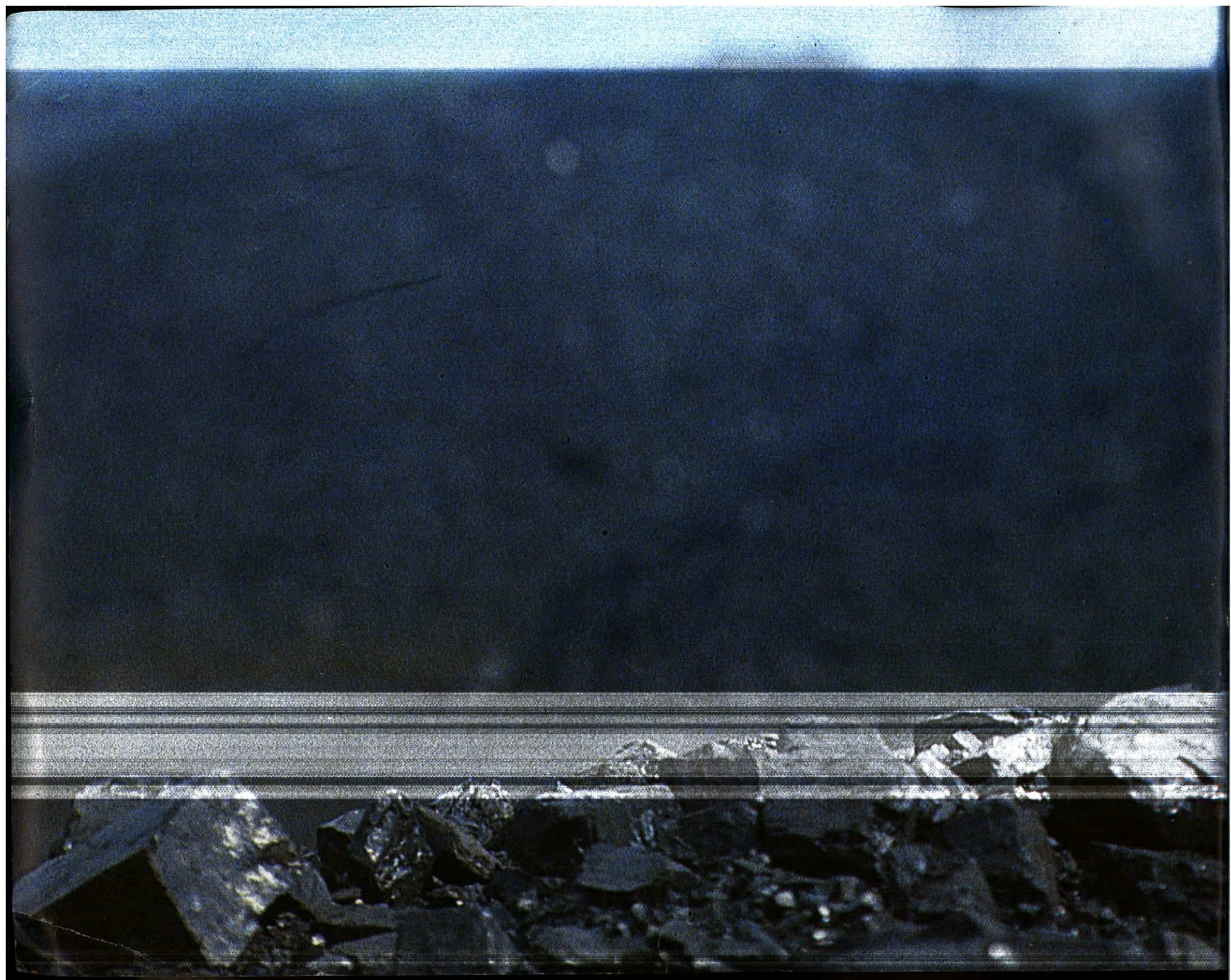


CARBONCOL 1984

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Support towers for the operation of coal transporting barges.



CARBOCOL
CARBONES DE COLOMBIA S. A.

ANNUAL REPORT
1984

507

Board of Directors

PROPIEDAD:
Sección Documentación
y Divulgación
MINISTERIO DE MINAS Y ENERGÍA

Principals

ALVARO LEYVA DURAN
Minister of Mining and Energy

ROBERTO JUNGUITO BONNET
Minister of Public Treasury

IVAN DUQUE ESCOBAR
Minister of Economic Development

Substitutes

RODOLFO SEGOVIA SALAS
President of Ecopetrol

HUGO PALACIOS MEJIA
General Manager - Banco de la República

ALBERTO SCHLESINGER
Director of PROEXPO

Representatives of the President of Colombia

ARTURO GOMEZ JARAMILLO
ELISEO RESTREPO LONDOÑO
JUAN JOSE TURBAY
HERNANDO CELEDON MANOTAS

HERNAN BORRERO URRUTIA
RODRIGO DANGOND LACOUTURE
ANTONIO HERNANDEZ GAMARRA
JOSE VICENTE MOGOLLON

Executive Functionaries

ALVARO PUPO PUPO

President

RICARDO CUCALON VENEGAS

Technical Vicepresident

LEON TEICHER GRAUMAN

Commercial Vicepresident

IVAN DAZA ALMENDRALES

Financial Vicepresident

BERNARDO CASTRO DURAN

General Secretary - Chief of the Legal Office



Scraper tire

Letter of the President

Shareholders:

Together with the Board of Directors, and according to precepted by Law and the Statutes, let me present the Activity Report of the firm for 1984, as well as the Balance for the fiscal year, the Statement of Losses and Profits and their corresponding annexes.

The year 1984 represented a period of important progresses as far as the proposed targets and objectives are concerned. Therefore, it is opportune to generally emphasize on some aspects that are included, in detail, in the Report we are presenting.

In the technical area, the advance of the North Zone Project of El Cerrejón is to be brought out, with the initiation of the mining operation and the conclusion of the railroad works, fundamental elements to fulfill the program of anticipated exportations, that permits: to advance the foreseen date for one year, to place our product in the external markets with the consequent advantages for our country as far as foreign exchanges is concerned and to achieve the early market penetration.

Commercially the placing of coal from the mines of North and Central Cerrejón was continued and the preliminary steps were taken to establish an international network of agents, that will let us have a competitive, agile and efficient commercializing system.

From the financial viewpoint and in view of the difficulties to obtain resources of external credit and in order to fulfill the investment demands opportunely, specially for the North Zone Project of El Cerrejón, it was necessary to resort to short term internal finance sources and to the contributions of the shareholders, who attended our request diligent and efficiently.

We hope that in 1985 and following years the financial situation will present itself substantially better so we can culminate our participation in the El Cerrejón North Zone Project without mishaps. This project, as expressed by the President of Colombia, Doctor BELISARIO BETANCUR, is "a push that breaks our history in two", and thus we may look at our future—that also is the future of our country—with a well founded optimism, thanks to the benefits that coal exportation will bring.

Yours,

ALVARO PUPO PUPO
President

Structure of the Firm

The General Shareholders Assembly that met on July 17, 1984, approved a reform of Article 27 of the Statutes of the Firm, whereby the conformation of the Board of Directors was modified, as follows:

- 1o. **MINISTER OF MINING AND ENERGY**, who presides, with the President of the Colombian Petroleum Company (Empresa Colombiana de Petróleos) —ECOPETROL— as substitute.
- 2o. **MINISTER OF PUBLIC TREASURY**, with the Manager of the Bank of the Republic (Banco de la República) as substitute.
- 3o. **MINISTER OF ECONOMIC DEVELOPMENT** with the Director of the Exportations Promotion Fund (Fondo de Promoción de Exportaciones) —PROEXPO— as substitute.
- 4o. **FOUR REPRESENTATIVES OF THE PRESIDENT OF COLOMBIA**, each with its substitute.

According to its statutory faculties, the Board of Directors created three committees formed by members of its board for the Financial and Technical-Commercial areas, as well as for the National Coal Fund.

By agreement of the Board, the organizational structure of the Firm was modified and the functions of the three Vicepresidencies were re-distributed: the Technical, the Commercial and the Financial.

Financial Aspects

During 1984 our economy's external sector continued deteriorating, originated by the loss in the dynamics of our exportations, the increase in external interest rates and the closing of the international capital markets, facts that caused great difficulties for the external credits acquisition.

Facing these circumstances and to guarantee the continuity of the investments in the North Zone Cerrejón Project, CARBOCOL was compelled to look for short term internal financial resources. This way the Monetary Board (Junta Monetaria), by means of Resolution No. 47/84 authorized a rediscount quota in the Banco de la República for the amount of \$ 7.000 million. The services of 18 banks and one financial corporation were used. The same way, the Fondo de Promoción de Exportaciones —PROEXPO— through Resolution 59/82 admitted a loan for \$ 1.000 million, with the Industrial Fomentation Institute (Instituto de Fomento Industrial) —IFI— as financial mediator.

CAPITAL

On the other hand during 1984 the Shareholders of CARBOCOL made capital contributions for the amount of \$ 10.706 million, that were used to cover the financial costs originated by the internal and external loans to be invested in the developing coal projects.

At the end of 1984, the authorized capital ascended to \$ 29.000 million and the composition of its outstanding and paid-in capital, was the following:



Structure of the coal transporting band in the port.

Capital

PARTNER	PAID-IN CAPITAL (Thousands of Pesos)	%
<i>Ecopetrol</i>	12.523.987	48.87
<i>Proexpo</i>	11.818.150	46.12
<i>I.F.I.</i>	1.204.757	4.70
<i>Ingeominas</i>	39.490	0.15
<i>Ecominas</i>	40.000	0.16
<i>Colminas</i>	2	0.000007
TOTAL	25.626.386	100.00

Shareholders PROEXPO and ECOPETROL consented CARBOCOL short-term credits that will be cancelled during the first quarter of 1985 with charge to the account of capital contributions that these firms must carry out. Such credits ascended to \$ 4.500 million and US\$ 20 million, respectively.

Contracted Credits

Nevertheless the difficulties in the international capital markets during 1984, CARBOCOL contracted a "bridge credit" with the MANUFACTURERS HANNOVER TRUST for US\$ 100 million and another long term credit with the National Government for US\$ 70 million. Both credits were completely disbursed during the year.

Likewise during 1984 US\$ 231.4 million of the contracted credits with Export Agencies were disbursed, according to following detail:

USA - EXIMBANK	US\$ 144.0 MILLION
JAPAN - EXIMBANK	24.0 MILLION
CANADA - EDC.	40.0 MILLION
UNITED KINGDOM - EGGD.....	18.6 MILLION
GERMANY - BHF.....	4.4 MILLION
<hr/>	
TOTAL	US\$231.4 MILLION

Summary

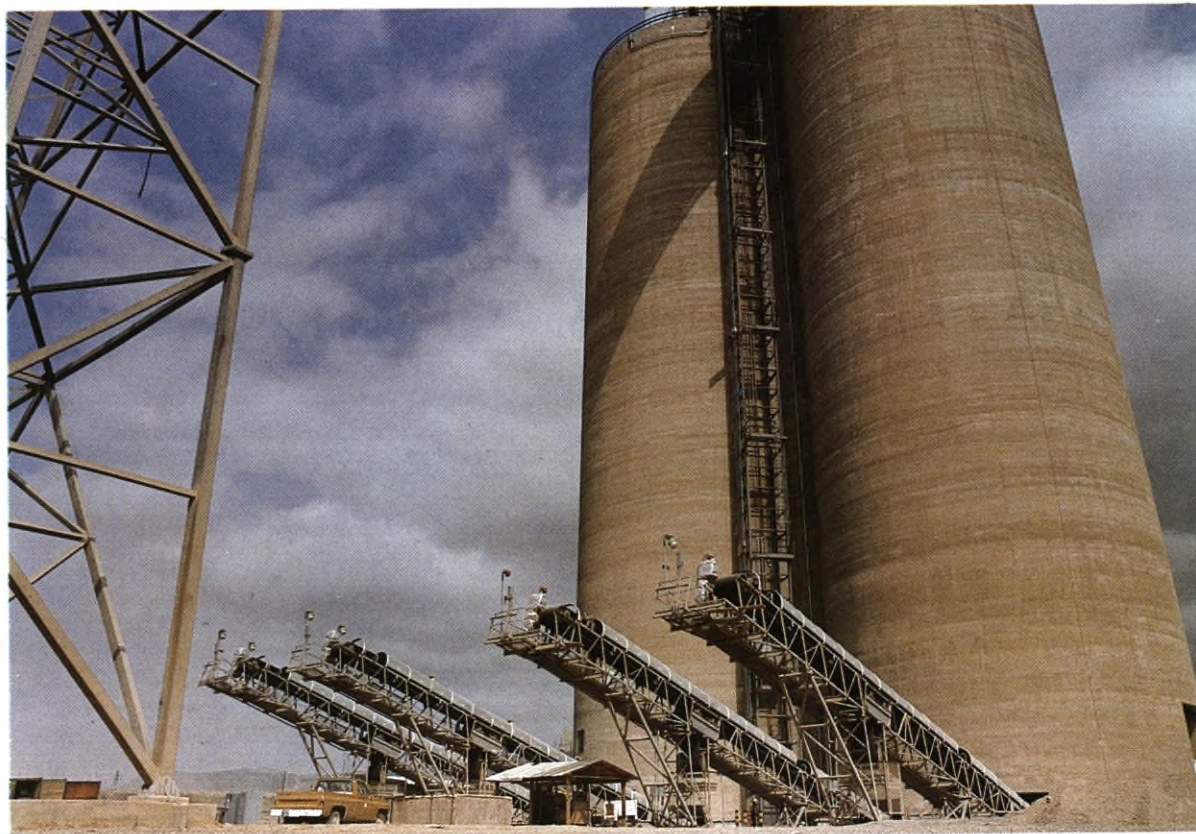
During 1984, CARBOCOL had entries for US\$ 644.5 million, discriminated as follows:

SALES.....	US\$ 14.1 MILLION
AGENCY CREDITS.....	231.4 MILLION
LONG TERM COMMERCIAL CREDIT.....	70.0 MILLION
SHORT TERM EXTERNAL CREDITS.....	100.0 MILLION
SHORT TERM INTERNAL CREDITS.....	115.6 MILLION
CAPITALIZATION.....	113.4 MILLION
<hr/>	
TOTAL	US\$ 644.5 MILLION

These entries permitted CARBOCOL to attend all its obligations:

<i>NORTH ZONE PROJECT</i>	<i>US\$ 320.2 MILLION</i>
<i>CENTRAL ZONE PROJECT</i>	<i>26.5 MILLION</i>
<i>LOAN SERVICE</i>	<i>276.2 MILLION</i>
<i>OPERATING EXPENSES</i>	<i>11.6 MILLION</i>
<hr/>	
<i>TOTAL</i>	<i>US\$ 634.5 MILLION</i>

This way the year ended with a cash surplus of US\$ 10 million, that together with the initial balance of US\$ 16.2 gives us a total balance in banks of US\$ 26.2 million on December 31, 1984.



Coal recovering bands in the silos



Cerrejon North Zone Project

1984 was a transition year between the construction and operation phases. During this year the initiation of the mining operation phase was carried out, which can be seen in the production of 777 thousand tons of coal, and the removal of 11.5 million cubic meter of sterile material.

Construction

During 1984 the overall advance of the construction reached a 69% that corresponds to 59% of the mine, 74% of the port and 9% of the railroad.

In the construction area it is to be emphasized that the alternate installations for the silos were concluded at a cost of US\$ 5.6 million dollars. These installations are part of the anticipated coal project, that will permit to export 3 million tons of coal in 1985; will give large commercialization benefits by means of anticipated exportations; will improve flow of funds for the Project; will produce the entrance of foreign exchange to Colombia; will facilitate the Central Zone coal manipulation; and will give operating flexibility and capacity increase in the future.

On December 1, the mine railroad was officially inaugurated with the presence of the President of Colombia. This fact marks one of the most important events for the country and the Project. The railroad started its daily operations in January and does two daily trips, transporting a total of 9.100 tons of coal.

It is also relevant to emphasize that the port and mine substations were energized, which will supply the necessary electricity for the electric shovel operation and the proofs of the coal manipulation equipment on the port.

Costs

During 1984 the Joint Operation invested US\$ 639.4 million. US\$ 500.1 million correspond to the Principal Contractor and US\$ 139 million to the Operator. The total accrued costs of the project reached US\$ 1.836 million, over a projected total of US\$ 3.275 million for the construction stage.

During this period purchase orders were placed in the country for a total value of 1.617 million pesos and abroad for a total of US\$ 12 million. At the same time the project paid a total of US\$ 166.7 million for contracted services, mostly with Colombian firms.

The following tables contain the most important figures of the Project:

Adjudication According to Country of Origin, Accrued to December 31

MILLIONS OF DOLLARS

Country	Equip./Material	Other	Total	Percentage
<i>Colombia</i>	357	569	926	57.9
<i>United States</i>	257	188	445	27.8
<i>Canada</i>	131	—	131	8.2
<i>Japan</i>	64	—	64	4.0
<i>Great Britain</i>	20	—	20	1.3
<i>Germany</i>	7	—	7	0.4
<i>Israel</i>	3	—	3	0.2
<i>Holland</i>	2	—	2	0.1
<i>France</i>	1	—	1	0.1
TOTAL	842	757	1,599	100.0

Budget Execution 1984

Millions of Dollars

	DECEMBER 1984		1 9 8 4	
	Real	Approved Budget	Real	Approved Budget
PRINCIPAL CONTRACTOR				
<i>In Colombia</i>	33.8	27.3	332.0	365.2
<i>Abroad</i>	14.5	9.2	168.1	128.0
<i>Sub-Total</i>	48.3	36.5	500.1	493.2
<i>Operator</i>	20.1	16.9	139.3	187.1
TOTAL	68.4	53.4	639.4	680.3

North Zone Cerrejón Project

At the end of the year the adjudications by sectors, in Colombia, showed the following figures:

NORTH ZONE CERREJON PROJECT Colombian Participation up to December, 1984 Summary

CHAPTER	VALUE, MILLION \$
I. STEEL AND MACHINERY	8.052.6
ELECTRIC-ELECTRONIC	4.942.6
AUTOMOTIVE, TRANSPORT SPARE PARTS	4.385.0
IV. HARDWARE, CONSTRUCTION MATERIALS, WOOD	5.273.0
V. TEXTILE, HOUSING, RECREATION	8.250.2
VI. LUBRICANTS AND FUELS	2.208.6
VII. SPECIAL SERVICES, REAL ESTATE, FURNITURE, EQUIPMENT	15.303.0
VIII. ENGINEERING STUDIES	2.100.0
IX. CONSTRUCTION	23.650.0
	74.164.5
PURCHASE ORDERS, CONTRACTS AND SUB-CONTRACTS UNDER \$ 5	1.327.5
	\$ 75.492.5



sonal de CARBOCOL - mina

Human Resources on December 31 - 84

	INTERCOR	MKI	TOTAL
Guajirans	1.031	1.457	2.488
Rest of Colombia	1.122	3.243	4.365
Total Colombians ..	2.153	4.700	6.853
Foreigners	156	353	509
Sub-contractors	—	3.531	3.531
TOTAL	2.309	8.584	10.893

Other Projects and Programs

CERREJON CENTRAL ZONE

The production program was continued and dispatches were carried out according to the following volumes:

	1984	Accrued XII-31-1984
<i>Exploited coal</i>	580.048	1.071.038
<i>Processed coal</i>	572.541	1.010.000
<i>Uncovered coal</i>	445.000	445.000

Dispatches

<i>To Puerto Zúñiga</i>	336.708	558.486
<i>To Termoguajira</i>	112.269	270.334
<i>To Tabaco Rubio</i>	3.508	4.987
<i>To other places</i>	—	8

Projects Under Study

Alto San Jorge

The elaboration of the prefeasibility study of the possible mining project was given to the Colombian and American Consortium GEOMINAS-NACI, who already started the geological and surface work.

La Loma - El Descanso

The geological and seismic refraction studies were finished. During October and December proposals of French and Italian firms were received to develop the prefeasibility and feasibility studies in this area. These proposals are still under study..

Patilla

A mining study was carried out in the sector to complement those of the Cerrejón Central Zone; measured reserves up to 250 million tons were identified and the mining design was developed for a project of 3.5 million tons during 25 years, based on a 83 million exploitable tons volume, using "open pit" mining.

Cundinamarca

During September the exploration labors developed in the frame of a technical cooperation agreement between the Federal Republic of Germany and Colombia in the area of Villapinzón and Lenguaque to establish the coal reserves for a possible thermal plant of the Empresa de Energía Eléctrica de Bogotá, were finished.

Exploitation and Exploration Contracts

In the zone contracted by CARBOCOL with PROCARBON DE OCCIDENTE, near Río Inguito-El Tambo, Department of Cauca, the exploratory phase for an initial exploitation of 60.000 tons and of 400.000 tons from the sixth year on, was finished.

In the zone contracted with CARBONORTE, the exploratory phase in the areas of Santiago-Zulia and Cúcuta was continued, to calculate the reserves to set up a medium scale mine to supply coal for Termotasajero.

The exploration studies foreseen in the contract signed with CHIDRAL and CARTON DE COLOMBIA for the Ferreira area in Valle del Cauca, were started.

Small and Medium Mining

Within this program to foment small and medium coal mining, the continuation of the Juridical, Financial and Technical Assistance subprograms should be enhanced, as well as the projects in the areas of publication, training, security, hygiene, mine rescue and direct technical assessment.

Coal Analysis and Processes

In this field, following points are relevant: the negotiations with COLCIENCIAS to create a Coal Research Fund; the preparation of a sampling and analysis handbook to be used in characterization programs; the quality control in the Central Zone and the continuation of the studies to determine the substitution potentiality of coal. As far as the production of synthetic fuels and chemical products from coal is concerned, the scheme for a future project was structured with the collaboration of German experts.



Regional Development

The office in charge carried out tasks in the area of education by controlling the agreements between CARBOCOL and the Northcoast Universities; in the area of community development through technical control of the study on El Cerrejón labor force localization; and finally as far as environment is concerned, by controlling the North Zone Project and the elaboration of the studies on archaeology and rescue.



Guajiran roads



Guajiran teacher with young pupils

Commercial Activities

In 1984 CARBOCOL continued to develop the long run marketing strategy, seeking a gradual penetration of the international market, with a large geographical coverage. Dispatches of the Cerrejón Central Project were carried out, that aside of representing sales for about 17.3 million dollars per year, permitted the development of markets for the North Cerrejón coal that will begin to be placed in 1985. 74^o/o of the dispatches were for exportation, while the other 26^o/o were directed towards domestic markets.

The total available exportable coal of the year was sold, as follows: PUERTO RICAN CEMENT, Puerto Rico, 158.574 tons; CORELCA, Colombia, 110'978 tons; FINNISH SUGAR, Finland, 32,703 tons, CARBOEX, Spain 96.572 tons; ELECTRIC FUELS, United States, 26.444 tons and CEMENTOS PANAMA, 8.645 tons. The geographical diversification strategy also led CARBOCOL to place offers in Germany, Spain, Malta, Italy, Greece, Austria, Corea, Taiwan, Chile and the United States, among other countries.

Simultaneously Phase 2 of the commercial strategy was started, that includes the establishment of an international commercial agents network, with the opening of two private calls for bids for the southern regions of the United States and Germany — Austria and Switzerland.

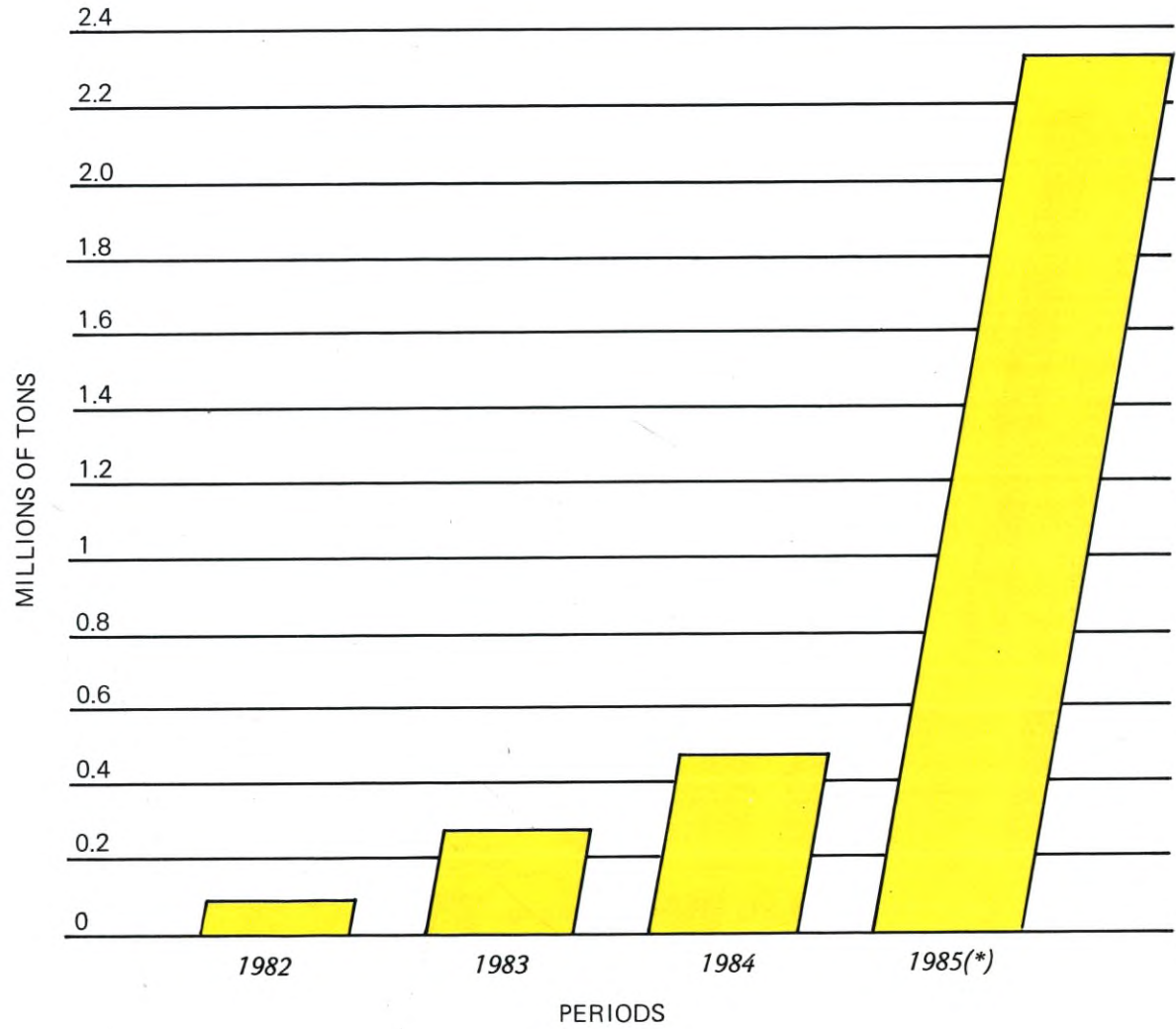
The same as the foregoing years, promotion activities were carried out in international markets through participation in fairs like the one in Hannover, Germany and in seminars like "COALTECH" in Germany, "DIRECT COMBUSTION OF COAL" in Holland, "COAL TRANS" in England and the "INTERNATIONAL COAL TRADE" in the United States. To complement this activity a publicity campaign was developed in specialized international journals.

With respect to special projects there was an intense participation to develop a project with Jamaica to build an aluminum reducing plant in Colombia and the coal supply to cover Jamaica's industrial and electric generation necessities. Together with PROEXPO and the Ministry of Mining and Energy, work on a coal promotion project for the Caribbean and Central American areas was worked on.

With regard to market surveys and economic projections, a model was improved to simulate the thermal coal offer in the international market, to develop CARBOCOL's long term policies and strategies and the systematization of a micro-economic demand model was concluded.



Sales

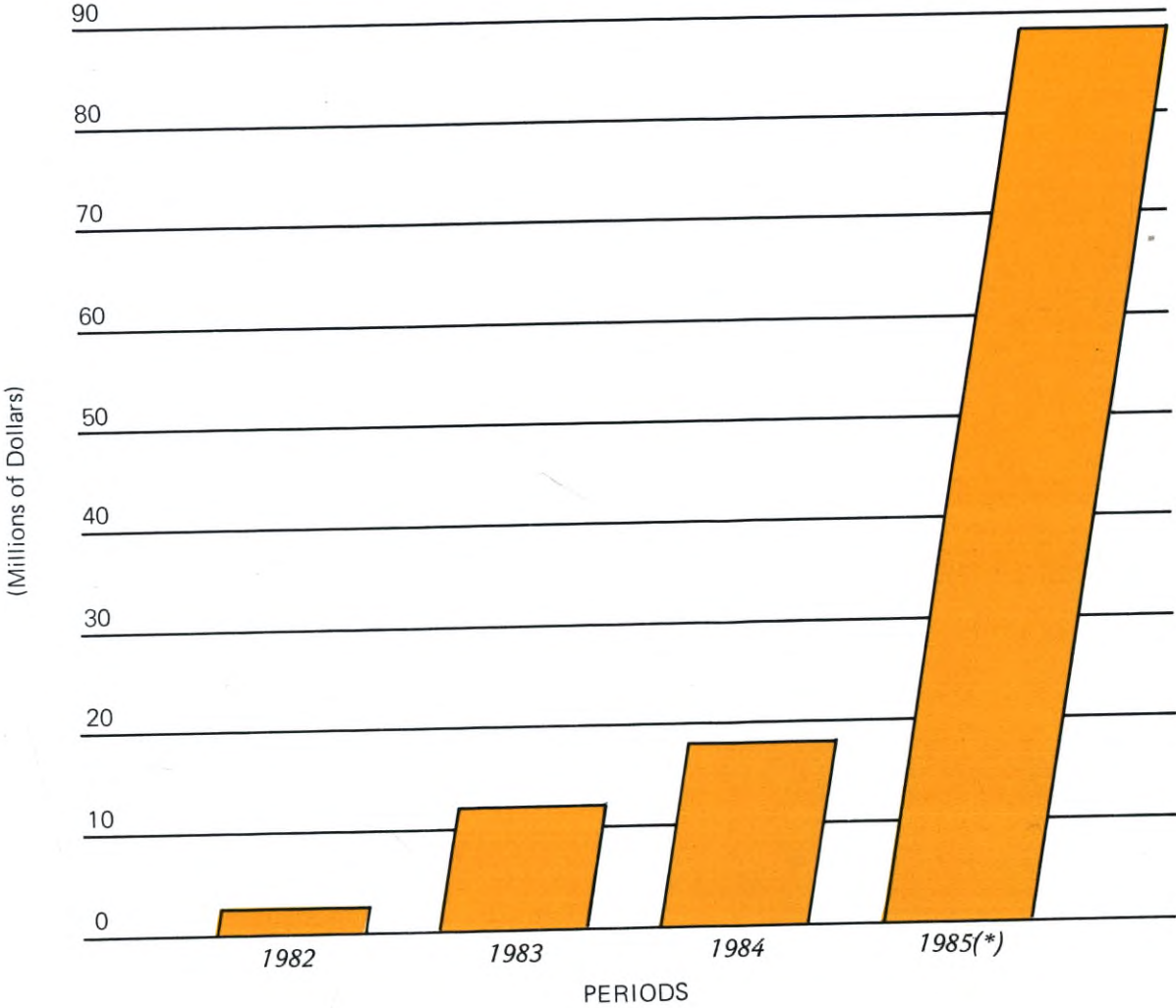


Working bench and in operation mining equipment:
54 ton truck dumpers, shovel and bulldozers

SALES	1982	1983	1984	1985(*)
(Millions of Tons)	34	277	436	2342,5

*PROJECTIONS

Sales

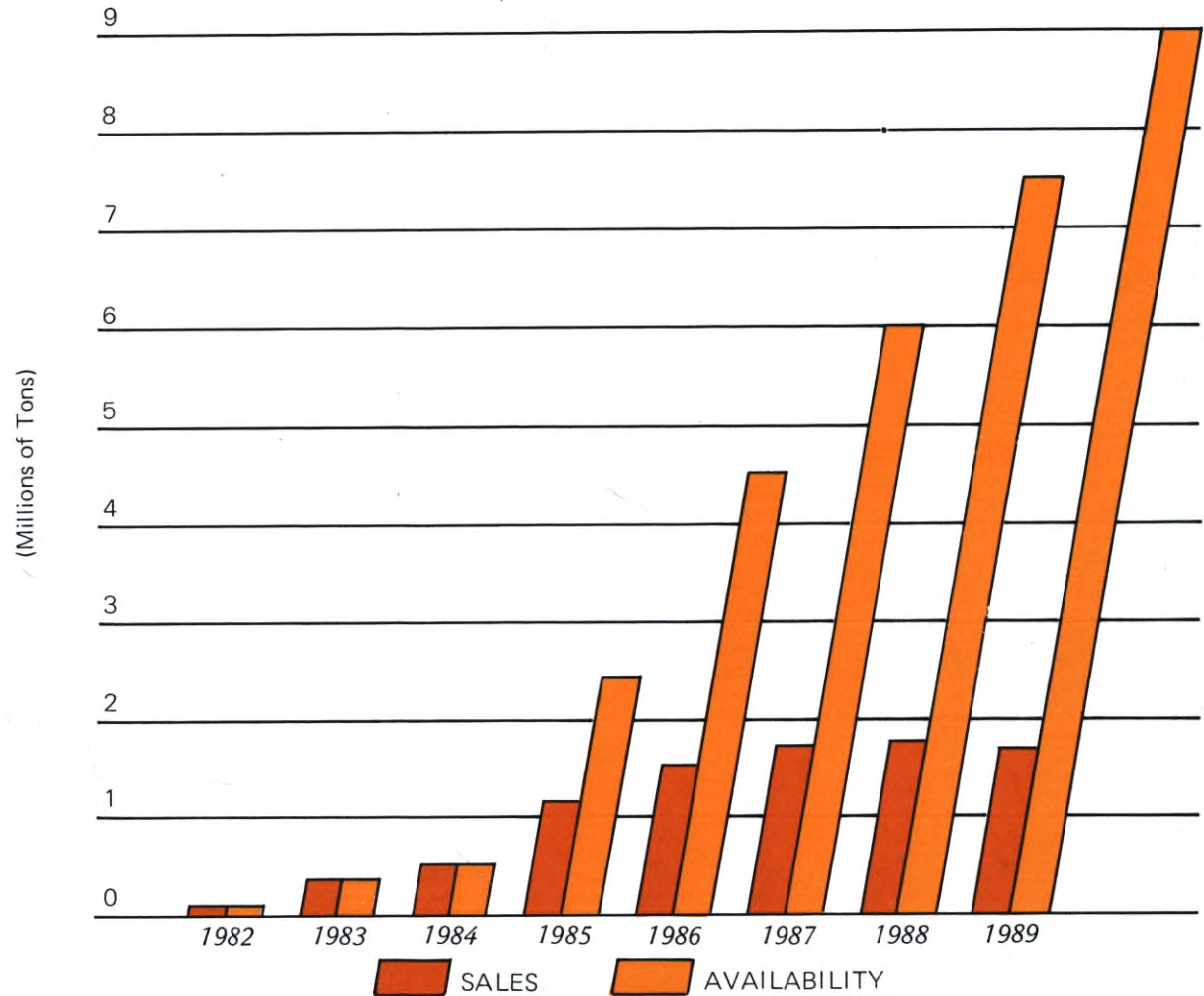


SALES THOUSANDS OF US\$	1982	1983	1984	1985(*)
	1328	11195	17279	89920

*PROJECTIONS

Availability Vs. Sales

(up to December 31, 1984)



	1982	1983	1984	1985	1986	1987	1988	1989
Availability	34	277	464	2342.5	4563.5	6000	7500	9000
(1) for sales	34	277	436	1108.5	1547.5	1747.5	1812.5	1706

(1) Doesn't include inventories

(2) Sales up to December 31, 1984



Coal unloading in small mining

National Coal Fund

During the fiscal year 1984 the Fund collected \$ 145 million, resulting from the taxes on coal exploitation, for an accrued total of \$ 337 million, of which \$ 119 million were transferred to municipalities and departments, and approximately \$ 22 million to foment small and medium mining; of this last amount \$ 17 million are shares of PROCARBON DE OCCIDENTE.

Since 1984, and developing its frontier policy, the National Government, according to its extraordinary faculties, created Regional Development Agencies in Guajira and Cesar. Part of their income is the 60/o of the tax product on coal exploitation developed in their territories; by these means, the participations of the departments and the National Coal Fund were modified, reducing them to 18 and 560/o respectively.

On the other hand it is important to mention that at the end of the year the Fund had registered 965 miners in its records, that represent approximately 700/o of the national total.

Nonetheless, it has been necessary to continue and improve the tributary control mechanisms, that can be summarized in three basic fronts:

- 1o. **Information Verification.** Due to the volume of figures that have to be manipulated, and to the convenience of carrying out an effective information crossing to determine evasions and incoherences and to prepare the requisition files, at present a system is being implemented to process this information.
- 2o. **With the Unique Court of Justice for Fiscal Executions.** Since this is the entity in charge of coercive collecting, its services have been used to collect taxes of producers who owe the Fund money.
- 3o. **With the General Direction of National Taxes.** The procedures to revise liquidations and appraisals and other related affairs, have been improved and settled.





General Balance, December 31, 1984

(Expressed in thousands of Colombian Pesos)	ASSETS	DECEMBER 31	
CURRENT ASSETS		1984	1983*
<i>Cash</i>		425.721	51.952
<i>Investments (Notes 1, 2)</i>		2.601.142	378.328
<i>Debtors</i>			
<i>Customers</i>		1.253.873	643.384
<i>Provisión for doubtful accounts</i>		(81.674)	(—0—)
		1.172.199	643.384
<i>Employees</i>		967	3.606
<i>Claims due to importations</i>		253.444	373.954
<i>Deposits for drafts abroad</i>		465.490	1.047.780
<i>Other</i>		149.452	48.990
		2.041.552	2.117.723
<i>Inventories</i>			
<i>Materials and supplies</i>		41.488	36.877
<i>Coal (Note 1)</i>		1.879.546	339.323
		1.921.034	376.200
<i>Anticipated Payments</i>		491.962	171.791
<i>Total Current Assets</i>		7.481.411	3.095.994
ASETS			
<i>Investments (Notes 1, 2)</i>			
<i>In enterprises, at cost</i>		16.000	16.000
		603.926	—0—
<i>Long term debtors</i>			
<i>Property, plant, equipment (Notes 1,3)</i>			
<i>Constructions, in process</i>		879.629	557.704
<i>Merchandise, in transit</i>		27.875	29.044
<i>Depreciable assets minus accrued depreciation of \$98.952 (1983 65.243)</i>		308.604	293.985
		1.216.108	880.643
<i>Projects in development and exploration (Note 4)</i>			
<i>Cerrejón North Zone</i>		102.208.988	47.912.088
<i>Other Projects</i>		296.525	137.779
		102.505.513	48.049.867
<i>Cerrejón Central Zone Investments minus accrued amortization of \$ 107.595 (1983 \$ 46.602) (Note 1)</i>		957.745	1.018.738
<i>Total Fixed Assets</i>		105.299.292	49.965.248
<i>TOTAL ASSETS</i>		112.780.703	53.061.242
<i>VALUATIONS (DEVALUATIONS) (Note 5)</i>		17.195	14.838
<i>BALANCE SHEET MEMORANDA ACCOUNTS (Note 6)</i>		68.226.703	71.078.866

*Reclassified for comparative purposes

General Balance, December 31, 1984

(Expressed in thousands of Colombian Pesos)

LIABILITIES AND PATRIMONY DECEMBER 31,

	DECEMBER	
	1984	1983*
CURRENT LIABILITIES		
<i>Short term financial liabilities (Note 7)</i>	10.704.528	6.336.259
<i>Current long term liability expirations (Note 7)</i>	515.359	7.338
<i>Intercor</i>	216.354	388.384
<i>Leaving indemnities and other social assistances</i>	60.259	26.330
<i>Accounts to be paid</i>	1.155.994	422.266
<i>Estimated costs to be paid</i>	180.287	85.520
<i>Total current liabilities</i>	12.832.781	7.266.097
LONG TERM LIABILITIES		
<i>Liabilities minus current part (Note 7)</i>	73.534.845	31.212.598
<i>Leaving indemnities minus current part</i>	39.503	33.199
<i>Other long term liabilities</i>	275.740	
<i>Total long term liabilities</i>	73.850.088	31.245.797
<i>Total Liabilities</i>	86.682.869	38.511.894
SHAREHOLDERS PATRIMONY		
<i>Capital (Note 9)</i>		
<i>Authorized — 29.000.000 of shares with a nominal value of \$ 1.000 each.</i>		
<i>Subscribed</i>		
<i>25.626.386 ordinary shares of a nominal value of \$ 1.000 each</i>	25.626.386	14.920.386
<i>Balance with charge to the account of the shareholders due to share subscription</i>	—0—	(562.955)
<i>Subscribed and paid capital</i>	25.626.386	14.357.431
<i>Appropriated profits</i>		
<i>Legal reserve (Note 10)</i>	46.997	46.997
<i>Reserve for investment projects (Note 10)</i>	144.920	414.800
	191.917	461.797
<i>Profits (losses), not appropriated</i>		
<i>Fiscal year profits</i>	279.531	(269.880)
<i>Total patrimony of the shareholders</i>	26.097.824	14.549.348
TOTAL LIABILITIES AND PATRIMONY	112.780.703	53.061.242
SURPLUS (DEFICIT) DUE TO VALUATION (DEVALUATION) OF THE ASSETS	17.195	14.838
MEMORANDA ACCOUNTS	68.226.703	71.078.866

*Reclassified for comparative purposes.

The Notes 1 to 10 are an integral part of the Financial Statutes.

ALVARO PUPO PUPO
President

CARLOS ARTURO DURAN CHACON
General Auditor at
CARBOCOL

CARLOS SEGURA GOMEZ
CP 3644 T

Statement of Profits and Losses and Non Appropriated Profits

For the period January 1 to December 31
(Expressed in thousands of Colombian Pesos)

	DECEMBER 31	
	1984	1983*
<i>Net Sales</i>	1,810,719	897,241
<i>Minus: Sales costs (Note 1)</i>	1,269,450	701,500
<i>Gross profit (loss)</i>	541,269	195,741
<i>Operational expenses</i>		
<i>Royalties</i>	38,659	19,203
<i>National Coal Fund</i>	30,019	9,920
<i>Administration and other (Note 4)</i>	979,695	707,852
	1,048,373	736,975
<i>Operational profit (loss)</i>	(507,104)	(541,234)
<i>Non-operational income</i>	858,493	279,417
<i>Non-operational disbursements</i>	71,858	7,220
<i>Profit (loss) before income taxes</i>	279,531	(269,037)
<i>Provision for income taxes (Note 8)</i>	—0—	(843)
<i>Net profit (loss)</i>	279,531	(269,880)
<i>Profit (loss) per share</i>	0.01	(0.02)
<i>Non-appropriated (absorbed) utilities (losses)</i>		
<i>At the beginning of the year</i>	(269,880)	90,940
<i>Appropriations</i>		
<i>For legal reserve (Note 10)</i>	—0—	(9,094)
<i>Reserve for investment projects (Note 10)</i>	269,880	(81,846)
<i>Total appropriations</i>	269,880	90,904
<i>At the end of the year</i>	279,531	(269,880)

*Reclassified for comparative purposes.

The notes 1 to 10 are an integral part of the Financial Statements.

Statement of Changes in the Working Capital

(Expressed in thousands of Colombian pesos)

	DECEMBER 31	
	1984	1983*
<i>Increase (Decrease) in current assets</i>		
<i>Cash</i>	373.769	(31.902)
<i>Immediate fulfilment investments</i>	2.222.814	130.435
<i>Customers (net)</i>	528.815	530.423
<i>Employees</i>	(2.639)	(8.539)
<i>Claims due to importations</i>	(120.510)	373.954
<i>Deposits for drafts abroad</i>	(582.290)	1.047.781
<i>Other</i>	100.453	7.228
<i>Inventories, materials and supplies</i>	4.611	10.318
<i>Coal Inventories</i>	1.540.223	160.302
<i>Anticipated payments</i>	320.171	171.791
<i>Total</i>	4.385.417	2.391.791
<i>Increase (decrease) in current liabilities</i>		
<i>Short term financial liabilities</i>	4.368.269	1.113.075
<i>Current expirations of long term liabilities</i>	508.021	1.410
<i>Intercor Joint Operation credit</i>	(172.030)	(387.921)
<i>Leaving indemnities and other social assistances</i>	33.929	19.830
<i>Accounts to be paid</i>	733.728	(90.507)
<i>Estimated costs to be paid</i>	94.767	85.520
	5.566.684	741.407
<i>Increase (decrease) in the working capital</i>	1.181.267	1.650.384

*Reclassified for comparative purposes



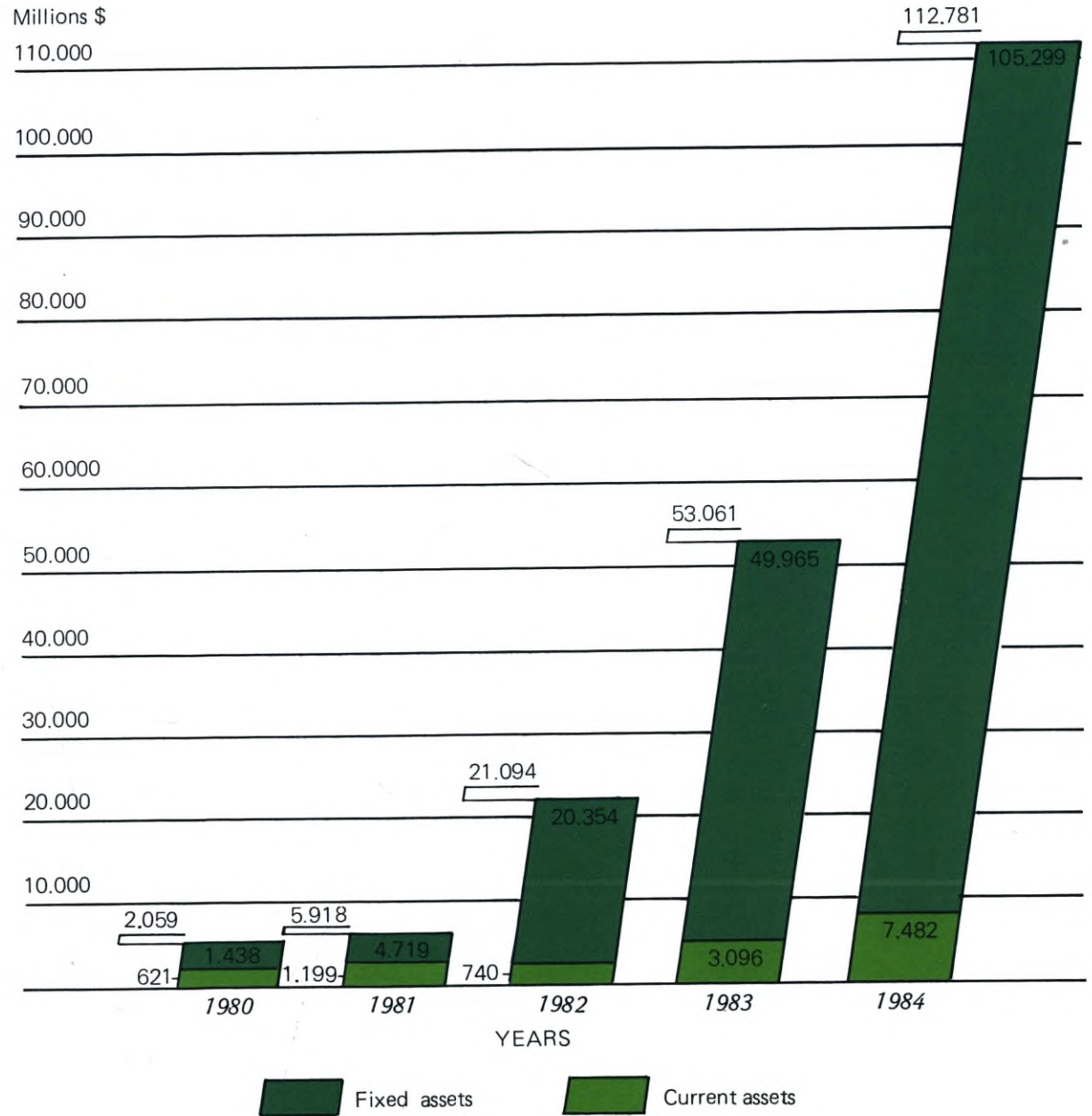
Statement of Changes in the Financial Situation

(Expressed in thousands of Colombian Pesos)

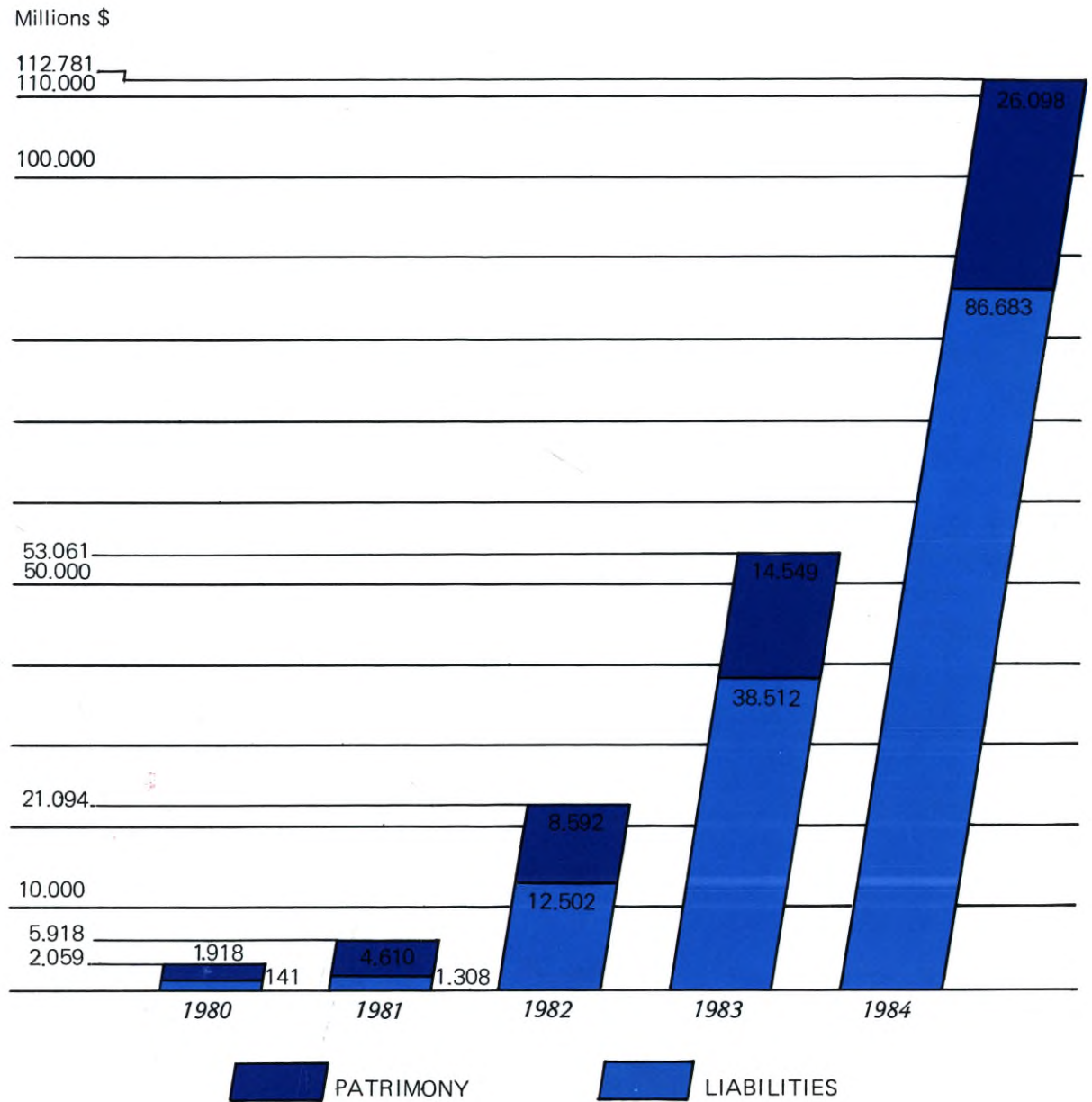
	DECEMBER 31	
	1984	1983*
<i>Financial resources provided by:</i>		
<i>Net profit (loss)</i>	279.531	(269.880)
<i>Plus (minus) charges (credits) that didn't affect the working capital:</i>		
<i>Depreciations</i>	33.709	30.645
<i>Amortizations</i>	60.993	37.425
<i>Working capital provided by the year operations</i>	374.233	(201.810)
 <i>Long term obtained liabilities</i>		
<i>Loans obtained in the country</i>	202.233	8.009.167
<i>Loans obtained abroad</i>	42.943.150	19.616.069
<i>Share subscription</i>	11.268.955	6.227.260
<i>Various creditors</i>	7.473	125.580
<i>Total provided financial resources</i>	54.796.044	33.776.266
 <i>Financial resources applied to:</i>		
<i>Increase in long term debtors</i>	603.926	—0—
<i>Purchase of fixed assets</i>	48.418	45.633
<i>Constructions, in process</i>	321.925	150.254
<i>North Zone Project investment increase</i>	54.296.900	29.452.771
<i>Other projects</i>	158.746	76.036
<i>Payment of long term liabilities</i>	29.936	24.381
<i>Transfer from long term to current liabilities</i>	517.460	100.432
<i>Transfer of received advances</i>		
<i>Joint Account to North Zone Project</i>	—0—	2.276.375
<i>Total applied financial resources</i>	55.977.311	32.125.882
<i>Increase (decrease) in working capital</i>	(1.181.267)	1.650.384

*Reclassified for comparative purposes.

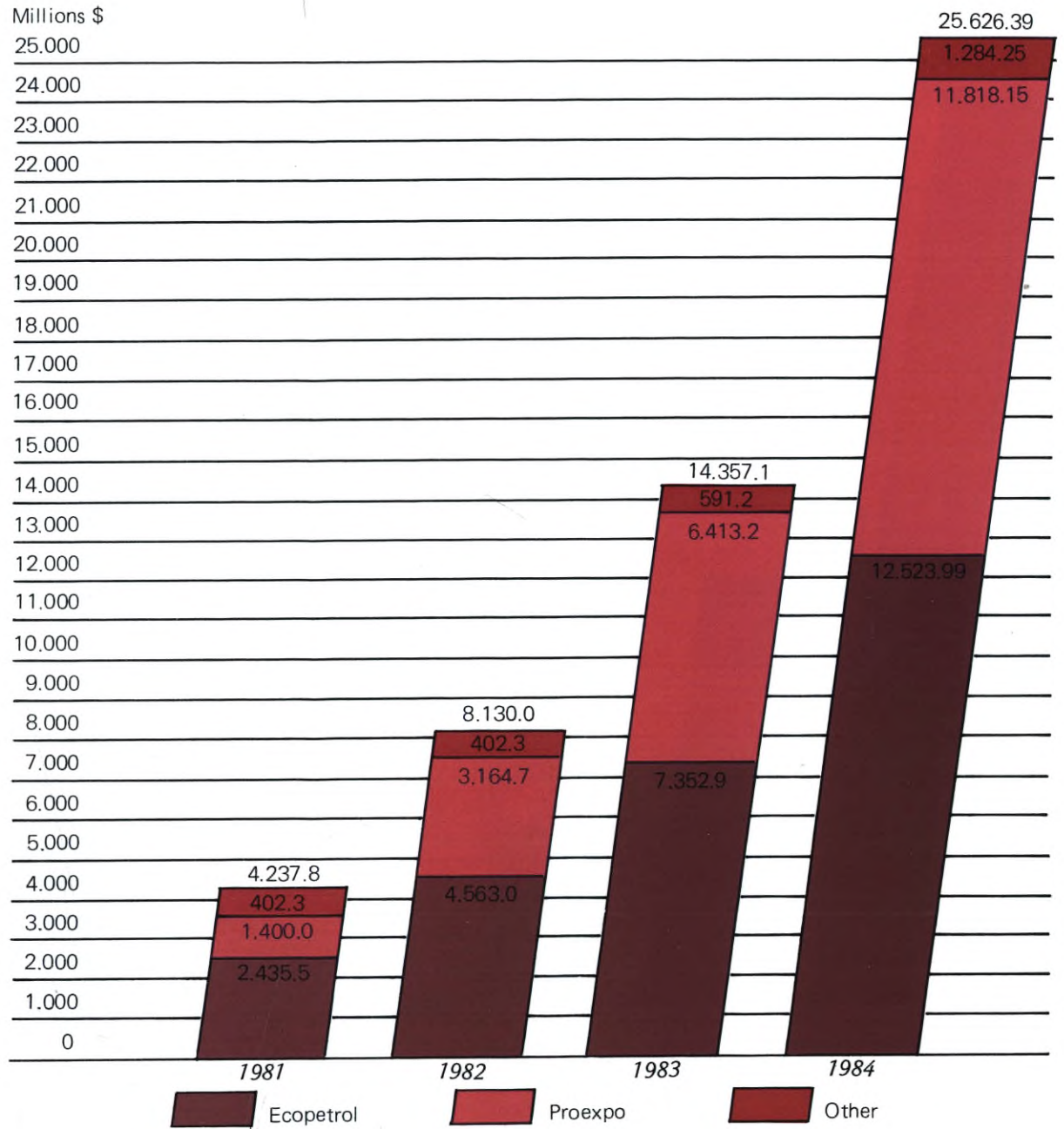
Assets



Liabilities and Patrimony



Paid Capital



Notes to the Financial Statements

DECEMBER 31, 1984

Note 1. Main Policies and Accounting Practices

The following policies and accounting practices generally accepted in Colombia are used by CARBONES DE COLOMBIA S. A. —CARBOCOL— to prepare its Financial Statements.

Inventories

The coal inventories are valued at their cost, following the system of permanent inventories with the average mobile method.

Investments and negotiable values (commercial papers).

They are accounted at cost.

Properties, plant and equipment

The properties, plant and equipment are valued at cost, including the annual adjustments due to exchange differences on the balances, originated by the acquisition of assets with foreign exchange financing.

The depreciation is calculated by the straight line method, based on the probable useful life of the assets.

Exchange Adjustments

The transactions and balances to be collected in foreign currency are converted into Colombian pesos at the official closing rate of \$ 113.89 per dollar on December 31, 1984 and \$ 88.77 per dollar on December 31, 1983. The exchange differences originated by the adjustments in the foreign currency liabilities are taken, as a higher value, to the projects in development, according to tributary dispositions and generally accepted accounting practices.

The application of this policy gave exchange differences that were brought over to following accounts.

<i>North Cerrejón Project</i>	\$ 9.939.809.283
<i>Other Projects</i>	14.044
<i>Losses and Profits</i>	(66.182.995)
	<hr/>
	\$ 9.873.640.332

Preoperative Costs

The preoperative costs incurred since the beginning of the Central Zone Project until the operative stage (October 1982) are amortized on the base of production units until the total production estimates are completed during the life of the contract with the Domi Prodeco Auxini Consortium.

Note 2. Realizable Investments (Liquid Capital)

The balances for the realizable investments on December 31, 1984 and 1983, include:

	CURRENT	
	1984	1983
<i>Fixed term deposits</i>	\$ 5,000.000	\$ 5,000.000
<i>Saving accounts (UPAC)</i>	4,931.794	3,437.515
<i>Foreign Exchange Certificates</i>		3,218
<i>Investments abroad</i>	1,013,621.000	53,262.000
<i>Fiduciary orders</i>	1,492,500.000	312,000.000
<i>CERT (Tax Reimbursement Certificates)</i>	31,408.000	4,625.000
<i>Exchangeable Titles</i>	53,681.224	
	\$ 2,601,142.018	378,327.733

The investment in enterprises at cost, figure as fixed parts in 1984 and 1983, for the amount of \$ 16,000,000.00.

Note 3. Property, Plant and Equipment and Accrued Depreciation.

Property, plant and equipment on December 31, 1984, include:

	1984	1983
<i>In-process constructions</i>		
<i>Central Zone</i>		
<i>Necessary facilities for coal manipulation and administration offices, built by the Domi—Prodeco— Auxini Consortium, according to the exploitation contract</i>	642,317.244	538,434.465
<i>High voltage transmission line of the Central Zone Mine, to be joined with the line of Cuestecitas - North Zone</i>	237,311.811	19,269.050
	879,629.055	557,703.515
<i>In-transit merchandize</i>	27,875.951	29,043.764

DEPRECIABLE ASSETS	1984			1983	
	o/o	Cost	Accrued Depreciation	Cost	Accrued Depreciation
<i>Buildings and installations</i>	5	210.359.516	24.313.801	190.515.099	15.359.167
<i>Machinery and Equipment</i>	10	63.577.055	27.230.432	48.232.272	19.584.588
<i>Furniture and goods</i>	10	72.986.442	12.170.096	63.869.544	7.305.011
<i>Transportation equipment</i>	20	60.632.767	35.237.671	56.471.784	22.994.520
		407.555.780	98.952.000	359.138.699	65.243.280

Note 4. Projects in Development and Exploration

The projects in development and exploration show the following situation on December 31, 1984:

NORTH CERREJON PROJECT	December 31, 1984 (Thousands of \$)	
<i>Operator costs and expenses:</i>		
<i>Invoiced to CARBOCOL</i>	58.852.844	
<i>Contractor advances</i>	--0--	58.852.844
<i>Estimated costs to be invoiced</i>		
<i>Provisions</i>	1.151.009	
<i>Causations</i>	5.360.398	(6.511.407)
<i>Equipment purchase</i>		
<i>Advances</i>	28.637.392	
<i>Contributions in kind</i>	8.168.188	
<i>Guarantees for purchases (net)</i>	(14.276.451)	22.529.129
<i>Sub-Total</i>		74.870.566
<i>Administrative Expenses</i>		369.338
<i>Financial expenses*</i>		25.757.914
<i>60% Participation, Carbocol expenses</i>		1.147.029
<i>Income (1)</i>		
<i>Yields and interests</i>	--0--	
<i>Other</i>	--0--	--0--
<i>Invoices to be collected, Intercor Operator</i>		64.142
<i>Total</i>		102.208.988

(1) The income is transferred to the result accounts (account, economic) for fiscal matters. On December 31, 1984 they include:

<i>Yields and interests</i>	38.122.174
<i>Other</i>	147.390.022
	\$ 185.512.196

(*) *National and foreign interests and commissions* \$ 12.565.372

Accrued exchange difference \$ 13.192.542

The other projects, excluding the North Zone, have accrued costs for the following amounts:

	December 31, 1984 (PESOS)
<i>Colombian-German Agreement</i>	23.417.290
<i>Participation 50/o, administrative expenses, 1984</i>	40.396.870
	63.814.160
<i>Antioquia, Valle and Cauca</i>	4.499.206
<i>Cundinamarca</i>	40.000
<i>Alto San Jorge</i>	15.647.400
<i>San Jacinto</i>	5.781.738
<i>Patilla</i>	55.550.426
<i>Participation 100/o administrative expenses 1983 and foregoing years</i>	110.795.463
<i>Participation 50/o administrative expenses 1984 for other projects</i>	40.396.870
	296.525.263
<i>Total</i>	296.525.263

The indirect administrative expenses have been distributed as follows:

<i>North Cerrejón Project</i>	600/o	\$ 484.762.433
<i>Other Projects</i>	100/o	80.793.739
<i>Central Zone Operation</i>	300/o	242.381.216
		\$ 807.937.388

These distributed expenses plus costs and charges that appear in the projects will be amortized based on production units (metric tons) once the projects start definitive operation.

The operational expenses include a general provision of \$ 81.673.877 as assets securities up to December 31, 1984, according to the standing fiscal dispositions.

Note 5. Valuations (Devaluations)

According to the Colombian Fiscal Legislation, the company has registered the following valuations or devaluations up to December 31, 1984:

Real estate:

The difference between the real estate tax valuation on its net prices registered in books

\$ 11.557.437

Movable values - Carbocosta shares:

Difference between their nominal value and intrinsic value

5.638.016

Total

\$ 17.195.453

Note 6. Memoranda Accounts

The accounts on December 31, 1984 comprehend the following:

<i>Loan contracts:</i>	US\$ VALUE	PESOS VALUE
<i>Manufacturers Hannover Trust-USA (1)</i>	242.000	27.561.380
<i>Export Development Corporation Canada (2)</i>	54.605.311	6.218.998.820
<i>Export Import Bank-USA</i>	255.348.082	29.081.593.013
<i>Export Import Bank-Japan (2)</i>	90.519.790	10.309.298.898
<i>Lloyds Bank Int - London (2)</i>	81.378.700	9.268.220.132
<i>Irving Trust-USA (1)</i>	16.585.000	1.888.865.650
<i>Pefco-USA (2)</i>	34.437.753	3.922.115.644
<i>World Bank (2)</i>	9.500.000	1.081.955.000
<i>Algemene Bank Nederland (2)</i>	8.724.408	993.622.895
<i>Fonade loan No. 414</i>	--0--	18.694.122
	551.341.045	62.810.925.554

<i>Unused credit letters</i>	US\$ VALUE	PESOS VALUE
<i>Manufacturers Hannover Trust-USA</i>	6.989.710	796.058.105
<i>Banco Cafetero-Bogotá (Electric Fuels)</i>	1.117.675	127.291.961
<i>Banco de Colombia (Cementos Panamá)</i>	431.000	49.086.590
	<hr/>	<hr/>
	8.538.385	972.436.656
 <i>Guarantees (3)</i>		
<i>Granted</i>		
<i>First grade mortgage, 11 th. and 12 th. floors, Davivienda Building, Fonade Loan No. 414</i>		70.000.000
<i>Title pignoration. Fixed term deposit Corpavi. Fonade Loan No. 064</i>		5.000.000
<i>Incomex: to guarantee the reimbursement of foreign exchange, due to coal sales</i>		2.466.924.367
<i>Received</i>		
<i>Security policies and stocked coal</i>		436.337.500
		<hr/>
		2.978.261.867
 <i>National Road Fund</i>		
<i>Fund administration for road maintenance in Guajira</i>		24.648.943
		<hr/>
<i>Exploration costs, North Zone</i>		1.033.956.565
<i>50% exploration study costs</i>		<hr/>
<i>National Coal Fund (see attached statement)</i>		299.881.796
		<hr/>
<i>Purchase Orders, given to provider, merchandize without receiving</i>		54.209.977
		<hr/>
<i>Special Agreements:</i>		
<i>DNP Agreement CARBOCOL-Guajira</i>		3.174.040
		<hr/>
<i>CARBOCOL-Olade Agreement</i>		215.625
		<hr/>
<i>CARBOCOL Colciencias Agreement</i>		4.500.000
		<hr/>
<i>Fiscal Responsibilities</i>		13.083.816

<i>Values under custody</i>	
<i>CERT under custody by the Banco Ganadero</i>	31.408.000

<i>TOTAL MEMORANDA ACCOUNTS</i>	68.226.702.839
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- (1): Own guarantee
 (2): Nation Guarantee
 (3): The Proexpo loans numbers 126 and 235 stipulate the reimbursement of foreign exchange from coal exportations, as eventual guarantee.

National Coal Fund Account Statement

December 31, 1984
PESOS

INCOME

<i>Taxes and interests due to delays</i>	320.762.882.43	
<i>Taxes, 50/o CARBOCOL North Zone production</i>	14.893.165.00	
<i>Intercor anticipated taxes</i>	14.893.165.00	350.549.212.43
		93.158.222.62

443.707.435.05

DISBURSEMENTS

Participation in recollected taxes, as follows:

<i>Municipalities</i>	60.192.443.37	
<i>Departments</i>	59.468.705.67	
<i>Corpoguajira (Guajira Corporation)</i>	--0--	
 <i>50/o CARBOCOL administration</i>	 18.709.558.44	
<i>Alto San Jorge Project financing</i>	5.762.631.50	144.133.338.98

<i>Availability of the F.N.C.*</i>	299.574.096.07
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*See details of availability on next page.

National Coal Fund Account Statement

SITUATION OF THE F.N.C.'s AVAILABILITIES	December 31, 1984 PESOS	
BANKS		
<i>Popular Teusaquillo</i>	993.165.55	
<i>Cafetero, Carrera 13</i>	1.459.695.65	2.452.861.20
INVESTMENTS		
<i>Shares (Long term) Procarbón de Occidente S. A.</i>	17.000.000.00	
<i>National savings titles</i>	12.906.903.87	
<i>Fiduciary charges</i>	265.388.000.00	295.294.903.87
TAX WITHHOLDING		
<i>Discounts on investment yields in the Banco de la República (under study)</i>		
<i>Exchangeable titles</i>	106.421.00	
<i>Participation titles</i>	616.720.00	
<i>National savings titles</i>	1.103.190.00	1.826.331.00
<hr/> <i>Total Availabilities</i>		<hr/> 299.574.096.07 <hr/>

The investment of Procarbón S. A. (170.000 subscribed shares, paid at a nominal value of \$ 1.000 each) showed a surplus due to valuation up to December 1984 of \$ 307.700.00.

On 31.12.84 the F.N.C. has participation commitments with municipalities and departments for the amount of \$ 17.695.632.

Note 7. Short and Long Term Financial Liabilities

The long and short term financial liabilities and their corresponding current expirations, on December 31, 1984, are as follows:



Scraper

SHORT TERM FINANCIAL LIABILITIES

December 31, 1984
PESOS

National Currency

Capital

<i>Banco Real de Colombia</i>	60.000.000	
<i>Banco Ganadero</i>	440.000.000	
<i>Banco de Bogotá</i>	800.000.000	
<i>Banco del Comercio</i>	1.000.000.000	
<i>Banco Comercial Antioqueño</i>	380.000.000	
<i>Banco de Colombia</i>	730.000.000	
<i>Banco Industrial Colombiano</i>	320.000.000	
<i>Banco Mercantil</i>	250.000.000	
<i>Banco Popular</i>	760.000.000	
<i>Banco Santander</i>	250.000.000	
<i>Instituto de Fomento Industrial -IFI-</i>	1.000.000.000	5.990.000.000

Interests

<i>Fonade No. 064</i>	104.942	
<i>Fonade No. 414</i>	2.468.002	
<i>Banks, caused interests without paying</i>	284.026.711	286.599.655

Commissions

<i>Fonade No. 414</i>	59.610	59.610
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Foreign Currency

Capital

<i>Royal Bank of Canada US\$ 10.000.000</i>	1.138.900.000	1.138.900.000
Continued...		7.415.559.265

SHORT TERM FINANCIAL LIABILITIES

Interests

<i>Chemical Bank</i>	US\$ 3,322,048.61	378,348,116	
<i>Eximbank Japan</i>	US\$ 1,593,115.54	181,439,929	
<i>Lloyds Bank</i>	US\$ 525,824.69	59,886,174	
<i>Royal Bank</i>	US\$ 459,210.07	52,299,435	
<i>Pefco USA</i>	US\$ 1,547,282.42	179,295,025	
<i>The Nation</i>	US\$ 2,937,237.33	334,521,960	
<i>E.D.C. Canada</i>	US\$ 5,249,826.83	597,902,778	
<i>Ecopetrol</i>	US\$ 316,666.66	36,065,166	
<i>Berliner Handels Bank</i>	US\$ 89,238.55	10,163,379	
<i>Eximbank USA</i>	US\$ 11,647,980.58	1,326,588,508	3,156,510,470
<i>Exchange Rate \$ 113.89</i>			

Commissions

<i>E.D.C. Canada</i>	US\$ 158,408.70	18,041,167	
<i>Eximbank Japan</i>	US\$ 14,058.00	1,601,066	
<i>Eximbank USA</i>	US\$ 812,861.23	92,576,766	
<i>Lloyds Bank</i>	US\$ 18,084.12	2,059,600	
<i>World Bank</i>	US\$ 11,875.00	1,352,444	
<i>Algemene Bank Nederland</i>	US\$ 51,619.37	5,878,930	
<i>Pefco USA</i>	US\$ 96,126.75	10,947,876	132,457,849

Exchange Rate 113.89

TOTAL SHORT TERM FINANCIAL LIABILITIES

10,704,527,584

LONG TERM LIABILITIES AND CURRENT PART

	Current Expiration	Long term Part
<i>PROEXPO.— Loan for \$ 4,500,000.000 to be paid in one year from the date of its disbursement, with an annual rate of 18^o/o on balances, payable quarterly. It has been foreseen to capitalize the principal of the loan.</i>		4.500.000.000
<i>PROEXPO.— Balance of the loan for \$ 8,000,000.000. Amortization by means of anticipated quarters began on March 20, 1984, at an annual rate of 18^o/o on capital balances. Interests and principal are being capitalized.</i>		3.392.068.372
<i>FONADE.— Balance of the loan for \$ 35.567.651.50 payable in 12 equal half-yearly payments with an annual interest rate of 16^o/o on balances.</i>	5.927.942	8.891.913
<i>FONADE.— Balance of the loan for \$ 10.200.000 plus CND 689.000, partially disbursed; payable in 13 equal quarterly payments, starting on July 15, 1984, at an annual rate of 24^o/o on balances.</i>	14.574.864	25.506.013
<i>BERLINER HANDELS BANK.— Balance of the loan for 13.463.695.70 German Marks. Balance US\$ 4.125.313.63, payable in 16 equal and consecutive half-yearly payments, starting in September, 1984, at an annual rate of 8.75^o/o on unpaid balances.</i>	62.644.261	407.187.709
<i>CHEMICAL BANK.— Loan for US\$ 50,000,000 payable in 9 equal halfyearly payments, starting on January 8, 1988, at a 1/2^o/o rate during the first 3 years and a 5/8^o/o rate during the next 7 over libor.</i>		5.694.500.000

<i>EXPORT DEVELOPMENT CORPORATION.— Partial disbursements for US\$ 105.394.689.41 of the total loan for US\$ 160.000.000, payable in 30 equal, consecutive half-yearly payments; the first one on January 15, 1988, with annual interests that vary between 11.5 and 15%o.</i>		12.003.401.177
<i>EXPORT IMPORT BANK-JAPAN.— Disbursements for 12.038.513.614 yens equivalent to US\$ 48.515.209.86 of the total loan for 34.500.000.000, payable in 20 equal, consecutive half yearly payments, starting on July 24, 1985, with a fixed annual interest of 7.75%o.</i>	311.489.150	5.213.908.101
<i>EXPORT IMPORT BANK-UNITED STATES. Partial disbursements for US\$ 233.071.596.46 of the total loan for US\$ 487.500.000. payable in 27 half-yearly payments, starting on January 10, 1989 for the amount disbursed before December 31, 1986 and from January 10, 1992 on for the amount disbursed after December 31, 1986, with a fixed annual interest of 12%o.</i>		26.544.524.121
<i>PRIVATE EXPORT FUNDING CORP. - UNITED STATES.— Partial disbursement for US\$ 30.684.871.10 of the total loan for US\$ 65.000.000 payable in four half-yearly payments, the first on July 10, 1987 for the amount disbursed before December 31, 1986 and from July 10, 1990 on, for the amount disbursed after December 31, 1986, with an annual interest of 12.625 %o on balances.</i>		3.494.699.969
<i>LLOYDS BANK INTERNATIONAL.— Partial disbursements for US\$ 18.621.300.10 of the loan for US\$ 100.000.000, payable in 20 half-yearly payments, starting on August 5, 1985, annual interest rate of 7,3/4%o on balances.</i>	120.723.400	2.000.056.468
<i>THE NATION.— Loan for US\$ 70.000.000, payable in seven equal consecutive half-yearly payments at an annual rate of 1,1/2%o over prime rate. Amortization will begin on September 20, 1986.</i>		7.972.300.000
<i>ECOPETROL.— Loan for US\$ 20.000.000. It is foreseen to capitalize the total capital; annual interests of 1,1/2%o over prime rate on balances.</i>		2.277.800.000
	\$ 515.359.617	73.534.843.843

Note 8. Income Tax

Having the right to deduce of its income the amount of the investment in exploration activities, exploitation and coal transformation, the company doesn't register provisions for income tax in its books. The fixed assets sold in the year don't generate non-operating profits because they have been possessed for less than two years.

Note 9. Capital Account

Until December 31, 1984 and 1983, the capital account of CARBONES DE COLOMBIA –CARBOCOL– is as follows:

CAPITAL ACCOUNT	1984		1983	
	Share Number	Value	Share Number	Value
<i>Authorized Capital</i>	29.000.000	29.000.000.000	19.000.000	19.000.000.000
<i>Minus:</i>				
<i>Capital to be subscribed</i>	3.373.614	3.373.614.000	4.079.614	4.079.614.000
<i>Subscribed capital</i>	25.626.386	25.626.386.000	14.920.386	14.920.386.000
<i>Subscribed capital to be collected</i>	—0—	—0—	562.955	562.955.000
<i>Suscribed and paid capital</i>	25.626.386	25.626.386.000	14.357.431	14.357.431.000

The capital composition on the same date is the following:

Shareholder Name	Subscribed Shares	Subscribed and paid Shares	Subscribed Capital Pesos	Subscribed and paid Capital Pesos	o/o Subsc Cap
<i>Ecopetrol</i>	12.523.987	12.523.987	12.523.987.000	12.523.987.000	48.87
<i>Proexpo</i>	11.818.150	11.818.150	11.818.150.000	11.818.150.000	46.12
<i>I.F.I.</i>	1.204.757	1.204.757	1.204.757.000	1.204.757.000	4.70
<i>Ecominas</i>	39.490	39.490	39.490.000	39.490.000	0.15
<i>Ingeominas</i>	40.000	40.000	40.000.000	40.000.000	0.16
<i>Colminas</i>	2	2	2.000	2.000	0.00007
	25.626.386	25.626.386	25.626.386.000	25.626.386.000	100.

Note 10. Legal Reserve

According to standing legal dispositions in Colombia, 10% of the net annual profits should be appropriated for a legal reserve, until this amount reaches 50% of the subscribed capital.

The legal reserve can not be distributed until the company is liquidated, but it may be used to absorb losses. In 1983 losses for \$ 269.880.267 were determined, that were totally applied to the reserve for investment projects in 1984.

Annex to the General Balance up to December 31, 1984

FINANCIAL INDEXES

		1984	1983
<i>SOLVENCY:</i>	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	1.30	1.38
<i>YIELD:</i>	$\frac{\text{Year-end Profits}}{\text{Paid Capital + Reserves}}$	0.01	(0.02)
<i>CIRCULATING CAPITAL:</i>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.58	0.43
<i>INTRINSIC VALUE PER SHARE:</i>	$\frac{\text{Net Patrimony}}{\text{Circulating Shares}}$	\$ 1.019.07	\$ 1.013.37

Profit Distribution Project

(Expressed in thousands of Colombian Pesos)

<i>Profit during 1984</i>		\$ 279.531
<i>For legal reserve</i>	27.953	
<i>To invest in the North Cerrejón Project</i>	251.578	
<i>EQUAL SUMS</i>	\$ 279.531	\$ 279.531

Port installations for early coal



General Controllershship of Colombia

Bogotá, March 29, 1985

Messrs.
GENERAL ASSEMBLY OF
SHAREHOLDERS
CARBONES DE COLOMBIA S. A.
Bogotá

According to Article 18 of the Statutes of CARBONES DE COLOMBIA S. A., "CARBOCOL S. A." and Article 208 of the Commerce Code, I inform that I received the necessary information to carry out my functions and that I examined the General Balance of CARBONES DE COLOMBIA S. A., "CARBOCOL S. A.", up to December 31, 1984, the statements of losses and profits, and origin and applications of the funds. My examination was practiced according to generally accepted auditorial norms and I include the proofs of the bookkeeping registers and other auditorial procedures that I considered necessary to apply according to the circumstances.

Except for: the over-valuation effects of the debtor customers and of the Central Zone coal inventories; the exclusion of the North Zone coal inventory; the delay in presenting the information to back the investments in the mentioned project as described in the Explanatory Notes 1, 2 and 3 of the report; the Financial Statements, taken faithfully from the books, show the financial situation of CARBONES DE COLOMBIA S. A. "CARBOCOL S. A.", on December 31, 1984 and the results of its operations during the past year reasonably and according to generally accepted bookkeeping principals, applied to uniform bases of the year before.

Based on the auditorial procedures I carried out to comply with the requirements of Article 209 of the Commerce Code, I inform that during the year ended December 31, 1984, the administrative acts of CARBONES DE COLOMBIA S. A. "CARBOCOL S. A.", agree with the foreseen in the statutes and norms, and with the dispositions of the General Assembly; the correspondance, the account vouchers and the Minute Books have been duly carried out and conserved; adequate measures of internal control have been observed for the conservation and custody of its own goods and that of others that it may have.

The financial statements corresponding to the past year were examined by and other Auditor, who expressed his judgement without reservations.

Cordially,

CARLOS ARTURO DURAN CH.
General Auditor

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obra ver

Annual report 1984/Carbocol S.A.

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FECHA

INFORME Y BALANCE DE ACTIVIDADES
CARBOCOL 1984

PUBLICACION DE LA DIVISION DE DIVULGACION

FOTOGRAFIAS
SERGIO TRUJILLO
EDGAR CORREAL
GUILLERMO MOLANO (Pág.) Fdo. Nat. del carbón

DISEÑO:
WILLIAM VALENZUELA

IMPRESION:
CENTRAL LITOGRAFICA

MINISTERIO DE MINAS Y ENERGIA



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