EMPRESAS LIPIGAS S.A. ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2018

Santiago, Chile, August 29, 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 second quarter ended June 30, 2018. 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 increased its EBITDA in Chile by 2.3% as of June 30th

Highlights last 6 months:

- EBITDA reached CLP 39,562 million, a 3.3% lower than the previous year (CLP 40,891 million). In Chile EBITDA increases by 2.3%.
- Consolidated LPG sales volume decreases by 1.9%. In Chile it increases by 2.9%.
- Consolidated sales volume in equivalent LPG tons (including sales of network natural gas, compressed natural gas and liquefied natural gas) drops by 1.8% due to lower sales in Peru.
- Income after taxes decreases by 9.1%.

Highlights 2Q 2018:

- EBITDA decreases 3.1% compared to 2Q17. EBITDA in Chile increases by 0.9%.
- Consolidated LPG sales volume decreases by 3.1%. In Chile it increases by 2.1%.
- Consolidated sales volume in equivalent LPG tons (including sales of network natural gas, compressed natural gas and liquefied natural gas) decreases by 2.4% due to lower sales in Peru.
- Income after taxes during the last 3 months decreases by 6.5%.

Comments of the General Manager – Ángel Mafucci

"The results of the first half show an EBITDA generation of 39,562 million Chilean pesos that is 3.3% lower than the previous year. In Chile, EBITDA grew by 2.3%. We had a winter season that started later than in other years. However, LPG sales volume grows 2.9%. In Colombia, EBITDA remains stable in local currency, although it is impacted by the revaluation of the Chilean peso (5.0% compared to 2017). In Peru, EBITDA declined significantly driven by a decrease in sales volume and a drop in the margins of the LPG business. The result in Peru does not meet our expectations and we are working to improve it, because, even with its informality characteristics, Peru is an interesting market for LPG and for developing energy solutions for our customers. As for projections, we continue to focus on approaching end customers, consolidating our relationship with them and also adding business volume in the 3 countries where we operate."

2Q18-Consolidated Results

EBITDA reached CLP 24,737 million decreasing 3.1% regarding the same period of the previous year. Chile and Colombia present higher EBITDA during the quarter due to greater sales volume and better unit margins, while Peru presented lower EBITDA regarding 2Q17, impacted by decreased sales in the LPG and CNG business and by lower unit margins in the LPG business. Operating expenses recorded an increase compared to the previous year (+9.3%).

Consolidated revenues reached CLP 134,329 million, representing a 7.6% increase. In Chile revenues increase by CLP 12,746 million (14.3%) due to greater volumes and higher unit prices, while in Colombia revenues increased by 5.8% regarding the previous year. Both countries have been influenced by increased prices of oil by-products when compared to price levels recorded during 2Q17 and, in the case of Chile, by the increase in the proportion of sales to end-customers. Peru presents lower revenues of CLP 3,840 million (-15.5%) regarding 2Q17, which is mainly generated due to lower sales volume.

Gross margin reached CLP 55,569 million, increasing by 3.4%. In Chile, gross margin increased by 7.4% compared to 2Q17, due to greater volumes and improved unit margins. In Colombia, gross margin increased by 10.8% due to better margins, after raw material supply difficulties that increased the cost of products sold during the previous quarter. In Peru, gross margin decreased by 23.6%, mainly due to lower sales, that in equivalent LPG tons, decreased by 19.5% and lower margins in the LPG business.

Operating expenses increased by CLP 2,618 million (9.3%). Expenses in Chile increased CLP 2,871 million (14.6%) mainly due to higher expenses in freight, marketing and logistics and distribution services, which increase relates to the development of integration strategies in the distribution chain towards end-customers and also to the incorporation of customers to natural gas networks. In Colombia, expenses increased by CLP 335 million (10.4%) due to higher expenses in salaries, maintenance and advertising. In Peru, expenses decreased by CLP 587 million (10.8%) mainly in freight and salaries.

Negative non-operating income decreased by CLP 363 million, mainly by greater sales of property, plant and equipment in Colombia.

Earnings after taxes decreased by 6.5% impacted by lower operating income.

Analysis by Country

Chile: In Chile EBITDA reached CLP 22,005 million, representing a 0.9% growth compared to 2Q17.

Revenues for the Chilean operation reached CLP 101,980 million, 14.3% higher compared to 2Q17, mainly explained by a 2.1% higher LPG sales volume, increased unit princes due to price increases in oil by-products regarding 2Q17 and a greater proportion of direct sales to end-customers. Sales volume in equivalent LPG tons increased by 5.3%, with a significant 98.9% increase in the volume of natural gas, given the entry of new LNG industrial clients and the increase of network natural gas clients.

Gross margin increased by CLP 44,459 million, a 7.4% higher regarding 2Q17 generated by higher volumes and greater unit margins (+2.0%).

Operating expenses in Chile increased by CLP 2,871 million (14.6%) mainly in freight, marketing and operating services of sales centers, which relate to the implementation of the integration strategy of the distribution chain to the end-customer. Additionally there is an increase in the expenses related to the connection of clients to natural gas networks.

Colombia: EBITDA in Colombia reached CLP 1,800 million, increasing 11.7% regarding 2Q17 principally due to higher product unit margins.

Revenues for the Colombian operation reached CLP 11,447 million, 5.8% higher than 2Q17, principally by the increase in the prices of oil by-products regarding 2Q17.

In Chilean currency, gross margin in Colombia presents a positive variation of 10.8%, mainly because of higher unit margins (+10.5%).

Operating expenses increased by CLP 335 million (10.4%) due to higher expenses in salaries, maintenance and marketing.

The Colombian peso devalued against the Chilean peso by 3.9% when comparing 2Q18 with 2Q17.

Peru: EBITDA in Peru reached CLP 933 million, representing a 56.0% decrease regarding 2Q17, mainly due to lower sales volume in the LPG and CNG business, which is partially offset by savings in expenses.

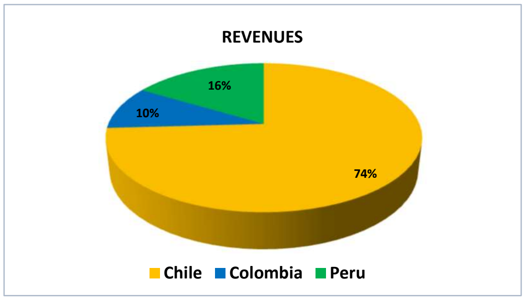
Revenues for the Peruvian operation reached CLP 20,902 million,15.5% lower regarding 2Q17. LPG sales volume decreased by 20.1%, mainly due to intense price competition, mostly from informal competitors. CNG sales decreased by 18.1% compared to 2Q17, due to a loss of several high volume customers who connected to network natural gas towards the middle of the previous year. Thus, sales volume in equivalent LPG tons decreased by 19.5%.

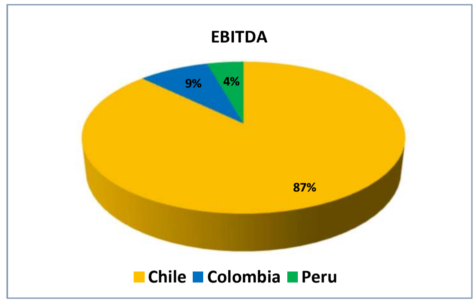
Gross margin decreases by 23.6% mainly influenced by lower sales volume of the LPG and CNG business and weaker unit margins of LPG sales originating from the informal competition.

Operating expenses decreased by CLP 587 million (-10.8%) due to lower expenses in the compressed natural gas operation as well as in the LPG business, resulting from lower activity.

The Peruvian Sol devalued 6.4% against the Chilean peso when comparing 2Q18 with 2Q17.

Accumulated Consolidated Results as of 06.30.2018





EBITDA reached CLP 39,526 million decreasing by 3.3% regarding the same period of the previous year. Chile contributes positively to the EBITDA generation with a 2.3% growth, while Colombia and Peru present an EBITDA decrease compared to the first half of 2017. Colombia was impacted by lower sales volume and high raw material costs of the first quarter, while Peru, throughout the year has presented a decrease in the LPG and CNG business and reduction of margins in the LPG business. Operating expenses recorded an increase compared to the previous year (+6.0%), explained by higher expenses in Chile.

Consolidated revenues reached CLP 237,643 million, representing an increase of 6.1%. Revenues in Chile increased by CLP 20,225 million (13.0%), due to greater volume and higher unit margins, while in Colombia revenues present a 2.8% increase compared to the previous year. Both countries have been influenced by the price increase of oil by-products when comparing with price levels recorded during the first half of the previous year, and in the case of Chile, by an increased proportion of sales to end-customers. Peru presents lower revenues by CLP 7,107 million (-15.4%) which is mainly due to lower sales volume.

Gross margin reached CLP 97,154 million, increasing by 2.0%. In Chile, gross margin increased by 6.4% compared to the same period of the previous year, due to higher volumes and better LPG unit margins. In Colombia, gross margin increased by 2.3%, as a result of better unit margins of the second quarter which offsets the lower sales and raw material supply difficulties of the first quarter. In Peru, gross margin decreases by 20.9% due to lower sales that decreased by 18.4% measured in equivalent LPG tons, and lower margins in the LPG business.

Operating expenses increased by CLP 3,258 million (6.0%). Expenses in Chile increased by CLP 3,837 million (10.1%) mainly due to freight, salaries and logistics and distribution services, which increase relates to the development of integration strategies of the distribution chain to the end-customer and the increased expense related to the connection of clients to the natural gas network. In Colombia, expenses increased by CLP 438 million (7.0%) due to higher maintenance expenses. In Peru expenses decreased by CLP 1,016 million (9.9%) mainly in salaries and freight.

Negative non-operating income decreased by CLP 835 million mainly explained by higher financial income associated to earnings from restatements of guaranty liabilities in Chile, due to other earnings associated with client collections in Peru resulting from an early contract termination during the first quarter, and to higher sales of property, plant and equipment in Colombia.

Earnings after taxes decreased by 9.1%, impacted by lower operating income, which is partially offset by better accumulated non-operating income.

Analysis by Country

Chile: EBITDA in Chile reached CLP 34,502 million, increasing 2.3% compared to the first half of 2017.

Revenues for the Chilean operation reached CLP 176,133 million, 13.0% higher compared to the same period of 2017. These higher revenues are explained by the 2.9% increase in LPG sales volume, despite the warmer winter season compared to the previous year. The increase in unit prices due to an increase in the value of oil by-products over the first half of 2017, and a higher proportion of direct sales to end-customers, also influences. Sale volume in equivalent LPG tons increased by 6.8%, with a significant 116.9% increase in the volume of natural gas, given the entry of new LNG industrial customers.

Gross margin increased by CLP 4,595 million compared to 2017 explained by increased LPG and NG volumes and improved unit margins, offset in turn by a negative effect over inventories of the first half, which compared to the same period of the previous year, results in a negative variation of CLP 567 million.

Operating expenses in Chile increases by CLP 3,837 million (10.1%) mainly in salaries, freight and operating services of sales centers which relate to the implementation of integration strategies of the distribution chain to the end-customer. Additionally, there are increased expenses related to the connection of clients to natural gas networks.

Colombia: EBITDA in Colombia reached CLP 3,333 million, representing a 5.9% decrease regarding 2017, explained by lower sales and higher expenses. The devaluation of the Colombian peso against the Chilean peso, which was 5.0% compared to the same period of the previous year influences this decrease.

Revenues for the Colombian operation reached CLP 22,479 million, 2.8% higher compared to 2017, explained by a greater unit sales price, which offsets the 3.5% lower LPG sales volume.

Gross margin of Colombia presents a 2.3% positive variation, mainly resulting from higher unit margins.

Operating expenses increased by CLP 438 million (7.0%) due to higher expenses in salaries, freight and leases.

Peru: EBITDA in Peru reached CLP 1,727 million, representing a 52.4% decrease compared to the first half of 2017, mainly due to lower sales volume of the LPG and CNG business and lower unit margins of the LPG business, which is partially offset by savings in expenses.

Revenues for the Peruvian operation reached CLP 39,031 million,15.4% lower compared to the first half of the previous year. LPG sales volume decreased by 14.8% principally resulting from the intense price competition, mostly from informal competitors. CNG sales decreased by 26.2% compared to the first half of 2017, due to the loss of high volume customers that connected to network natural gas in mid-2017. Thus, sales volume in equivalent LPG tons decreased by 18.4%.

Gross margin decreases by 20.9% influenced by lower sales volume of the LPG and CNG business and weakness in the unit margins of the LPG sales resulting from informal competition.

Operating expenses decreased by CLP 1,016 million (-9.9%) due to lower expenses in the compressed natural gas operation as well as the LPG business due to lower activity.

The Peruvian sol devalued 6.5% against the Chilean peso.

News

- On April 27, 2018, it was reported that during the Regular Shareholders' Meeting of Empresas Lipigas S.A. several matters were agreed upon: the approval of the annual report and financial statements of the 2017 fiscal year; the approval of the distribution of earnings and dividends of the fiscal year; establish the remuneration of the Board of Directors and Directors' Committee; appoint PricewaterhouseCoopers as external auditors for the 2018 fiscal year and Humphreys and Feller Rate as risk rating agencies for the 2018 fiscal year; to account for operations related to article 146 of Law 18,046. In addition, the Special Shareholders' Meeting agreed to amend article four of the Company's bylaws in order to expand the corporate purpose, replacing the current letter f) of the fourth clause of the bylaws and other changes.

- On May 17, 2018, the Consolidated Results for the First Quarter of 2018 were reported.

- On May 31, 2018, it was reported that the Board of Directors approved an interim dividend charged against 2018 results in the amount of CLP 62 per share, said dividend was paid on June 27, 2018.

- On July 17, 2018, it was reported that Empresas Lipigas S.A., through its subsidiary Chilco Distribuidora de Gas y Energía S.A.S. E.S.P., has signed an agreement with a group of shareholders of Surcolombiana de Gas S.A. E.S.P. to acquire an ownership interest of 51.07% of said entity. The operation is part of the strategy of Lipigas to acquire gas distribution companies in Colombia in order to expand the business base in that country.

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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, 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 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

	2Q18	2Q17	Var. Y/Y (%)	Acum.2018	Acum.2017	Var. Y/Y (%)
LPG Sales Volume (tons)	**185,596**	**191,607**	**(3.1)%**	**336,268**	**342,869**	**(1.9)%**
NG Sales Volume (M3)	**21,152,777**	**24,719,400**	**(14.4)%**	**36,769,618**	**48,010,699**	**(23.4)%**
LNG Sales Volume (M3)	**10,058,530**	**5,332,432**	**88.6 %**	**20,276,705**	**9,615,292**	**110.9 %**
LPG Sales Volume (equivalent tons) [1]	**209,785**	**214,897**	**(2.4)%**	**380,479**	**387,530**	**(1.8)%**
Revenues	**134,329**	**124,792**	**7.6 %**	**237,643**	**223,905**	**6.1 %**
Cost of goods sold	(78,760)	(71,029)	10.9 %	**(140,490)**	**(128,660)**	9.2 %
Gross margin[2]	**55,569**	**53,763**	**3.4 %**	**97,154**	**95,245**	**2.0 %**
Other revenues by function	66	53	25.0 %	125	105	19.4 %
-Freight	(8,401)	(7,909)	6.2 %	(14,609)	(13,920)	4.9 %
-Remuneration, salaries, benefits and mandatory expenses	(7,792)	(7,426)	4.9 %	(14,971)	(14,627)	2.4 %
-Maintenance	(4,104)	(3,452)	18.9 %	(7,898)	(7,252)	8.9 %
-Others	(10,601)	(9,492)	11.7 %	(20,239)	(18,659)	8.5 %
EBITDA [3]	**24,737**	**25,537**	**(3.1)%**	**39,562**	**40,891**	**(3.3)%**
Depreciation and amortization	*(5,439)*	*(5,020)*	8.3 %	*(10,863)*	*(9,887)*	9.9 %
Operating Income	**19,298**	**20,516**	**(5.9)%**	**28,699**	**31,004**	**(7.4)%**
Financial costs	(1,647)	(1,408)	17.0 %	(3,048)	(2,758)	10.5 %
Financial income	261	151	72.8 %	927	551	68.4 %
Exchange rate difference	(24)	(55)	(56.4)%	54	(47)	(215.5)%
Income by adjustment unit	(831)	(846)	(1.8)%	(1,562)	(1,395)	12.0 %
Other gains (losses)	401	(44)	(1002.3)%	884	71	1145.3 %
Non-Operating Income	**(1,840)**	**(2,203)**	**(16.5)%**	**(2,744)**	**(3,579)**	**(23.3)%**
Earnings before taxes	**17,458**	**18,314**	**(4.7)%**	**25,955**	**27,425**	**(5.4)%**
-Income Tax	(4,939)	(4,920)	0.4 %	(7,708)	(7,361)	4.7 %
Earnings after taxes	**12,519**	**13,394**	**(6.5)%**	**18,247**	**20,064**	**(9.1)%**
Earnings per share (CLP/share)	*110.02*	*117.70*	*-6.5%*	*160.19*	*176.24*	*(9.1)%*

See definitions of: Sales in equivalent LPG tons, Gross Margin and EBITDA at the end of this document

Breakdown by country (in million CLP)

Chile	2Q18	2Q17	Var. Y/Y (%)	Acum.2018	Acum.2017	Var. Y/Y (%)
Average exchange rate (CLP/USD)	620.9	664.7	(6.6)%	611.5	660.0	(7.4)%
LPG Sales Volume (tons)	**130,574**	**127,914**	**2.1 %**	**229,593**	**223,106**	**2.9 %**
NG Sales Volume (M3)	**1,176,591**	**315,289**	**273.2 %**	**1,760,292**	**545,575**	**222.6 %**
LNG Sales Volume (M3)	**10,058,530**	**5,332,432**	**88.6 %**	**20,276,705**	**9,615,292**	**110.9 %**
LPG Sales Volume (equivalent tons) [1]	**139,282**	**132,291**	**5.3 %**	**246,672**	**230,980**	**6.8 %**
Revenues	**101,980**	**89,234**	**14.3 %**	**176,133**	**155,908**	**13.0 %**
Cost of goods sold	(57,521)	(47,831)	20.3 %	(100,013)	(84,383)	18.5 %
Gross margin [2]	**44,459**	**41,403**	**7.4 %**	**76,120**	**71,525**	**6.4 %**
Other revenues by function	66	53	25.0 %	125	105	19.4 %
Operating expenses	(22,521)	(19,650)	14.6 %	(41,742)	(37,905)	10.1 %
EBITDA [3]	**22,005**	**21,805**	**0.9 %**	**34,502**	**33,724**	**2.3 %**
Depreciation and amortization	(4,271)	(3,717)	14.9 %	(8,390)	(7,292)	15.1 %
Operating Income	**17,734**	**18,089**	**(2.0)%**	**26,113**	**26,432**	**(1.2)%**

Colombia	2Q18	2Q17	Var. Y/Y (%)	Acum.2018	Acum.2017	Var. Y/Y (%)
Average exchange rate (COP/USD)	2,840	2,920	-2.7%	2,849	2,921	-2.5%
LPG Sales Volume (tons)	**20,355**	**20,286**	**0.3%**	**39,540**	**40,979**	**-3.5%**
Revenues	**11,447**	**10,815**	**5.8 %**	**22,479**	**21,859**	**2.8 %**
Cost of goods sold	(6,096)	(5,988)	1.8 %	(12,461)	(12,069)	3.2 %
Gross margin [2]	**5,350**	**4,827**	**10.8 %**	**10,019**	**9,791**	**2.3 %**
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(3,551)	(3,216)	10.4 %	(6,686)	(6,248)	7.0 %
EBITDA [3]	**1,800**	**1,611**	**11.7 %**	**3,333**	**3,543**	**(5.9)%**
Depreciation and amortization	(556)	(523)	6.3 %	(1,101)	(1,031)	6.7 %
Operating Income	**1,244**	**1,088**	**14.3 %**	**2,232**	**2,511**	**(11.1)%**

Peru	2Q18	2Q17	Var. Y/Y (%)	Acum.2018	Acum.2017	Var. Y/Y (%)
Average exchange rate (PEN/USD)	3.26	3.27	(0.2)%	3.25	3.28	(0.9)%
LPG Sales Volume (tons)	**34,667**	**43,407**	**(20.1)%**	**67,134**	**78,784**	**(14.8)%**
NG Sales Volume (M3)	**19,976,186**	**24,404,111**	**(18.1)%**	**35,009,326**	**47,465,124**	**(26.2)%**
LPG Sales Volume (equiv. ton)[1]	**50,149**	**62,320**	**(19.5)%**	**94,267**	**115,570**	**(18.4)%**
Revenues	**20,902**	**24,743**	**(15.5)%**	**39,031**	**46,138**	**(15.4)%**
Cost of goods sold	(15,144)	(17,209)	(12.0)%	(28,016)	(32,208)	(13.0)%
Gross margin [2]	**5,759**	**7,533**	**(23.6)%**	**11,015**	**13,930**	**(20.9)%**
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(4,826)	(5,413)	(10.8)%	(9,288)	(10,305)	(9.9)%
EBITDA [3]	**933**	**2,120**	**(56.0)%**	**1,727**	**3,625**	**(52.4)%**
Depreciation and amortization	(612)	(781)	(21.6)%	(1,373)	(1,564)	(12.2)%
Operating Income	**321**	**1,339**	**(76.1)%**	**354**	**2,061**	**(82.8)%**

See definitions of: Sales in equivalent LPG tons, Gross Margin and EBITDA at the end of this document

Empresas Lipigas S.A.

Financial Indicators -Evolution

Million CLP	2T18	1T18	4T17	3T17	2T17
Investment in property, plant & equip.[4]	10,950	11,658	11,726	11,773	9,962
Cash and cash equivalents	12,196	7,772	6,930	12,026	15,022
Dividends payable[5]	0	0	0	0	7,012
Net cash and cash equivalents[6]	12,196	7,772	6,930	12,026	8,009
Total financial debt	162,522	138,125	130,533	128,189	129,912
-Short term financial debt	41,509	14,865	9,951	10,095	11,214
-Long term financial debt	121,014	123,259	120,582	118,094	118,698
EBITDA LTM	86,170	86,970	87,499	87,214	81,656
Financial Ratios (times)					
-Financial debt/EBITDA[7]	1.7	1.5	1.4	1.3	1.4
-Indebtedness[8]	1.0	0.9	0.9	0.8	0.8

Definitions:

[1]LPG sales volume (equivalent tons): Addition of LPG sales in tons plus sales of network NG, CNG and LNG 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]Gross additions of the quarter due to investment in property, plant and equipment and to business combinations

[5]Dividends payable correspond to dividends payable as of 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 / total equity