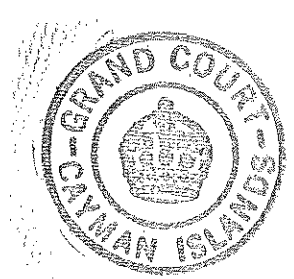


IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION



CAUSE NO: FSD 0165 OF 2015 ()

IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF SANTIAGO OIL COMPANY

PETITION



To: The Grand Court

THE HUMBLE PETITION of Santiago Oil Company care of Appleby Trust (Cayman) Limited, Artemis House, Fort Street, George Town, Grand Cayman, Cayman Islands (the **Company**) **SHOWS THAT:**

Background

1. The Company is a company limited by shares that was incorporated in Delaware on 13 November 1981 and registered by way of continuation in the Cayman Islands on 30 April 1996 under the Companies Law as amended (the **Companies Law**). The Company is registered under number 65819.
2. The objects for which the Company is established are unrestricted.
3. The Company has issued 1,502,220.0002 shares of US\$1.00 par value. The Company's current authorised share capital is 270,000,000 of US\$1.00 each.
4. The transactions referred to in paragraphs 6 and 7 below (each, a **Restructuring Transaction**) are conditional upon orders being made by this Honourable Court in accordance with (or substantially in accordance with) the relief sought in this Petition. Should the Court make the orders sought herein, then each of the Restructuring Transactions shall come into effect, subject to fulfilment of the remaining formalities, namely:
 - 4.1. this Honourable Court making an order confirming the reduction of capital sought herein (Order), pursuant to section 16 of the Companies Law (2013 Revision) (the **Companies Law**);
 - 4.2. all conditions set out in the Order being satisfied;

- 4.3. the Order being registered in accordance with section 17 of the Companies Law; and
 - 4.4. the conditions referred to in paragraphs 3(c)-(g) of the Spin-Off Agreement (as defined below) having been satisfied.
5. Pursuant to a corporate reorganisation of the Company governed by a spin-off agreement dated 22 October 2015 (**Spin-Off Agreement**), the Company agreed to spin off a portion of its patrimony by means of:
- 5.1. a cancellation of such part of the nominal amount of the share capital of the Company held by the Company's sole shareholder, Equion Energia Limited (**Equion**), as is equal to the sum of US\$1,066,877 being the net book value of the patrimony referred to in sub-paragraphs 5.1.1 – 5.1.2, below;
 - 5.1.1. 922 ordinary shares issued by Oleoducto de Colombia S.A. (**ODC**), being 5.03% of the share capital of ODC (**Shares**) having a net book value of US\$780,877, with 452 (2.4659002169197%) of the Shares being transferred to Proyectos ODC N1 S.A.S. (**Beneficiary 1**) and 470 (2.56409978308026%) of the Shares being transferred to Sento S.A.S. (**Beneficiary 2**);
 - 5.1.2. The Company's crude inventory in the ODC pipeline (**Line Fill**) having a net book value of US\$286,000, with 49% of the Line Fill being transferred to Beneficiary 1 and 51% of Line Fill being transferred to Beneficiary 2.
 - 5.2. Each of Beneficiary 1 and Beneficiary 2 shall issue to Equion shares which have a nominal value that is equal to the net book value of the patrimony transferred to each of them, as described in paragraphs 5.1.1 to 5.1.2.
6. The Articles of Association of the Company (the **Articles**) provide, at Article 25.2, that, inter alia:
- The Company may reduce its share capital... in any manner whatsoever.*
7. The Company is proposing one capital reduction in relation to the transactions described in paragraphs 5.1.1 to 5.1.2 to give effect to the Spin-Off Agreement (the **Capital Reduction**).

Financial Information

8. The Statements of Financial Position of the unaudited unconsolidated financial statements of the Company as at 30 September 2015 (the **Accounts**) show:
 - 8.1. shareholder equity of US\$275,794,000; this is comprised of issued and paid-up share capital of US\$1,502,000, share premium of US\$266,480,000 and retained earnings of US\$18,746,000 less the accrued losses in the 2015 profit and loss account of 10,935,000;

- 8.2. cash and cash equivalents of US\$33,564,000 and assets held for distribution to shareholders of US\$1,067,000;
 - 8.3. other current assets of US\$270,825,000; this amount comprised raw materials inventories, and trade and other receivables;
 - 8.4. creditors and accruals in the sum of US\$45,218,000.
9. The Capital Reduction will not prejudice the interests of the creditors of the Company, which are adequately safeguarded as the Company has creditors and accruals in the sum of US\$45,218,000 as at 30 September 2015, and the Company has cash and current asset resources well in excess of the claims of all creditors, including such accruals, and net assets of US\$275,794,000. Furthermore, the Capital Reduction in dollar value, is modest relative to the assets and liabilities of the Company, and the Capital Reduction is therefore of no prejudice to the creditors of the Company.

The Special Resolution

10. In the process of formulation of the corporate reorganisation of the Company, the Company's sole shareholder, Equion, was consulted and, through those consultations and related communications, obtained detailed knowledge of all matters relevant to Equion's decision whether or not to pass a special resolution to reduce the capital of the Company. Furthermore, Equion is a party to the Spin-off Agreement.
11. By a special resolution passed through a unanimous written resolution on 22 October 2015 in accordance with article 52.3 of the Articles and section 14 of the Companies Law (the **Special Resolution**), it was resolved as a special resolution, inter alia, as follows:

RESOLVED as a special resolution pursuant to Article 52.3 of the Articles that the application to the Grand Court to approve a reduction of the capital of the Company by cancelling US\$0.710200236888046 from each issued ordinary share of US\$1.00 each pursuant to Section 15 of the Companies Law (2013 Revision) of the Cayman Islands be and is hereby authorised and approved in all respects.

12. The Special Resolution was unanimously passed on the basis of a unanimous written resolution.
13. As the Company has no unpaid share capital, the Capital Reduction would not involve the diminution in liability in respect of any such unpaid share capital.
14. The form of minute proposed to be registered is as follows:

"By virtue of a Special Resolution and with the sanction of an Order of the Grand Court of the Cayman Islands dated [date] 2015, the issued share capital of Santiago Oil Company was reduced by US\$1,066,877 by the reduction of the par value of each of

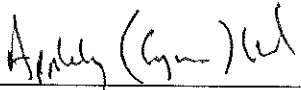
the 1,502,220.0002 fully paid ordinary shares of the Company to US\$0.289799763111954 per share (being a cancellation of US\$0.710200236888046 from each issued ordinary share of US\$1.00 each). At the date of registration of this Minute, all of the shares in the issued share capital of the Company are fully paid up."

15. It is appropriate for the Court to confirm the Capital Reduction.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. That the reduction of the issued share capital of the Company proposed to be effected by the Special Resolution set forth in paragraph 11 of this Petition be confirmed and that the abovementioned minute be approved by the Court; and
2. Such orders as the Court thinks fit.

DATED this 23rd day of October 2015



Appleby (Cayman) Ltd.
Attorneys-at-Law for the Petitioner

NOTE: It is not intended to serve this Petition on anyone or any entity.

THIS PETITION was filed by Appleby (Cayman) Ltd., Attorneys-at-Law for the Petitioner, whose address for service is Clifton House, 75 Fort Street, PO Box 190, KY1-1104, George Town, Grand Cayman, Cayman Islands. (REF: THW/JS/416521.0003)

NOTICE OF HEARING

This Petition having been presented to the Court on _____ 2015 will be heard at the
Grand Court of the Cayman Islands on _____ at _____ (or as soon thereafter as
the Petition may be heard).

Any correspondence or communication with the Court relating to the hearing of this petition should be
addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand
Cayman, Cayman Islands, KY1-1106 telephone 345 949 4296