

Midstream

Greater profitability, transparency and capacity: We talk to Cenit's president, Camilo Marulanda, about goals for the dominant transport company in the sector

HCC-*What are the objectives of Cenit? Was it created to serve Ecopetrol in the short-term and the entire industry in the long run?*

CM: The objectives are threefold: The first is to have a company focused on the transportation business. The second is to ensure the transport needs of all stakeholders in the hydrocarbon sector in Colombia. And the third is to strengthen the whole issue of operational excellence. What we want is a company of the highest standards focused only on transport and on meeting the needs of all stakeholders, including Ecopetrol. Creating Cenit per se does not release capacity and Ecopetrol's rights remain Ecopetrol's via contracts. What we guarantee with the creation of Cenit is that when additional capacity comes along all players can compete for that capacity on an equal basis.

HCC-*Route to the Pacific: What are the plans for the pipeline to the Pacific? Is the route already defined, the port (Tumaco or Buenaventura), the partners? When do you expect to have concrete definitions of the above?*

CM- The first step we took was to sign an agreement with Enbridge to unify the projects. The important thing is to align the need for the project with the level of reserves. If you ask me about priorities I would say that the first step is the first phase of Bicentennial at 160mb / d,

there is an additional project that would raise Bicentennial an additional 60mb / d with more pump capacity in the Llanos and an intermediate station in Caño Limón; there are viable Ocesa enlargements up to 235mb / d; in the Colombia Pipeline (ODC) for up to 40mb / d, and the TransAndino pipeline (OTA) for up to an additional 45mb / d, and then finally there is the Pipeline to the Pacific (ODP); the question is: how many barrels need to be transported and what is the best choice in terms of timeliness, cost and risks.

It is important to mature all of them, to have all ready to start construction if needed, but we do not need two or three pipelines to move the level of reserves that we have today, especially since the payback of this investment is 20 years. A pipeline such as the Pacific needs an additional two billion barrels and these levels of reserve growth do not happen every day.

HCC-*And a port to the Pacific to sell to China is not a strategic choice?*

CM-Not really, if you consider a VLCC (Very Large Crude Carrier) from Coveñas going via Africa we could talk about a cost per barrel of US\$2.50 or US\$3 whereas if it went across the Pacific the cost would be US\$2.20 / bbl so the marginal savings are not material. However, these options are being kept open.

HCC: *A longer version of this interview is available on the website.*

Who is Camilo Marulanda?



Camilo Marulanda López graduated in Economics from the Universidad de los Andes in Colombia, and later as a Specialist in Marketing from the same institution. He began his career in 2011 as a Bank Investments Analyst at International Intelligence Investment and then moved on to work at Procter & Gamble Colombia as an Account Manager and later Category Manager.

He joined Ecopetrol in 2003 as head of the Marketing Department, and has occupied several positions in the company, including Vice-President of Supply and Marketing and Manager of National Commercialization. He is currently the Corporate Vice-President of Strategy and Growth and in charge of the Presidency of Cenit.