



Updated Mexican Public Infrastructure Projects 2012¹

This memorandum provides an overview of infrastructure projects in development or planned for development during Felipe Calderon's administration (2006 – 2012), and its recent developments and adjustments that we consider more relevant in Mexico.

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.

A. National Infrastructure Plan.

The National Infrastructure Plan 2007 – 2012 (the **National Infrastructure Plan**) 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

ATTORNEY ADVERTISING. Prior results do not guarantee a similar outcome.

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 2012 (Presupuesto de Egresos de la Federación para el Ejercicio 2012) published in the Official Gazette of the Federation (Diario Oficial de la Federación, "DOF") on December 12, 2011 and its exhibits; (iii) other information available in the DOF or 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. 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.

² <http://www.infraestructura.gob.mx/pdf/AnexoA.pdf>

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As part of the National Infrastructure Plan, the Government issued a Decree on February 7, 2008 creating the National Infrastructure Fund (FONADIN, for its Spanish initials), which was funded with resources obtained in the first instance from the Trust for Support in the Recovery of Highways, Infrastructure Investment Fund (FINFRA, for its Spanish initials), created in the nineties for the highways bailout (FARAC, for its Spanish initials) which has been supporting different infrastructure programs.³ 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 Program for the Modernization of the Water Operating Entities (hereinafter PROMAGUA, for its Spanish initials);*
- (iii) *railroads, ports, airports, urban and interurban transport; and*
- (iv) *projects designed to preserve the environment and biodiversity.⁴*

After the creation of FONADIN, the Congress approved in November 2008, the reforms to the regime applicable to **Petróleos Mexicanos** and its subsidiaries (PEMEX, for its Spanish initials), providing PEMEX with greater autonomy in administration, budgeting and government procurement.⁵ For such purpose, President Felipe Calderon reformed on November 28, 2008, the Regulatory Law⁶ (*Ley Reglamentaria del Artículo 27 Constitucional en Materia de Petróleo*) and, on September 4, 2009, enacted the Regulations of the PEMEX Law⁷ (*Reglamento de la Ley de Petróleos Mexicanos*).

B. Governmental Measures to Increase the Number and Quality of Infrastructure Projects.⁸

In order to foster the infrastructure investment and increase the number and quality of infrastructure projects, the Mexican Government has announced the following measures:

- (i) *granting FONADIN resources for an amount of MXN\$50 billion (approximately US\$3.9 billion), reaching approximately an amount of MXN\$270 billion (approximately US\$22 billion) between 2008 and 2012;*
- (ii) *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\$2.5 billion (approximately US\$202 million);*

- (iii) *granting Pemex MXN\$286 billion (approximately US\$23 billion) and the Federal States MXN\$41 billion (approximately US\$3.3 billion) for road infrastructure investment during 2011;*
- (iv) *budgetary investment for Oil Infrastructure from an amount of MXN\$16 billion (approximately US\$1.2 billion) during 2011;*
- (v) *budgetary investment for Power Infrastructure from an amount of MXN\$66 billion (approximately US\$5.3 billion) during 2011;*
- (vi) *budgetary investment for the development of water infrastructure projects from an amount of MXN\$4.3 billion (approximately US\$347 million) during 2011;*
- (vii) *budgetary investment for the development of railway infrastructure projects from an amount of MXN\$2.4 billion (approximately US\$194 million) during 2011;*
- (viii) *budgetary investment for the development of airport infrastructure projects from an amount of MXN\$320 million (approximately US\$25 million) during 2011; and*
- (ix) *budgetary investment for the development of port infrastructure projects from an amount of MXN\$270 million (approximately US\$21 million) during 2011.*

As part of the proposals submitted before the Mexican Congress, the new Public-Private Partnerships Law (*Ley de Asociaciones Público-Privadas*, the “PPP Law”) was published on January 16, 2012 in the Federal Official Gazette (“DOF”). Following please find a brief overview of the most important provisions and innovations provided by the PPP Law:

- (i) According to the decree, the following are necessary in order to implement a PPP Project (i) the execution of a long-term agreement (providing the rights and obligations of the contracting public entity and developers who provide the services or perform the works) (a “PPP Contract”); and (ii) the granting of one or more permits, concessions or authorizations as applicable for the use and exploitation of public domain goods, the provision of relevant services, or both.
- (ii) The decree of the PPP Law provides (i) guidelines for preparation of the projects; (ii) the possibility to award un-requested projects, whereby the private sector will be able to propose a project without needing to wait for the Federal Government to call for a related process and (iii) dual or mixed bidding processes, combining in one single bid proceeding (a) the granting of a concession for infrastructure projects and (b) the award of a public works contract associated with the construction of infrastructure projects, which would be awarded only if there were no

³ http://www.fonadin.gob.mx/wb/fnl/decreto_creacion_fnl

⁴ http://www.presidencia.gob.mx/en/press/74_contenido-33753

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

⁶ http://www.diputados.gob.mx/LeyesBiblio/ref/rlart27_rp/LR/Art27_RP_ref06_28nov08.pdf

⁷ http://www.diputados.gob.mx/LeyesBiblio/regley/Reg_LPM.pdf

⁸ Unless otherwise specified herein, for purpose of reference only, approximations are calculated with an Exchange Rate of MXN\$13.50-US\$1.

successful proposal within the concession, thus saving substantial time and costs otherwise involved in an additional bid proceeding.

- (iii) As a general rule, the decree established that PPP Projects should be awarded through a public bid in which any interested party can participate upon meeting the requirements of the corresponding bid documents. In contrast with the current regime, the public bids related to PPP Projects do not distinguish between national and international bids and limitations for foreign participants are left to specific regulations governing the relevant project sector.
- (iv) The PPP Law provides that the bidding guidelines must include the real estate, assets and rights necessary for the development of the PPP Project and, if any, the responsible party to obtain them. In other words, the responsibility for acquiring the real estate, assets and rights required for the PPP Project may fall on the calling public entity, the developer or both of them. The acquisition of such real estate, assets and rights shall be made through contractual mechanisms or by expropriation.
- (v) Developers of PPP Projects shall be responsible for the provision of the corresponding services and, if applicable, for the construction, equipment, maintenance, and repair of the infrastructure necessary for the provision of such services.
- (vi) The decree provides an amicable settlement mechanism according to the principle of good faith in connection with the technical or economic differences between the parties, through an expert committee which will consist of three experts. This committee will resolve only technical or economic differences, not legal issues. Unanimous resolutions of the expert committee shall be binding on the parties. Likewise, the parties may submit a request for conciliation of disputes arising out of contract compliance before the Federal Ministry of the Comptrollership. If no agreement is reached, the parties may resort to arbitration procedure to resolve the corresponding disputes according to the provisions of the Commercial Code (*Código de Comercio*) which follows the UNCITRAL arbitration model law.

C. Supreme Court resolves Constitutional Dispute over Pemex Reform regulation.

On December 6, 2010, the Mexican Supreme Court confirmed that pursuant to Article 62 of the Regulations of the PEMEX Law, the Incentivized Contracts (*Contratos Incentivados*), applicable to Productive Sustainable Activities (*Actividades Sustantivas de*

Carácter Productivo), are constitutional and legal in the abstract, considering that:

- (i) *Article 62 referred to above, does not violate the Federal Constitution, the PEMEX Law (Ley de Petróleos Mexicanos) nor Article 6 of the Regulatory Law.*
- (ii) *The Incentivized Contracts as such, do not compromise the oil wealth because there is no delivery of oil or refined products.*
- (iii) *Such contracts provide payment to private contractors under a predetermined price in cash and not in goods.*
- (iv) *They are not production sharing contracts or risk contracts (prohibited under the Constitution since 1960).*

The Supreme Court noted that notwithstanding the above, the contracts should comply at all times with the Constitution, laws, applicable regulations and guidelines which should be reviewed on a case by case basis.⁹

D. PEMEX. New Form of Incentivized Contracts to apply to the so-called Productive Sustainable Activities.

On October 15, 2010, the Acquisitions Committee of Pemex Exploration and Production (PEP, for its Spanish initials), approved the model contract for the incentivized contracts¹⁰.

A month later, the Board of Directors of PEMEX approved the first incentivized contracts (*contratos incentivados*) for three areas of mature fields in the southern region; namely: (i) *Carrizo*; (ii) *Magallanes*; and (iii) *Santuario*.¹¹

These contracts for the Southern Region were awarded on August 18, 2011 to Petrofac Facilities Management Limited, which submitted a proposal with a rate of US\$5.01 per barrel (Magallanes and Santuario) and to Administradora en Proyectos de Campos, S.A. de C.V., which submitted a proposal with a rate of US\$5.03 per barrel (Carrizo).

E. Infrastructure Development during 2011.¹²

On September 1st, 2011, President Felipe Calderon submitted to Congress, among others, the following information regarding the infrastructure development during 2011:

- (i) *Toll Roads.*
 - (a) *Between January and June 2011, the Mexican Government invested MXN\$39 billion (approximately US\$2.9 billion) in this sector.*
 - (b) *On the same period, it was invested MXN\$6 billion*

⁹<http://www.scjn.gob.mx/ActividadJur/Pleno/SecretariaGeneraldeAcuerdos/VerEstenograficas/Documents2010/Diciembre/pl20101206.pdf>

¹⁰ <http://www.pemex.com/files/content/contestacion-votorazonado-ci.pdf>

¹¹ <http://www.pemex.com/index.cfm?action=news§ionid=8&calid=40&contentid=23455>

¹² With respect to the amounts in US Dollars, please refer to footnote 8.

(approximately US\$0.5 billion) through the private investment.

- (c) Among the most important roads built on such period are the following: (i) Tijuana-Ensenada, (ii) parts of the Villahermosa-Escárcega road, (iii) Arco Norte Bypass in Colima and Northwestern Bypass of Colima in Colima, (iv) South Bypass of Tuxtla Gutierrez in Chiapas, (v) Southwestern Bypass of Durango in Durango, (vi) access to the port of Veracruz in Veracruz.
- (d) Under the scheme of concessions, following please find the most important awarded projects: (i) Salamanca-León road, with a length of 79 km and an investment of MXN\$4.5 billion (approximately, US\$0.3 billion), (ii) Chihuahua Bypass, with a length of 42.1 km and an investment of MXN\$1.2 billion (approximately, US\$0.1 billion).

(ii) Power.

- (a) On the first semester of 2011, the investment for the electric sector reached MXN\$21.5 billion (approximately US\$1.6 billion); with this investment, 14 power plants are being built with an overall capacity of 4,005 MW and an estimated investment of US\$3.8 billion. Such power plants are the following: (i) La Yesca, with 750 MW, (ii) Agua Prieta II, with 406 MW, (iii) Manzanillo I, with 1,413 MW, (iv) Los Humeros II, with 50 MW, (v) Baja California II, with 42.3 MW, (vi) Salamanca, with 345 MW, (vii) Norte II, with 433 MW, (viii) La Venta III, with 101.4 MW, (ix) Oaxaca I, with 101.4 MW, (x) Oaxaca II, Oaxaca III, Oaxaca IV, with a joint capacity of 304.2 MW, and (xi) Baja California IV, with 47 MW.
- (b) On June 2011, the construction of the Manzanillo-Guadalajara Pipeline was finished. Such project will provide transportation service of gas to the thermoelectric plants of Colima and Guadalajara.

(iii) Airports.

- (a) Between January and June 2011, the Mexican Government and the private sector invested MXN\$1.3 billion (approximately US\$0.1 billion) in this sector.
- (b) Grupo Aeroportuario de la Ciudad de México continued with the execution of certain maintenance works and certain activities for improving the conditions of security and quality of the International Airport of Mexico City.

(iv) Water Supply.

- (a) Between January and June 2011, the Mexican Government invested MXN\$13 billion (approximately US\$0.9 billion) for the development, maintenance and operation of hydraulic infrastructure.
- (b) The execution of the project related to the wastewater treatment plant with a capacity of 600 l/s in the municipality of Bahía de Banderas, Nayarit, was awarded during this period.

(v) Telecommunications.

- (a) Between January and June 2011, the Mexican Government invested MXN\$721 million (approximately US\$53.4 million) in this sector.
- (b) On the same period, it was invested MXN\$29.3 billion (approximately US\$2.1 billion) through the private investment.
- (c) In connection with permits and concessions in this sector, following please find the most important projects in such period: (i) the Ministry of Communication and Transportations granted a concession to install, operate and exploit public networks of telecommunications for the service of local telephony, (ii) it was granted a permit to establish, operate and exploit an enterprise of telecommunication services of long-distance telephony, (iii) the Ministry of Communication and Transportations granted 17 concessions to install, operate and exploit public networks of telecommunications for the provision of cable television service, and (iv) it was granted 5 concessions to operate triple play services.

(vi) Tourism.

- (a) From January to August 2011, the National Fund for Tourism Development (FONATUR, for its Spanish initials) invested in tourism infrastructure MXN\$838 million (approximately US\$ 62 million).
- (b) The revenue raised by tourism in 2011 was US\$4.9 billion and accounted for 80% of total hard currency received.

II. Infrastructure Projects in Progress.

1. Oil and Gas.

PEP Projects.¹³

I. Incentivized Contracts "Pánuco, Altamira, Tierra Blanca, San Andrés, Arenque, and Atún".¹⁴

(a) Description.

On January 19, 2012, PEP published in the DOF the call for the International Public Bid No. 18575008-625-11 for the award of six 30-year service contracts for the exploration, development and production of hydrocarbons in the following contractual areas: Pánuco, Altamira, Tierra Blanca, San Andrés, Arenque, and Atún, located in the States of Tamaulipas and Veracruz (Northern Region).

(b) Technical Information.

- (i) *Type.* Incentivized Contract.
- (ii) *Term of each Service Contract.* 30 years.
- (iii) *Applicable Law.* Petróleos Mexicanos Law.
- (iv) *Bid Bond.* A bid bond or standby letter of credit in the amount of US\$1,000,000.00 is required from each bidder and for each contractual area.
- (v) *Location.* The projects will be developed in the States of Tamaulipas and Veracruz.
- (vi) *Currency of the Proposals.* Dollars of the United States of America.
- (vii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* January 19, 2012.
- (ii) *Deadline to Purchase the Bidding Guidelines.* April 27, 2012.
- (iii) *Access period to the data room.* From January 19 to April 27, 2012.
- (iv) *Site Visit.* February 13 to April 13, 2012.
- (v) *Workshops period.* From January 31 to March 30, 2012.
- (vi) *First Clarification Meeting.* March 15, 2012.
- (vii) *Precalification period.* From May 3 to May 25, 2012.
- (viii) *Precalification results.* May 30, 2012.

(ix) *Date for the Submission, Opening and Evaluation of the Proposals.* June 19, 2012.

(x) *Date of the Award.* June 19, 2012.

(xi) *Date of the Execution of the Contract.* From August 18 to October 18, 2012.

II. Activos Integrales RS-4.¹⁵

(a) Description.

On January 19, 2012, PEP published in the DOF the call for the International Public Bid No. 18575106-575-11 for the award of a unitary-prices contract for the development of engineering projects of process and infrastructure facilities for the "Activos Integrales" of the southern region.

(b) Technical Information.

- (i) *Type.* Service Contract
- (ii) *Applicable Law.* Petróleos Mexicanos Law.
- (iii) *Performance Bond.* The winning bidder shall provide a performance bond for an amount of ten percent of the total amount of the contract.
- (iv) *Location.* The project will be developed in the State of Tabasco.
- (v) *Requirements of the Bidder.* The minimum stated capital of each bidder or consortium is MXN\$20 million (approximately US\$1.5 million); and an annual income of operation of MXN\$30 million (approximately US\$2.2 million) during years 2009 and 2010.
- (vi) *Currency of the Proposals.* Mexican Pesos.
- (vii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* January 19, 2012.
- (ii) *Term of the Works.* 940 calendar days.
- (iii) *First Clarification Meeting.* February 2, 2012.
- (iv) *Second Clarification Meeting.* February 16, 2012.
- (v) *Date for the Submission and Opening of the Proposals.* March 1st, 2012.
- (vi) *Date of the Award.* March 13, 2012.
- (vii) *Date of the Execution of the Contract.* April 3, 2012.

¹³ With refer to the amounts in US Dollars, please refer to footnote 8.

¹⁴ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

¹⁵ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

(d) Interested Companies.

Grupo Profesional Planeación y Proyectos, S.A. de C.V.; Consultoría Integral en Ingeniería, S.A. de C.V.; LIPSA Industrial, S.A. de C.V.; INELECTRA Colombia, S.A.S.; Control de Proyectos Industriales, S.A. de C.V. and; Consultores en Tecnología y Optimización de Procesos, S.A. de C.V.

III. 41B Ku-Maloob-Zaap.¹⁶

(a) Description.

On December 15, 2011, PEP published in the DOF the call for the International Public Bid No. 18575106-562-11 for the award of a public work contract to build a pipeline with a length of 36"Ø X 16 km approximately, from E-KU-A2 platform to the Akal-J Enlace platform, in the Ku-Maloo-Zaap camp, Sonda Campeche, Gulf of Mexico.

(b) Technical Information.

- (i) *Type.* Public Works Contract
- (ii) *Applicable Law.* Petróleos Mexicanos Law.
- (iii) *Performance Bond.* The winning bidder shall provide a performance bond for an amount of ten percent of the total amount of the contract in order to guarantee the obligations under the works contract.
- (iv) *Location.* The project will be developed in the State of Campeche.
- (v) *Requirements of the Bidder.* The minimum stated capital of each bidder or consortium is MXN\$700 million (approximately US\$50 million); and an annual income of operation of MXN\$700 million (approximately US\$50 million) during years 2009 and 2010.
- (vi) *Currency of the Proposals.* Mexican Pesos and Dollars of the United States of America.
- (vii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* December 15, 2011.
- (ii) *Deadline to Purchase the Bidding Guidelines.* February 14, 2012.
- (iii) *Term of the Works.* 300 calendar days.
- (iv) *Site Visit.* February 2, 2012.
- (v) *First Clarification Meeting.* February 3, 2012.
- (vi) *Date for the Submission and Opening of the Proposals.* February 24, 2012.

(vii) *Date of the Award.* March 5, 2012.

(viii) *Date of the Execution of the Contract.* Pending to be announced.

IV. 21D Carmito-Artesa.¹⁷

(a) Description.

On December 6, 2011, PEP published in the DOF the call for the International Public Bid No. 18575055-552-11 for the award of a contract to supply, install, configure and operate systems of integral measurement of the production of hydrocarbons in the facilities of the "Activo Integral Muspac".

(b) Technical Information.

- (i) *Type.* Service Contract.
- (ii) *Applicable Law.* Petróleos Mexicanos Law.
- (iii) *Currency of the Proposals.* Mexican Pesos.
- (iv) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* December 6, 2011.
- (ii) *Term of the Works.* 300 calendar days.
- (iii) *Site Visit.* February 9, 2012.
- (iv) *Sixth Clarification Meeting.* February 10, 2012.
- (v) *Date for the Submission of Proposals and Opening of the Technical and Economic Proposals.* Pending to be announced.
- (vi) *Date of the Award.* Pending to be announced.
- (vii) *Date of the execution of the contract.* March 9, 2012.

(d) Interested Companies.

CEPRA Servicios, S.A. de C.V.; COIMSUR, S.A. de C.V.; Global Tech Services, S.A. de C.V.; Krohne de México, S.A. de C.V.; Abastecedora Industrial Leal, S.A. de C.V.; Constructora Arechiga, S.A. de C.V.; CEPRA Servicios, S.A. de C.V. y CIATEQ, A.C.; Weatherford de México, S. de R.L. de C.V.; Flujo y Nivel de México, S.A. de C.V.; KMM Energy, S.A. de C.V.; COIMSUR, S.A. de C.V. y; Z Technologies Industrial Automation, S.A. de C.V.

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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

¹⁷ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

V. Antonio J. Bermúdez.¹⁸

(a) Description.

On August 25, 2009, PEP published in the DOF the call for the International Public Bid No. 18575095-014-09 for the award of a public works contract, providing full service of wet sour gas conditioning and nitrogen removal by the "Antonio J. Bermudez" complex located in the State of Tabasco.

(b) Technical Information.

- (i) *Type.* Public Works Agreement.
- (ii) *Applicable Law.* Acquisitions Law.
- (iii) *Performance Bond.* The winning bidder shall provide a performance bond or a standby letter for an amount of ten percent of the total amount of the contract in order to guarantee the obligations under the works contracts.
- (iv) *Location.* This project will be developed in the State of Tabasco.
- (v) *Currency of the Proposals.* Dollars of the United States of America (price) and Mexican Pesos (payment).
- (vi) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* August 25, 2009.
- (ii) *Term of the Works.* 5,456 calendar days.
- (iii) *Twentieth Second Clarification Meeting.* February 23, 2012.
- (iv) *Date for the Submission and Opening of the Proposals.* Pending to be announced.
- (v) *Date of the Award.* Pending to be announced.

(d) Interested Companies.

BCCK Engineering Incorporated; UEN Procesos Tecnológicos en Gas, S. de R.L. de C.V.; Praxair México, S. de R.L. de C.V.; Siemens Innovaciones, S.A. de C.V.; Cryoinfra, S.A. de C.V.; Pro Therm, S.A. de C.V.; and General Electric International Operations Company Inc.

2. Energy.

A. Power - IPP.¹⁹

36 CC Baja California III.²⁰

(a) Description.

On December 16, 2010, the Federal Electricity Commission (CFE, for its Spanish initials) published in the DOF the call for the International Public Bid No. 18164093-014-10 for the award of an agreement for electricity generation with a net capacity of not less than 217 MW and not over 294, and a 25-year power purchase in order to develop, build, operate and maintain the "36 CC Baja California III" Central and associated facilities, which interconnection to the National Electricity System will be located in the State of Baja California.

(b) Technical Information.

- (i) *Type.* IPP Agreement.
- (ii) *Applicable Law.* Acquisitions Law.
- (iii) *Location.* This project will be developed in the State of Baja California.
- (iv) *Capacity.* 217 MW – 294 MW.
- (v) *Bid Bond.* A bid in the amount of US\$10 million with validity as of 180 days following the date of the submission of the technical and economic proposals, shall be submitted by each bidder, in order to guarantee the seriousness of their proposals.
- (vi) *Requirements of the Bidder.* The minimum stated capital of each bidder or consortium is MXN\$1 billion (approximately US\$80 million).
- (vii) *Currency of the Proposals.* Mexican pesos and Dollars of the United States of America.
- (viii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* November 16, 2010.
- (ii) *Twelfth Clarification Meeting.* February 29, 2012.
- (iii) *Date for the Submission of Proposals and Opening of the Technical Proposals.* April 9, 2012.
- (iv) *Date for the Opening of the Economic Proposals.* Pending to be announced.
- (v) *Date of the Award.* Pending to be announced.

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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>

¹⁹ With respect to the amounts in US Dollars, please refer to footnote 8.
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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>

(d) Interested Companies.

Iberdrola Energía, S.A.U.; Mitsubishi Corporation; Mitsui & Co. LTD; ICA Fluor Daniel, S. de R.L. de C.V.; Cobra Instalaciones y Servicios, S.A.; Abener México, S.A. de C.V.; Iberdrola Ingeniería y Construcción México, S.A. de C.V.; Unión Fenosa Operación México, S.A. de C.V.; M.I. Consultores, S.A. de C.V.; Techint, S.A. de C.V.; SENERMEX Ingeniería y Sistemas, S.A. de C.V.; General Electric International Operations Company, Inc.; Samsung C&T Corporation; Grupo Samsung Ingeniería México, S.A. de C.V.; Administradora Energía Azteca, S. de R.L. de C.V.; Abener Energía, S.A.; AES North America Development, LLC and; Siemens Energy, Inc.

B. Public Financed Work Projects.²¹

I. 275 CG Los Azufres III.²²

On December 6, 2011, CFE published in the DOF the call for the International Public Bid No. LO-018TO1054-T22-2011 for the award of a unitary-prices public works agreement in order to develop a project, which includes a Geothermal Central, requiring engineering, supply of equipment and materials, spare parts, special tools and the works of the plant itself (civil works, electromechanical, instrumentation and control), high electrical substation with a net capacity of 13.8 – 115 Kv.

(b) Technical Information.

- (i) *Type.* Public Works Agreement.
- (ii) *Term of the Contract.* 866 calendar days.
- (iii) *Applicable Law.* Public Works Law.
- (iv) *Location.* This project will be developed in the State of Michoacán.
- (v) *Performance Bond.* The winning bidder shall provide a performance bond or a standby letter for an amount of ten percent of the total amount of the contract in order to guarantee the obligations under the works contracts.
- (vi) *Currency of the Proposals.* Dollars of the United States of America.
- (vii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* December 6, 2011.
- (ii) *Second Clarification Meeting.* February 9, 2012.
- (iii) *Date for the Submission and Opening of the Proposals.* March 29, 2012.

(iv) *Date of the Award.* April 26, 2012.

(v) *Date of the Execution of the Contract.* May 10, 2012.

(d) Interested Companies.

ABB México, S.A. de C.V.; Abener, México, S.A. de C.V.; Temura, S.C.; Senermex Ingeniería y Sistemas, S.A. de C.V.; Mitsubishi Corporation; Servicios & Soluciones Electromecánicos, S.A. de C.V.; Acciona Ingeniería Industrial, S.A. de C.V.; CMCO, S.A. de C.V.; GE Oil & Gas Products and Services, S. de R.L. de C.V.; General Electric International Operations Company, Inc.; Ingeniería y Servicios ADM, S.A. de C.V.; Sademex Ingeniería y Construcción, S.A. de C.V.; Schrader Camargo Construcciones and; Serintra, S.A. de C.V.

II. 190 SE 1120 Noroeste.²³

On October 18, 2011, CFE published in the DOF the call for the International Public Bid No. LO-018TO1054-T19-2011 for the award of a unitary-prices public works agreement for the construction of 3 (three) works: 1 (one) work of high voltage with a total voltage of 20.09 km-C; 2 (two) substations works with a capacity of 115/34,5 Kv and a total capacity of 30 MVA and 1,8 MVAR and; 4 (four) medium voltage feeders to be located in the State of Sinaloa.

(b) Technical Information.

- (i) *Type.* Public Works Agreement.
- (ii) *Term of the Contract.* 360 calendar days.
- (iii) *Applicable Law.* Public Works Law.
- (iv) *Location.* This project will be developed in the State of Sinaloa.
- (v) *Performance Bond.* The winning bidder shall provide a performance bond or a standby letter for an amount of ten percent of the total amount of the contract in order to guarantee the obligations under the works contracts.
- (vi) *Currency of the Proposals.* Dollars of the United States of America.
- (vii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* October 18, 2011.
- (ii) *Fifth Clarification Meeting.* February 8, 2012.
- (iii) *Date for the Submission and Opening of the Proposals.* February 21, 2012.
- (iv) *Date of the Award.* Pending to be announced.

²¹ With respect to the amounts in US Dollars, please refer to footnote 8.

²² 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

²³ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

(d) Interested Companies.

ABB México, S.A. de C.V.; Abengoa México, S.A. de C.V.; Alstom Grid, S.A. de C.V.; APL Potencia; Arendal, S. de R.L. de C.V.; Aselec Electricidad, S.A. de C.V.; Cobra Instalaciones México; Control y Montajes Industriales de México, S.A. de C.V.; Edemtec, S.A. de C.V.; Elecnor, S.A.; Emte, S.L.; Industrias IEM, S.A. de C.V.; INELAP, S.A. de C.V.; Ingeniería Eléctrica y Control Instrumental, S.A. de C.V.; Interbiol, S.A. de C.V.; Isolux de México, S.A. de C.V.; K Cien Ingeniería, S.A. de C.V.; Prolec-GE International; Proyectos y Construcciones Urisa, S.A. de C.V.; Sademex Ingeniería y Construcción, S.A. de C.V.; Schneider Electric México, S.A. de C.V.; Schweitzer Engineering Laboratories, S.A. de C.V.; Sensa Control Digital, S.A. de C.V.; Sepisa, S.A. de C.V.; Serintra, S.A. de C.V.; Siemens Innovaciones, S.A. de C.V.; Técnica Electromecánica Central, S.A. de C.V.; Transformadores y Tecnología, S.A. de C.V.; Voltrak, S.A. de C.V. and; Welfare Ecología Industrial, S.A. de C.V.

III. 229 CT-TG Baja California II.²⁴

(a) Description.

On September, 20, 2011, CFE published in the DOF the call for the International Public Bid No. LO-018TOQ054-T17-2011 for the award of a contract for the design, engineering, supply of equipment and materials, construction, installation, testing and technical support to have a safe, reliable and efficient operation of the 229 CT-TG Baja California II, with a guaranteed net capacity of 155±15% MWs, including a new bay in the 115 kV Rosarito substation for the interconnection of the new unites to the National Electricity System.

(b) Technical Information.

- (i) *Type.* Publics Works Agreement.
- (ii) *Term of the Works.* 358 calendar days.
- (iii) *Applicable Law.* Public Works Law.
- (iv) *Location.* This project will be developed in the State of Baja California.
- (v) *Performance Bond.* The winning bidder shall provide a performance bond or a standby letter for an amount of ten percent of the total amount of the contract in order to guarantee the obligations under the works contracts.
- (vi) *Capacity.* 155±15% MWs.
- (vii) *Currency of the Proposals.* Dollars of the United States of America.
- (viii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* September 20, 2011.
- (ii) *Fifth Clarification Meeting.* February 17, 2012.
- (iii) *Date for the Submission of Proposals and Opening of the Technical Proposals.* March 1st, 2012.
- (iv) *Date of the Award.* March 12, 2012.
- (v) *Date for the Execution of the Agreement.* March 27, 2012.

(d) Interested Companies.

ABB México, S.A. de C.V.; ABENER México, S.A. de C.V.; Acciona Instalaciones México, S.A. de C.V.; ACS Servicios Comunicacion y Energía México, S.A. de C.V.; Alcatel-Lucent México, S.A. de C.V.; Alstom Grid, S.A. de C.V.; APL Potencia; Cobra Instalaciones México; Delmar, Construcciones y Servicios, S.A. de C.V.; Duro Felguera; Elencor S.A.; EMTE, S.L.; Grupo Sentry, S.A. de C.V.; IGSA, S.A. de C.V.; Inspecciona Consultores, S.A. de C.V.; Isolux México, S.A. de C.V.; LIPSA Industrial, S.A. de C.V.; Mitsubishi Coporation; Notham Engineering, S.A. de C.V.; OHL Industrial México, S.A. de C.V.; Petro Tiger Service México; SADAMEX Ingeniería y Construcción, S.A. de C.V.; Schneider Electric México, S.A. de C.V.; Scharader Camargo Construcciones; Senermex Ingeniería y Sistemas, S.A. de C.V.; Serintra, S.A. de C.V.; Servicio & Soluciones Electromecánicos, S.A. de C.V.; Techint, S.A. de C.V.; Welfare Ecología Industrial, S.A. de C.V.; General Electric International Operations Company INC. Pratt & Whitney Power Systems.

IV. Pipeline "Tamazunchale-El Sauz".²⁵

(a) Description.

On July 7, 2011, CFE published in the DOF the call for the International Public Bid No. LPI-SCPIF-003/11 for the award of a contract to design, build, operate and maintain the transportation system providing natural gas to the CFE, through a pipeline up to the maximum daily amount of 630 mmpcd.

(b) Technical Information.

- (i) *Type.* Public Works Agreement.
- (ii) *Term of the Contract.* 25 years.
- (iii) *Applicable Law.* Regulatory Law.
- (iv) *Location.* This project will be developed in the State of San Luis Potosi.

²⁴ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

²⁵ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

- (v) *Capacity.* 630 mmpcd.²⁶
- (vi) *Currency of the Proposals.* Dollars of the United States of America.
- (vii) *Language of the Proposals.* Spanish.

(c) Award Process.

- (i) *Date of the Call.* July 7, 2011.
- (ii) *Ninth Clarification Meeting.* January 31, 2012.
- (iii) *Date for the Submission and Opening of the Proposals.* February 7, 2012.
- (iv) *Date of the Award.* Pending to be announced.

(d) Interested Companies.

Fermaca Pipeline Anáhuac, S de R.L. de C.V.; Administradora de Energía Azteca, S. de R.L. de C.V.; M.I. Consultores, S.A. de C.V.; Gasoductos de Chihuahua, S. de R.L. de C.V.; Techint, S.A. de C.V.; Isolux de México, S.A. de C.V.; FCC Construcción, S.A.; Sempra México, S. de R.L. de C.V.; Transportadora de Gas Natural de la Huasteca, S. de R.L. de C.V.; Fabricaciones Industriales Tumex, S.A. de C.V.; Plantas y Líneas Industriales, S.A. de C.V.; Bredero Shaw México, S.A. de C.V.; Elecnor, S.A.; SK Engineering & Construcción CO. , Ltd.; Cobra Instalaciones México, S.A. de C.V.; Gami Ingeniería e Instalaciones, S.A. de C.V.; Tradeco Industrial, S.A. de C.V. and; Tubesa, S.A. de C.V.

III. Awarded Infrastructure Projects.²⁷

I. 247 SLT 1404.²⁸

On October 26, 2010, CFE published in the DOF the call for the International Public Bid No. 18164093-013-10 for the award of a public works agreement for the construction and installation of 9 (nine) works, as follows: 3 (three) transmission lines with a capacity of 230 to 115 kV; 6 (six) substations with a capacity of 115, 230 and 400 Kv and; 10 (ten) power feeders to be located in the States of San Luis Potosi and Veracruz.

This past January 13, 2012, CFE awarded the contract for the development of this project to the company Control y Montajes Industriales CYMI, S.A.; which submitted a proposal for an amount of MXN\$16,724 million (approximately US\$1.3 million).

II. FARAC Paquete Michoacán.²⁹

On May 13, 2010, the Ministry of Communication and Transportations (SCT, for its Spanish initials) published in the

DOF the call for the International Public Bid No. 00009076-002-10 for a 30-year concession period, in order to build, operate, exploit, modernize and maintain the highway Pátzcuaro-Uruapan-Lázaro Cárdenas. The concession includes the right of way and auxiliary services.

On December 16, 2011 SCT awarded such concession to the consortium involving the following companies: Infraestructura Institucional FI, S.A.P.I. de C.V.; Grupo Azvi, S.A.; Cointer Concesiones, S.L.; Azvi-Cointer de México, S.A. de C.V.; Promotora y Operadora de Infraestructura, S.A.B. de C.V. and; Sociedad Michoacana de Constructores, S.A.P.I. de C.V.

III. Pipeline “Chihuahua”.³⁰

On June 28, 2011, CFE published in the DOF the call for the International Public Bid No. LPI-SCPIF-002/11 for the award of a contract to design, build, operate and maintain the transportation system providing natural gas to CFE, through a pipeline up to the maximum daily amount of 850 mmpcd.³¹

This past December 9, 2011, CFE awarded the contract for the development of this project to the company Tarahumara Pipeline, S. de R.L. de C.V.; which submitted a proposal for an amount of US\$310 million.

IV. 264 CC Centro.³²

On June 9, 2011, CFE published in the DOF the call for the International Public Bid No. LO-018TO1054-T9-2011 for the award of a contract to develop a project comprising a central power generation, which is required for the design, engineering, supply of equipment and materials, construction, installation, testing, technical support, insurance, taxes and customs management required to have a safe, reliable and efficient performance of the Central called CC Centro, with a capacity of 622.49 MW.

On November 17, 2011, CFE awarded the contract for the development of this project to the companies Abener Energía, S.A.; Instalaciones INABENSA, S.A. and; Servicios Auxiliares de Administración, S.A. de C.V.; which submitted a proposal for an amount of US\$440 million.

V. Pipeline “Morelos”.³³

On June 16, 2011, CFE published in the DOF the call for the International Public Bid No. LPI-SCPIF-001/11 for the award of a contract to design, build, operate and maintain the transportation system providing natural gas to the CFE,

²⁶ Million cubic feet per day.
²⁷ With respect to the amounts in US Dollars, please refer to footnote 8.
²⁸ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.
²⁹ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

³⁰ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.
³¹ Million cubic feet per day.
³² 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.
³³ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

through a pipeline up to the maximum daily amount of 320 mmpcd.³⁴

On October 25, 2011, CFE awarded the contract for the development of this project to the company Elecnor, S.A.; which submitted a proposal for an amount of US\$175 million.

VI. 245 SE 1320 Noroeste.³⁵

On March 31, 2011, CFE published in the DOF the call for the International Public Bid No. LO-018TOQ054-T5-2011 for the award of a unitary-prices public works agreement for the construction and installation of 4 (four) distribution networks with a capacity of 13,2 and 33 kV and 7 (seven) clearing lines with a capacity of 13,8 kV and 34,5 kV to be located in the States of Sonora and Sinaloa.

On September 28, 2011, CFE awarded the contract for the development of this project to the companies GROSE Ingenieros, S.A. de C.V. and Elictrificación Aplicada, S.A. de C.V.; which submitted a proposal for an amount of US\$5,453 million.

VII. Aqueduct "El Zapotillo-Los Altos".³⁶

On December 7, 2010, the National Water Commission (CONAGUA, for its Spanish initials) published in the DOF the call for the International Public Bid No. CNA-SGAPDS-OCLSP-JAL-GTO-10-001 CP for the award of a concession for a period of 25 years in order to (i) develop the engineering, construction, operation and maintenance of an infrastructure consisting of the Aqueduct "El Zapotillo-Los Altos" and; (ii) to provide hydraulic service, consisting of the bulk supply of drinkable water to the Municipalities of León, State of Guanajuato and Los Altos, State of Jalisco.

On September 19, 2011, CONAGUA awarded this concession to Abengoa México, S.A. de C.V.; which submitted a proposal for an amount of MXN\$4,569 million.³⁷

VIII. Administrative City or Integral Service Center.³⁸

On June 17, 2011, the Infrastructure Ministry for the State of Puebla published in the Official Gazette the call for the National Public Bid No. SINFRA-PPS-2011/001 for the award of a PPP contract to develop the project of the Administrative City or Integral Service Center for the government of Puebla.

On October 25, 2011 the Finance Ministry of the State of Puebla announced that such contract was awarded to Grupo

Técnico Constructor, S.A. de C.V.³⁹

IX. Desalination Plant.⁴⁰

On February 22, 2011, the Water Commission for the State of Baja California published in the DOF the call for the International Public Bid No. 32130001-001-11 for the award of a service contract to capture, desalinate, purify and deliver 250 litres per second of seawater to the Municipality of Ensenada, Baja California. The contract includes the development of the executive project, building, electromechanical equipment and operation testing of the desalination plant.

On August 31, 2011, the calling entity awarded the contract for the development of this project to OHL Medio Ambiente Inima, S.A.U.; which submitted a proposal for the amount of MXN\$517 million (approximately US\$39 million).

X. FARAC II "South Pacific Package".⁴¹

On June 14, 2011, SCT published in the DOF the call for the International Public Bid No. 00009076-001-11 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.
- Guadalajara-Tepic highway, with an approximate length of 168.6 km.

On August 19, 2011 SCT awarded the contract for the development of this project to Promotora del Desarrollo de América Latina, S.A. de C.V., which submitted a proposal of MXN\$8.2 billion (approximately US\$607 million).

XI. Incentivized Contracts for the Southern Region (Magallanes, Carrizo and Santuario).⁴²

On March 1st, 2011, PEP published in the DOF the call for the International Public Bid No. 18575062-512-11 for the award of a services contract to evaluate, develop and produce hydrocarbons in the contractual areas of the Southern Region, namely: (i) Magallanes; (ii) Carrizo and; (iii) Santuario.

On August 18, 2011, PEP awarded the incentivized contracts for the development of this project, as follows:

- (i) *Magallanes and Santuario.* These contractual areas were awarded to Petrofac Facilities Management Limited,

³⁴ Million cubic feet per day.

³⁵ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

³⁶ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

³⁷ <http://www.todoelgob.com.mx/noticias/?p=1008>

³⁸ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

³⁹ http://www.pueblaonline.com.mx/index.php?option=com_k2&view=item&id=18985:grupo-f%C3%A9cnico-constructor-gan%C3%B3-licitación-C3%B3n-para-constituir-y-operar-el-centro-integral-de-servicios&Itemid=126

⁴⁰ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁴¹ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁴² 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

which submitted a proposal with a rate of US\$5.01 per barrel.

- (ii) *Carrizo*. This contractual area was awarded to Administradora en Proyectos de Campos, S.A. de C.V.; which submitted a proposal with a rate of US\$5.03 per barrel.

XII. 151 SE 1006.⁴³

On March 1st, 2011, CFE published in the DOF the call for the International Public Bid No. LO-018TOQ054-T3-2011 for the award of a unitary-prices public works agreement for the construction and installation 1 (one) transmission line with a capacity of 115 kV; 2 (two) substations with a capacity of 115,23 Kv and; 6 (six) power feeders to be located in the State of Mexico.

This past June 28, 2011 CFE awarded the contract for the development of this project to the companies Voltrak, S.A. de C.V. and Schrader Camargo Ingenieros Asociados, S.A. which submitted a proposal for an amount of US\$6,283,424.66 million.

XIII. "Mundo Maya" Museum.⁴⁴

On April 27, 2011, the Board of Cultural and Touristic Services of the State of Yucatan published in the Official Gazette of Yucatan the call for the National Public Bid for the award of a PPS contract for (i) building, equipping and developing a museology study, as well as for (ii) the provision of services related to the maintenance, security and operation of the future museum.

This past June 15, 2011, the Government of Yucatan and the legal representative of Promotora de Cultura Yaxché, S.A. de C.V., which submitted a proposal for an amount of MXN\$143 million (approximately US\$12 million), executed the PPS for the development of this project.

XIV. 171 CC Agua Prieta II.⁴⁵

On June 10, 2010, CFE published in the DOF the call for the International Public Bid No. LPI-SCPIF-001/10 for the award of a contract to develop, design, build, test and operate a solar field that will join the combined cycle project 171 CC Agua Prieta II.

On June 8, 2011, CFE awarded the contract for the development of this project to the companies Abener Energía, S.A., Abengoa Solar, S.A. and Teyma, Gestión de Contratos

de Construcción e Ingeniería, S.A. which submitted a proposal for an amount of US\$39,934,801.35.

XV. "Kambesah" Marine Pipelines.⁴⁶

On March 1st, 2011, PEP published in the DOF the call for the International Public Bid No. 18575106-502-11 for the procurement and construction of 3 (three) marine pipelines; (i) one 20" Ø X 5.8 Km pipeline from the wells recovering the structure from *Kambesah* to the *Kutz-TA* platform; (ii) one B.N. 12"Ø X 6.2 Km pipeline from the underwater interconnection line L-239 to the wells recover structure *Kambesah* and; (iii) one B.N. de 8" Ø X 6.5 Km pipeline from the pipeline mentioned in number (ii) to the *Ixtoc-A* platform. The works will be located in the State of Campeche.

On April 26, 2011, PEP awarded the contract for the development of this project to the companies JRay McDermott de México, S.A. de C.V.; McDermott Marine México, S.A. de C.V. and McDermott, Inc., which submitted a proposal for an amount of MXN\$49 million (approximately US\$4.2 million) plus US\$52,031,176.

XVI. Burgos (operated valves).⁴⁷

On December 16, 2010, PEP published in the DOF the call for the International Public Bid No. 18575109-503-10 for the award of a public works contract providing the rehabilitation and performance tests for operated valves located in the Integral Active Burgos.

On April 11, 2011, PEP awarded the contract for the development of this project to Corporación Constructora Azteca, S.A. de C.V., which submitted a proposal for an amount of MXN\$20 million (approximately US\$1.7 million).

XVII. Salamanca – León Highway.⁴⁸

On April 27, 2010, SCT published in the DOF the call for the International Public Bid No. 00009076-001-10 for the award of a 30-year concession period in order to build, operate, exploit, modernize and maintain the Salamanca – León highway. The concession includes the right of way and auxiliary services.

On April 1st, 2011, SCT awarded the concession to the companies Coconal, S.A. de C.V.; México Constructora Industrial, S.A. de C.V. and Operadora de Autopistas, S.A. de C.V., which submitted a proposal for an amount of MXN\$3.5 billion (approximately US\$294 million). The term of the contract is 698 calendar days.

⁴³ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁴⁴ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁴⁵ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁴⁶ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁴⁷ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁴⁸ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

***XVIII. 209 SE 1212.*⁴⁹**

On October 12, 2010, CFE published in the DOF the call for the International Public Bid No. 18164093-011-10 for the award of a public works agreement for the construction and installation of 3 (three) distribution substations and 1(one) high voltage line with a capacity of 115 KV with 15, 1870 KM-C to be located in the States of Veracruz and Puebla.

On March 30, 2011, CFE awarded the contract for the development of this project to ABB México, S.A. de C.V., which submitted a proposal for an amount of MXN\$3.2 million (approximately US\$275,565). The term of the agreement is 360 calendar days.

***XIX. Power Transformers.*⁵⁰**

On December 16, 2010, CFE published in the DOF the call for the International Public Bid No. 18164037-029-10 for the award of an acquisition agreement related to Power Transformers for the Regional Warehouse located at Km 3.5 of the Hermosillo Highway.

On February 15, 2011, CFE awarded the agreement for the development of this project to the companies Voltran, S.A. de C.V. and Prolec GE International, S. de R.L. de C.V., which submitted a proposal for an amount of MXN\$14.7 million (approximately US\$1.2 million).

***XX. PEP Industrial Facilities Maintenance.*⁵¹**

On December 16, 2010, PEP published in the DOF the call for the National Public Bid No. 18575107-029-10 for the award of a Public Works contract, providing the maintenance of electromechanical equipment on PEP's industrial facilities located in the State of Campeche.

On January 25, 2011, PEP awarded the contract for the development of this project to Grupo de Ingenieria y Control de Obra, S.A. de C.V., which submitted a proposal for an amount of MXN\$1,792,000 (approximately US\$152,836).

IV. Cancelled Infrastructure Projects.⁵²

***I. Riviera Maya Airport.*⁵³**

On May 11, 2010, SCT published in the call for the International Public Bid No. SCT/DGAC/ARM/01/2010 for the award of a concession for a period of 50 years in order to: (i) construct, administrate, operate and exploit an airport to be

located in the Municipality of Tulum, State of Quintana Roo; and (ii) use, operate and exploit public property of the Federation.

On May 20, 2011, this International Public Bid was declared deserted.

***II. FARAC III "North East Package I".*⁵⁴**

On June 1, 2010, SCT published in the DOF the call for the International Public Bid No. 00009076-003-10 for the award of a 30-year concession. The FARAC III "North East Package I" consists of the following roads:

Project I:

- Reynosa Sur II Bypass, with an approximate length of 37 km.
- Cadereyta-Reynosa, with an approximate length of 132 km.
- Reynosa-Matamoros, with an approximate length of 44 km.

Project II:

- International bridge "Reynosa-Pharr".

Project III:

- International bridge "Los Tomates".
- International bridge "Brownsville-Matamoros".

On March 15, 2011, this International Public Bid was cancelled.

***III. Ciudad Valles – Tamuín Bypass.*⁵⁵**

On January 13, 2009, SCT published in the DOF the call for the International Public Bid No. 00009076-004-08 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.

On March 10, 2011 this International Public Bid was cancelled.

***IV. Drilling and Well Maintenance.*⁵⁶**

On December 16, 2010, PEP published in the DOF the call for the International Public Bid No. 18575111-503-10 for the award of a supply contract to provide (i) industrial safety equipment and environmental protection for marine, ground and lake facilities, and (ii) *drilling and well maintenance*.

On February 21, 2011, this International Public Bid was suspended.

⁴⁹ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁵⁰ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁵¹ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

⁵² With respect to the amounts in US Dollars, please refer to footnote 8.

⁵³ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

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⁵⁶ 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 February 9, 2012, on the following website: <http://www.compranet.gob.mx/>.

V. Infrastructure Projects announced to be tendered during 2012.⁵⁷

1. Toll Roads.

- *Teziutlan – Nautla*, which consists of the construction of a 80 km two lane highway, this project will be developed in the States of Puebla and Veracruz, with an estimated investment of MXN\$1.8 billion (approximately US\$145 million).⁵⁸
- *Tuxpan-Tampico Highway*, which consists of the construction of an 142 km highway, this project will be developed in the States of Tamaulipas and Veracruz, with an estimated investment of MXN\$4.9 billion (approximately US\$396 million).⁵⁹
- *Tampico Bypass*, which consists of the construction of an 140 km bypass, this project will be developed in the State of Tamaulipas, with an estimated investment of MXN\$4.7 billion (approximately US\$379 million).⁶⁰
- *Laguna Verde Bypass*, which consist of the construction of an 16 km bypass, this project will be developed in the State of Veracruz, with an estimated investment of MXN\$856 million (approximately US\$69 million).⁶¹

2. Energy.

A. CFE Public Financed Work.

- *Noroeste Pipeline*, with an approximate investment of US\$3,500 million to be tender in 2012.⁶²
- *Los Ramones Pipeline*, with an approximate investment of US\$2,500 million to be tender in 2012.⁶³
- *Zacatecas Pipeline*, with an approximate investment of US\$105 million to be tender in 2012.⁶⁴
- *Yucatán Pipeline*, with an approximate investment of US\$124 million to be tender in 2012.⁶⁵

B. PEP Projects.⁶⁶

- *Offshore Drilling Platforms* to be located in the State of Campeche, Gulf of Mexico. PEP will tender the lease (without option to purchase) of eight offshore drilling platforms with an estimated investment of US\$1,200 million. These contracts will allow the drilling, completion, maintenance and repair of offshore wells to comply with the operational programs of KuMalooob-Zaap and Cantarell.

The public bid for this project is to be tender on July 2011.

C. Hydro Power Plants.⁶⁷

- *La Parota Hydro Power Plant* to be located in Acapulco, Guerrero, with an approximate capacity of 700-MW and an estimated investment of MXN\$11 billion (approximately US\$900 million). The government has had problems with the landowners of the construction site for this power plant; however, it intends to tender this project in the first semester of 2011.

3. Airports.

- *Palenque New Airport*, to be located in the State of Chiapas, for an approximate investment of US\$50 million (plus cost of land acquisition). SCT estimates that the bidding process will start on 2011 and the works on 2012.⁶⁸

4. Ports and Harbors.

- *Punta Colonet*, which consists of a (i) 45-year train concession in Colonet Bay; a (ii) 45-year port concession in Puerto Bahia Colonet. This project is being restructured by SCT to be tendered during the first semester of 2011.⁶⁹

5. Water Supply.

- *Aqueduct "Falcón-Matamoros"*, to be located in the State of Tamaulipas, for an approximate investment of MXN\$ 6.6 billion (approximately US\$533 million). CONAGUA estimates that the bidding process will start on the first semester of 2011.⁷⁰
- *Dam "El Purgatorio"*, to be located in the State of Jalisco, for an approximate investment of MXN\$ 3.7 billion (approximately US\$300 million). CONAGUA estimates that the bidding process will start on the first semester of 2011.⁷¹
- *Dam "Paso Ancho"*, to be located in the State of Oaxaca, for an approximate investment of MXN\$ 2.5 billion (approximately US\$202 million). CONAGUA estimates that the bidding process will start on the second semester of 2011.⁷²

⁵⁷ With respect to the amounts in US Dollars, please refer to footnote 8.

⁵⁸ <http://www.msnorticias.com/notas.asp?id=12969>

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

⁶² <http://www.eluniversal.com.mx/notas/807114.html>

⁶³ *Ibid.*

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

⁶⁶ <http://www.pemex.com/index.cfm?action=news§ionid=8&catid=40&contentid=24674>

⁶⁷ <http://www.milenio.com/node/559100>

⁶⁸ <http://www.cnnexpansion.com/economia/2010/04/29/aeropuerto-palenque-asa-cnnexpansion>

⁶⁹ http://www.bnamericas.com/news/infraestructura/Secretaria_licitara_proyecto_portuario_Punta_Colonet_el_2011

⁷⁰ <http://www.conagua.gob.mx/CONAGUA07/Noticias/SeguimientoPNI.pdf>

⁷¹ <http://www.conagua.gob.mx/CONAGUA07/Noticias/SeguimientoPNI.pdf>

⁷² <http://www.conagua.gob.mx/CONAGUA07/Noticias/SeguimientoPNI.pdf>

VI. Other Potential Infrastructure Projects.⁷³

1. Oil Refineries.

A. New Refinery in Tula.⁷⁴

The construction of this new project in Mexico has been 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.

The objective of the refinery is (i) to reduce fuel imports, primarily of gasoline, (ii) to produce ultra low sulfur fuels and (iii) to reduce the supply of fuel oil in central Mexico.

The refinery will comprise the engineering, procurement and construction of a crude unit, diesel hydrotreater unit (two trains), vacuum gas oil hydrotreater unit (two trains), sulfur recovery plant, hydrogen plant, delayed coker, fluid catalytic cracker, naphtha hydrotreating, catalytic reforming and alkylation unit. The expected production is up to 250 million barrels per day in a single train. The job creation is estimated between 10,000 and 37,000 indirect jobs. The estimated total investment for this project is MXN\$9 billion (approximately US\$727 million).

It is expected that the bidding process will take place in the third quarter of 2011, and is set to start operating towards the end of 2015.

B. Reconfiguration of Salamanca Refinery.⁷⁵

The objective of this project is (i) to increase gasoline, diesel and lube margins, (ii) to produce ultra low sulfur fuels and, (iii) to reduce the supply of fuel oil in central Mexico.

The refinery will comprise the engineering, procurement and construction of a delayed coker unit, vacuum gas oil hydrotreater, sulfur recovery plant, hydrogen plant, naphtha hydrotreating unit and revamping of the catalytic reforming unit and the fluid catalytic cracker.

The estimated total investment for this project is MXN\$2.6 billion (approximately US\$210 million).

It is expected that the bidding process will take place in the second quarter of 2011, and is set to start operating in the first quarter of 2015.

2. Toll Roads.

- *Nayarit Highway, as part of the Conservation Program of the Federal Highway Network*, with an estimated aggregate

investment of MXN\$216 million (approximately US\$17.4 million).

- *Laguna Verde-Gutierrez Zamora*, with an approximate length of 91 km and an estimated aggregate investment of MXN\$2.7 billion (approximately US\$219 million).
- *Álamo-Tuxpan*, with an approximate length of 20 km and an estimated aggregate investment of MXN\$240 million (approximately US\$19 million).⁷⁶
- *Tlaxcala Bypass and Xoxtla-Tlaxcala*, with an approximate length of 26 km and an estimated aggregate investment of MXN\$1.2 billion (approximately US\$104 million).

3. Railroad Transportation.

- *Chalco-La Paz Suburban Train*, for an approximate investment of MXN\$14 billion (approximately US\$1.1 billion).⁷⁷
- *Guadalajara-Aguascalientes Railroad*, for an approximate investment of MXN\$6.7 billion (approximately US\$542 million).
- *Cuatitlán – Huehuetoca Suburban Train with a length of 20.2 km.*⁷⁸
- *Río Hondo – Buena Vista – Texcoco Suburban Train with a length of 10.7 km.*⁷⁹
- *Rincón de Romos – Nissan with a length of 47 km.*⁸⁰

4. Airports.

- *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\$16.1 million).
- *New Mérida Airport*, to be located at 24 km from Cáceres, in Mérida, Yucatán, construction of a new airport, for an approximate investment of MXN\$2.7 billion (approximately US\$218 million).

5. Ports and Harbors.

- *Special Container Terminal II*, which consists of the construction of a special container terminal to be located in the Port of Lázaro Cárdenas, with an approximate investment of MXN\$4.4 billion (approximately US\$355 million), this project will be tendered during the first semester of 2011.⁸¹

⁷³ With respect to the amounts in US Dollars, please refer to footnote 8.

⁷⁴ <http://www.banobras.gob.mx/centrodeinformacion/Eventos/Conferencia%20de%20Infraestructura%20de%20Mexico%202010.%20Shanghai,%20China/PEMEX%20Ingls%20Ref/New%20Refinery%20in%20Tula.pdf>

<http://www.banobras.gob.mx/centrodeinformacion/Eventos/Conferencia%20de%20Infraestructura%20de%20Mexico%202010.%20Shanghai,%20China/PEMEX%20Ingls%20Ref/Reconfiguracion%20of%20Salamanca%20Refinery.pdf>

⁷⁶ http://www.cronicatierrablanca.com.mx/2010/12/lo_de_tuxpan_fue_libramiento.php

⁷⁷ http://www.elsemanario.com.mx/news/news_display.php?story_id=51909

⁷⁸ <http://www.eluniversaledomex.mx/chalco/nota20758.html>

⁷⁹ <http://www.eluniversaledomex.mx/chalco/nota20758.html>

⁸⁰ http://dgfm.sct.gob.mx/fileadmin/Tronco/Proyectos_Suburbanos.pdf

⁸¹ <http://www.cambiomicoacan.com.mx/vernota.php?id=139198>

6. Water Supply.

- *Philo Dam*, located throughout the states of Nayarit, Sinaloa and Sonora.
- *Xochimilco Water and Productivity Project*, located in Mexico City, for an approximate investment of MXN\$1.7 billion (approximately US\$137 million).⁸²
- *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 a sewage system in the region, with an approximate investment of MXN\$250 million (approximately US\$18.5 million).
- *PTAR Zumpango*, located in the State of Mexico, with a capacity of approximately 1.5 cubic meters per second and an estimated investment of MXN\$1.3 billion (approximately US\$96.3 million).
- *PTAR Vaso El Cristo*, located in the State of Mexico, with a capacity of approximately 4.0 cubic meters per second and an estimated investment of MXN\$2.4 billion (approximately US\$177 million).
- *PTAR Guadalupe*, located in the State of Mexico, with a capacity of approximately 0.5 cubic meters per second and an estimated investment of MXN\$250 million (approximately US\$18.5 million).

7. Energy.

A. Gas (LNG, Supply and Pipelines).

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

B. Pemex Refinería.

- *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\$29.5 billion (approximately US\$2.3 billion).
- *Oil Refinery*, to be constructed in the southeast region of Mexico, with an approximate capacity of 300 thousand barrels per day. The tender process will begin in 2012 and the production will tentatively start in 2015.⁸³

C. CFE.

- *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\$1.8 billion (approximately US\$135 million), its operation will tentatively start in 2014.⁸⁴
- *Transmission Network associated with the La Parota Hydroelectric Power Plant*, of approximately 550 km, in Acapulco, Guerrero, for an estimated investment of MXN\$1.5 billion (approximately US\$121 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\$1.2 billion (approximately US\$97 million).
- *Transmission Network associated with the Pacifico*, of approximately 297 km, 375 MVA and 21 MVAR, throughout several states of Mexico, for an estimated investment of MXN\$1.2 billion (approximately US\$97 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\$1.2 billion (approximately US\$97 million).

⁸² Latin American Leadership Forum, available at <http://www.cg-la.com/mcll/projects.php>
⁸³ <http://www.informador.com.mx/economia/2009/153683/6/mexico-olorgara-contrato-construccion-refineria-en-2012.htm>

⁸⁴ <http://www.notisistema.com/noticias/?p=213638>

8. PPP or PPS.⁸⁵

A. Roads.⁸⁶

- *Motozintla-Tapachula*, with an approximate length of 40 km and an estimated aggregate investment of MXN\$400 million (approximately US\$32 million).
- *San Antonio Tehuiz-Teabo*, with an approximate length of 77.2 km and an estimated aggregate investment of MXN\$600 million (approximately US\$48 million).
- *Benito Juárez-Villa Juanita*, with an approximate length of 56 km and an estimated aggregate investment of MXN\$300 million (approximately US\$24 million).
- *Salina Cruz-Huatulco*, with an approximate length of 146 km and an estimated aggregate investment of MXN\$5.1 billion (approximately US\$414 million).

B. Penitentiaries.⁸⁷

- Construction of 12 penitentiaries, extension of the penitentiary in Nayarit, opening of the penitentiary in Papantla and termination of the penitentiaries in Guasave and Monclova, with an estimated investment of MXN\$3 billion (approximately US\$242 million) through Long Term Service Contracts (LPS). This project includes the acquisition of technology to block telecommunications networks and cellular signals in such penitentiaries.

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⁸⁵ With respect to the amounts in US Dollars, please refer to footnote 8.

⁸⁶ <http://www.sct.gob.mx/fileadmin/ProgramaNacional/pni.pdf>

⁸⁷ <http://www.jornada.unam.mx/2010/06/01/index.php?section=politica&article=012n1pol&partner=rs>