Investor Update

Electrogas’ equity stake acquisition agreement

December 2016
Electrogas’ 42.5% investment fits REN’s 2015-18 approved strategic plan, which defined international expansion as a key growth pillar.

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<th>REN’s 2015-18 strategic guidelines</th>
<th>REN’s international investment criteria</th>
<th>Electrogas’ investment</th>
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<tbody>
<tr>
<td>Local business as top priority</td>
<td>NATURE OF INVESTMENT</td>
<td>✓</td>
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<tr>
<td>Explore international projects</td>
<td>• Investment in electricity and gas transmission assets</td>
<td>✓</td>
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<td>Consolidate financials</td>
<td>• Analyze both M&amp;A and greenfield projects</td>
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<td>OWNERSHIP STRATEGY</td>
<td>✓</td>
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<td>• Assess majority and minority positions</td>
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<td></td>
<td>• Achieve active investor position with influence over company decisions</td>
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<td>PARTNERSHIP STRATEGY</td>
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<tr>
<td></td>
<td>• Prioritize investments with relevant local partners</td>
<td>✓</td>
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<td>LATIN AMERICA AS TARGET MARKET</td>
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<td>• Chile as a priority investment market based on strong economic fundamentals, established infrastructure development plans and a solid legal and regulatory framework</td>
<td>✓</td>
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Electrogas operates a (i) 165.6 Km reversible natural gas pipeline between Quintero’s LNG terminal (Chile’s Pacific coast) and Santiago metropolitan region and a (ii) 20.5 Km diesel oil pipeline

Electrogas is the only gas pipeline in Chile’s central region connecting Quintero’s regasification terminal to Chile’s largest population center (Santiago), and to Valparaiso, one of the country’s most important ports

The asset benefits from high cashflow visibility due to established long-term Take-or-Pay gas transportation contracts

Key customers comprise blue-chip electricity generators (Endesa, Colbún and AES Gener), industrial companies (ENAP) and major local gas distribution players (Metrogas and GasValpo)
1st major international investment of REN in Chile under a cautious and disciplined approach

Chile regarded as LatAm’s most developed economy
• Low-risk investment grade country, considered as the best country to do business in Latin America
• Competitive and growing economy (Average annual GDP growth of 3.9% since 2011)
• Strong institutional set-up with stable and proven regulatory and legal frameworks

Unique asset under operation
• 165.6 Km reversible natural gas pipeline under operation, avoiding risk of “greenfield” entry
• Only pipeline connecting the sole LNG terminal in Chile’s central region and Santiago metropolitan region
• Lasting relationship with investment grade clients under long-term “Take-or-Pay” contracts
• Asset positioned to benefit from growing strategic importance of natural gas in Chile – Since 2010, Santiago’s largest gas distributor registered a 5% annual increase in distributed gas volume

High cashflow visibility
• Stable Take-or-pay contracts
• High cash conversion based on revenue set-up and stable and efficient cost structure

Acquisition with positive impact on REN
• REN’s 1st international success story and delivery of approved strategic plan
• REN as only gas transportation operator shareholder of Electrogas. Acquisition of 42.5% stake provides relevant influence over company decisions
• Acquisition positively impacts REN’s Net Income
• Equity ticket in line with REN’s investment envelope and limited impact on REN’s credit metrics
Acquisition completion is subject to the non exercise of the remaining shareholders’ First Offer Rights

- On December 16th, 2016 REN entered into an agreement with Enel Generación Chile for the acquisition of 42.5% of Electrogas’ shares

- As per Electrogas’ Shareholders Agreement, the remaining shareholders (ENAP & Colbún) hold First Offer Rights over Enel Generación Chile 42.5% stake, under the same conditions agreed with a prospective buyer

- Accordingly, transaction completion is subject to the non exercise of the First Offer Rights. REN expects this process to be concluded until mid-January 2017

- REN expects to reach transaction closing in the 2nd half of January 2017
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