

## ECOPETROL ISSUES \$2B BOND, PARTNERS WITH TOTAL EREN FOR RENEWABLE ENERGY IN COLOMBIA

### Ecopetrol SA - ADR

NEW YORK STOCK EXCHANGE INC.

11.50 -0.12

(-1.03%)

Jan 17, 2023, 4:00:02 PM

EST

11.50 0.00

(0.00%)

Jan 17, 2023, 7:45:15 PM

EST

EXTENDED

Day's Range 11.48 - 11.73

52 Week Range 8.59 - 16.95

Crude Petroleum and Natur...

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About the Author



Greg Morcroft

Greg Morcroft is a senior financial journalist with 25 years of experience at Reuters, Dow Jones, MarketWatch, The Deal, and now Fintel. He spent 11 years as a reporter at Reuters, then another five years as the New York News Editor at Dow Jones. He spent eight years as the New York Bureau Chief for MarketWatch/Dow Jones, before moving on to The Deal, where he was the Assistant Managing Editor. He specializes in premarket reporting, activist reporting, and editing across all asset classes.

# Ecopetrol Issues \$2B Bond, Partners with Total Eren for Renewable Energy in Colombia

## Investors like the look of Ecopetrol's plans

GREG MORCROFT

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US :EC



Colombia's state-run oil company, [Ecopetrol](#) (US:EC, CO:ECOPETROL), made a splash in the global bond market with a premium \$2 billion, 10-year bond sale last week. Despite rising rates for emerging-market borrowers, the company sold the bonds at a coupon of 9%, or about 539 basis points above similarly-dated Treasury notes.

[Ecopetrol](#) said it would use the funds for its 2023 investment plan and to pay off a previous loan used to acquire a Colombian utility company. The sale marks the first major bond issuance by a Latin American corporate borrower in 2023. [Ecopetrol](#)'s existing bonds fell following the announcement.

The sale comes as [Colombia](#), recently downgraded to a noninvestment grade and [Ecopetrol](#) work to transition to more renewable energy sources and away from oil and coal.

And earlier last week, the company unveiled a partnership with Total Eren to build a solar photovoltaic farm in the country. The Rubiales facility will have a capacity of nearly 100MWp and be located in the municipality of

Puerto Gaitan in Meta province.

Total Eren will take on the role of developer, financier, builder, and operator of the project, while **Ecopetrol** will hold a 49% stake. The Rubiales solar farm will feature 180,000 monocrystalline bifacial panels and generate enough clean energy to meet the needs of 150,000 people daily. Construction is set to begin in Q1 of this year, with the facility expected to come online in Q1 of next year. The clean energy generated will be sold to **Ecopetrol** under a 17-year power purchase agreement.

The Rubiales project is part of **Ecopetrol**'s efforts to decarbonize and accelerate Colombia's energy transition. **Ecopetrol** Group President Felipe Bayón Pardo said, "Our goal is to incorporate 900MW by 2025 with renewable energies that help us face climate change. This is aligned with our aspiration to achieve net-zero carbon emissions by 2050."

Investors responded to the news, and the shares rose more than four percent last week.

Furthermore, in late December, the company said it expects the investments to help it boost organic production levels in 2023 of between 720,000 to 725,000 barrels of oil equivalent per day (76% oil and 24% gas and white products) and will be focused on enhanced recovery technologies to maximize the existing reservoir resources and protect the basic curve to offset the natural production decline of the fields.

Likewise, between 2023 and 2025, around 1,600 development wells are expected to be drilled, 574 of them in 2023. In 2023, 25 exploratory wells are expected to be drilled in the Llanos Orientales, Mid-Magdalena Valley, Piedemonte, and Caribbean Offshore basins.

Fintel fund flows showed the flurry of news struck a chord with those investors linking their trading accounts with their trading accounts. According to the data, **Ecopetrol** was last week's most popular stock among those members, as 2.5% of Fintel purchases among that group were **Ecopetrol** shares.

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