

Gás Natural Infraestructura S.A.

**Interim financial information
as of June 30, 2018**

Contents

Balance sheets	3
Statements of operations	5
Statements of comprehensive income (loss)	6
Statements of changes in Shareholders' equity	7
Statements of cash flows	8
Notes to the individual and consolidated financial Statements	9

Gás Natural Açu Infraestrutura S.A.

Balance sheets

June 30, 2018 and December 31, 2017

(In thousands of Reais)

	Note	Company		Consolidated	
		06/30/2018	12/31/2017	06/30/2018	12/31/2017
Asset					
Current					
Cash and cash equivalents	3	666	1,151	235,420	1,411
Escrow account	4	-	-	200	-
Accounts receivables	11	494	-	-	-
Other advances		-	-	8	-
Recoverable taxes	5	15	-	211	-
Income taxes and contributions recoverable	5	-	-	45	-
Prepaid expense	6	-	-	9,602	2,084
Other receivables		-	-	2	-
Total current assets		1,175	1,151	245,488	3,495
Non-current					
Prepaid expense	6	-	-	15,891	-
Equity-accounted investes	7	319,745	12,320	-	-
Property, plant and equipment	8	13	-	250,378	12,060
Intangible assets	9	-	-	30,000	30,000
Total non-current assets		319,758	12,320	296,269	42,060
Total assets		320,933	13,471	541,757	45,555

Gás Natural Açú Infraestrutura S.A.

Balance sheets

June 30, 2018 and December 31, 2017

(In thousands of Reais)

	Note	Company		Consolidated	
		06/30/2018	12/31/2017	06/30/2018	12/31/2017
Liabilities					
Current					
Suppliers	10	12	-	32,333	1,461
Salaries and charges payable		789	-	951	-
Accounts payable	11	-	-	8,464	623
Taxes payable	12	82	-	2,299	-
Income and social contribution taxes payable	12	-	-	174	-
Trade accounts payable	13	-	-	-	10,000
Total current liabilities		883	-	44,221	12,084
Non-current					
Trade accounts payable	13	-	-	20,000	20,000
Total non-current liabilities		-	-	20,000	20,000
Shareholders' equity					
Share capital	14	238,240	322	238,240	322
Advance for future capital increase		70,927	-	70,927	-
Capital reserve		13,200	13,200	13,200	13,200
Accumulated losses		(2,317)	(51)	(2,317)	(51)
Total shareholders' equity attributed to controlling shareholders		320,050	13,471	320,050	13,471
Non-controlling interests		-	-	157,486	-
Total shareholders' equity		320,050	13,471	477,536	13,471
Total liabilities and shareholders' equity		320,933	13,471	541,757	45,555

Gás Natural Açú Infraestrutura S.A.

Statement of operations

Six-month periods ended June 30, 2018 and 2017

(In thousand of Reais)

	Note	Company		Consolidated	
		06/30/2018	06/30/2017	06/30/2018	06/30/2017
Operating expenses					
Administrative expenses	15	(2,247)	-	(2,550)	-
Impairment and other losses		-	-	(23)	-
Net income before financial revenue (expenses)		(2,247)	-	(2,573)	-
Financial Revenue/Expense					
Finance income	16	63	-	904	-
Finance expenses		(261)	-	(338)	-
Share of loss of equity-accounted investees	7	179	-	-	-
Loss before taxes		(2,266)	-	(2,007)	-
Current income and social contribution taxes	12	-	-	(174)	-
Loss for the period		(2,266)	-	(2,181)	-
Attributable to:					
Owners of the Company		(2,266)	-	(2,266)	-
Non-controlling interest		-	-	85	-
Loss for the period		(2,266)	-	(2,181)	-

Gás Natural Açú Infraestrutura S.A.

Statements of comprehensive income (loss)

Six-month periods ended June 30, 2018 and 2017

(In thousand of Reais)

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Loss for the period	(2,266)	-	(2,181)	-
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(2,266)	-	(2,181)	-

Gás Natural Açú Infraestrutura S.A.

Statements of changes in shareholders' equity

Six-month periods ended June 30, 2018 and 2017

(In thousand of Reais)

	Capital reserve					Shareholders' Equity - parent company	Non controlling shareholder's equity	Total shareholders' equity
	Share capital	Advance for future capital increase	Premium on shares	Siemens Premium - effect	Accumulated loss			
Incorporation of the Company	1	-	-	-	-	1	-	1
Balance as of June 30, 2017	1	-	-	-	-	1	-	1
Loss for the period	-	-	-	-	(51)	(51)	-	(51)
Capital increase - transfer of share from GNA	321	-	-	-	-	321	-	321
Siemens subscription bonus	-	-	-	13,200	-	13,200	-	13,200
Balance as of December 31, 2017	322	-	-	13,200	(51)	13,471	-	13,471
Loss for the period	-	-	-	-	(2,266)	(2,266)	85	(2,181)
Capital increase - Siemens	68,313	-	-	-	-	68,313	-	68,313
Capital increase - GNA HoldCo	169,605	-	-	-	-	169,605	-	169,605
Advance for future capital increase	-	70,927	-	-	-	70,927	-	70,927
Capital increase in UTE GNA I	-	-	-	-	-	-	157,401	157,401
Balance as of June 30, 2018	238,240	70,927	-	13,200	(2,317)	320,050	157,486	477,536

Gás Natural Açú Infraestrutura S.A.

Statements of cash flows

Six-month periods ended June 30, 2018 and 2017

(In thousand of Reais)

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Cash flows from operating activities				
Loss before tax	(2,266)	-	(2,007)	-
Adjustments for:				
Share of profit (loss) of equity-accounted investees	(179)	-	-	-
Adjusted net loss	(2,445)	-	(2,007)	-
(Increase) decrease in assets and increase (decrease) in liabilities:				
Recoverable taxes	(15)	-	(430)	-
Prepaid expense	-	-	(23,409)	-
Other advances	-	-	(8)	-
Other receivables	-	-	(2)	-
Escrow account	-	-	(200)	-
Accounts receivables	(494)	-	-	-
Suppliers	12	-	30,872	-
Accounts payable	-	-	7,841	-
Taxes payables	82	-	2,473	-
Trade accounts payable	-	-	(10,000)	-
Salaries and charges payable	789	-	951	-
Net cash used in operating activities	(2,071)	-	6,081	-
Cash flows from investing activities				
Acquisition of PPE	(13)	-	(238,318)	-
Capital increase of GNA UTE 1	(8,686)	-	-	-
Capital reserve of GNA UTE 1	(298,560)	-	-	-
Net cash provided by investing activities	(307,259)	-	(238,318)	-
Cash flows from financing activities				
Shareholder controller - share capital	169,605	-	237,918	1
Minority interest - share capital	68,313	-	124,106	-
Shareholder controller - Advance for future capital increase	70,927	-	70,927	-
Minority interest - Advance for future capital increase	-	-	33,295	-
Net cash provided by financing activities	308,845	-	466,246	1
Increase in cash and cash equivalents	(485)	-	234,009	1
At the beginning of the period	1,151	-	1,411	-
At end of the period	666	-	235,420	1
Increase in cash and cash equivalents	(485)	-	234,009	1

Notes to the interim financial information

(In thousands of Reais, unless stated otherwise)

1 Operations

Gás Natural Açú Infraestrutura S.A. ("GNA Infra" or "Company") was incorporated on May 2, 2017 and on August 21, 2017 the company was changed from a limited company to a privately held corporation. The name was accordingly changed of Terminal de Regaseificação do Açú Ltda. to Gás Natural Açú Infraestrutura Ltda. Its direct company is Gás Natural Açú S.A. ("Gás Natural") and its indirect company is Prumo Logística S.A. ("Prumo"). GNA Infra has an equity interest in UTE GNA I Geração de Energia S.A. ("GNA I").

The Company and its subsidiary's core activity is the purchase and sale of liquefied natural gas ("LNG"), processing, beneficiation and treatment of natural gas resulting from offshore production and the regasification of LNG, the generation, transmission and sale of energy and electricity capacity and intermediation in the purchase and sale of energy and electric capacity.

In the registered share transfer book of GNA I, on December 15, 2017 the shareholder Gás Natural transferred 320,990 shares and the shareholder Prumo transferred 10 shares to GNA Infra.

On June 16, 2017, Gás Natural signed an agreement with Termelétrica Novo Tempo S.A. ("UTE Novo Tempo"), the company prevailing at New Energy Auction A-5 in 2014 (Auction 06/2014 - ANEEL), for the transfer of the authorization issued by the Ordinance of the Ministry of Mines and Energy 210 on May 14, 2015, for the construction and operation of a 1,238 MW thermal power plant ("Authorization") to GNA I. The agreement entails the transfer of the 37 energy trading agreements in the regulated environment (CCEARs) entered into with energy distribution companies.

On December 19, 2017 ANEEL authorizing resolution 6,769 transferred the exploration rights of Usina Termelétrica (UTE) Novo Tempo to GNA I. The concession term was then 23 years, with operations commencing in 2021.

The project of UTE GNA I Geração de Energia S.A. ("UTE GNA I") entails the construction of a combined-cycle gas-fired thermoelectric power station with an output of approximately 1,300 MW which will handle the contractual obligations of UTE Novo Tempo under its energy trading contracts, an LNG regasification terminal ("Regasification Terminal"), with the capacity to import natural gas for the UTE GNA I project and future power plants and other potential projects in the industrial complex of Porto do Açú, in addition to comprising the development of the "Açú Gas Hub", strategically located in the north-east of Rio de Janeiro state, which offers efficient logistical solutions for the sale and consumption of natural gas and related products.

On August 13, 2017 GNA HoldCo signed an investment agreement with Siemens, with Prumo as guarantor and the company Gás Natural Açú Infraestrutura S.A. ("GNA Infra") as the intervening party, to make this project feasible.

Subject to the performance of certain precedent conditions, the investment agreement states that Siemens shall subscribe new shares issued by GNA Infra in the amount of USD 21,000 thousand, accounting for 33% of its share capital ("Initial Contribution"). After the Initial Contribution, the share capital of GNA Infra will consist of 67% of the shares held by GNA HoldCo and 33% of the shares held by Siemens. Siemens will have certain governance rights, such as the right to appoint a member to the Board of Directors of GNA Infra.

The agreement establishes other conditions, such as relevant regulatory approvals, the performance of a shareholders' agreement between GNA HoldCo and Siemens, the approval of the Business Plans for developing UTE GNA I and the Regasification Terminal, the implementation of an EPC agreement (Engineering, Procurement and Construction), the performance of the LTSA (long-term services agreement) consisting of maintenance services and supplying spare parts to ensure the performance and availability of thermal power plant, the performance of an O&M contract (operation and maintenance).

On December 22, 2017 GNA HoldCo and BP Global Investments Limited (BP) entered into an investment agreement establishing:

- (i) The terms and conditions for BP to acquire 30% of GNA's capital via the subscription of new shares in the amount of USD 7,500 thousand, which will occur in the course of FY 2018;
- (ii) The rules governing the investment by Prumo and BP, in GNA 1, a subsidiary of GNA Infra, and the capital commitment necessary for this investment, proportional to its equity interests in GNA HoldCo, subject to the USD 79,200 thousand limit on BP's capital investment in the project's construction capex;
- (iii) The rules of the company and potential investment by BP in future projects to be created by Gás Natural or its subsidiaries;

BP Agreement

On May 4, 2018 Prumo and BP signed a Shareholders' Agreement by which BP ratified the commitment to invest up to USD 79,200 thousand for GNA 1, a subsidiary of GNA HoldCo, to build a 1,298 MW thermal power plant. Under the Shareholders' Agreement, BP is entitled to appoint up to two members to the GNA HoldCo Board of Directors and one member to GNA 1's Board of Directors, indirectly by way of GNA Infra, in addition to GNA HoldCo's Compliance Officer.

Siemens Agreement

On May 4, 2018 the following agreements were made (i) Shareholders' Agreement of GNA Infra between GNA HoldCo and Siemens Energy Inc., which established Siemens Energy Inc.'s right to appoint two members to the Board of Directors of GNA Infra; and (ii) the Shareholders' Agreement of GNA 1 between GNA Infra and Dresser-Rand Participações Ltda., a wholly-owned subsidiary of Siemens ("Siemens"). In addition to confirming Siemens' investment commitment to have the 1,298 MW thermal power plant built by GNA 1, amongst other things the Shareholders' Agreement establishes Siemens' right to appoint up to two members to the Board of Directors of GNA 1, in addition to its CFO.

2 List of subsidiaries

<u>Direct subsidiary</u>	<u>Country</u>	<u>Ownership interest</u>	
		<u>06/30/2018</u>	<u>12/31/2017</u>
UTE GNA I Geração de Energia S.A. (GNA I)	Brazil	67.00%	100.00%

3 Cash and cash equivalents

	<u>Company</u>		<u>Consolidated</u>	
	<u>06/30/2018</u>	<u>12/31/2017</u>	<u>06/30/2018</u>	<u>12/31/2017</u>
Cash and bank deposits	12	2	35	262
Short-term investments				
CDB	-	-	30,000	-
Securities held under repurchase agreements	654	1,149	205,408	1,149
	654	1,149	235,408	1,149
	666	1,151	235,443	1,411
Provision for expected loss	-	-	(23)	-
Total	666	1,151	235,420	1,411

4 Escrow account

As of June 30, 2018, the balance of bank deposits is R\$ 200, consisting of the guarantee pledge for competitive tenders 3/2018 of the public notice, containing the construction and exploration of port facilities in the region of São João da Barra by Antaq.

5 Recoverable taxes

	<u>Company</u>		<u>Consolidated</u>	
	<u>06/30/2018</u>	<u>12/31/2017</u>	<u>06/30/2018</u>	<u>12/31/2017</u>
Income tax withheld at source ("IRRF")	15	-	60	-
Income tax and social contribution ("IRPJ/CSLL")	-	-	196	-
Total	15	-	256	-

6 Prepaid expense

	<u>Company</u>		<u>Consolidated</u>	
	<u>06/30/2018</u>	<u>12/31/2017</u>	<u>06/30/2018</u>	<u>12/31/2017</u>
Insurance premium (a)	-	-	22,019	1,461
Transaction cost (b)	-	-	3,474	623
Total	-	-	25,493	2,084
Current	-	-	9,602	2,084
Non-current	-	-	15,891	-
Total	-	-	25,493	2,084

(a) Insurance premiums: engineering risks, civil liability, transportation and bail.

Transaction cost to obtain financing from the thermal and LNG regasification terminal, both projects mentioned in Note 1. The amounts are presented in current and non-current assets until the effective funding of the financing resources occurs, where they will be from that moment, reclassified to the liability, as reducing accounts of the outstanding balance of the loans.

7 Equity-accounted investees

a. Equity interest

06/30/2018								
Direct Investee	% interest	Number of shares / (thousand)	Assets	Liabilities	Equity	Share Capital	AFAC	Accumulated loss
UTE GNA I	67%	251,971	541,063	63,831	477,232	376,076	100,893	263

12/31/2017								
Direct Investee	% interest	Number of shares / (thousand)	Assets	Liabilities	Equity	Share Capital	AFAC	Accumulated loss
UTE GNA I	100%	1	44,404	32,084	12,320	1	12,320	(1)

b. Movements on Investees

Direct Investee	12/31/2017	AFAC	Capital stock	Net income	06/30/2018
UTE GNA I	12,320	67,598	239,648	179	319,745

8 Property, plant and equipment

a. Balance breakdown

		Company			
Annual depreciation rate %		Cost	Accumulated depreciation	Net	Net
				06/30/2018	12/31/2017
Works in progress and equipment under construction	-	13	-	13	-
		<u>13</u>	<u>-</u>	<u>13</u>	<u>-</u>

		Consolidated			
Annual depreciation rate %		Cost	Accumulated depreciation	Net	Net
				06/30/2018	12/31/2017
Advances for property, plant and equipment formation	-	-	-	-	8,138
Works in progress and equipment under construction	-	250,378	-	250,378	3,922
		<u>250,378</u>	<u>-</u>	<u>250,378</u>	<u>12,060</u>

		Consolidated			
Annual depreciation rate %		Cost	Accumulated depreciation	Net	Net
				12/31/2017	12/31/2016
Advances for property, plant and equipment formation	-	8,138	-	8,138	-
Works in progress and equipment under construction	-	3,922	-	3,922	-
		<u>12,060</u>	<u>-</u>	<u>12,060</u>	<u>-</u>

9 Intangible assets

	Usefull life	Company		Consolidated	
		06/30/2018	12/31/2017	06/30/2018	12/31/2017
Energy sale receivable (*)	23 years	-	-	30,000	30,000
Total		-	-	30,000	30,000

(*) By way of authorizing resolution 6769, on December 19, 2017 ANEEL transferred the energy trading right, as mentioned in note 01 - Operations.

10 Suppliers

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
National suppliers	12	-	32,333	1,461
Total	12	-	32,333	1,461

11 Taxes payable

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Services tax ("ISS")	-	-	1,879	-
PIS/COFINS	3	-	25	-
Income tax and social contribution ("IRPJ/CSLL")	-	-	174	-
Income tax withheld at source ("IRRF")	79	-	116	-
PIS/COFINS/CSLL - Withheld	-	-	63	-
INSS third parties	-	-	216	-
Total	82	-	2,473	-

12 Related parties

The Company adopts practices of Corporate Governance and/or recommendations required by law. Furthermore, the Company's Corporate Governance Policy establishes that the members of the Board of Directors must monitor and administrate any potential conflicts of interest among the executive officers, the members of the Board and the partners, in such a way as to avoid the inappropriate use of Company assets and, especially, abusive conduct in transactions between related parties.

In compliance with Corporation Law, all members of the Company's Board of Directors are prohibited from voting in any assembly or meeting of the Board, or from acting in any operation or business transaction in which there are interests in conflict with those of the Company.

The main balances of related-party assets and liabilities as of June 30, 2018 and December 31, 2017, as well as the related-party transactions that affected income for the period, are the result of transactions between the Company and its subsidiaries, members of Management and other related parties, as follows:

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Assets:				
Expenses to be recovered				
GNA HoldCo	-	623	-	623
UTE GNA I				
Total	-	623	-	623
Liabilities				
Accounts payables				
GNA HoldCo	-	-	8,464	-
Lakeshore	-	623	-	623
Total	-	623	8,464	623
Operating expenses				
	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Shared costs				
GNA HoldCo	-	-	(10)	-
Total	-	-	(10)	-

13 Trade accounts payable

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Bolognesi Energia (a)	-	-	20,000	30,000
Total	-	-	20,000	30,000
Current	-	-	-	10,000
Non-current	-	-	20,000	20,000
Total	-	-	20,000	30,000

(a) In the contract the payable amounts are divided into fixed installments. R\$ 30,000 has already been provisioned for, which will be restated annually by the IPCA price index until the effective payment. The variable installments will be recognized at the start of the operation and will be paid annually, on the first business day of the month of April, based on the audited financial statements for the previous year with installments equal to 3% calculated on the free cash flow from the shareholder, defined as:

- = EBITDA
- (+/-) working capital variation;
- (-) IR/CSSL paid;
- (-) finance expenses
- (+) financial revenue from reserve accounts *;
- (-) investment in maintenance;
- (-) amortization of financing;
- (+) disbursement of financing

- (+/-) change in reserve accounts *

If the reserve accounts are funded with operating cash generation, the formula above will not include the variation in the reserve account and corresponding finance income.

The nonpayment of any of the amounts established in this contract shall trigger monetary restatement according to the variance of the CDI rate until the effective payment date, in addition to arrears interest at 1% (one percent) a month, in addition to an arrears fine of 2% (two percent) of the debit balance.

14 Shareholders' equity

Shareholder's	06/30/2018		12/31/2017	
	Number of common shares (thousand)	% participation	Number of common shares (thousand)	% participation
GNA HoldCo	2,224	81.85%	1	100%
Siemens	493	18.15%	-	-
Total	2,717	100.00%	1	100%

a. Share Capital

At June 30, 2018, the Company's capital stock is R\$ 238,240, represented by 2,717 registered common shares with no par value (R\$ 1 as of December 31, 2017).

b. Advance for future capital increase – (“AFAC”)

At June 30, 2018 the parent company GNA HoldCo had an advance for future capital increase of R\$ 70,927. These contributions are irrevocable and irreversible, and convertible into the corresponding number of shares, subject to the par value.

c. Dividends

The Company's shares have an equal participation in dividend payments, interest on shareholders' equity and other shareholder benefits. The corporate by-laws determine the distribution of a minimum compulsory dividend of 25% of the net income for the year, adjusted in accordance with article 202 of Law 6404/76. The Company reported a loss in the financial year ended December 31, 2017 and did not pay out dividends.

15 General and administrative expenses

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Salaries and charges	(2,238)	-	(2,538)	-
Consulting	(3)	-	(3)	-
Taxes and fees	-	-	(2)	-
Other	(6)	-	(7)	-
Total	(2,247)	-	(2,550)	-

16 Financial Revenue/Expense

As of June 30, 2018, the balance of finance income, as follows:

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Finance costs				
Bank expenses	(1)	-	(2)	-
IOF	(260)	-	(265)	-
Fine and interest	-	-	(71)	-
	(261)	-	(338)	-
Finance income				
Interest on investments	63	-	904	-
	63	-	904	-
Net finance income	(198)	-	566	-