EMPRESAS LIPIGAS S.A. ANNOUNCES RESULTS FOR THE FOURTH QUARTER OF 2017

Santiago, Chile, March 7, 2018 – Empresas Lipigas S.A. ("Lipigas" or "the Company"), energy company, leader in commercializing and distributing gas in Chile with operations in Colombia and Peru, announced today its consolidated financial results for the fourth quarter ended December 31, 2017. All figures are set according to IFRS-International Financial Reporting Standards- in Chilean pesos (CLP). All variation comparisons refer to the same period of the previous year, unless otherwise indicated.

Lipigas increases earnings by 10.1% as of December 31st

Highlights last 12 months:

- EBITDA reached CLP 87,499 million, a 12.0% increase compared to the previous year (CLP 78,118 million).
- Consolidated LPG sales volume increases by 3.6%.
- Consolidated sales volume in equivalent LPG tons (including sales of network natural gas, compressed natural gas and liquefied natural gas) grows by 3.1%.
- Income after taxes increases by 10.1%.

Highlights 4Q 2017:

- EBITDA grows 1.6% compared to 4Q16.
- Consolidated LPG sales volume increases by 1.9%.
- The operation in Chile presents improvements in EBITDA generation given increased sales volume and unit margins.
- Income after taxes during the last 3 months decreases by 9.5% regarding 4Q16.

Comments of the General Manager – Ángel Mafucci

"We closed a very positive year for Lipigas. The commercial and financial results stood behind us. We increased our LPG sales volume by 3.6% and our EBITDA by 12.0%. LPG sales in Chile increased by 4.7%. Although part of this increase is due to a winter season with lower temperatures, it also reflects the consolidation of our strategy of closeness with end-customers. During the year we also began the natural gas distribution service to clients in Puerto Montt and Osorno, we began operating in Concón our first small-scale DG power plant (PMDG for its acronym in Spanish) and in January of this year we partnered to materialize our first LPG-based power plant project for a mining client in the Coquimbo region. In short, we continue to develop our strategy of providing our customers with a wide range of solutions that meet their energy needs, backed by a renowned and reliable brand such as Lipigas.”

4Q17-Consolidated Results

EBITDA was CLP 17,666 million with an increase of 1.6% over the same period of the previous year. Chile has increased EBITDA in the quarter due to higher sales volumes and unit margin, while Colombia and Peru showed a decrease in EBITDA compared to 4Q16. Colombia was affected by the increase in the cost of raw material that impacted unit margins, while Peru was affected by decreased sales of the LPG and CNG business, and lower unit margins; which was partially offset by savings in operating expenses.

Consolidated revenues reached CLP 114,241 million, reflecting an increase of 18.6%. In Chile and Colombia revenues increased by CLP 17,628 million (27.3%) and CLP 2.562 million (28.6%) respectively, mainly by greater volumes, as well as higher unit prices in the case of Chile and Colombia. Both countries have been influenced by the increase in the price of oil by-products and, in the case of Chile, by the increase in the proportion of sales to end-customers. Revenues in Peru decreased CLP 2.247 million (-9.9%) compared to 4Q16, which resulted from lower sales volume

Gross margin reached CLP 45,284 million, increasing by 5.3%. Chile's gross margin increased by 12.9% compared to 4Q16, due to greater volumes and improved unit margins. In Colombia, although both volume and revenues increased during the period, gross margin decreases by 8.9% because of the difficulties in raw materials supplies that have increased the cost of products sold. In Peru, gross margin decreased by 17.8% due to lower sales that in equivalent LPG tons decreased by 16.8%.

Operating expenses increased by CLP 1,941 million (7.5%). Expenses in Chile increased by CLP 2,639 million (15.8%) mainly by freight, salaries, logistics and distribution services, the increase relates to the development of strategies of integration of the distribution chain to the end-customer. In Colombia, expenses increased by CLP 290 million (9.9%) due to greater expenses in salaries and maintenance. In Peru expenses decreased by CLP 988 million (16.2%).

Negative non-operating income increased by CLP 878 million mainly by the effect of a one-time provision resulting from an administrative procedure in Peru for CLP 1,023 million, partially offset by lower losses in the restatement of collateral liabilities in Chile. Earnings after taxes decreased by 9.5% impacted by a higher non-operating expense, despite the improved operating income that was driven by greater sales volume and better unit margins during the quarter in Chile.

Analysis by country

Chile: In Chile EBITDA reached CLP 15,541 million, representing a 9.2% increase compared to 4Q16.

Revenues for the Chilean operation reached CLP 82,188 million, 27.3% higher than 4Q16, explained by a 4.6% higher LPG sales volume, and increased unit prices resulting from higher prices for oil by-products and a greater proportion of direct sales to the end-customer. Sales volume in equivalent LPG tons increased by 7.3%.

Gross margin reached CLP 34,843 million, a 12.9% increase compared to 4Q16 generated by greater volumes and greater unit margins (+5.2%). Improved gross margin was influenced by the increase in reference prices causing a positive effect over inventories in 4Q17 compared to that of 4Q16, that is estimated at CLP 547 million.

Operating expenses in Chile increases by CLP 2,639 million (15.8%) mainly in salaries, freight, operating services of sales centers and leases; which largely relate to the implementation of a strategy of integration of the distribution chain to the end-customer.

Colombia: In Colombia EBITDA reached CLP 1,279 million, representing a 36.3% decrease compared to 4Q16 due to the drop in unit margins, impacted by a significant increase in the cost of products sold.

Revenues for the Colombian operation reached CLP 11,510 million, 28.6% higher than 4Q16, while LPG sales volume increased 2.5%. Unit revenue growth is basically related to the increase in the international price of oil by-products.

Colombia's gross margin presents a negative variation of 8.9%, mainly due to lower unit margins that decreased by 11.1%. During the quarter, supply difficulties caused that raw materials were acquired from more expensive suppliers, implying an increase in the cost of sales. However, since November, the Company has been reverting this situation with the direct sea-import of product through facilities located in the port of Cartagena.

Operating expenses increased by CLP 290 million (9.9%) due to higher expenses in maintenance, salaries and other expenses.

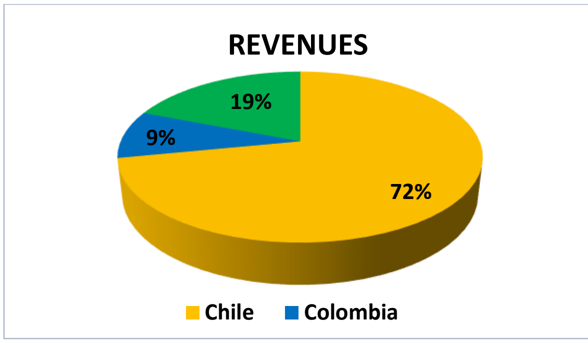
Peru: In Peru EBITDA reached CLP 847 million, representing a 25.9% decrease compared to 4Q16, mainly due to lower sales volume in the LPG and CNG businesses, which is partially offset by expense savings.

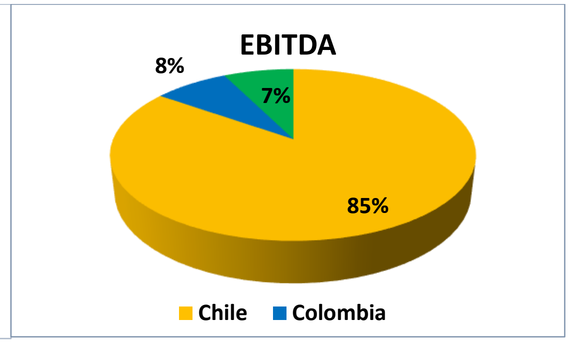
Revenues for the Peruvian operation reached CLP 20,543 million, a 9.9% lower than 4Q16. LPG sales volume decreased by 5.8% mainly due to strong price competition. CNG sales decreased by 38.2% compared to 4Q16, continuing with last quarter's trend where several large volume customers connected to pipelines of natural gas. Thus, sales volume in equivalent LPG tons decreased by 16.8%

Gross margin decreased by 17.8% mainly influenced by lower sales volume in the LPG and CNG businesses. A situation of margin weakness persists resulting from informal competition.

Operating expenses decreased by CLP 988 million (-16.2%), due to lower operating expenses in the compressed natural gas business as well as the LPG business because of less activity.

Accumulated Consolidated Results as of December 31, 2017





EBITDA reached CLP 87,499 million with an increase of 12.0%. Chile contributes positively to the EBITDA generation with an increase of 12.9%. Consolidated operating expenses increased by 8.0% (CLP 8,272 million) because of higher remuneration and salaries, freight, external services and other expenses. A large part of this increase corresponds to the operation in Chile and are partially offset with savings in expenses of the operation in Peru.

Consolidated revenues reached CLP 468,355 million, increasing by 15.3% due to higher sales volume (+3.1% in equivalent LPG tons). Consolidated costs of products sold reached CLP 269,542 million representing a 19.8% increase due to higher sales volume and increased international prices of oil by-products.

Gross margin reached CLP 198,814 million increasing by 9.8%, sustained in the operations of Chile and Colombia. Chile's gross margin (+12.7%) was driven by higher sales volume (+5.5% in equivalent LPG tons) and higher unit margins by 6.9% compared to the previous year. In Colombia, gross margin increased by 15.1% mainly by improved unit margins (11.7%), despite last quarter's drop and also by higher LPG sales volume (+3.0%). In Peru, gross margin decreased by 7.5%, impacted by lower sales (-1.8% in equivalent LPG tons) and by lower unit margins in the LPG and CNG business.

Depreciation and amortization charges increased by CLP 3,594 million regarding the previous year. It includes a one-time adjustment of CLP 1,434 million corresponding to a change in the estimated remaining useful life of cylinder valves.

Negative non-operating income decreased by CLP 1,446 million mainly explained by a lower financial expense in the amount of CLP 2,311 million (basically due to lower restatements of non-current liabilities) and lower results by adjustment units in the amount of CLP 1,122 million due to lower inflation in Chile, partially offset by higher expenses in other gains (losses) in the amount of CLP 1,327 million.

Earnings after taxes increased by 10.1% amounting to CLP 42,659 million.

Analysis by Country

Chile: In Chile EBITDA reached CLP 74,740 million, representing a 12.9% growth compared to the previous year given the increase in sales volume and unit margins.

Revenues for the Chilean operation reached CLP 336,790 million, 19.1% higher compared to 2016. These higher revenues are explained by the 4.7% increase in LPG sales volume, impacted in part by a colder and prolonged winter compared to the previous year. Sales volume in equivalent LPG tons also grew 5.5%.

Gross margin increased by CLP 17,254 million compared to 2016 explained by increased sales volume and improved unit margins. Improved unit margins are influenced by a greater proportion of direct sales to end-customers. The higher gross margin was also influenced by the increase in the reference prices of LPG resulting in an inventory effect in 2017 compared to that recorded in 2016 estimated at CLP 2,114 million. As a reference, the Mont Belvieu referential price increased by 52.1% in 2017 and by 10.6% in 2016.

Operating expenses increased by CLP 8,696 million compared to the previous year due to increased remunerations and salaries, freight, leases and operating services of sales centers. This increase relates in part to the development of integration strategies of the distribution chain to the end-customer, which have an increase in gross margin, as counterpart.

Colombia: EBITDA in Colombia reached CLP 6,757 million, representing a 27.0% increase compared to 2016, explained by greater volumes and better unit margins.

Revenues for the Colombian operation reached CLP 43,577 million, 22.1% higher compared to the previous year, explained by the 3.0% increase in LPG sales volume and increased prices of oil by-products.

Gross margin increased by 15.1% and unit margin increased by 11.7%.

Operating expenses increased CLP 1,115 million (9.6%) mainly due to maintenance and fees for external counseling.

Peru: In Peru EBITDA reached CLP 6,002 million, with a 9.0% decrease compared to 2016 due to lower unit margins during the year and lower sales, particularly in the CNG business.

Revenues for the Peruvian operation reached CLP 87,989 million, in line with the previous year (+0.3%) with a decrease in sales volume and increased unit prices.

Gross margin decreased during the period (-7.5%) impacted by lower unit margins in the LPG and CNG businesses. Unit margin dropped by 5.8% regarding 2016.

Operating expenses dropped regarding the previous period, decreasing by 7.0%, mainly due to lower expenses in the CNG business and planned savings due to the lower margins of the business.

News

- On October 26, 2017, it was informed that the current controlling shareholders of Empresas Lipigas S.A. reported the signing of a new shareholders agreement among them dated September 26, 2017.
- On November 16, 2017, consolidated results for the third quarter of 2017 were reported.
- On November 29, 2017 it was reported that the Board of Directors had approved an interim dividend payment charged to 2017 earnings in the amount of CLP 62 per share, which was paid on December 20, 2017.
- On December 21, 2017, it was reported that Sociedad Lima Gas S.A., a subsidiary of Empresas Lipigas S.A. in Peru, received a notification from the Free Competition Commission of the National Institute of Defense of Competition and Protection of Intellectual Property of Peru (Indecopi) on the administrative resolution in first instance of a procedure initiated in 2015. The administrative resolution of Indecopi, which focuses on a period prior to 2011 (prior to being acquired by Empresas Lipigas S.A. in the year 2013), investigates an alleged pricing agreement between LPG bottling companies and distributors in Peru, among which the subsidiary Lima Gas is included. The first instance resolution established fines for three LPG packaging companies in Peru, including the Lima Gas subsidiary, for an amount equivalent to approximately CLP 1,550 million. It is reported that the subsidiary will continue the administrative process before the Indecopi Court and will appeal to the first instance resolution, insisting that the arguments and/or evidentiary means provided by the company have not been duly assessed.
- On January 29, 2018, it was reported that Empresas Lipigas S.A. has entered the property of the company Marquesa GLP S.p.A. by acquiring 65% of the shares, from its sole shareholder Imelsa S.A., which retains the remaining 35% of the shares. Imelsa S.A. is a Chilean company expert in the development, construction and operation of power generation plants and in the commercialization of energy. The new subsidiary company of Empresas Lipigas S.A. will have as main object to supply electric energy to 2 mining operations currently in operation, located in the Coquimbo region.

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Empresas Lipigas S.A. is an energy company that contributes to the sustainable development by improving the quality of life through the commercialization of energy solutions in Latin America. In Chile, it is a leader in the LPG field through the largest network of nationwide coverage. It services residential, industrial, real estate sectors and vehicular gas from Arica to Coyhaique. It is present in the LPG distribution market in Colombia since 2010 and in Peru since 2013. It is also present in the distribution of natural gas in Chile through the distribution of network natural gas and LNG and in Peru through the distribution of CNG.

For more information visit: www.lipigas.com.

Forward looking statements

The statements contained in this press release, including those regarding forecasts for the Company's business, the projections of operation, financial results, the growth potential of the Company, the market and macroeconomic estimates are merely projections and are based on management expectations regarding the future of the Company. These expectations are highly dependent on changes in the market and the overall economic performance of Latin America, particularly of the countries where the Company has operations, the industry and international markets, and are therefore subject to change. Statements about future expectations relate only as of the date they are made, and the Company is not responsible for publicly updating any of them in light of new information, future events or others. The Company’s annual report, its financial statements, and the analysis of them include more information about risks associated with the business and are available on the web site: www.lipigas.com.

Empresas Lipigas S.A.
Consolidated Income Statement in million CLP

	4Q17	4Q16	Var. Y/Y (%)	Acum.2017	Acum.2016	Var. Y/Y (%)
LPG Sales Volume (tons)	**160,808**	**157,837**	**1.9 %**	**699,718**	**675,649**	**3.6 %**
NG Sales Volume (M3)	**15,956,757**	**25,464,689**	**(37.3)%**	**82,531,091**	**88,200,478**	**(6.4)%**
LNG Sales Volume (M3)	**8,440,995**	**4,685,143**	**80.2 %**	**24,175,751**	**18,997,586**	**27.3 %**
LPG Sales Volume (equivalent tons) [1]	**179,717**	**181,204**	**(0.8)%**	**782,417**	**758,728**	**3.1 %**
Revenues	**114,241**	**96,298**	**18.6 %**	**468,355**	**406,208**	**15.3 %**
Cost of goods sold	(68,957)	(53,281)	29.4 %	**(269,542)**	**(225,066)**	19.8 %
Gross margin[2]	**45,284**	**43,017**	**5.3 %**	**198,814**	**181,142**	**9.8 %**
Other revenues by function	84	125	(32.9)%	257	276	(6.7)%
-Freight	(7,143)	(6,729)	6.1 %	(29,264)	(27,980)	4.6 %
-Remuneration, salaries, benefits and mandatory expenses	(7,695)	(7,210)	6.7 %	(29,936)	(27,736)	7.9 %
-Maintenance	(3,143)	(3,016)	4.2 %	(13,618)	(15,091)	(9.8)%
-Others	(9,721)	(8,805)	10.4 %	(38,754)	(32,492)	19.3 %
EBITDA [3]	**17,666**	**17,381**	**1.6 %**	**87,499**	**78,118**	**12.0 %**
Depreciation and amortization	*(4,339)*	*(4,547)*	(4.6)%	*(21,625)*	*(18,031)*	19.9 %
Operating Income	**13,327**	**12,835**	**3.8 %**	**65,874**	**60,087**	**9.6 %**
Financial costs	(1,410)	(1,458)	(3.3)%	(5,585)	(7,897)	(29.3)%
Financial income	221	299	(26.1)%	994	1,385	(28.2)%
Exchange rate difference	(34)	10	(433.1)%	(3)	266	(101.0)%
Income by adjustment unit	(556)	(524)	6.0 %	(1,908)	(3,030)	(37.0)%
Other gains (losses)	(1,140)	(368)	210.0 %	(711)	616	(215.3)%
Non-Operating Income	**(2,919)**	**(2,041)**	**43.0 %**	**(7,213)**	**(8,660)**	**(16.7)%**
Earnings before taxes	**10,408**	**10,794**	**(3.6)%**	**58,660**	**51,428**	**14.1 %**
-Income Tax	(3,056)	(2,670)	14.4 %	(16,002)	(12,689)	26.1 %
Earnings after taxes	**7,353**	**8,123**	**(9.5)%**	**42,659**	**38,738**	**10.1 %**
Earnings per share (CLP/share)	*64.48*	*71.36*	*-9.6%*	*374.69*	*340.70*	*10.0 %*

EMPRESAS LIPIGAS

Breakdown by country (in million CLP)

Chile	4Q17	4Q16	Var. Y/Y (%)	Acum.2017	Acum.2016	Var. Y/Y (%)
Average exchange rate (CLP/USD)	633.4	665.8	(4.9)%	649.3	676.8	(4.1)%
LPG Sales Volume (tons)	**105,231**	**100,586**	**4.6 %**	**466,051**	**445,052**	**4.7 %**
NG Sales Volume (M3)	**406,375**	**306,897**	**32.4 %**	**1,379,586**	**1,173,173**	**17.6 %**
LNG Sales Volume (M3)	**8,440,995**	**4,685,143**	**80.2 %**	**24,175,751**	**18,997,586**	**27.3 %**
LPG Sales Volume (equivalent tons) [1]	**112,087**	**104,455**	**7.3 %**	**485,856**	**460,685**	**5.5 %**
Revenues	**82,188**	**64,560**	**27.3 %**	**336,790**	**282,795**	**19.1 %**
Cost of goods sold	(47,344)	(33,705)	40.5 %	(183,763)	(147,022)	25.0 %
Gross margin [2]	**34,843**	**30,855**	**12.9 %**	**153,026**	**135,773**	**12.7 %**
Other revenues by function	84	125	(32.9)%	257	276	(6.7)%
Operating expenses	(19,386)	(16,747)	15.8 %	(78,544)	(69,848)	12.4 %
EBITDA [3]	**15,541**	**14,232**	**9.2 %**	**74,740**	**66,201**	**12.9 %**
Depreciation and amortization	(3,097)	(3,433)	(9.8)%	(16,527)	(13,317)	24.1 %
Operating Income	**12,444**	**10,799**	**15.2 %**	**58,213**	**52,884**	**10.1 %**

Colombia	4Q17	4Q16	Var. Y/Y (%)	Acum.2017	Acum.2016	Var. Y/Y (%)
Average exchange rate (COP/USD)	2,986	3,015	-1.0%	2,951	3,051	-3.3%
LPG Sales Volume (tons)	**20,144**	**19,649**	**2.5%**	**81,331**	**78,935**	**3.0%**
Revenues	**11,510**	**8,948**	**28.6 %**	**43,577**	**35,688**	**22.1 %**
Cost of goods sold	(7,013)	(4,013)	74.7 %	(24,132)	(18,794)	28.4 %
Gross margin [2]	**4,497**	**4,935**	**(8.9)%**	**19,445**	**16,894**	**15.1 %**
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(3,219)	(2,928)	9.9 %	(12,688)	(11,573)	9.6 %
EBITDA [3]	**1,279**	**2,006**	**(36.3)%**	**6,757**	**5,322**	**27.0 %**
Depreciation and amortization	(479)	(464)	3.1 %	(2,012)	(1,821)	10.5 %
Operating Income	**800**	**1,542**	**(48.1)%**	**4,746**	**3,501**	**35.6 %**

Peru	4Q17	4Q16	Var. Y/Y (%)	Acum.2017	Acum.2016	Var. Y/Y (%)
Average exchange rate (PEN/USD)	3.25	3.40	(4.3)%	3.26	3.38	(3.4)%
LPG Sales Volume (tons)	**35,434**	**37,602**	**(5.8)%**	**152,336**	**151,662**	**0.4 %**
NG Sales Volume (M3)	**15,550,382**	**25,157,792**	**(38.2)%**	**81,151,505**	**87,027,305**	**(6.8)%**
LPG Sales Volume (equiv. ton)[1]	**47,486**	**57,100**	**(16.8)%**	**215,230**	**219,109**	**(1.8)%**
Revenues	**20,543**	**22,790**	**(9.9)%**	**87,989**	**87,725**	**0.3 %**
Cost of goods sold	(14,599)	(15,562)	(6.2)%	(61,647)	(59,250)	4.0 %
Gross margin [2]	**5,943**	**7,227**	**(17.8)%**	**26,342**	**28,475**	**(7.5)%**
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(5,096)	(6,084)	(16.2)%	(20,341)	(21,879)	(7.0)%
EBITDA [3]	**847**	**1,143**	**(25.9)%**	**6,002**	**6,596**	**(9.0)%**
Depreciation and amortization	(764)	(649)	17.6 %	(3,087)	(2,893)	6.7 %
Operating Income	**83**	**494**	**(83.1)%**	**2,915**	**3,703**	**(21.3)%**

Empresas Lipigas S.A.
Financial Indicators -Evolution

Million CLP	4T17	3T17	2T17	1T17	4T16
Investment in property, plant & equip.[4]	11,726	11,773	9,962	9,992	8,906
Cash and cash equivalents	6,930	12,026	15,022	8,440	18,122
Dividends payable[5]	0	0	7,012	0	0
Net cash and cash equivalents[6]	6,930	12,026	8,009	8,440	18,122
Total financial debt	130,533	128,189	129,912	128,720	130,618
-Short term financial debt	7,401	10,095	11,214	10,150	12,219
-Long term financial debt	123,132	118,094	118,698	118,569	118,399
EBITDA LTM	87,499	87,214	81,656	77,562	78,118
Financial Ratios (times)					
-Financial debt/EBITDA[7]	1.4	1.3	1.4	1.6	1.4
-Indebtedness[8]	0.9	0.8	0.8	0.9	0.8

Definitions:

[1] LPG Sales volume (equiv. tons): Addition of LPG sales in tons plus network natural gas, compressed natural gas and LNG sales measured in equivalent LPG tons based on calorific value

[2] Gross Margin: Revenues from ordinary activities less the costs of purchase of products and services sold (without deducting expenses, depreciation or amortization).

[3] EBITDA: Revenues from ordinary activities and other revenues by function less costs and expenses (excluding depreciation and amortization)

[4] Investment in property, plant and equipment corresponds to gross investments carried out during the quarter

[5] Dividends payable correspond to dividends payable as of the reported quarter.

[6] Net cash and cash equivalents correspond to available cash discounting liability for dividends pending of payment.

[7] Financial debt less cash and cash equivalents / EBITDA LTM

[8] Net financial debt divided total equity.