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TO Gelson Batista
MPX Colombia

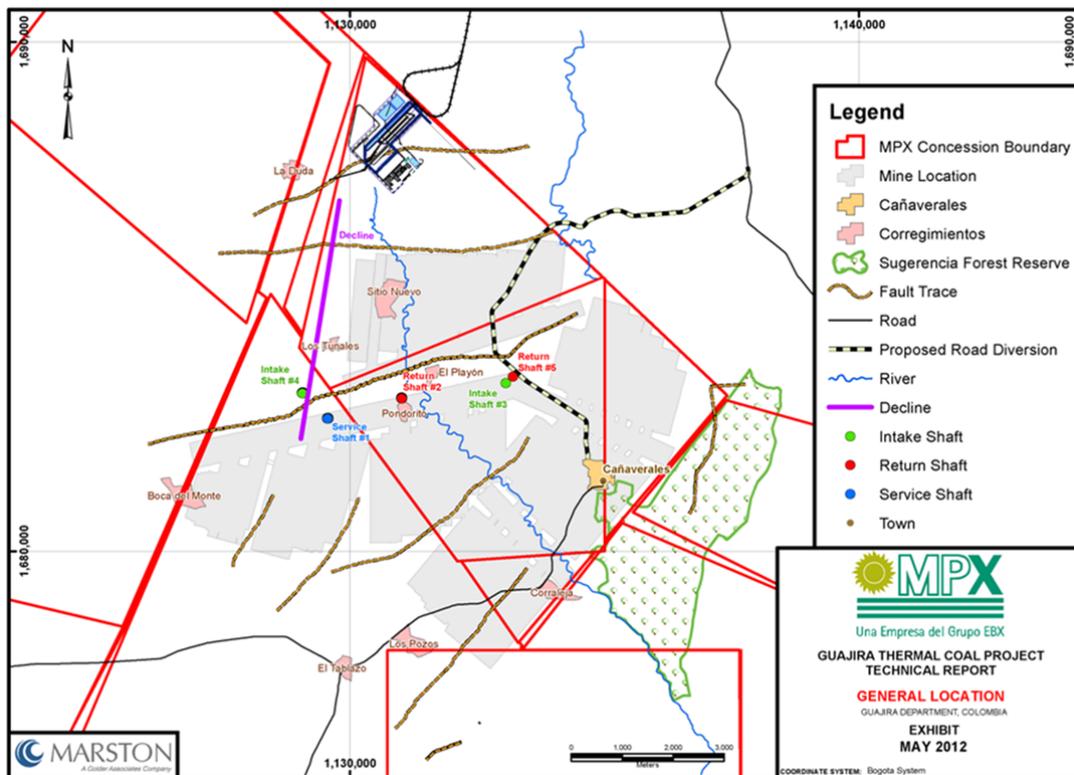
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MPX RESERVE STATEMENT

1.0 INTRODUCTION

MPX Colombia S.A. (MPX) a wholly-owned subsidiary of MPX Energia S.A., seeks to develop an integrated coal mining and transportation project in the La Guajira Department, Colombia. The integrated system includes rail and port facilities. The Coal Resources are located approximately 50 kilometres northeast of Valledupar, Colombia; see the General Location map, below.



The MPX Coal Resources comprise both surface and underground mineable areas, namely:

- San Juan Mine – potential underground coal mine with peak throughput averaging approximately 25 million tonnes per annum (Mtpa);
- Cañaverales Mine – potential open-pit mine with peak throughput of 2.5 Mtpa; and,
- Papayal Mine – potential open-pit mine with peak throughput of 2.5 Mtpa.

This Statement summarises the work efforts, conclusions and recommendations resulting from mine development planning and capital and operating cost estimates completed in support of the Pre-Feasibility Study of proposed mining activities. The work efforts include studies completed by others, which have been relied upon for issuance of Coal Reserve estimates. These include:

- 1) Guajira Thermal Coal Project; Engineering Cost Study; Logistics and Transport Infrastructure; (Port and Rail), WorleyParsons, 13 April 2012;
- 2) PCI Evaluation of San Juan Coal Seams, ALS Coal, 27 April 2012; and,
- 3) La Guajira Coal Project, San Juan Underground Coal Resource Statement, AMEC Americas Limited, 3 May 2012.

Mr. Leonard Dolby, PE (Virginia & West Virginia), Associate and Practice Leader, is the Qualified Person (QP) responsible for preparing the Coal Reserve estimates. Mr. Dolby completed a site visit on 8 March 2011.

2.0 COAL RESOURCE STATEMENT

The Coal Resource Statement prepared by AMEC described modelling 37 coal seams in the Cerrejon Formation. The model was used to estimate Measured and Indicated Coal Resources totaling 5.2 billion tonnes. Golder relied solely on the AMEC Coal Resource model for development of the mine plans and cost estimates. The Scope of Work provided to Golder did not include any efforts to verify geological and coal quality data and models, nor did Golder complete any such work. As per the Scope of Work, Golder accepted the AMEC Coal Resource Statement and geological model, which were prepared under the supervision of the AMEC QP, Mr. Ron Parent. Golder is satisfied that AMEC's QP performed or supervised work related to the development of the Resource Statement and was provided sufficient documentation of the exploration work.

3.0 COAL RESERVES

The estimated Coal Reserves of the San Juan Underground Mine resulting from the Pre-Feasibility Study are presented in the table below.

San Juan Underground Mine Coal Reserves								
Millions of ROM Tonnes								
Proven (Mt)	Probable (Mt)	Total (Mt)	ROM Coal Quality - As Received Moisture Content Basis					
			Moisture Content (Wt. %)	Ash Content (Wt. %)	Volatile Matter (Wt. %)	Fixed Carbon (Wt. %)	Total Sulphur (Wt. %)	Calorific Value (kcal/kg)
0	671.7	671.7	16.2	6.8	35.2	41.9	0.49	6289

Based on an evaluation by ALS Coal, 92% of the Coal Reserves could be marketable as pulverised coal injection (PCI) coal. MPX is currently conducting market studies for PCI coal to provide data for the Feasibility Study regarding the market for PCI products and upside potential provided by higher prices as compared to thermal coal markets.

4.0 CAPITAL AND OPERATING COSTS

Although the total project encompasses coal production from other sources (specifically Cañaverales and Papayal mines), the profitability of the San Juan Underground Mine was assessed separately to determine the economic viability of the underground mine on a stand-alone basis.

Golder prepared estimates of capital costs for the Pre-Feasibility Study, which include initial mine capital requirements of \$1.8 billion, in First Quarter 2012 U.S. dollars. Initial capital is defined as all capital expenditures related to the mine through the end of the first year of coal production. The initial capital includes costs of construction of an access decline, service shaft, two air shafts, materials handling system, coal surge bunkers, and development, production, and support equipment sufficient to reach first year of coal production. This capital cost is within expected expenditure ranges as compared to other major underground coal projects, after adjustments for production rates and deposit geometry.

The estimated operating costs for the San Juan Mine Project include all cash costs for direct mining and supervisory labor, operating supplies, and mining-related general & administrative items. Golder estimates cash operating costs to average US\$31.31 per ROM tonne over the life of the project.

Golder provided the capital and cash operating cost estimates for the mine to MPX, who prepared a financial model to assess annual cash flows through the life of the project. Based on the internal rate of return on annual cash flows resulting from the MPX financial model, it is Golder's opinion that the proposed operations will be economically attractive.

5.0 ADDITIONAL WORK

Golder has provided recommendations regarding additional exploration, test work, interpretive analysis, and engineering to address critical issues affecting project construction and operation. MPX (CCX) is supporting the recommendations. Mine planning activities will continue with further studies to accommodate inclusion in a Feasibility Study of the complex.

6.0 DISCLAIMER

The Statements of Coal Reserves were prepared in accordance with the Mineral Resource and Mineral Reserve categories set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards. Work efforts were guided by the Estimation of Mineral Resources and Mineral Reserve Best Practices Guidelines for Coal. These are the same guidelines referenced by Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

The CIM Definition Standards requires the completion of a Preliminary Feasibility Study as the minimum prerequisite for the conversion of Mineral Resources to Mineral Reserves.

A Preliminary Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open-pit, is established, and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social, and governmental considerations and the evaluation of any other relevant factors which are sufficient for a QP, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve. The results of a Preliminary Feasibility Study are not sufficient to serve as a basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project.

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Sincerely,
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