

Ecopetrol issues \$2 billion in bonds to refinance ISA loan

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Colombia's majority state-owned oil and gas company [Ecopetrol](#) issued \$2 billion in bonds to international markets, with proceeds destined to partially refinance a loan it used to buy a majority stake in energy conglomerate ISA, it said.



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BOGOTA, Oct 28 (Reuters) - Colombia's majority state-owned oil and gas company [Ecopetrol](#) issued \$2 billion in bonds to international markets, with proceeds destined to partially refinance a loan it used to buy a majority stake in energy conglomerate ISA, it said.

[Ecopetrol](#) ECO.CN issued the bonds in the over-subscribed offering on Wednesday with approval from Colombia's finance ministry.

The company previously agreed to buy the Colombian government's 51.4% stake in ISA for \$3.77 billion as part of its plan to become an integrated energy company.

In August, [Ecopetrol](#) received the green light to agree a loan worth up to \$4 billion with international banks to pay for the deal.

The bond issue saw demand of more than \$7.6 billion, [Ecopetrol](#) said, with investors based in the United States, Europe, Asia and Latin America.

The issue included \$1.25 billion in 10-year bonds at a rate of 4.625%, as well as \$750 million in 30-year bonds at a rate of 5.875%, the company said in a statement.

In August, [Ecopetrol](#)'s board approved the possible issuing of shares which could reduce the state's stake in the company to a minimum of 80% over the next five years.

Colombia currently owns some 88.49% of [Ecopetrol](#) shares.

(Reporting by Luis Jaime Acosta Writing by Oliver Griffin Editing by Mark Potter)