

EMGESA S.A. E.S.P.

BALANCE SHEETS AS OF MARCH 31, 2011 AND DECEMBER 31, 2010
(In thousands of pesos)

ASSETS	as of March 30, 2011	as of December 31, 2010	LIABILITIES AND SHAREHOLDERS' EQUITY	as of March 30, 2011	as of December 31, 2010
CURRENT ASSETS:			CURRENT LIABILITIES:		
Available	\$ 310,619,213	\$ 305,107,332	Financial obligations	\$ 1,088,614,861	\$ 361,152,457
Investments	249,496,111	1,696,145	Accounts payable	416,529,894	98,309,172
Accounts receivable	287,960,312	188,815,089	Related companies	150,318,214	558,459,905
Related companies	151,688,011	133,446,734	labor-related and social security obligations	7,228,648	9,399,314
Inventories	24,122,309	20,291,536	Pensions and fringe benefits	11,111,230	11,111,230
Prepaid expenses	<u>4,145,175</u>	<u>5,633,320</u>	Accrued expenses	79,009,898	129,391,460
			Taxes, levies and duties payable	5,359,707	11,238,558
			Premium Unamortized bond issue	<u>2,461,564</u>	<u>4,274,084</u>
Total current assets	<u>1,028,031,131</u>	<u>654,990,156</u>	Total current liabilities	<u>1,760,634,016</u>	<u>1,183,336,180</u>
LONG-TERM INVESTMENTS	8,470,409	8,421,791	LONG TERM:		
LONG-TERM RECEIVABLES	11,748,232	11,240,651	Financial obligations	1,390,009,053	1,390,009,053
Inventories	20,548,780	20,441,268	Pensions and fringe benefits	68,292,193	70,601,522
DEFERRED CHARGES, NET	120,377,967	109,169,739	Premium Unamortized bond issue	1,812,520	1812520.-
INTANGIBLES, NET	53,592,289	54,302,071	Income received in advance	1,651,382	907,383
PROPERTY, PLANT AND EQUIPMENT, NET	4,909,870,483	4,909,765,339	Accrued expenses	<u>2,138,514</u>	<u>1,526,202</u>
VALUATIONS	2,009,662,345	2,009,648,656	Total long-term liabilities	<u>1,463,903,662</u>	<u>1,464,856,680</u>
OTHER ASSETS	<u>3,636,431</u>	<u>2,892,621</u>	Total liabilities	<u>3,224,537,678</u>	<u>2,648,192,860</u>
Total assets	<u>\$ 8,165,938,067</u>	<u>\$ 7,780,872,292</u>	SHAREHOLDERS' EQUITY (Note 20)		
MEMORANDUM ACCOUNTS			Paid-in capital	655,222,313	655,222,313
MEMORANDUM ACCOUNTS PAYABLE	<u>\$ 314,189,792</u>	<u>\$ 314,165,146</u>	Premium in stock placement	113,255,816	113,255,816
MEMORANDUM ACCOUNTS RECEIVABLE	<u>\$ 2,711,900,448</u>	<u>\$ 2,711,572,661</u>	Legal reserve	327,611,156	327,611,156
			Occasional reserves	178,127	178,127
			Equity revaluation	1,674,920,377	1,871,439,181
			Net income for the period	2,009,662,345	2,009,648,656
			Surplus valuations	<u>160,550,255</u>	<u>155,324,183</u>
			Total shareholders' equity	<u>4,941,400,389</u>	<u>5,132,679,432</u>
			Total liabilities and shareholders' equity	<u>\$ 8,165,938,067</u>	<u>\$ 7,780,872,292</u>
			MEMORANDUM ACCOUNTS		
			MEMORANDUM ACCOUNTS PAYABLE	<u>\$ 314,189,792</u>	<u>\$ 314,165,146</u>
			MEMORANDUM ACCOUNTS RECEIVABLE	<u>\$ 2,711,900,448</u>	<u>\$ 2,711,572,661</u>

The accompanying notes are an integral part of the financial statements

The undersigned legal representative and accountant hereby certify we have previously verified the statements contained in these financial statements and that they have been taken faithfully from Company books.

ALBA LUCIA SALCEDO RUEDA
Public Accountant
T.P. No. 40562-T

EMGESA S.A. E.S.P.**INCOME STATEMENT****FOR THE THREE-MONTH PERIOD ENDING MARCH 31, 2011 AND DECEMBER 31, 2010**
(in thousands of Colombian pesos)

	as of March 30, 2011	as of December 31, 2010
OPERATING INCOME	\$ 449,937,017	\$ 455,201,120
COST OF SALES	<u>(173,199,020)</u>	<u>(184,971,884)</u>
GROSS PROFIT	276,737,997	270,229,236
ADMINISTRATIVE EXPENSES	<u>(7,391,009)</u>	<u>(7,677,047)</u>
Operating income	<u>269,346,988</u>	<u>262,552,189</u>
INCOME (EXPENSES) NON-OPERATING:		
Financial income	1,053,718	2,426,215
Financial expenses	(38,327,512)	(34,578,317)
Miscellaneous, net	<u>(687,579)</u>	<u>(483,390)</u>
Non- Operating income	<u>(37,961,373)</u>	<u>(32,635,492)</u>
INCOME BEFORE INCOME TAX	<u>231,385,615</u>	<u>229,916,697</u>
INCOME TAX	<u>(70,835,360)</u>	<u>(74,592,514)</u>
NET INCOME FOR THE PERIOD	\$ <u>160,550,255</u>	\$ <u>155,324,183</u>

The accompanying notes are an integral part of the financial statements

The undersigned legal representative and accountant hereby certify we have previously verified the statements contained in these financial statements and that they have been taken faithfully from Company books.

ALBA LUCIA SALCEDO RUEDA
Public Accountant
T.P.No. 40562-T