

NEWS

Alliance between Ecopetrol, Baker Hughes and CHEC to Foster the Use of Geothermal Energy in Colombia

March 8, 2023



This initiative seeks to generate between 50 and 100MW of renewable energy

HOUSTON – March 8, 2023 – Ecopetrol, Baker Hughes and the hydroelectric power plant Central Hidroeléctrica de Caldas (CHEC for its Spanish acronym) of Grupo EPM, signed a memorandum of understanding for the structuring of feasibility studies to implement a geothermal power generation project in the Nereidas Valley, located in the department of Caldas.

This proposed geothermal power generation project initiative, which uses the high temperatures inside the earth to produce electricity, could generate between 50 and 100 megawatts (MW) of renewable energy to benefit over 250,000 families.

Geothermal energy is currently generated in more than 20 countries, with the United States being the world's largest producer, followed by Indonesia and the Philippines.

The anticipated definitive collaboration agreement(s) extends over a 12-month period in which technical studies, subsoil analysis and structuring of financing sources will be conducted to define a proposal for the generation of renewable energy, ultimately leading to the execution of a pilot in the department of Caldas.

The president of Ecopetrol Group, Felipe Bayón, highlighted the importance of this alliance, stressing it will allow to verify the viability of implementing a geothermal project, leveraging the strengths of each of the companies in the different links of the value chain, from

the development in the subsoil to the commercialization of energy.

“The Nereidas Valley project would allow us to better understand the potential of geothermal projects in Colombia, where we possibly have an interesting advantage. Geothermal energy is a very attractive alternative renewable energy source given its capacity to generate energy continuously and reliably,” Bayón said.

“Geothermal is a critical part of a sustainable energy mix to reduce emissions over time. I’m pleased to be a part of a geothermal project in one of Colombia’s most relevant plays along with our partner and longtime customer **Ecopetrol**, as well as CHEC,” said Baker Hughes Chairman and CEO Lorenzo Simonelli. “We are confident our geothermal expertise and technology can help **Ecopetrol** reach its target of providing 900 MW of renewables by 2025.”

Santiago Villegas Yepes, general manager of CHEC stated, “This alliance with **Ecopetrol** and Baker Hughes is a wonderful opportunity to promote the Nereidas Valley geothermal project, where CHEC has developed a judicious and rigorous exploration exercise that realizes a potential very interesting. Geothermal energy is one of the most precious sources of non-conventional renewable energy and at this time, in which the energy transition is a priority for humanity and an opportunity to move towards new development models for Colombia, from the Alliance we hope to convene the interest and commitment of the national government, and with their support, we make possible the sustainable use of this resource to benefit local communities, the country and the entire planet.”

The leaders of the participating companies were present at the signing of the memorandum of understanding, which took place during CERAWEEK, the annual executive energy conference held in Houston.

Additionally, **Ecopetrol** is evaluating the installation of a geothermal pilot plant in the Apiay field, located in the department of Meta, which will generate around 200 kilowatts (KW) of renewable energy. The pilot will take advantage of the heat generated by the production fluids of existing oil wells.

About **Ecopetrol**

Ecopetrol is the largest company in Colombia and one of the main integrated energy companies in the American continent, with more than 18,000 employees. In Colombia, it is responsible for more than 60% of the hydrocarbon production of most transportation, logistics, and hydrocarbon refining systems, and it holds leading positions in the petrochemicals and gas distribution segments. With the acquisition of 51.4% of ISA’s shares, the company participates in energy transmission, the management of real-time systems (XM),

and the Barranquilla - Cartagena coastal highway concession. At the international level, **Ecopetrol** has a stake in strategic basins in the American continent, with Drilling and Exploration operations in the United States (Permian basin and the Gulf of Mexico), Brazil, and Mexico, and, through ISA and its subsidiaries, **Ecopetrol** holds leading positions in the power transmission business in Brazil, Chile, Peru, and Bolivia, road concessions in Chile, and the telecommunications sector. This press release contains business prospect statements, operating and financial result estimates, and statements related to **Ecopetrol**'s growth prospects. These are all projections and, as such, they are based solely on the expectations of the managers regarding the future of the company and their continued access to capital to finance the company's business plan. The realization of said estimates in the future depends on the behavior of market conditions, regulations, competition, the performance of the Colombian economy and the industry, among other factors, and are consequently subject to change without prior notice.

About Baker Hughes

Baker Hughes (NASDAQ: BKR) is an energy technology company that provides solutions to energy and industrial customers worldwide. Built on a century of experience and conducting business in over 120 countries, our innovative technologies and services are taking energy forward – making it safer, cleaner and more efficient for people and the planet. Visit us at bakerhughes.com.

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