)	-	(1,621)	(1,126)	(720)	-	(1,846)
Financial income	5,542	23	(83)	5,482	6,185	41	(83)	6,143
Financial expenses	(14,820)	(38)	83	(14,775)	(15,952)	(109)	83	(15,978)
Exchange difference (net)	(815)	42	-	(773)	(637)	403	-	(234)
Profit before income tax	3,922	6,602	-	10,524	17,989	10,269	-	28,258
Income tax expense	(1,043)	(2,218)	-	(3,261)	(5,335)	(3,264)	-	(8,599)
Net profit for the year	2,879	4,384	-	7,263	12,654	7,005	-	19,659
(+) Income tax expense and Profit Sharing				2,858				8,904
(+) Financial expenses, net				10,066				10,069
(+) Depreciation and amortization				4,870				10,258
EBITDA				25,057				48,890
(+) Maple gas provision				2,629				5,463
(+/-) Any extraordinary gain or loss or any non-recurring expenses				(424)				(396)
Adjusted EBITDA ⁽²⁾				27,263				53,958

² According Indenture Section 1.01 Definitions: Consolidated Net Income and Consolidated Adjusted EBITDA.