



Updated Mexican Public Infrastructure Projects 2009¹

This memorandum provides an overview of infrastructure projects in development or planned for development during Felipe Calderon's administration (2006 – 2012).

Please note that the information provided herein is for informational purposes only and does not constitute, and should not be viewed as, legal or business advice. Note also that the list of projects set forth below will continue to evolve and that the projects included herein may be postponed, canceled or changed, and others may be announced in the upcoming months.

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I. Background.

With respect to the National Infrastructure Plan 2007 – 2012 (the "Plan"), which includes infrastructure projects, primarily in the water, roads and highways, oil and gas, power, telecommunications, transportation, and energy sectors, as well as for provision of basic services, environmental clean-up works and management of hazardous materials.²

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¹ Note: In the preparation of this memorandum we have reviewed, among others, the following sources of information: (i) the National Infrastructure Plan 2007 – 2012 (*Plan Nacional de Infraestructura 2007 – 2012*); (ii) the Federal Budget for 2009 (*Presupuesto de Egresos de la Federación para el Ejercicio 2009*) published in the Official Gazette of the Federation (*Diario Oficial de la Federación*, "DOF") on November 28, 2008 and its exhibits to the Federal Budget for 2009; (iii) other information available in the DOF, on the websites of different governmental entities and agencies and recent news and unofficial political statements of the current governmental agencies and their respective officers with respect to the projects referred to herein.

² We reserve the right to supplement or modify this memorandum as soon as we may consider relevant any information that may come to our attention.
³ October 17, 2006; Infrastructure National Reunion at the Mexican Chamber for the Construction Industry (*Camara Mexicana de la Industria de la Construcción*) <http://www.cmic.org/cmnic/comunicadosdeprensa/noticial71006.htm>

As part of the Plan, the Government created the National Infrastructure Fund ("FONADIN", for its Spanish initials³), to be funded with resources obtained, in the first instance, from the Trust for Support in the Recovery of Highways, created in the nineties for the highways bailout ("FARAC", for its Spanish initials), and from the Infrastructure Investment Fund ("FINFRA", for its Spanish initials). The proceeds of FONADIN will be used to cover four priority infrastructure areas:

- (i) highways, roads and bridges;
- (ii) water, irrigation, drainage and sanitation through the *Programa para la Modernización de Organismos Operadores de Agua* ("PROMAGUA");
- (iii) railroads, ports, airports, urban and interurban transport; and
- (iv) projects designed to preserve the environment and biodiversity.⁴

Additionally, reforms to the regime applicable to **Petroleos Mexicanos** and its subsidiaries ("PEMEX", for its Spanish initials) were approved by Congress in order to provide PEMEX with greater autonomy in administration, budgeting and government procurement.⁵

As a result of the recent global economic crisis, the Mexican Government has suspended or delayed a number of the infrastructure projects in the Plan.

Nevertheless, the Mexican Government has announced that it will implement measures to mitigate the effects of the economic crisis, including by stimulating infrastructure investment through the following programs, among others:

- (i) *acceleration of the implementation of the National Infrastructure Plan, with the Federal Budget for 2009 approved by the Chamber of Deputies establishing an unprecedented level of resources for infrastructure projects, with anticipated public and private investment in this area reaching approximately MXN\$570 billion (US\$42 billion⁶) for 2009;*
- (ii) *granting PEMEX an additional MXN\$17 billion (approximately US\$1.2 billion) and the States an additional MXN\$14 billion (approximately US\$1.04 billion) for infrastructure investment, thereby increasing public investment in infrastructure projects by more than MXN\$30 billion (approximately US\$2.2 billion); compared to 2009;*

- (iii) *granting FONADIN resources for an amount of MXN\$50 billion (approximately US\$3.7 billion), reaching approximately an amount of MXN\$270 billion (approximately US\$20 billion) between 2008 and 2012;*
- (iv) *authorizing Banobras and FONADIN to grant loans and guarantees exceeding MXN\$65 billion (approximately US\$4.4 billion), ensuring implementation of major infrastructure projects with private participation;⁷*
- (v) *as a main objective of the National Infrastructure Plan, change from an annual average investment of 3.0 to 4.5% of the Gross Domestic Product from 2007 to 2012, which represents an infrastructure investment of MXN\$2,532 billion (approximately US\$187.5 billion);*
- (vi) *budgetary investment for Oil infrastructure from an amount of MXN\$101,480 million (approximately US\$7,517 million) during 2008 to MXN\$241,000 million (approximately US\$17,852 million) during 2009; and*
- (vii) *budgetary investment for Power infrastructure from an amount of MXN\$31,805 million (approximately US\$2,356 million) during 2008 to MXN\$78,000 million (approximately US\$5,777 million) during 2009.*

II. Infrastructure Projects in progress.

1. Toll Roads.⁸

A. FARAC Projects.

I. Background. (FARAC I).

In 2007, the Ministry of Communication and Transportation ("SCT", for its Spanish initials) awarded the first concession under FARAC to Goldman Sachs and Empresas ICA. The award was a 30-year concession, which included the right to operate and maintain more than 550 km of roads in Michoacán, Jalisco, Guanajuato and Aguascalientes.

This first package was awarded for an amount in excess of US\$4 billion, the biggest infrastructure funding in the history of Mexico and the largest infrastructure project in Latin America for that year. White & Case represented Goldman Sachs and ICA in that project.

³ In 1997, the Mexican Government created a governmental trust known as FARAC for the rescue of toll roads after the 1994 economic crisis for an estimated investment of approximately US\$20 billion.

⁴ Press Room. National Infrastructure Fund. <http://www.presidencia.gob.mx/en/prensa/74 contenido=33753>.

⁵ Please refer to White & Case, S.C. memoranda at <http://www.whitecase.com/mexico>.

⁶ Unless otherwise specified herein, for purpose of reference only, approximations are calculated with an Exchange Rate of MXN\$13.5-US\$1.

⁷ Announcement of the National Support in favor of the Family Finances and Employment <http://www.presidencia.gob.mx/buscador/index.php? contenido=41231#b3>. Date of consultation: January 8, 2009.

⁸ SCT presentation entitled: "New Concession Model for Toll Road Development in Mexico," dated January, 2007, available at <http://uac.sct.gob.mx/>. Date of consultation: January 11, 2007.

II. FARAC II.

FARAC II consists of a 30-year concession period, including rights of way, auxiliary services and exploitation through the execution of agreements with third parties for the construction and use of the toll roads during the concession period. The first FARAC II package was cancelled by the SCT on February 27, 2009. The new FARAC II package was divided into two parts: (i) the "North Pacific Package", and (ii) the "South Pacific Package". It is important to note that the new FARAC II package does not consider the following roads, which had been included in the original FARAC II package:

- *Jala- Compostela II Junction*, with an approximate length of 54 km.
- *Compostela II Junction-Las Varas*, with an approximate length of 24 km.
- *Las Varas-Puerto Vallarta*, with an approximate length of 16 km.
- *Puerto Vallarta Bypass*, with an approximate length of 30 km.

A. "North Pacific Package".⁹

(a) Description.

On April 02, 2009, the SCT published on the DOF the call for International Public Bid No. 00009076-001-09 for the award of a 30-year concession period, including rights of way, auxiliary services and exploitation through the execution of agreements with third parties for the construction and use of the toll roads. The FARAC II "North Pacific" Package consists of the following roads:

- *Touristic Corridor of Los Cabos*, with an approximate length of 44 km.
- *Culiacán Bypass*, with an approximate length of 22 km.
- *Mazatlán Bypass*, with an approximate length of 37 km.
- *San José del Cabo-Airport of Los Cabos*, with an approximate length of 20.2 km.
- *Mazatlán-Culiacán*, with an approximate length of 181.5 km.

(b) Technical Information.

- (i) *Type*. Concession.
- (ii) *Term of the concession*. The term of this concession is 30 years.
- (iii) *Location of the works*. The project will be developed in the states of Baja California Sur and Sinaloa.

- (iv) *Applicable law for the project*. The Highways Law.
- (v) *SPV*. The concession will be granted to the winning bidder, which may at its option incorporate a special purpose vehicle.
- (vi) *Funding*. The concessionaire will be responsible for obtaining funding for the project.
- (vii) *Studies and permit*. Each bidder will be responsible for the completion of all studies and for obtaining all necessary permits for the construction and operation of the project, other than certain permits to be obtained by the SCT.
- (viii) *Bid bond*. A bid bond in the amount of MXN\$200 million (approximately US\$14.8 million) is required from each bidder.
- (ix) *Registration*. Each bidder must obtain the registration as participant in the bidding process.
- (x) *Requirements of the bidder*. The minimum stated capital of each bidder is MXN\$1,500 million (approximately US\$111.1 million).
- (xi) *Language of the Proposals*. Spanish

(c) Award Process.

- (i) *Date of the call*. April 02, 2009.
- (ii) *First Clarification Meeting*. May 14, 2009.
- (iii) *Second Clarification Meeting*. June 02, 2009.
- (iv) *Act of presentation and opening of technical and economic proposals*. July 10, 2009.
- (v) *Date of the award*. August 04, 2009.
- (vi) *Deadline to incorporate the trust*. September 25, 2009.
- (vii) *Deadline for formalization of concession title*. October 29, 2009.
- (viii) *Deadline for the delivery of the highways to the winning bidder*. October 30, 2009

(d) Interested Companies.

Pinfra Sector Construcción, S.A. de C.V.; OHL Concesiones México, S.A. de C.V.; Promotora del Desarrollo de América Latina, S.A. de C.V.; Tradeco Infraestructura, S.A. de C.V.; Controladora de Operaciones de Infraestructura, S.A. de C.V.; La Peninsular Compañía Constructora, S.A. de C.V.; and Mexicana de Global Vía Infraestructuras, S.A. de C.V.

⁹ Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>

B. "South Pacific Package".¹⁰

(a) Description.

On April 21, 2009, the SCT published on the DOF the call for International Public Bid No. 00009076-002-09 for the award of a 30-year concession. The FARAC II "South Pacific" Package consists of the following roads:

- *South Guadalajara Bypass*, with an approximate length of 111 km.
- *Tepic Bypass*, with an approximate length of 30 km.
- *Tepic- Compostela II Junction*, with an approximate length of 40 km.
- *Guadalajara-Tepic*, with an approximate length of 168.6 km.

(b) Technical Information.

- (i) *Type*. Concession.
- (ii) *Term of the concession*. The term of this concession is 30 years.
- (iii) *Location of the works*. The project will be developed in the states of Sinaloa and Baja California Sur.
- (iv) *Applicable law for the project*. The Highways Law.
- (v) *SPV*. The concession will be granted to the winning bidder, which may at its option incorporate a special purpose vehicle.
- (vi) *Funding*. The concessionaire will be responsible for obtaining funding for the project.
- (vii) *Studies and permit*. Each bidder will be responsible for the completion of all studies and for obtaining all necessary permits for the construction and operation of the project, other than certain permits to be obtained by the SCT.
- (viii) *Bid bond*. A bid bond in the amount of MXN\$200 million (approximately US\$14.8 million) is required from each bidder.
- (ix) *Registration*. Each bidder must obtain the registration as participant in the bidding process.
- (x) *Requirements of the bidder*. The minimum stated capital of each bidder or consortium is MXN\$1,500 million (approximately US\$111.1 million).
- (xi) *Language of the Proposals*. Spanish

(c) Award Process.

- (i) *Date of the call*. April 21, 2009.
- (ii) *Deadline to purchase the bidding guidelines*. July 31, 2009.
- (iii) *First Clarification Meeting*. June 16, 2009.
- (iv) *Second Clarification Meeting*. July 28, 2009.
- (v) *Third Clarification Meeting*. August 25, 2009.
- (vi) *Fourth Clarification Meeting*. September 30, 2009.
- (vii) *Fifth Clarification Meeting*. November 10, 2009.
- (viii) *Site Visit*. June 25, 2009.
- (ix) *Act of presentation and opening of technical and economic proposals*. December 16, 2009.
- (x) *Date of the award*. January 26, 2010.
- (xi) *Deadline to incorporate the trust*. March 04, 2010.
- (xii) *Deadline for formalization of concession title*. March 30, 2010.
- (xiii) *Deadline for the delivery of the highways to the winning bidder*. March 31, 2010.

(d) Interested Companies.

Promotora del Desarrollo de América Latina, S.A. de C.V.; OHL Concesiones México, S.A. de C.V.; México Constructora Industrial, S.A. de C.V.; Mexicana de Global Vía Infraestructuras, S.A. de C.V.; Gami Ingeniería e Instalaciones, S.A. de C.V.; Controladora de Operaciones de Infraestructura, S.A. de C.V.; Isolux Corsan Concesiones, S.A.; and Constructora y Pavimentadora VISE, S.A. de C.V.

III. FARAC III.¹¹

(a) Description.

On September 18, 2008, the SCT published in the DOF the call for International Public Bid No. 00009076-005-08 for the award of a 30-year concession, which included rights of way, auxiliary services and exploitation through the execution of agreements with third parties for the construction and use of toll roads during the concession period.

This past June 2, 2009, the SCT cancelled such bid. However, the SCT informed that the project would be divided into two packages, and published a new call for International Public Bid No. 00009076-003-09 for the award of the first package of a 30-year concession. Please note that, as of the date hereof, the second package has not been announced.

¹⁰ Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>

¹¹ Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>

This first package consists of the following roads:

- *Cadereyta-Reynosa*, with an approximate length of 132 km.
- *Reynosa-Matamoros*, with an approximate length of 44 km.
- *South Reynosa Bypass*, with an approximate length of 37 km.
- *International Bridge Reynosa-Pharr*, with an approximate length of 2.69 km.
- *International Bridge Matamoros III "Los Tomates"*, with an approximate length of 1.15 km.
- *International Bridge Brownsville-Matamoros "ByM"*, with an approximate length of 0.5 km.
- *International Rail Bridge Brownsville-Matamoros*, with an approximate length of 0.4 km.
- *Brecha 112 Junction*.
- *Access to the Bridge Progreso-Nuevo Progreso "Las Flores"*.
- *Access to the Bridge Matamoros III "Los Tomates"*.
- *Matamoros-Brownsville Rail Bypass*.

(b) Technical Information.

- (i) *Type*. Concession.
- (ii) *Term of the concession*. The term of this concession is 30 years.
- (iii) *Location of the works*. The project will be developed in the states of Nuevo León and Tamaulipas.
- (iv) *Applicable law for the project*. The Highways Law.
- (v) *SPV*. The concession will be granted to the winning bidder, which may at its option incorporate a special purpose vehicle.
- (vi) *Funding*. The concessionaire will be responsible for obtaining funding for the project.
- (vii) *Studies and permit*. Each bidder will be responsible for the completion of all studies and for obtaining all necessary permits for the construction and operation of the project, other than certain permits to be obtained by the SCT.
- (viii) *Bid bond*. A bid bond in the amount of MXN\$200 million (approximately US\$14.8 million) is required from each bidder.
- (ix) *Registration*. Each bidder must obtain the registration as an interested party in the bidding process to submit clarifications, attend the site visit and submit the necessary documents for obtaining the prequalification

certificate (*certificado de precalificación*).

- (x) *Prequalification certificate*. Each bidder shall obtain the prequalification certificate to submit proposals in the bidding process.
- (xi) *Requirements of the bidder*. The minimum stated capital of each bidder is MXN\$160 million (approximately US\$11.8 million).
- (xii) *Language of the Proposals*. Spanish

(c) Award Process.

- (i) *Date of the call*. June 02, 2009.
- (ii) *Deadline to purchase the bidding guidelines*. August 31, 2009.
- (iii) *First Clarification Meeting*. June 26, 2009.
- (iv) *Second Clarification Meeting*. July 31, 2009.
- (v) *Third Clarification Meeting*. August 28, 2009.
- (vi) *Fourth Clarification Meeting*. September 28, 2009.
- (vii) *Site Visit*. August 06 and August 07, 2009.
- (viii) *Act of presentation and opening of technical and economic proposals*. October 20, 2009.
- (ix) *Date of the award*. November 13, 2009.
- (x) *Deadline for formalization of concession title*. March 31, 2010.
- (xi) *Deadline for the delivery of the highways to the winning bidder*. March 31, 2010.

B. Other Toll Roads.

I. Ciudad Valles-Tamuin Bypass.¹²

(a) Description.

This project has an approximate length of 49.5 km. The International Public Bid No. 00009076-004-08 is for a 30-year concession period, which includes the right of way, auxiliary services and exploitation through the execution of agreements with third parties for the construction and use of the toll roads.

(b) Technical Information.

- (i) *Type*. Concession.
- (ii) *Term of the concession*. The term of this concession is 30 years.
- (iii) *Location of the works*. The project will be developed in the state of San Luis Potosí.

¹² Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>.

- (iv) *Applicable law for the project.* The Highways Law.
- (v) *Responsibilities.* The concession will be granted to the winning bidder, which may at its option incorporate a special purpose vehicle. The concessionaire will be responsible for obtaining funding for the project.
- (vi) *Studies and permit.* Each bidder will be responsible for completing all studies and for obtaining all necessary permits for the construction and operation of the project, other than certain permits granted by the government.
- (vii) *Bid bond.* A bid bond in the amount of MXN\$15 million (approximately US\$1.1 million) is required from each bidder.
- (viii) *Participation certificate.* Each bidder must obtain a participation certificate to participate in the bidding and submit a proposal.
- (ix) *Language of the proposals.* Spanish.

(c) Award Process.

- (i) *Act of presentation and opening of technical and economic proposals.* July 15, 2009.
- (ii) *Date of the award.* August 13, 2009.

2. Ports and Harbors.

I. The Manzanillo Port Container Terminal.¹³

(a) Description.

On January 13, 2009, the SCT published in the DOF the call for National Public Bid No.API/MAN/TEC-II/01/09 for the award of an agreement for the partial assignment of rights. The project encompasses the construction, use and exploitation of a specialized public terminal for containers.

(b) Technical Information.

- (i) *Type.* Agreement for the partial assignment of rights.
- (ii) *Term of the works contract.* 20 years with the option of extending for 14 more years.
- (iii) *Location.* The project will be developed in the Port of Manzanillo, in the State of Colima, Mexico.
- (iv) *Applicable law.* Ports Law.
- (v) *Estimated investment.* MXN\$5,115 million (approximately US\$379 million).¹⁴
- (vi) *Requirements of the bidder.* The minimum stated

capital for companies interested in participating in this Public Bid is MXN\$100 million (approximately US\$7.4 million).¹⁵

- (vii) *SPV.* If the winning bidder is an individual or a foreign company, the winning bidder must assign the rights under the Agreement in favor of a special purpose vehicle.
- (viii) *Participation certificate.* Each bidder must obtain a Participation Certificate to participate in the bid and submit proposals.
- (ix) *Currency of the proposals.* Mexican pesos.
- (x) *Language of the proposals.* Spanish.

(c) Award Process.

- (i) *Date of the call.* January 13, 2009.
- (ii) *Deadline to obtain the participation certificate.* April 03, 2009.
- (iii) *Date for the presentation and evaluation of the technical proposals.* July 14, 2009.
- (iv) *Date for evaluation of the economic proposals.* August 11, 2009.
- (v) *Date of the award.* August 25, 2009.

3. Water Supply.

I. Atotonilco Project.¹⁶

(a) Description.

The Ministry of Natural Environment and Natural Resources (*Secretaria de Medio Ambiente y Recursos Naturales, "SEMARNAT"*) through the National Water Commission (*Comisión Nacional del Agua, "CNA"*) published the call for Public Bid No. 16101047-001-09 for the award of an agreement (lump sum with mixed, private, partial and recoverable investment) for the rendering of service for the treatment of residual waters in Tula, Hidalgo during 25 years with a capacity of 23 m3/s and an estimated aggregate investment of MXN\$7,000 million (approximately US\$518 million), that includes: (i) the executive project; (ii) construction; (iii) electro mechanic equipment; (iv) the commissioning tests; (v) capacity tests; (vi) operation; (vii) conservation; (viii) maintenance; (ix) removal and final disposition of the bio solids and solids that may arise; and (x) electric power generation.

¹³ Among other information, for the preparation of the foregoing we have reviewed the corresponding call of the project available at the Integral Port Administration of Manzanillo website on May 11, 2009, on the following website: <http://www.puerto-de-manzanillo.com.mx/php/esp/seccion-01>.

¹⁴ Please see footnote 6.

¹⁵ *Idem.*

¹⁶ Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>

(b) Technical Information.

- (i) *Type.* Services Agreement.
- (ii) *Term of the concession.* 25 years.
- (iii) *Location of the works.* The project will be developed in Municipality of Atotonilco de Tula, Hidalgo.
- (iv) *Applicable law for the project.* Acquisitions Law.
- (v) *Studies and permit.* Each bidder will be responsible for the completion of all studies and for obtaining all necessary permits for the construction and operation of the project, other than certain permits to be obtained by SEMARNAT.
- (vi) *SPV.* The agreement will be granted to the winning bidder, which may at its option incorporate a special purpose vehicle.
- (vii) *Performance bond.* The winning bidder shall provide a performance bond in order to guarantee the obligations under the works contract.
- (viii) *Requirements of the bidder.* The minimum stated capital of each bidder is MXN\$1,000,000,000.00 (approximately US\$100 million).
- (ix) *Currency of the proposals.* Mexican pesos.
- (x) *Language of the Proposals.* Spanish

(c) Award Process.

- (i) *Date of the call.* May 12, 2009.
- (ii) *Deadline to purchase the bidding guidelines.* September 30, 2009.
- (iii) *Site Visit.* May 21, 2009.
- (iv) *Clarifications Meeting.* June 05, 2009.
- (v) *Preliminary Review.* Between June 08, 2009 and September 11, 2009.
- (vi) *Deadline to submit documentation for preliminary review.* September 11, 2009.
- (vii) *Act of presentation and opening of technical and economic proposals.* October 07, 2009.
- (viii) *Date of the award.* October 23, 2009.
- (ix) *Deadline for formalization of concession title.* November 12, 2009.

(d) Interested Companies.

Acciona Infraestructuras México, S.A. de C.V.; Controladora de Operaciones de Infraestructura, S.A. de C.V.; Fypasa Construcciones, S.A. de C.V.; Sacyr México, S.A. de C.V.;

Samsung Engineering Co LTD; Samsung C&T Corporation; Grupo Profesional Planeación y Proyectos S.A. de C.V.; Tecnología Intercontinental, S. A. de C. V.; Tecnología en Sistemas Ambientales S.A.de C.V.; Promotora del Desarrollo de América Latina, S.A. de C.V.; Proyectos y Desarrollos de Infraestructura, S.A.P.I, de C.V.; Hidracem, S. A. de C. V.; OHL Medio Ambiente; Inima, S.A.U.; Atlatec, S.A. de C.V.; Amercoat Mexicana S.A de C.V.; Industrias del Agua de la Ciudad de México S.A. de C.V.; Desarrollo y Construcciones Urbanas S.A de C.V.; and Banco Santander (México) S.A Institución de Banca Múltiple Grupo Financiero Santander.

II. Zapotillo Project.¹⁷

(a) Description.

The Ministry of Natural Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales*, "SEMARNAT") through the National Water Commission (*Comisión Nacional del Agua*, "CNA") published the call for International Public Bid No. 16101037-063-08 for the award of an agreement for the design and construction of the storage dam "Zapotillo" in order to supply potable water to several regions of Los Altos de Jalisco and to the city of León, Guanajuato. This dam will also allow regulation of the reserved water for the Metropolitan Area of the City of Guadalajara.

This project comprises both a lump-sum component and a unitary-prices component in order to carry out the following activities: (i) detailed engineering; (ii) supply of materials; (iii) construction of the civil works; (iv) electromechanical works; and (v) associated works.

(b) Technical Information.

- (i) *Type.* Public Works Contract (*Obra Pública*).
- (ii) *Term of the works contract.* 1,253 calendar days.
- (iii) *Location.* The project will be developed in the Municipalities of Cañadas de Obregón and Yahualica de Galle, in the State of Jalisco, Mexico.
- (iv) *Applicable law.* The Acquisitions Law and the Public Works Law (*Ley de Obras Públicas y Servicios Relacionados con las Mismas*, "Public Works Law").
- (v) *Performance bond.* The winning bidder shall provide a performance bond in order to guarantee the obligations under the works contract.
- (vi) *Prepayment guarantee.* The winning bidder will be responsible for providing a prepayment guarantee for an amount equal to 30 percent of the total budgetary

¹⁷ Among other information, for the preparation of the foregoing we have reviewed the corresponding call, bidding guidelines and clarification meetings minutes of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>.

allocation for the contract.

- (vii) *Requirements of the bidder.* The minimum stated capital for the companies participating in this public bid is MXN\$300 million (approximately US\$22.2 million).
- (viii) *Currency of the proposals.* Mexican pesos.
- (ix) *Language of the proposals.* Spanish.

(c) Award Process.

- (i) *Date of the call.* November 20, 2008.
- (ii) *Eighth clarifications meeting.* July 01, 2009.
- (iii) *Date for the presentation and evaluation of the economic and technical proposals.* July 30, 2009.
- (iv) *Date of the award.* August 28, 2009.
- (v) *Date of execution of the contract.* September 25, 2009.

(d) Interested Companies.

Grupo Constructor Peasa; ICA; Ayesa México; Constructora y Pavimentadora Vise; Fcc Construcción; Operadora Cicsa; Grupo Mexicano de Desarrollo; Constructora, Arrendadora y Materiales; México Constructora Industrial; Coconal; Techint; Constructora Molibdeno; Isolux Corsan Construcciones; Ingenieros Civiles Asociados; Desarrollo Canoras; Constructora Cota; Inmobiliaria Codepe; Tradeco Infraestructura; Global Mexicana de Infraestructura; Constructora Norberto Odebrecht; Grupo de Ingeniería en Consultoría y Obras; and Andrade Gutiérrez.

III. Agua Prieta Project.¹⁸

(a) Description.

The Government of the State of Jalisco through the States' Water Commission (*Comisión Estatal del Agua, "CEA"*), using resources from the Program for the Modernization of Water Organisms Operators ("**PROMAGUA**") managed by FONADIN, published in the DOF the call for National Public Bid No. 43111001-090-08 for the award of an agreement (lump sum with mixed, private, partial and recoverable investment) for the rendering of service for the treatment of residual waters in Agua Prieta with a capacity of 8,500 LPS, that includes: (i) the executive project; (ii) construction; (iii) electro mechanic equipment; (iv) the commissioning tests; (v) capacity tests; (vi) operation; (vii) conservation; (viii) maintenance; and (ix) removal and final disposition of the bio solids and solids that may arise.

¹⁸ Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>.

(b) Technical Information.

- (i) *Type.* Works and Service Contract.
- (ii) *Term of the works and service contract.* 30 years.
- (iii) *Location.* The project will be developed in the Municipality of Zapopan, State of Jalisco, Mexico.
- (iv) *Applicable law.* Acquisition Law and Public Works Law.
- (v) *Capital risk investment guarantee.* The winning bidder shall provide a capital risk investment guarantee for an amount equal to the constructed works.
- (vi) *Performance bond.* The winning bidder shall provide a performance bond in order to guarantee the obligations under the works and service contract.
- (vii) *Capacity.* 8,500 LPS.
- (viii) *Requirements of the bidder.* The minimum stated capital for companies interested in participating in this public bid is MXN\$386 million (approximately US\$28.5 million).
- (ix) *Currency of the proposals.* Mexican pesos.
- (x) *Language of the proposals.* Spanish.

(c) Award Process.

- (i) *Date of the call.* November 18, 2008.
- (ii) *Fourth clarifications meeting.* June 09, 2009.
- (iii) *Fifth clarifications meeting.* June 30, 2009.
- (iv) *Deadline to purchase the bidding guidelines.* July 15, 2009.
- (v) *Date for the presentation and evaluation of the economic and technical proposals.* July 21, 2009.
- (vi) *Date of the award.* August 10, 2009.
- (vii) *Date of execution of the contract.* August 28, 2009.

(d) Interested Companies.

Promotora del Desarrollo de América Latina, S.A. de C.V.; Acciona Infraestructuras México, S.A. de C.V.; Controladora de Operaciones de Infraestructura, S.A. de C.V.; Atlatec, S.A. de C.V.; Fluid Technologies International, S. de R.L. de C.V.; Abengoa de México, S.A. de C.V.; Biwater Proyectos, S.A. de C.V.; Servicio Ambiental Nacional, S.A. de C.V.; Sumitomo Corporation; Degremont, S.A.; Isolux México, S.A. de C.V.; Marubeni Corp; Grupo Constructor Felca, S.A. de C.V.; Tecnología en Sistemas Ambientales, S.A. de C.V.; Fypasa Construcciones, S.A. de C.V.; OHL Medio Ambiente, S.A. de C.V.; Proyectos y Desarrollos de Infraestructura, S.A.P.I. de C.V.;

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Aqua Productos; Aqualiainfraestructuras, S.A.; ESSBIO; and Bizpost Int. Ltd.

4. Energy.

A. Public Works Financed Projects.

I. Aguaprieta II Project.¹⁹

(a) Description.

The Federal Electricity Commission published in the DOF the call for the International Public Bid No. 18164093-022-09 for the award of an agreement for the development, design, construction and supply of a Thermoelectric Central with a net guaranteed capacity of at least 343.4 MW and not greater than 464.6 MW with natural gas as fuel, in the Municipality of Agua Prieta, in the State of Sonora. The proposed site of the works is in the property denominated "Las Americas", in the Municipality of Agua Prieta, State of Sonora.

(b) Technical Information.

- (i) Type.* Public Works Finance.
- (ii) Term of the construction delivery.* The works must be finished by July 12, 2012.
- (iii) Applicable law.* Public Works Law.
- (iv) Location.* The municipality of Agua Prieta, State of Sonora, Mexico.
- (v) Capacity.* Not less than 343.4 MW and no more than 464.4 MW
- (vi) Performance bond.* The winning bidder shall provide a performance bond for the obligations under the PPS contract.
- (vii) Requirements of the bidder.* The minimum stated capital for companies interested in participating in this public bid is MXN\$1,115,000,000.00 million (approximately US\$82.5 million).
- (viii) Currency of the proposals.* Mexican pesos.

(c) Award Process.

- (i) Date of the call.* June 11, 2009.
- (ii) Site visit.* June 25, 2009.
- (iii) First clarification meeting.* July 29, 2009.
- (iv) Second clarification meeting.* September 04, 2009.
- (v) Deadline to purchase the bidding guidelines.*

October 07, 2009.

- (vi) Date for the presentation and evaluation of the economic and technical proposals.* October 13, 2009.
- (vii) Date of the award.* November 09, 2009.
- (viii) Date of the execution of the contract.* December 01, 2009.

II. Manzanillo II Project.²⁰

(a) Description.

The Federal Electricity Commission published in the DOF the call for the International Public Bid No. 18164093-021-09 for the award of an Agreement for the development, design, construction and supply of a Thermoelectric Central with a net guaranteed capacity in open cycle by unit of 464.8 MW, and a net guaranteed capacity in combined cycle by unit of at least 707.1 MW with natural gas as fuel, in the Municipality of Manzanillo, in the State of Colima. The site of the works is in the current site of the Thermoelectric Central General Manuel Alvarez Moreno in the Municipality of Manzanillo, in the State of Colima.

(b) Technical Information.

- (i) Type.* Public Works Finance.
- (ii) Term of the construction delivery.* The Open Cycle works must be finished by September 1, 2011; the Combined Cycle works must be delivered by September 1, 2012.
- (iii) Applicable law.* Public Works Law.
- (iv) Location.* The municipality of Manzanillo, State of Sonora, Mexico.
- (v) Capacity.* For Combined Cycle is required a capacity of 707.1MW, and for Open Cycle is required a capacity of 464.8MW.
- (vi) Performance bond.* The winning bidder shall provide a performance bond for the obligations under the PPS contract.
- (vii) Requirements of the bidder.* The minimum stated capital for companies interested in participating in this public bid is MXN\$1,597,500,000.00 million (approximately US\$118 million).
- (viii) Currency of the proposals.* Mexican pesos.

¹⁹ Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on June 11, 2009, on the following website: <http://www.compranet.gob.mx/>.

²⁰ Among other information, for the preparation of the foregoing we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on June 9, 2009, on the following website: <http://www.compranet.gob.mx/>.

(c) Award Process.

- (i) *Date of the call.* June 09, 2009.
- (ii) *Site visit.* June 16, 2009.
- (iii) *First clarification meeting.* July 10, 2009.
- (iv) *Second clarification meeting.* August 03, 2009.
- (v) *Deadline to purchase the bidding guidelines.* August 25, 2009.
- (vi) *Date for the presentation and evaluation of the economic and technical proposals.* August 31, 2009.
- (vii) *Date of the award.* September 29, 2009.
- (viii) *Date of the execution of the contract.* October 21, 2009.

B. Other projects.

I. Nuevo Pemex Project.²¹

(a) Description.

Pemex Gas y Petroquímica Básica published in the DOF the call for the International Public Bid No. 18577001-036-08 for the award of a services contract for the conversion of (i) distilled/condensed water in liquid state to vapor for its delivery to the Nuevo Pemex gas-processing complex and (ii) natural gas to electric energy for its delivery to such complex and for its transport to other work centers of Pemex and its subsidiaries.

(b) Technical Information.

- (i) *Type.* Services Contract.
- (ii) *Term of the services contract.* 20 years after commencement of the services, scheduled to be 36 months after the execution of the agreement.
- (iii) *Applicable law.* Acquisitions Law.
- (iv) *Location.* Nuevo Pemex gas-processing complex, Villahermosa, State of Tabasco, Mexico.
- (v) *Capacity.* 300 MW. The plant will supply 55 percent of Nuevo Pemex's steam demand and all of its power demand, with the excess 260 MW going to other Pemex complexes.
- (vi) *Stand-by letter of credit.* Together with its proposal, each participant shall provide a stand-by letter of credit to guarantee its proposal.
- (vii) *Requirements of the bidder.* Only Mexicans and foreign nationals of countries with which Mexico has

executed a free trade agreement that contains a public sector acquisitions chapter or title may participate in this international public bid.

- (viii) *Currency of the proposals.* US dollars and Mexican pesos.

(c) Award Process.

- (i) *Date of the call.* August 28, 2008.
- (ii) *Third clarification meeting (Questions Submission).* April 01, 2009.
- (iii) *Third clarification meeting (Clarifications Delivery).* April 30, 2009.
- (iv) *Deadline to purchase the bidding guidelines.* June 01, 2009.
- (v) *Date for the presentation and evaluation of the economic and technical proposals.* July 07, 2009.
- (vi) *Date of the award.* July 27, 2009.
- (vii) *Date of the execution of the contract.* During the 20 calendar days following the notification of the award.

(d) Interested Companies.

ABB México; Abener México; Abengoa México; ARB Arendal; Areva T&D; Cegelec; Cobra Instalaciones México; Dalkia; Dragados Proyectos Industriales México; Duke Energy International México; Endesa; General Electric International Operations Company; Iberdrola Energía; ICA Fluor Daniel; Kepler Constructora; Marubeni México; Mitsubishi; Mitsubishi Heavy Industries de México; Mitsui & Co; Prolec GE Internacional; Proyectos y Desarrollos de Infraestructura; Sadeven; Siemens Innovaciones; Suez Energía de México; and Techint.

5. Public/Private Partnerships (PPP or PPS, for its Spanish initials).

Since 2003, the Mexican Federal Government has made an important effort to implement the Public/Private Partnerships (PPP) scheme in Mexico through the so-called Proyectos de Prestación de Servicios (PPS) scheme. After successfully implementing the PPS scheme for roads, hospitals and technical schools in 2005 and 2006, the Federal Government has supported State Governments in implementing the PPS scheme at a local level.

Some of the projects that have been tendered and awarded under this scheme are: Bajío Specialty Regional Hospital, located in the state of Guanajuato, which was tendered and awarded in 2006, as well as Ciudad Victoria Specialty Regional Hospital, located in the state of Tamaulipas, which was tendered and awarded on June 15, 2007.

²¹ Among other information, for the preparation of the foregoing we have reviewed the corresponding call, bidding guidelines and clarification meetings minutes of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>

Local.

I. Atizapan de Zaragoza Bypass.²²

(a) Description.

The Government of the State of Mexico through the Communications Ministry of the State of Mexico (Secretaría de Comunicaciones del Gobierno del Estado de México) published in the DOF the call for International Public Bid number 44937001-001-09 for the development, construction, operation and maintaining of the Atizapan de Zaragoza bypass towards Nicolas Romero.

(b) Technical Information.

- (i) *Type.* Service Contract PPS Scheme.
- (ii) *Term of the PPS contract.* 25 years.
- (iii) *Location.* The project will be developed in the Municipalities of Atizapan de Zaragoza and Nicolas Romero, in the State of Mexico, Mexico.
- (iv) *Applicable law.* Administrative Code of the State of Mexico (Código Administrativo del Estado de México).
- (v) *Bid bond.* The bidders shall provide a bid bond for an amount of five percent of the construction budget established in the proposal.
- (vi) *Performance bond.* The winning bidder shall provide a *performance* bond for the obligations under the PPS contract.
- (vii) *SPV.* The contract will be awarded to the winning bidder, which may at its option incorporate a special purpose vehicle.
- (viii) *Funding.* The winning bidder will be responsible for obtaining *the* necessary funding to carry out the project.
- (ix) *Currency of the proposals.* Mexican pesos.
- (x) *Language of the proposals.* Spanish.

(c) Award Process.

- (i) *Date of the call.* January 29, 2009.
- (ii) *Deadline to purchase the bidding guidelines.* June 25, 2009.
- (iii) *Date for the presentation of proposals and evaluation of the technical proposal.* July 06, 2009.
- (iv) *Date for evaluation of the economic proposals.* August 06, 2009.

- (v) *Date of the award.* September 01, 2009.

(d) Interested Companies.

Constructora y Edificadora GIA+A, S.A. de C.V.; Azvi-Cointer de México, S.A. de C.V.; Proyectos y Desarrollos de Infraestructura, S.A.P.I. de C.V.; Constructora Urbanizadora Ixtapan, S.A. de C.V.; Tradeco Infraestructura, S.A. de C.V.; Asesoría y Construcciones Mexicanas, S.A. de C.V.; and Controladora de Operaciones de Infraestructura, S.A. de C.V.

III. Recently awarded, delayed or cancelled Infrastructure Projects.²³

1. Awarded Projects.

I. San Pedro de las Colonias Project.

(a) General Information.

On March 10, 2009, the Government of the State of Coahuila through the States Water Commission (*Comisión Estatal de Aguas y Saneamiento, "CEAS"*), published in the DOF the call for National Public Bid No. 35103001-004-09 for the award of an agreement (lump sum with mixed, private, partial and recoverable investment) for the rendering of service for the treatment of residual waters in Matamoros, Coahuila with a capacity of 180 LPS, that includes: (i) the executive project; (ii) construction; (iii) electro mechanic equipment; (iv) the commissioning tests; (v) capacity tests; (vi) operation; (vii) conservation; (viii) maintenance; and (ix) removal and final disposition of the bio solids and solids that may arise.

This past April 15, 2009, the calling entity awarded the works contract for this project to the company Bombeo Mexicano de Aguas Negras, S.A. de C.V., which submitted a proposal for an amount of MXN\$44 million (approximately US\$3.2 million). The term of the works contract is 380 calendar days.

II. Manzanillo-Guadalajara Gas Pipeline.

(a) General Information.

This past March 26, 2009, CFE awarded this project to Energía Occidente de México, S. de R.L. de C.V. (a subsidiary company of Transcanada Pipelines Limited).

The project will be located between the cities of Manzanillo and Guadalajara, with an approximate length of 295 km and 36 inches of diameter, with a capacity to transport 400 mmpcd.

The term of the contract is 25 years, for an amount of approximately US\$294 million.

²² Among other information, for the preparation of the foregoing we have reviewed the corresponding call, bidding guidelines and clarification meetings minutes of the project available on the federal procurement website Compranet on May 11, 2009, on the following website: <http://www.compranet.gob.mx/>

²³ Among other information, for the preparation of this section we have reviewed the corresponding call of the project available on the federal procurement website Compranet on June 22, 2009, on the following website: <http://www.compranet.gob.mx/>

III. La Venta IV CFE Wind Power Plant.

(a) General Information.

CFE awarded this project to Acciona, S.A. during 2008. The project will be located in the state of Oaxaca, with an approximate capacity of 100-MW and an estimated investment of MXN\$1,200 million (approximately US\$89 million) to be developed under an IPP scheme.

IV. Ixtapaluca Specialty Regional Hospital.

(a) General Information.

On July 3, 2008, the Ministry of Health (*Secretaría de Salud*) published in the DOF the call for International Public Bid number 00012003-001-08 for a specialty regional hospital. The project will be developed in the Municipality of Ixtapaluca, in the State of Mexico, Mexico.

This past April 27, 2009, the calling entity awarded the PPS contract for this project to the consortium formed by Constructora y Edificadora GIA+A, S.A., Constructora Hispánica, S.A. and Eductrade, S.A., which submitted a proposal for an amount of MXN\$6,624 million (approximately US\$490 million). The term of the PPS contract is 25 years.

Note: White & Case represented the Ministry of Health in this project.

V. Oriental Cultural Center of the State of Mexico.

(a) General Information.

On August 12, 2008, the Government of the State of Mexico through the Mexiquense Cultural Institute (Instituto Cultural Mexiquense) published in the DOF the call for International Public Bid number 44063001-001-08 for a cultural center called "Oriental Cultural Center of the State of Mexico".

This past April 27, 2009, the calling entity awarded the PPS contract for this project to Abengoa México, S.A. de C.V. The term of the PPS contract is 21 years.

VI. Zumpango Specialty Regional Hospital.

(a) General Information.

On August 28, 2008, the Government of the State of Mexico through the Ministry of Health of the State of Mexico (Secretaría de Salud del Estado de México) published in the DOF the call for International Public Bid number 44834001-001-08 for a specialty regional hospital.

This past June 17, 2009, the calling entity awarded the PPS contract for this project to Constructora Teya, S.A. de C.V., which submitted a proposal for an amount of MXN\$7,038 million

(approximately US\$521.3 million). The term of the PPS contract is 25 years.

VII. Las Torres Project.

(a) General Information.

On August 14, 2008, the Government of the State of Mexico through the Communications Ministry of the State of Mexico (Secretaría de Comunicaciones del Gobierno del Estado de México) published in the DOF the call for International Public Bid number 44937001- 003-08 for the extension of the Solidaridad-Las Torres Avenue and the modernization of existing roads.

This past May 29, 2009, the calling entity awarded the PPS contract for this project to Promotora y Desarrolladora Mexicana, S.A. de C.V., which submitted a proposal for an amount of MXN\$234.5 million (approximately US\$17.3 million). The term of the PPS contract is 25 years.

VIII. Vehicular Bridge.

(a) General Information.

On September 04, 2008, the Government of the State of Mexico through the Communications Ministry of the State of Mexico (Secretaría de Comunicaciones del Gobierno del Estado de México) published in the DOF the call for International Public Bid number 44937001- 004-08 for the development, construction, operation and maintaining of a Vehicular Bridge located in Cuatlilán.

This past June 08, 2009, the calling entity awarded the PPS contract for this project to Promotora y Desarrolladora Mexicana, S.A. de C.V., which submitted a proposal for an amount of MXN\$34,393 million (approximately US\$2,548 million). The term of the PPS contract is 25 years.

IX. Matamoros Project.

(a) General Information.

On March 10, 2009, the Government of the State of Coahuila through the States Water Commission (*Comisión Estatal de Aguas y Saneamiento, "CEAS"*), published in the DOF the call for National Public Bid No. 35103001-003-09 for the award of an agreement (lump sum with mixed, private, partial and recoverable investment) for the rendering of service for the treatment of residual waters in Matamoros, Coahuila with a capacity of 180 LPS, that includes: (i) the executive project; (ii) construction; (iii) electro mechanic equipment; (iv) the commissioning tests; (v) capacity tests; (vi) operation; (vii) conservation; (viii) maintenance; and (ix) removal and final disposition of the bio solids and solids that may arise.

This past April 15, 2009, the calling entity awarded the works contract for this project to the company TCC Compañía

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Constructora, S.A. de C.V., which submitted a proposal for an amount of MXN\$45 million (approximately US\$3.3 million). The term of the works contract is 380 calendar days.

2. Delayed and Cancelled Projects.²⁴

I. Suburban Train Systems 3 (Chalco-La Paz).

(a) General Information.

On March 27, 2009, the SCT announced that this project has been delayed until further notice.

The past bidding process was for a concession, which includes the right to build, operate and exploit railroads (for an approximate length of 13 km), as well as to render railroad passenger transportation services on the Chalco-La Paz route.

II. Tapachula-Talismán.

(a) General Information.

On March 03, 2009, SCT published in the DOF the call for National Public Bid number 00009004-001-09 for the operation, maintaining and modernization of the free-toll road Tapachula-Talismán with intersection to Ciudad Hidalgo. The project included an Unitary Price Basis Contract, Concession and PPS Contract.

This past April 21, 2009, such public bid was declared cancelled (*desierta*) by the Ministry of Communication and Transportation.

The calling entity did not specify the reasons to determine such cancellation.

IV. Infrastructure Projects announced to be tendered during 2009 or early 2010.

1. Toll Roads.

- *La Venta-Colegio Militar*, with an approximate length of 22 km and an estimated aggregate investment of MXN\$5,720 million (approximately US\$423 million).
- *Cuernavaca Bypass*, with an approximate length of 34 km and an estimated aggregate investment of MXN\$4,147 million (approximately US\$307 million).
- *Santa Clara-Indios Verdes*, with an approximate length of 12 km and an estimated aggregate investment of MXN\$2,145 million (approximately US\$307 million).
- *Morelia Bypass*, with an approximate length of 53 km and an estimated aggregate investment of MXN\$1,430 million (approximately US\$106 million).

- *Acapulco Bypass*, with an approximate length of 22 km and an estimated aggregate investment of MXN\$1,144 million (approximately US\$84.7 million).

- *Xoxtla-Tlaxcala and Bypass of Tlaxcala*, with an approximate length of 26.5 km.

2. Energy.

A. Power Plants under Independent Power Producer Scheme.

- *Tuxpan Turbo Gas Power Plant*, located in the state of Veracruz, for an estimated investment of MXN\$156 million (approximately US\$11.5 million) to be developed under an IPP scheme. The project consists of the following installations and equipment: (i) concrete pier; (ii) a series of sphere tanks with a capacity of 40,000 BIs; (iii) auto cooling system; (iv) a system of pumps; (v) security system against fires and (vi) an optical scanning system. It is estimated that the bidding process will start in 2009.²⁵

B. Natural Gas Production and Extraction.

- *Lerma Project related to natural gas extraction*, located in the Burgos Basin, for an estimated investment of MXN\$5,400,000,000 million (approximately US\$400 million) to be developed under an IPP scheme.²⁶ It is estimated that the bidding process will start by July, 2009.
- *Pandura-Corindón Project related to natural gas extraction*, located in the Burgos Basin, for an estimated investment of MXN\$5,400,000,000 million (approximately US\$400 million) to be developed under an IPP scheme.²⁷ It is estimated that the bidding process will start by July, 2009.
- *Nejo Project related to natural gas extraction*, located in the Burgos Basin, for an estimated investment of MXN\$5,400,000,000 million (approximately US\$400 million) to be developed under an IPP scheme.²⁸ It is estimated that the bidding process will start by July, 2009.

3. Airports.

- *Riviera Maya Airport*, to be located in the Riviera Maya, Quintana Roo, construction of the first stage of the new airport, for an approximate investment of MXN\$4 billion (approximately US\$300 million). SCT estimates that the bidding process will start towards the fourth quarter of 2009.²⁹

²⁵ For more information regarding the bidding process, please refer to the following webpage: http://tuxpan.tm.com.mx/phpmysql/notas_mostrar.php?iden=10522

²⁶ Esther Arzate's note published in El Financiero newspaper on June 15, 2009. For more information, please refer to the following webpage: http://www.inveq.com.mx/v3/home/inicio/detallenoticia.aspx?id_noticia=25

²⁷ *Idem*.

²⁸ *Idem*.

²⁹ Please see footnote 49. Note published on the following website: http://www.noticaribe.com.mx/cancun/2008/04/terminaria_asur_hasta_el_2009_la_segunda_pista_del_aeropuerto.html

²⁴ Among other information, for the preparation of this section we have reviewed the corresponding call and bidding guidelines of the project available on the federal procurement website Compranet on January 8, 2009, on the following website: <http://www.compranet.gob.mx/>.

V. Other Potential Infrastructure Projects.

1. Oil Refineries.³⁰

■ Tula Project.

The construction of this new project in Mexico was announced since the beginning of the current presidential period. There was a debate between the governors of the States of Hidalgo and Tabasco about the place where the project should be developed.

On June 30, 2008, PEMEX published a "Viability analysis to construct a new refinery in Mexico"³¹, and determined that, as a result of the referred technical study and in order to reduce costs, the place for the construction of the project will be the Municipality of Tula de Allende, in the State of Hidalgo, with an estimated investment of US\$8,171 million.³²

Based on such decision, the Mexican government initiated negotiations with the owners of the land to be expropriated in order to establish the land price per hectare. It is possible that, once the compensation is agreed, the expropriation procedure will last no more than four months.

The refinery project expects to process Mayan class petroleum and produce, among others, LP gas, propylene, gas, diesel and turbosine. The expected production is up to 300 million of barrels. The job creation is estimated between 10,000 and 37,000 indirect jobs.

On May 13, 2009, Jesus Reyes Heróles, who is the General Director of PEMEX, announced that foreign investment will be permitted for the development of this project.

2. Toll Roads.³³

- *Tuxpan-Tampico and Tampico Bypass*, with an approximate length of 238 km and an estimated aggregate investment of MXN\$5,720 million (approximately US\$423.7 million).
- *Guadalajara Bypass*, with an approximate length of 111 km and an estimated aggregate investment of MXN\$4,862 million (approximately US\$360.1 million).
- *Laguna Verde-Gutiérrez Zamora*, with an approximate length of 91 km and an estimated aggregate investment of MXN\$2,717 million (approximately US\$201.2 million).
- *Tlaxcala Bypass and Xoxtla-Tlaxcala*, with an approximate length of 26 km and an estimated aggregate investment of MXN\$1,287 million (approximately US\$95.3 million).

- *Hermosillo Bypass*, with an approximate length of 22 km and an estimated aggregate investment of MXN\$1,209 million (approximately US\$89.5 million).
- *Ciudad Obregón Bypass*, with an approximate length of 45 km and an estimated aggregate investment of MXN\$923 million (approximately US\$68.3 million).
- *Encarnación de Díaz-San Juan de los Lagos*, with an approximate length of 26 km and an estimated aggregate investment of MXN\$429 million (approximately US\$31.7 million).
- *Bojorquez Bridge*, with an approximate length of 0.8 km and an estimated aggregate investment of MXN\$351 million (approximately US\$26 million).
- *Manadero-Lázaro Cárdenas*, with an estimated investment of MXN\$1 billion (approximately US\$74 million).
- *La Purísima-San Ignacio*, with an estimated investment of MXN\$2 billion (approximately US\$148 million).
- *Cabo San Lucas-San José del Cabo*, with an estimated investment of MXN\$1.6 billion (approximately US\$118.5 million).
- *Río Bravo-Donna International Bridge*, with an estimated investment of MXN\$200 million (approximately US\$26 million).
- *Chamapa-Lechería*, with an estimated investment of MXN\$1.2 billion (approximately US\$88 million).

3. Railroad Transportation.³⁴

- *Guadalajara-Aguascalientes Railroad*, for an approximate investment of MXN\$6,708 million (approximately US\$497 million).
- *Inter Suburban Train of Guanajuato*, with an approximate length of 151 km and an estimated aggregate investment of MXN\$16,900 million (approximately US\$1,251 million).

4. Airports.³⁵

- *Expansion of the San José del Cabo Airport*, to be located in San José del Cabo, Baja California Sur, construction of a new terminal building and platforms, for an approximate investment of MXN\$0.6 billion (approximately US\$45 million).
- *Expansion of the Guadalajara Airport*, to be located in Guadalajara, Jalisco, expansion of the terminal building,

³⁰ With respect to the amounts in US dollars, please refer to footnote 6.

³¹ http://www.pemex.com/files/content/do_viabilidad_080730.pdf

³² <http://www.pemex.com/index.cfm?action=news§ionID=8&catID=40&contentID=18617>

³³ With respect to the amounts in US dollars, please refer to footnote 6.

³⁴ For more information, please refer to the following webpage: <http://www.eluniversal.com.mx/notas/546525.html>.

³⁵ For more information, please refer to the following webpage: <http://www.eluniversal.com.mx/notas/546525.html>. We understand that given the proximity of the Riviera Maya Airport and the Expansion of the Cancun Airport the feasibility of this project is under review.

platforms and parking, for an approximate investment of MXN\$0.2 billion (approximately US\$14.8 million).

- *Expansion of the Monterrey Airport*, to be located in Monterrey, Nuevo León, construction of a new terminal building, for an approximate investment of MXN\$200 million (approximately US\$14.8 million).
- *Expansion of the Tijuana Airport*, to be located in Tijuana, Baja California, enlargement of the exit lobby and the baggage claim area, for an approximate investment of MXN\$200 million (approximately US\$14.8 million).
- *New Mérida Airport*, to be located in Mérida, Yucatán, construction of a new airport, for an approximate investment of MXN\$1.7 billion (approximately US\$126 million).
- *Expansion of the existing Cancun Airport*, located in Cancún, Quintana Roo, construction of a new runway, for an approximate investment of MXN\$1.5 billion (approximately US\$111 million). It is estimated that this bidding process will start in 2009.³⁶ It is important to note that the Riviera Maya Airport Project and the Expansion of the existing Cancun Airport are part of the same project. The viability of both projects is being evaluated based on the characteristics of the relevant zones.
- *Ensenada Airport*, to be located in Mesa del Tigre, Baja California, construction of a new load airport, for an approximate investment of MXN\$2.7 billion (approximately US\$200 million). It is estimated that the bidding process will start in 2009.³⁷

5. Ports and Harbors.³⁸

- *Nautical Ladder of the Mar de Cortes (Escalera Nautica del Mar de Cortes)*, which consists of sustainable development projects consisting of commercial and industrial ports and tourist resorts, among others, located throughout the Baja California Peninsula.
- *Tuxpan Port*, to be located in Tuxpan, Veracruz, in the Gulf of Mexico. The project consists of the construction, use and exploitation of import terminal of public use for containers and general load. The investment for the establishment and operation of the containers terminal is estimated at MXN\$2.3 billion (approximately US\$170 million). The bidding process was suspended on November, 2008. At this time, there are no news regarding a new bidding process.³⁹

³⁶ Lilian Cruz's note published in Reforma newspaper on September 22, 2008. For more information, please refer to the following webpage: <http://www.reforma.com/negocios/articulo/462/923874/>

³⁷ With respect to the amounts in US dollars, please refer to footnote 6.

³⁸ *Ibid.*

³⁹ Dario Celis's note published in Nuevo Excelsior newspaper on November 18, 2008. For more information, please refer to the following webpage: <http://www.exonline.com.mx/diario/columna/417215>. Date of consultation: December 22, 2008.

6. Water Supply.⁴⁰

- *Philo Dam*, located throughout the states of Nayarit, Sinaloa and Sonora.
- *Arcediano Dam*, located in the state of Jalisco.⁴¹
- *Xochimilco Water and Productivity Project*, located in Mexico City, for an approximate investment of MXN\$1.7 billion (approximately US\$126 million).⁴²
- *Western Drainage System-Stage I*, located in Mexico City. The Mexican Federal Government, in coordination with the state and local governments of Mexico City, Estado de Mexico, Hidalgo and the municipalities that comprise the metropolitan area, have developed a full-scale program for the sewage system in the region, with an approximate investment of MXN\$250 million (approximately US\$18.5 million).⁴³
- *PTAR Nextlalpan*, located in the State of Mexico, with a capacity of approximately 9.0 m³/s and an estimated investment of MXN\$3.3 billion (approximately US\$244 million).⁴⁴
- *PTAR Zumpango*, located in the State of Mexico, with a capacity of approximately 1.5 m³/s and an estimated investment of MXN\$1.3 billion (approximately US\$96.3 million).⁴⁵
- *PTAR Berriozábal*, located in the State of Mexico, with a capacity of approximately 2.0 m³/s and an estimated investment of MXN\$1.1 billion (approximately US\$81.5 million).⁴⁶
- *PTAR Vaso El Cristo*, located in the State of Mexico, with a capacity of approximately 4.0 m³/s and an estimated investment of MXN\$2.4 billion (approximately US\$177 million).⁴⁷
- *PTAR Guadalupe*, located in the State of Mexico, with a capacity of approximately 0.5 m³/s and an estimated investment of MXN\$250 million (approximately US\$18.5 million).⁴⁸

7. Energy.

A. Gas (LNG, Supply, Pipelines)

- *CFE Natural Gas Supply Contract for Chihuahua and Durango*, contract of 500 Mcdf for CFE.

⁴⁰ With respect to the amounts in US dollars, please refer to footnote 6.

⁴¹ Presentation given by an officer of the CNA "Comisión Nacional del Agua".

⁴² *Ibid.*

⁴³ Latin American Leadership Forum, available at <http://www.cg-la.com/mcfl/projects.php>

⁴⁴ Water Sustainability Program of the Cuenca del Valle de México published on July 16, 2008 by CONAGUA.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ *Ibidem.*

⁴⁸ *Ibid.*

- *CFE Natural Gas Supply Contract for the Central Region*, contract of 500 Mcdf for CFE.

B. Pemex Refinería⁴⁹

- *Salina Cruz Refinery*, located in Salina Cruz, Oaxaca, with a capacity of approximately 27 MDB of gasoline and an estimated investment of MXN\$17,145 million (approximately US\$1,270 million).
- *Fuel Quality Project*, technical infrastructure in order to decrease the sulfur in diesel and in gasoline of 15 MPV process for an estimated investment of MXN\$29,549 million (approximately US\$2.2 billion).
- *Oil Refinery*, to be constructed in the southeast of Mexico, with an approximate capacity of 300 thousand barrels per day.

C. Pemex Gas⁵⁰

- *Chihuahua Gas Pipeline*, to be located in Samalayuca and Chihuahua, with an approximate length of 385 km and 30 inches of diameter, with a capacity to transport 500 mmpcd, for an approximate investment of MXN\$5,700 million (approximately US\$422 million).⁵¹
- *Tamazunchale-Palmillas Gas Pipeline*, to be located in the States of San Luis Potosí and Queretaro, with an approximate length of 210 km and 30 inches of diameter, with a capacity to transport 400 mmpcd, for an approximate investment of MXN\$3,400 million (approximately US\$252 million).⁵²

D. Comisión Federal de Electricidad⁵³

(i) Combined Cycle Power Plants.

- *Pacífico I and II CC Carbon-Electric Power Plants*, located in Lázaro Cárdenas, Michoacán, with a 1,400-MW capacity, approximately and an estimated investment of MXN\$22,012 million (approximately US\$1.63 billion).
- *Norte II CC Power Plant*, located in Chihuahua, Chihuahua, with a 558-MW capacity, approximately and an estimated investment of MXN\$4,363 million (approximately US\$323 million) to be developed under an IPP scheme.

(ii) Hydro Power Plants.⁵⁴

- *La Parota Hydro Power Plant*, to be located in Acapulco, Guerrero, near the El Cajon Hydro Power Plant, with an approximate capacity of 905-MW and an estimated investment of MXN\$13,292 million (approximately US\$984

million). The Government has had problems with the landowners of the construction site for this power plant; however, it intends to tender the project immediately after such problems have been resolved.

(ii) Other Power Plants.⁵⁵

- *Baja California II Turbo Gas Power Plant*, to be located in the State of Baja California, for an estimated investment of MXN\$2,181 million (approximately US\$161.5 million) to be developed under an IPP scheme.

(iii) Substations and Transmission Network Lines.⁵⁶

- *Transmission Network associated with the Tamazunchale II Combined Cycle Power Plant*, of approximately 456 km, throughout several states of Mexico, for an estimated investment of MXN\$1,828 million (approximately US\$135.4 million).
- *Substation 1116 Noroeste Transformation*, of approximately 457 km and 1,800 MVA, throughout several states of Mexico, for an estimated investment of MXN\$1,774 million (approximately US\$131.4 million).
- *Transmission Network associated with the La Parota Hydroelectric Power Plant*, of approximately 550 km, in Acapulco, Guerrero, for an estimated investment of MXN\$1,506 million (approximately US\$111.5 million).
- *Substation 1114 Oriental Transmission and Transformation*, of approximately 546 km, 1,300 VIVA and MVAR, throughout several states of Mexico, for an estimated investment of MXN\$1,406 million (approximately US\$104 million).
- *Substation 1112 Noroeste Transmission and Transformation*, of approximately 281 km, 399 MVA and 28 MVAR, throughout several states of Mexico, for an estimated investment of MXN\$1,292 million (approximately US\$95.7 million).
- *Transmission Network associated with the Pacífico*, of approximately 297 km, 375 MVA and 21 MVAR, throughout several states of Mexico, for an estimated investment of MXN\$1,236 million (approximately US\$91.5 million).
- *Substation 1113 Dynamic Compensation Donato-Laguna Verde Nuclear Power Plant*, of approximately 500 MVA and 1,435 MVAR, throughout several states of Mexico, for an estimated investment of MXN\$1,221 million (approximately US\$90.4 million).

⁴⁹ Please see note 6.

⁵⁰ Please see note 6.

⁵¹ National Infrastructure Plan 2007-2012 (Plan Nacional de Infraestructura 2007-2012).

⁵² Please see note 6.

⁵³ Please see note 6.

⁵⁴ Please see note 6.

⁵⁵ Please see note 6.

⁵⁶ Please see note 6.

- *Substation 1119 Sureste Transmission and Transformation*, of approximately 150 km, 875 MVA and 100 MVAR, throughout several states of Mexico, for an estimated investment of MXN\$1,170 million (approximately US\$86.6 million).

8. PPP or PPS.

Federal.⁵⁷

1. Roads.⁵⁸

- *Zacatecas-Salttillo*, with an approximate length of 213 km and an estimated aggregate investment of MXN\$5,450 million (approximately US\$403.7 million).
- *Mitta-Tehuantepec Junction*, with an approximate length of 163 km and an estimated aggregate investment of MXN\$5,286 million (approximately US\$391.5 million).
- *Salina Cruz-Huatulco*, with an approximate length of 146 km and an estimated aggregate investment of MXN\$5,123 million (approximately US\$379.5 million).
- *Acayucan-La Ventosa*, with an approximate length of 170 km and an estimated aggregate investment of MXN\$4,856 million (approximately US\$360 million).
- *Macuspana-State Limit Campeche Quintana Roo*, with an approximate length of 434 km and an estimated aggregate investment of MXN\$2,983 million (approximately US\$221 million).
- *Apizaco-Calpulalpan*, with an approximate length of 51 km and an estimated aggregate investment of MXN\$2,070 million (approximately US\$153.3 million).
- *Arriaga-La Ventosa*, with an approximate length of 137 km and an estimated aggregate investment of MXN\$2,070 million (approximately US\$153.3 million).

2. Hospitals.

- *Queretaro Specialty Regional Hospital*, located in the state of Queretaro; the Government intends to bid the *Queretaro Specialty Regional Hospital* shortly.

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⁵⁷ With respect to the amounts in US dollars, please refer to footnote 6.

⁵⁸ SCT presentation entitled: "Private Service Contracts in Highways" dated January, 2007, available at <http://uac.sct.gob.mx/>. Date of consultation: January 11, 2007
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