



Deep Water Port Investment Opportunity

Teaser

June 2016

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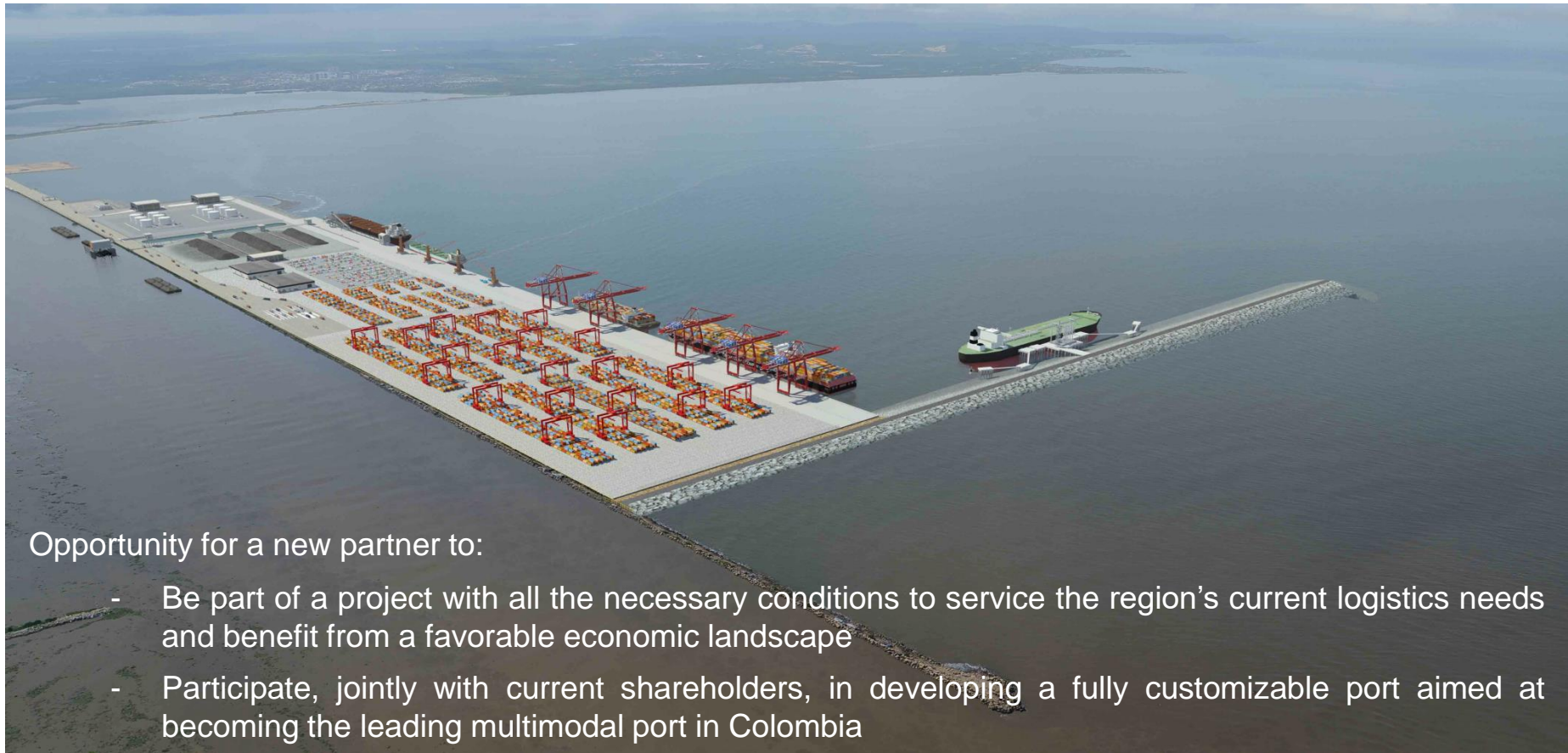
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Invest in Sociedad Portuaria Bocas de Ceniza (SPBC) to develop, build and operate the largest multipurpose deep water port in Colombia and one of the largest in Latin America, located in an industrial hub with direct access to river transport and connected to the national highway network



The project will be developed in 3 phases and will make Barranquilla a hub for international trade once again

Concession

- Grants access to an [area of 815 Ha](#)
- Currently [valid until January 19th 2055](#)
- Currently has an environmental license

Location

- Offers [depths of 20m](#)
- Adjacent to large industrial and logistic hub
- Grants [access to the Magdalena River](#), connecting the coast with mayor consumption and production centers
- Unlike the neighboring ports of Cartagena & Santa Marta, both Barranquilla and the SPBC project have ample land availability

Capabilities

- Largest multipurpose deep water port in Colombia, able to handle [cape size vessels](#)
- Flexibility to define the port's final design and have terminals "[built to suit](#)"
- Once fully developed, SPBC will have [11 docking positions](#) with over [3,800m of quay](#) and more than [145 Ha in storage](#) capacity
- Ability to play a role in the Caribbean transshipment market
- Potential to tap unmet demand and under served cargo clients

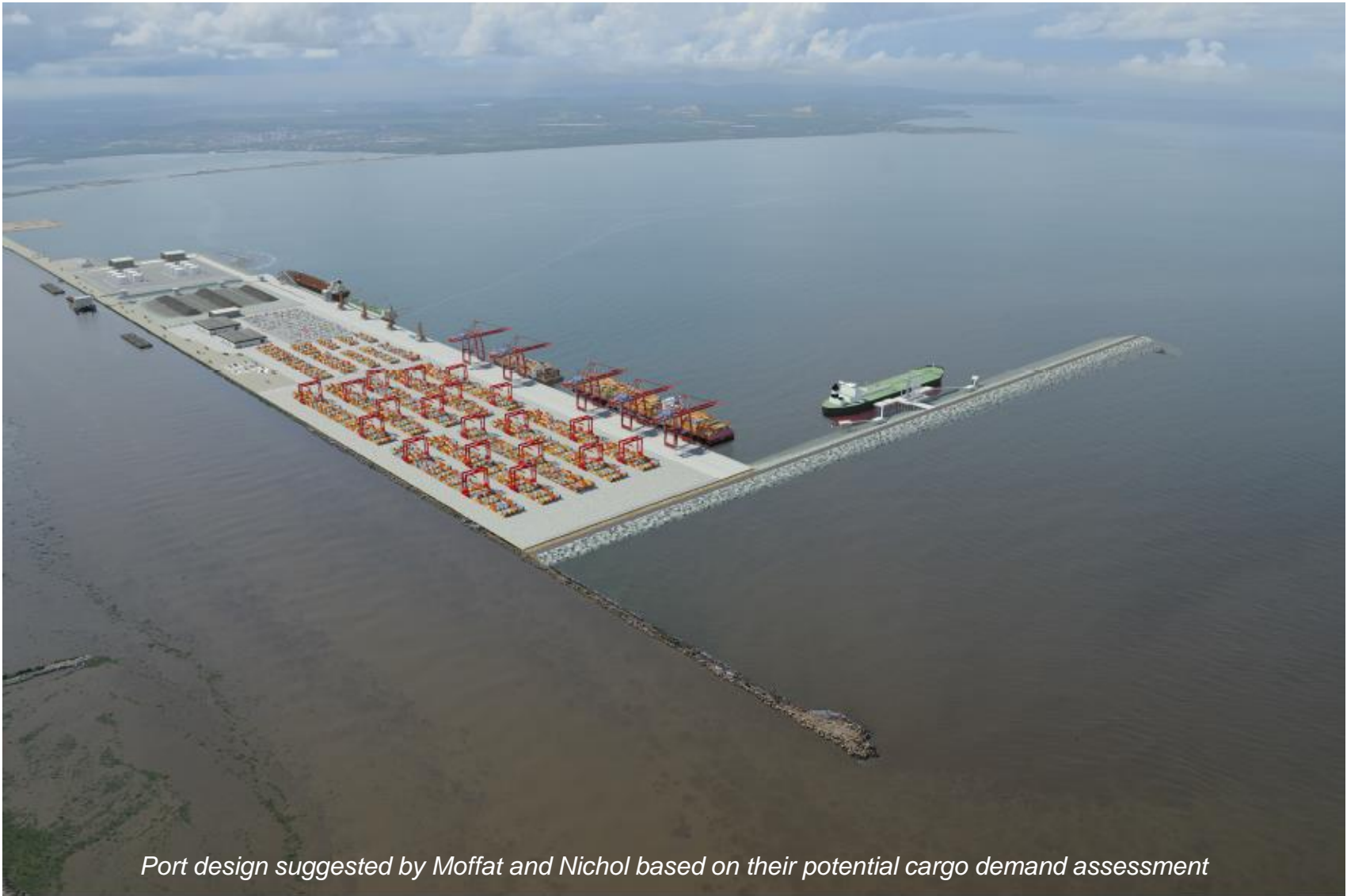
Impact

- It will [change the way Colombia's supply chain operates](#), delivering efficiencies to make the country more competitive and able to benefit from its multiple Free Trade Agreements
- Due to its ability to access the inland waterway component, SPBC will reduce the reliance for long haul trucking
- Direct and indirect job generation

The port will be located along the Magdalena river causeway, giving SPBC access to both deep water and river transportation capabilities

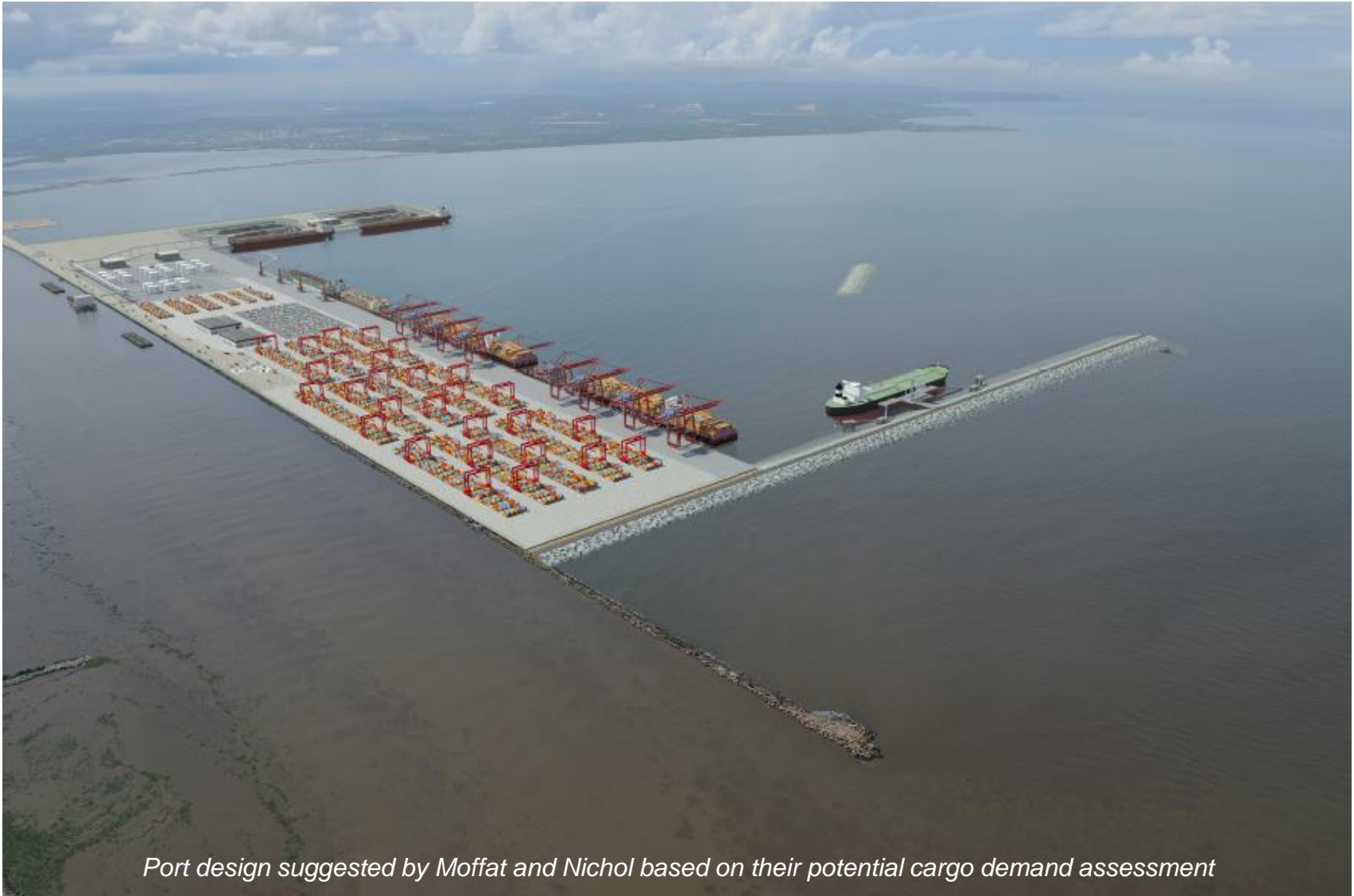






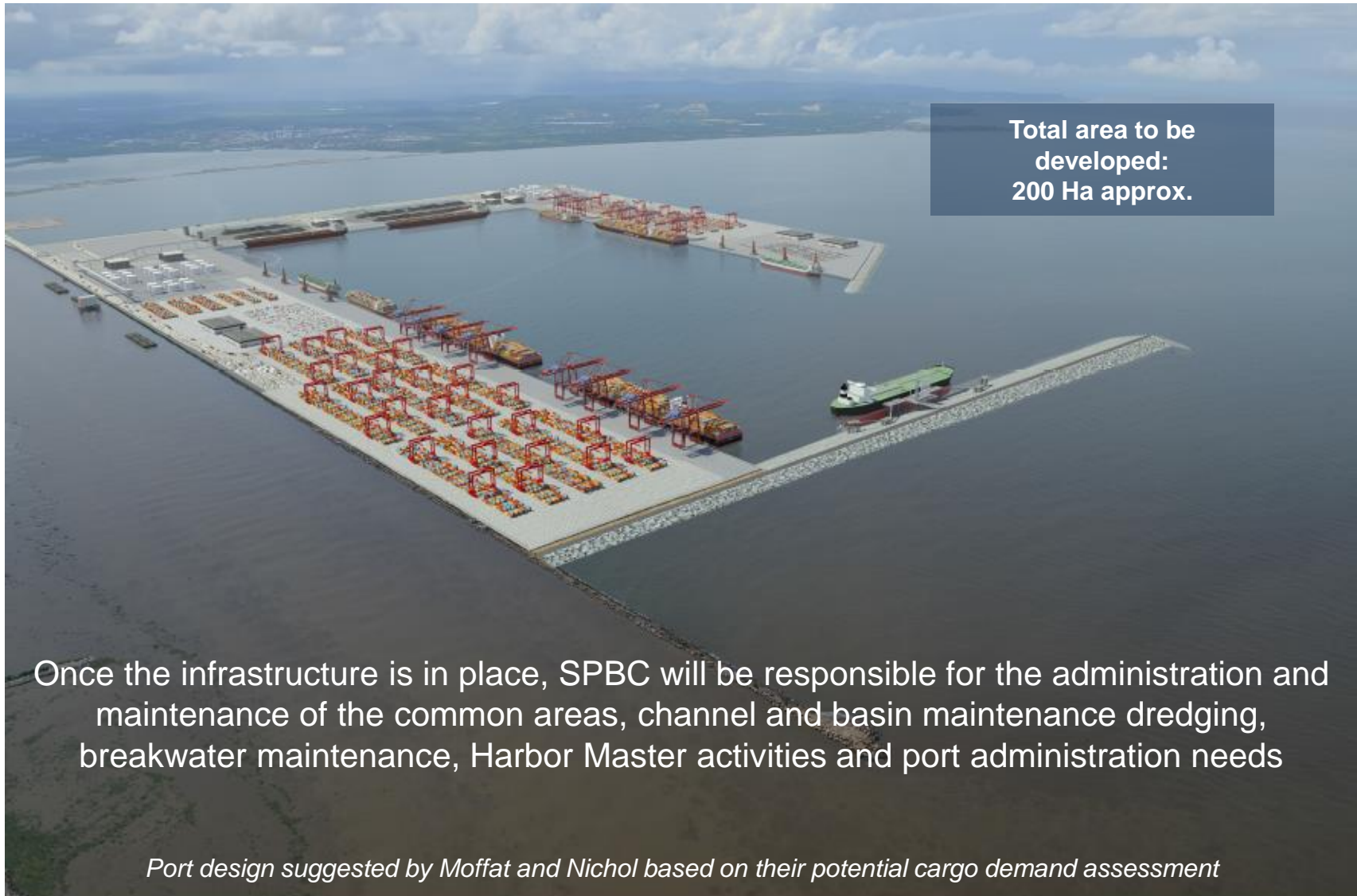
Port design suggested by Moffat and Nichol based on their potential cargo demand assessment

1. Terminal concepts would be rearranged or modified to suit the agreed requirements of the terminal users or development partners



Port design suggested by Moffat and Nichol based on their potential cargo demand assessment

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Shareholders are currently seeking a partner to construct, develop and operate Phase 1 of SPBC

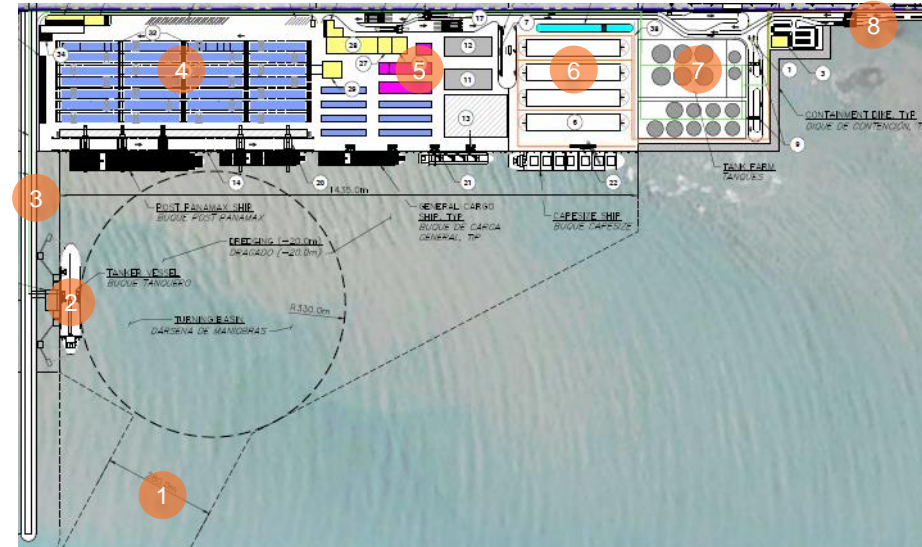
Phase 1 of the project includes all basic infrastructure works such as: dredging, creation of the entrance channel, turning basin, berths, land reclamation, construction of the breakwater and utilities access

CAPEX Basic Infrastructure Phase 1 ⁽¹⁾

Basic Infrastructure	Amount (US\$ m)
Breakwater	61.6
Dredging	74
Reclamation	8.5
Ground Improvement	6.4
Navigation Aids	1.8
Internal Roads	2.8
Engineering & Permits	42
Utilities	9
TOTAL	206⁽²⁾

Phase 1 also contemplates the construction of the following terminals (areas and distribution are shown for illustration purposes – there is flexibility depending on the requirements and needs of the future operators)

Container Terminal	25 Ha approx.
Break/Dry Bulk Terminal	17 Ha approx.
Coal Terminal	12 Ha approx.
Liquid Terminal	13 Ha approx.



- 1 **Entrance Channel:** 220m-280m wide and 20m deep
- 2 **Liquid Terminal:** with a 310m berth
- 3 **Breakwater:** 1.3km long, serves as an additional liquid berth
- 4 **Container Terminal:** with a 650m berth
- 5 **Break/Dry Bulk Terminal:** with a 480m berth
- 6 **Coal terminal:** with a 320m berth
- 7 **Tank Farm:** 17 tank battery with an approx. area of 12 Ha
- 8 **Barge Terminal:** serves the Magdalena inland waterway

1. SPBC and Moffatt & Nichol estimates
2. Amount could be reduced if desired depth is lower than the estimated 20 mts and/or if Moffatt & Nichol designs are modified

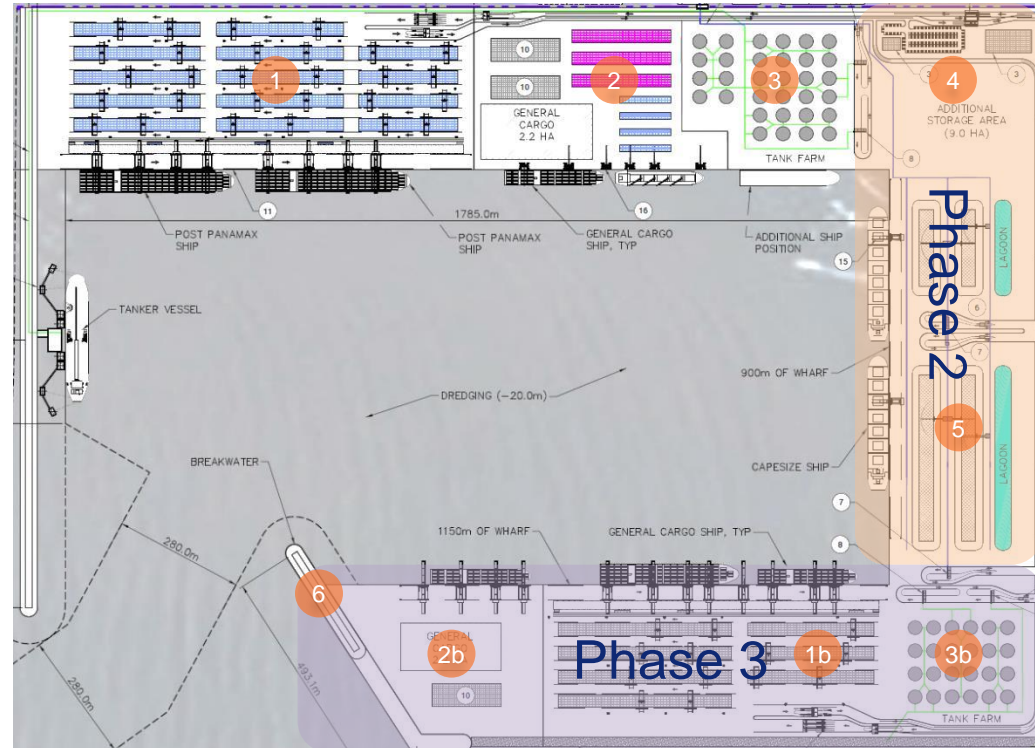
Partner would be invited to develop and operate Phase 2 & 3, generating additional upside in a long-term project

Phase 2

- Expansion of the container, break bulk and liquid terminals while creating a new and expanded area for the coal terminal
- Increases total berth size from 1,450m to 2,500m allowing 2 post panamax ships to service the container area as well as adding a 31 Ha coal terminal and an additional ship position near the tank farm
- Adds more than 33 Ha in terminal space to the Port

Phase 3

- New 12 Ha tank farm area as well as new 26 Ha container and 12 Ha break bulk terminal. It also includes the construction of a 2nd breakwater
- Adds 1,150m of quay allowing for 3 additional ship positions



Phases 2 & 3 and subsequent future phases of development imply significant less infrastructure cost

- 1 Container Terminal:** 33 Ha & 900m berth. **1b** 27 Ha & 750m berth
- 2 Break Bulk Terminal:** 17 Ha & 450m berth. **2b** 13 Ha & 400 m berth
- 3 Tank Farm:** 15 Ha and 450m berth. **3b** 13Ha
- 4 Storage Area:** additional 9 Ha of storage space
- 5 Coal Terminal:** 32 Ha and 900m berth
- 6 Breakwater:** 250m long

Current shareholders have achieved several milestones:

- 1 Obtained a 40 year concession
- 2 Obtained an environmental license
- 3 Invested more than US\$ 15 million in pre-operating expenses
- 4 Performed several technical and economical feasibility studies by top institutions⁽¹⁾



WorleyParsons



- 5 Finalized port's designs. Project ready to begin construction

Next steps:

- A Seek and secure partnership agreement
- B Begin construction of basic structure infrastructure during first quarter of 2017
- C Current shareholders willing and ready to invest at least an additional US\$ 30 million

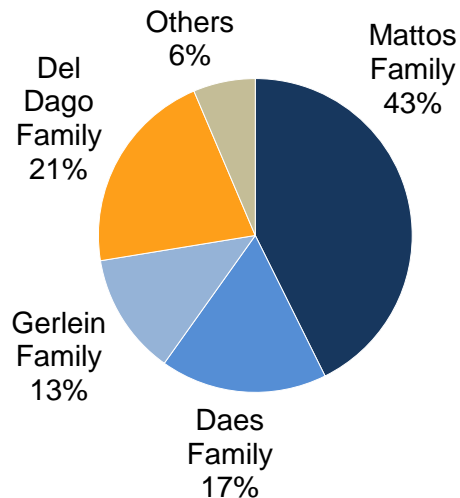
1. Such as: Bathymetry, Geotechnical, Siltation, Dredge Maintenance Modeling, Wave Studies, Reclamation Evaluations, Cost estimates, Demand

Current Shareholders – Sponsors

Sponsors provide local expertise, complementing the operational expertise of the potential partner

Current shareholders represent a combination of important and recognized industrial and business men with ample expertise in the commercial, construction and infrastructure sectors, and with the capacity to generate cargo for the port operation:

- 1 out of 10 cars currently in circulation in Colombia has been imported by one of the shareholders
- In 2012, nearly 35 thousand cars have been imported by one of the shareholders
- One of the shareholders is founder and minority shareholder of other major ports in Colombia (Cartagena, Buenaventura)
- One of the shareholders moves more than 6,000 containers annually via his industrial operation



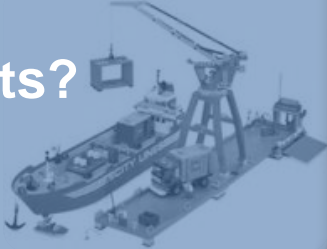
Current shareholders are looking for the right partner to co-invest in the development and operation of the largest port in Colombia and one of the largest in Latin America

Why Colombia?



- Economy has gone through a period of sustained growth above an annual 4.5%, which is higher than the LATAM average
- In the past five years, Colombia ranked second in terms of economic growth among the largest countries in the region (Peru, Chile, Argentina, Mexico and Brazil).⁽¹⁾
- Colombia's main trading partners (U.S, China, Germany, Mexico and Brazil) require a deep water port in the Caribbean/Atlantic to be serviced efficiently

Why Ports?



- In the last 5 years, FDI has focused in sectors (oil & mining) that require international commerce & transportation infrastructure to grow
- Deficiencies in infrastructure and transportation limits Colombia's competitive edge. The overall quality of port infrastructure ranks 108 of 175 countries⁽²⁾
- 96% of Colombia's trade is transported through maritime modes of transport⁽³⁾
- The expansion of the Panama canal will drive and increase vessel size in the region, thus demanding a port of the characteristics of SPBC

Why SPBC?



- A deep water multipurpose port with little to no specific cargo concentration risk
- Versatility in design and ability to have terminals "built to suit"
- Some container traffic destined to/originating from Barranquilla is diverted through the ports of Cartagena and Santa Marta due to their ability to handle bigger ships
- Access to the Magdalena river. Its basin traverses more than 700 cities that represent more than 70% of the population and 85 % of Colombia's GDP

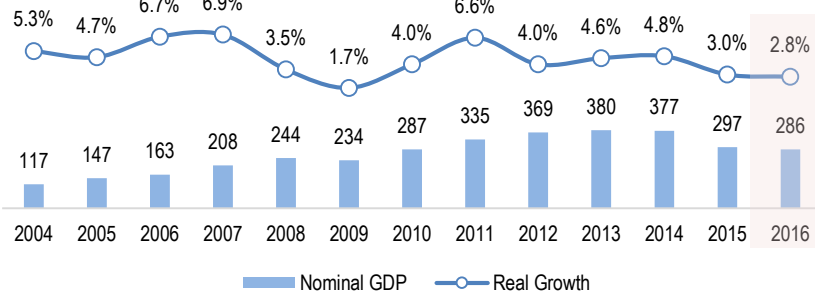
1. IMF, 2015
2. World Bank 2014
3. Dane

Why Colombia – High Growth & Stability

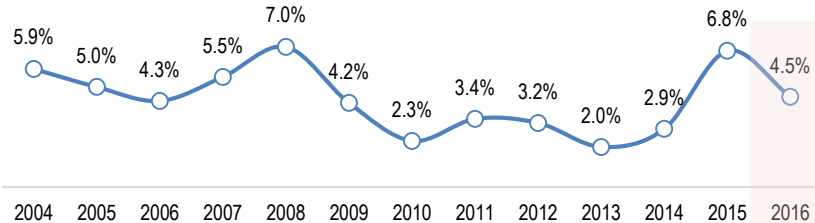
Economic growth, fiscal responsibility and political stability make Colombia one of the most attractive countries in the region

GDP⁽¹⁾
(US\$ billion)

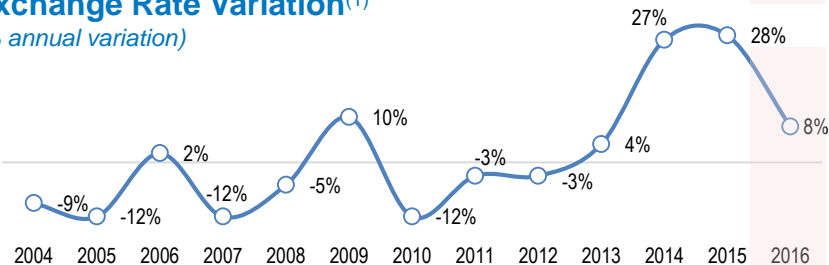
In 2014 GDP per capita reached US\$ 8,394



Inflation⁽¹⁾
(% annual growth)



Exchange Rate Variation⁽¹⁾
(% annual variation)



Colombia is one of the countries with greater economic and political stability in the region. Colombia has:

- Never experienced mega devaluations or hyperinflation periods
- Never defaulted on its debt payments
- Remained a stable democracy for over 50 years
- Only experienced a single recession period (1998) in +40 years
- An independent and highly technical central bank
- Undergoing structural reforms: fiscal sustainability, health & pension system, tax reform and dividend repatriation policies, etc.

Colombian economy has gone through a period of sustained annual growth driven mainly by:

- Increased domestic consumption, resulting from an increasing GDP per capita between 2003 and 2012 (CAGR of approx. 15%)
- Mining and energy boom: Main focus of FDI. After decades of underinvestment, the sector has seen the arrival of world class players
- Trade growth through diversification of markets and negotiation of new free trade agreements (20 active, 4 signed, 4 in negotiation)
- Substantial investments in infrastructure in Colombia's development plan

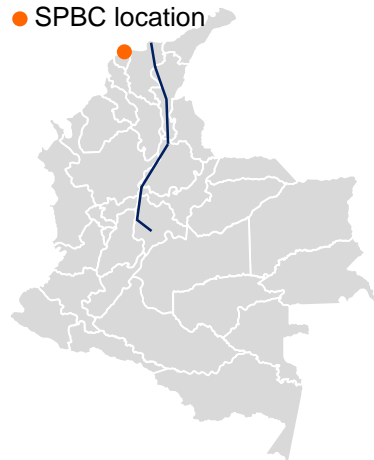
1. EIU, IMF Scotiabank (Real growth in COP)

Why Colombia – Road Projects to Barranquilla

Infrastructure projects will shorten distances between the interior of the country and Barranquilla, lowering transportation costs significantly

Ruta del Sol

- Connects the center of the country with the Caribbean coast and ports
- Starts 70km northeast of Bogotá, and ends 60km east of Barranquilla
- Connects Colombia's major industrial areas with the Atlantic coast by a double lane highway



Investment	Length	Finish Date	Completion
US\$ 2.6bn	1,071km	2016	60% (Feb 2013)

Autopista Metropolitana⁽¹⁾

- Connects municipalities in Barranquilla metropolitan area
- This project will help develop ZOFIA and CAYENA free trade zones
- It will allow direct access to the port and industrial zone west from Magdalena River



Investment	Length	Finish Date	Completion
US\$ 223m	32.25km	n.a.	n.a.

Transversal de las Américas

- Connects Panama, Colombia and Venezuela
- It will be linked to the Ruta del Sol, allowing connection with Bogotá and the rest of the inside of the country
- The Project will cross departments such as: Antioquia, Córdoba, Sucre, Atlántico, Bolívar and Magdalena



Investment	Length	Finish Date	Completion
US\$ 0.9bn	715km	2017	32.5% (Oct. 2014)

Ruta Caribe

- Connects departments such as Bolivar and Atlántico and their capitals
- Improves integration between Cartagena and Barranquilla, with Córdoba, Sucre and Antioquia



Investment	Length	Finish Date	Completion
US\$ 435m	426km	2016	80% (March 2015)

Why Ports – Specialization of the Caribbean Ports

Despite having significant competitive advantages, Barranquilla represents only 9% of the total cargo moved among its “peers”



Barranquilla

Port Traffic:

- 10.4 million ton⁽¹⁾

Main Products:

- Containers, steel, cement, petroleum byproduct & heavy machinery

Projections:

- High growth rates due to liquids and imports for large duty free zones
- Growth is limited by low draft in its access channel



Cartagena

Port Traffic:

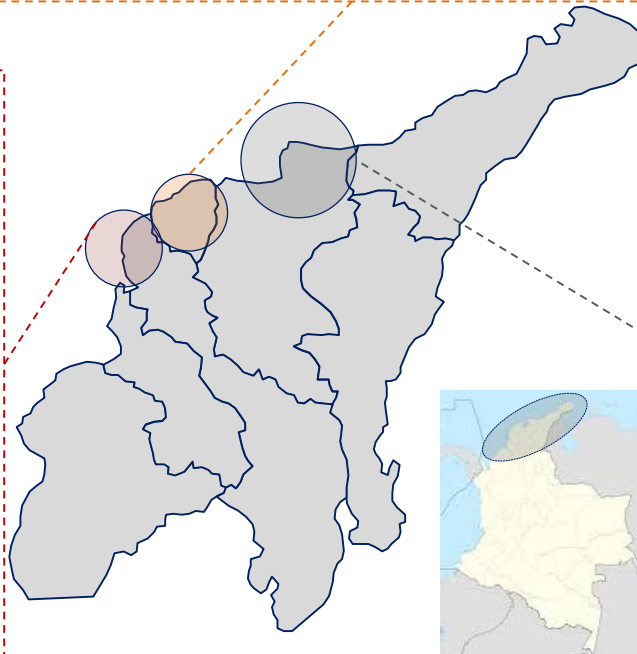
- 31.8 million ton⁽¹⁾

Main Products:

- Hub for oil and gas products from refineries
- Principal port for cruise ships

Projections:

- Growth driven by expanding refinery
- Growth limited by lack of space and having reached maximum capacity



Santa Marta

Port Traffic:

- 49.9 million ton⁽¹⁾

Main Products:

- Coal and second largest cruise ship destination in Colombia





Projections:

- High growth due to increasing coal exports
- Public ports limited by lack of space and having reached maximum capacity



Why SPBC – Characteristics of public multipurpose ports in the Caribbean

SPBC has a competitive advantage vis-à-vis direct competitors in terms of depth, storage and volume

	Storage Space (Ha)	Depth (m)	# of berths & size	Volume (Million Ton) ⁽¹⁾	Comments
	35	18	7 totaling 1,085m ranging from 94m to 240m	6.6	<ul style="list-style-type: none"> - Focused on coal exports: over 50% of total tons moved - Limited by terminal size and environmental concerns
	26	14	11 totaling 1,636m ranging from 130m to 270m	12.9	<ul style="list-style-type: none"> - Focused on container cargo and transshipments - Limited by terminal sizes
	25	11	6 totaling 1,058m	4.6	<ul style="list-style-type: none"> - Focused on import cargo and containers & break bulk - Limited by low draft
	64.5	20	6 totaling 1,730m ranging from 310 to 650m	33.7 ⁽³⁾	<ul style="list-style-type: none"> - Figures include only Phase 1 and will increase considerably once Phases 2 & 3 are developed

SPBC will have almost 2x the storage space and a volume almost 3x larger than its largest competitors

1. Superintendencia de Puertos 2012
 2. Includes Contecar
 3. SPBC and Moffat & Nichol estimate in year 2030

The Magdalena River basin encompasses more than 700 cities that represent more than 70% of the population and 85% of Colombia's GDP



Key

- ▲ Coal Area
- Mayor city

The Magdalena Basin in figures

- Generates 85% of Colombia's GDP
- Generates 70% of the hydroelectric energy production and 95% of the thermoelectric energy production
- Concentrates 75 % of the agricultural production
- Encompasses 70% of Colombia's road infrastructure
- Its area of influence occupies 24% of the Colombian mainland
- Includes 726 municipalities in 28 departments
- Colombia's largest refineries are located on the ports of Barrancabermeja and Cartagena linked by the Magdalena River and the Canal del Dique

Magdalena River Highlights

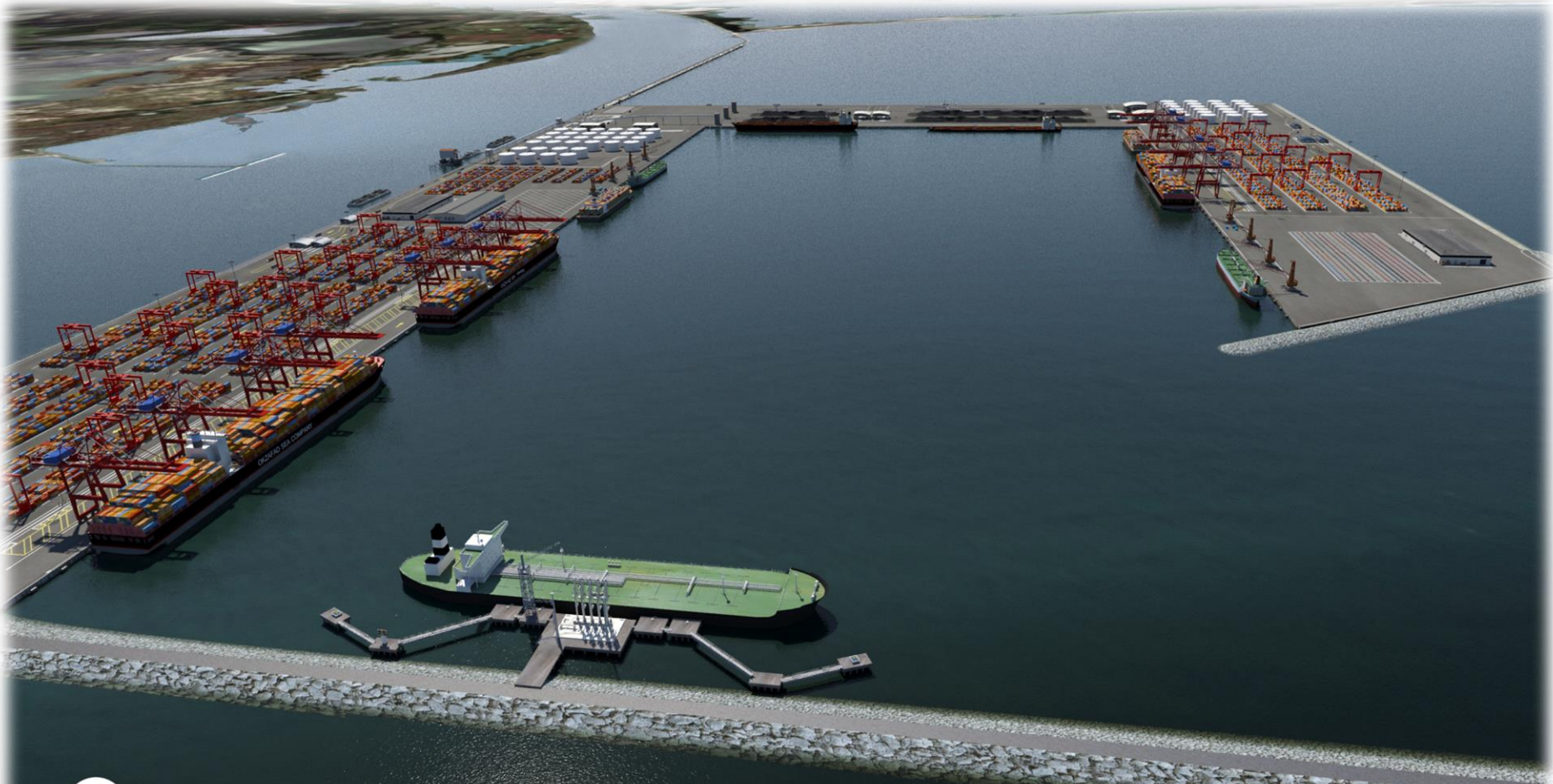
- Its basin serves not only the most important consumption centers of the country but also the high growth sectors of energy and agricultural commodities
- In 2012 Colombia exported more than 90 million tons of coal (90% thermal) , the river is posed to be the main route for this product
- Allows for a reliable and low cost multimodal transport system
- Interconnects the country from its mayor consumption & production hubs to the Atlantic Ocean

Colombia's Commitment to River Transportation

- The Government's development plan expects that the annual cargo moved will increase from an annual average of 2 million tons to 6 million tons and reduce 30% time required for roundtrips
- Maintenance Works: Approx. US\$ 1bn tender to guarantee 6 feet draft in the Puerto Salgar-Barrancabermeja-Barranquilla route through 900km
- Deepening Works and the river's concession: Approx. US\$ 600m cost, giving the river in concession for 10 years

SPBC is strategically located to take advantage of direct fluvial access to the Magdalena River

A strategically located, world-class deep water port in Colombia



Sociedad Portuaria Bocas de Ceniza S.A.

SUPERPUERTO | Bocas de Ceniza



moffatt & nichol

The project has made progress on several fronts

Concession

- SPBC is presently undergoing the process of making the project a free trade zone

Access

- Works by Navelena [commenced in June 2015^{\(1\)}](#) (Magdalena River PPP)
- Designs for the road that will grant access to the new port zone are currently being led by Edubar
- Both Cormagdalena and the city of Barranquilla have agreed to [finance the construction of the access road](#)

New Potential Partners

- SPBC is in advanced negotiations with a large international concessions and construction group. The player is interested in a [majority position](#) in SPBC in order to invest equity to build the basic infrastructure and build and operate 2 terminals (containers and break bulk)
- In conversations with other potential parties interested in the liquid and general bulk terminals

Cargo

- The sponsors have already obtained letters of intent from different cargo operators:
 - Owner of RoRo cargo interested in moving approximately 35 thousand units
 - Large industrial operator interested in moving 6,000 containers
 - Large coal operators interested in moving coque

LOCAL

Jueves 15 de Enero de 2015 - 11:59pm

Cormagdalena amplía concesión y tipos de carga al superpuerto



Compartir

8



Tweet

5



+1

POR-
JOSÉ D. OQUENDO GUERRERO

La entidad realizó ayer en Bogotá una serie de modificaciones al contrato con Sociedad Portuaria Bocas de Ceniza para la primera etapa de la obra portuaria.

The news about SPBC's concession extension until 2055 and the ability to move other types of cargo was covered by several press and media outlets

Deepening works will begin in September 2015 and river barge transportation companies are already experiencing the benefits

EL TIEMPO Viernes 21 de agosto de 2015 f t g+ v B USCAR INGRESA CREA UNA CUENTA

OPINIÓN COLOMBIA BOGOTÁ MUNDO POLÍTICA ECONOMÍA DEPORTES ENTRETENIMIENTO TECNÓSFERA VIDA CLASIFICADOS

COLOMBIA BOGOTÁ MEDELLÍN CALI BARRANQUILLA OTRAS CIUDADES

TEMAS DEL DÍA Intolerancia El Tino Asprilla Animales en Colombia Catherine Ibargüen ÚLTIMAS NOTICIAS

Recuperación del río Magdalena inicia en Barranquilla

Navelena anuncia que en agosto comienzan dragados desde Bocas de Ceniza hasta el Puente Pumarejo.

Por: Leonardo Herrera Delgheims |
@ 11:47 p.m. | 22 de julio de 2015



Foto: Carlos Capella / EL TIEMPO
Jorge Barragán, presidente de Navelena.

En agosto inician los trabajos de recuperación del río Magdalena con los dragados al canal de acceso al puerto de Barranquilla.

La información fue confirmada por Jorge Barragán, presidente de la firma Navelena, encargada de la recuperación de la navegabilidad del río.

“Estamos haciendo los estudio de topografía subacuática para determinar cuáles son los trabajos que se deben ejecutar”, dijo Barragán, quien se encuentra en Barranquilla, supervisando el proyecto.



CORMAGDALENA

PRESIDENCIA DE LA REPÚBLICA

La Corporación Desarrollos Estratégicos Transparencia Contratación Sala de Prensa Servicio

SALA DE PRENSA

Usted está aquí: Inicio > Sala de Prensa > Noticias > Usuarios del Río Magdalena destacan primeros beneficios de la reactivación de la navegabilidad por la principal arteria fluvial del país

» Usuarios del Río Magdalena destacan primeros beneficios de la reactivación de la navegabilidad por la principal arteria fluvial del país

miércoles, 05 de agosto de 2015 -



[+] Ampliar Imagen

Why SPBC – Magdalena River PPP

In June 2015 Navelena initiated the Magdalena River PPP with a total project value of \$1.2 billion.

- Works consist of redirecting water flow, dredging and other works in the stretch between Puerto Salgar / La Dorada and the mouth of the river in Bocas de Ceniza, Barranquilla
- The project is expected to reduce transit times, operational costs for river barge companies and therefore the costs of transportation for the country. As a result, cargo moved through the river is expected to increase by 3 X. The increased cargo needs a deep water port to further increase competitiveness

• Technical Aspects:

- 1 • Guarantee 7 feet draft in the Barranquilla-Barrancabermeja route through the dredging of 3 M m³ of sediment
- 2 • Guarantee between 6 to 8 feet of minimum draft through the Puerto Salgar-Barrancabermeja route where river training structures will be built. Infrastructure includes:
 - Trench lining
 - Rock fill dams alignment
 - Anchors rock fill dams
- Cormagdalena will implement a satellite navigation system that will allow navigation 24 hours a day and more efficient and reliable operations, using a similar system to the one that is already operational under Ecopetrol's supervision



CORMAGDALENA



To guarantee the accessibility to SPBC, Barranquilla's Territorial plan (POT) incorporated a new access road to the port ⁽¹⁾



- The need to access ports and nearby concessions led to the construction of the existing road on the western breakwater
- This road will be useful to access SPBC in its starting phase of building the basic infrastructure
- The joint efforts of EDUBAR ⁽²⁾ and the city of Barranquilla incorporated in the POT the new access road for SPBC, connecting the ports and Barranquilla's metropolitan area

1. El Distrito Especial Industrial y Portuario de Barranquilla adoptó por medio del Decreto Distrital N° 0212 del 28 de Febrero de 2014, el nuevo "Plan de Ordenamiento Territorial del Distrito Especial Industrial y Portuario de Barranquilla 2012-2032"

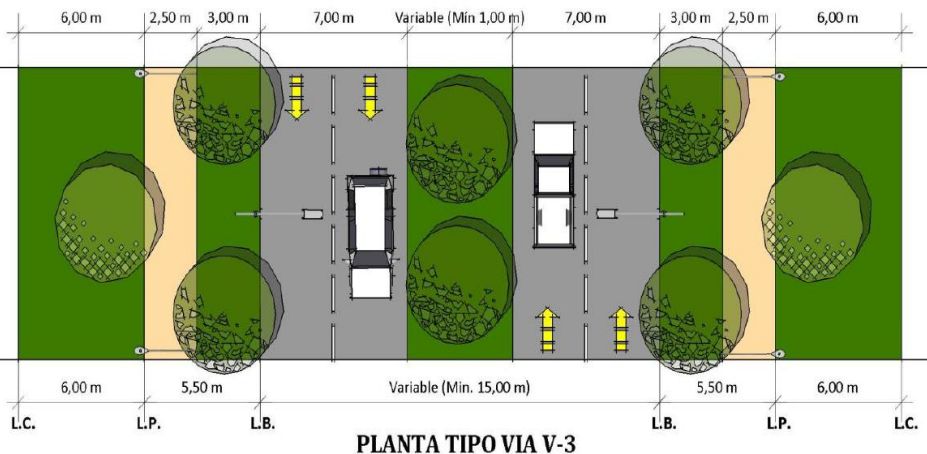
2. Company dedicated to urban development in Barranquilla and the Caribbean region

The new road will connect not only Barranquilla to SPBC but also nearby concessions and ports

Existing and Planned Access Roads



Road characteristics



Roads established in the POT

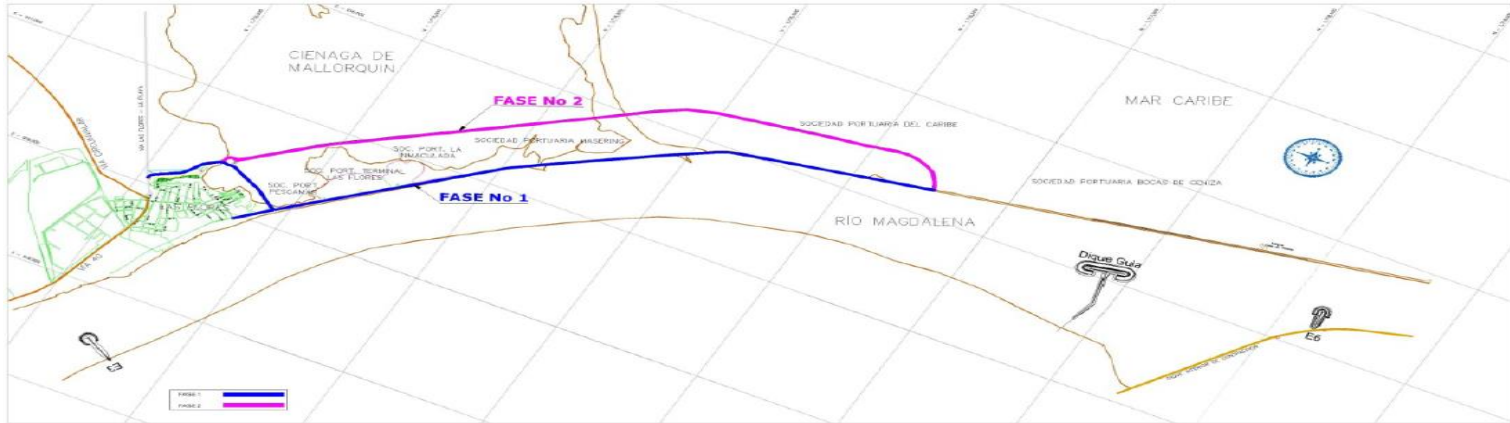
Jerarquía POT	Categoría	Nombre Vía	Desde	Hasta	Tipo de Vía
Semiarteria	Principal	Calle 98	Prolongación Carrera 75A	Via 40	V2
		Carrera 75A	Calle 98	Avenida Circunvalar	V2
		Carrera 75A	Calle 98	Avenida Circunvalar	V2
		Carrera 8	Calle 29	Calle 30	V3
		Proyeccion Carrera 65	Carrera 59C	Carrera 64	V3
		Calle 78	Cra 60	Via 40	V3
		Calle 6 (Corredor Portuario)	Avenida del Rio	Carretera Barranquilla-Santa Marta	V3
		Vía Occidental Acceso Puerto	Interseccion proyeccion Cra 75A - Via 40	Km 4.3 Tajamar Occidental Rio Magdalena	V3
		Carrera 8	Calle 52C	Prolongación Carrera 4	V4
		Carrera 4	Calle 52	Calle 52C	V4
		Carrera 4	Calle 53	Via La Cordialidad	V4
		Via Oriental Acceso Puerto	Prolongacion Via 40	Km 4.3 Tajamar Occidental Rio Magdalena	V4

The city of Barranquilla and Cormagdalena have agreed that the amounts they receive as compensation from all the ports located in the Bocas de Ceniza area to be destined as financing sources for the new roads and access to the new zone port



Project Update – Access Road

The works to materialize the access road and port operation have continued and are in a compliance rate above 45%



PHASE I. (Access Road Over the Breakwater)

Includes a road of 1.6 km which will be developed in 4 tranches **TRANCHE 1:** former Basurero-Ciénaga de Mallorquín **TRANCHE 2:** Ciénaga de Mallorquín –Dique Boyacá (170m) **TRANCHE 3:** Dique Boyacá –Concesión Portuaria Masering (644 m) **TRANCHE 4:** end of Concesión Portuaria Masering- Concesión Portuaria Bocas de Cenizas.

PHASE II. (Viaduct)

SECTION 1: CIENAGA DE MALLORQUIN- MAR CARIBE K0+00-K2+500 (2500 m).

The route coming from the former waste landfill continues northbound, passing over the Ciénaga de Mallorquín, where it involves de construction of 3 bridges

SECTION 2: MAR CARIBE - TAJAMAR OCCIDENTALK2+500 -K+485.23 (1985.23m).

The route coming from tranche 1 continues northbound, passing over the Caribbean Sea. It finally goes north-east, towards the Tajamar Occidental to join Phase I. The Project circumscribes the Consesión Portuaria Bocas de Ceniza, De las Flores, Sociedad Portuaria del Caribe, Sociedad Portuaria Masering, Sociedad Portuaria Pescamar.

Project Update – Access Road

The works to materialize the access road and port operation have continued and are in a compliance rate above 45%

Contract Between Asoportuaria and Edubar

- **Framework:** Carry out the required representations to government agencies in order to obtain funding for the work required to improve the quality of port infrastructure
- **Objective:** Conduct studies and final designs for the project – Vía Occidental access road to the port from the intersection Proyección Carrera 75a Vía 40 to km 3 Tajamar Occidental Río Magdalena
- **Work Accomplished:** The process has a compliance rate above 45% a) geology b) transport study c) geometric design, signage and road safety studies d) hydrology, hydraulics and undermining studies
- **To Do:** a) soil study for the design of bridges' foundations and other containment structures b) stability and slope stabilization studies c) geotechnical study and pavement design, urban planning and landscaping



Free Trade Zone – Overview

The SPBC hired Araújo Ibarra's consulting services for the process involved in calling a Special Port Free Trade Zone



Experience

The firm has advised the following port free trade zones:

- SPR Barranquilla
- SP Puerto Bahía
- SPR Buenaventura
- SP Aguadulce
- SPR Cartagena
- Contecar (Parcialmente)

Tax Benefits

- Preferential income rate of 15% while in the rest of the country it is 25%
- Goods that are imported to the free trade zone do not generate the payment of custom duties (tariffs and VAT)
- Goods acquired from the rest of the country are exempt from VAT as long as they are necessary for its business purpose

Tasks

1. Module 1 – Cocept about requirements of the Régimen Franco
 - a) Market feasibility study
 - b) Financial feasibility study
 - c) Economic feasibility study
 - d) Technical feasibility study
2. Module 2 – Régimen Franco application
3. Module 3 – Monitor and manage application to the competent authorities

Timing

- Once the documents are completed in the CIZF, the full period of time to meet the goals can take between 6 months and 1 year
- Several of the steps in the process depend on the agility by the authorities in carrying out procedures

Free Trade Zone – Advantages⁽¹⁾

The process of converting the Project into a free trade zone is already underway

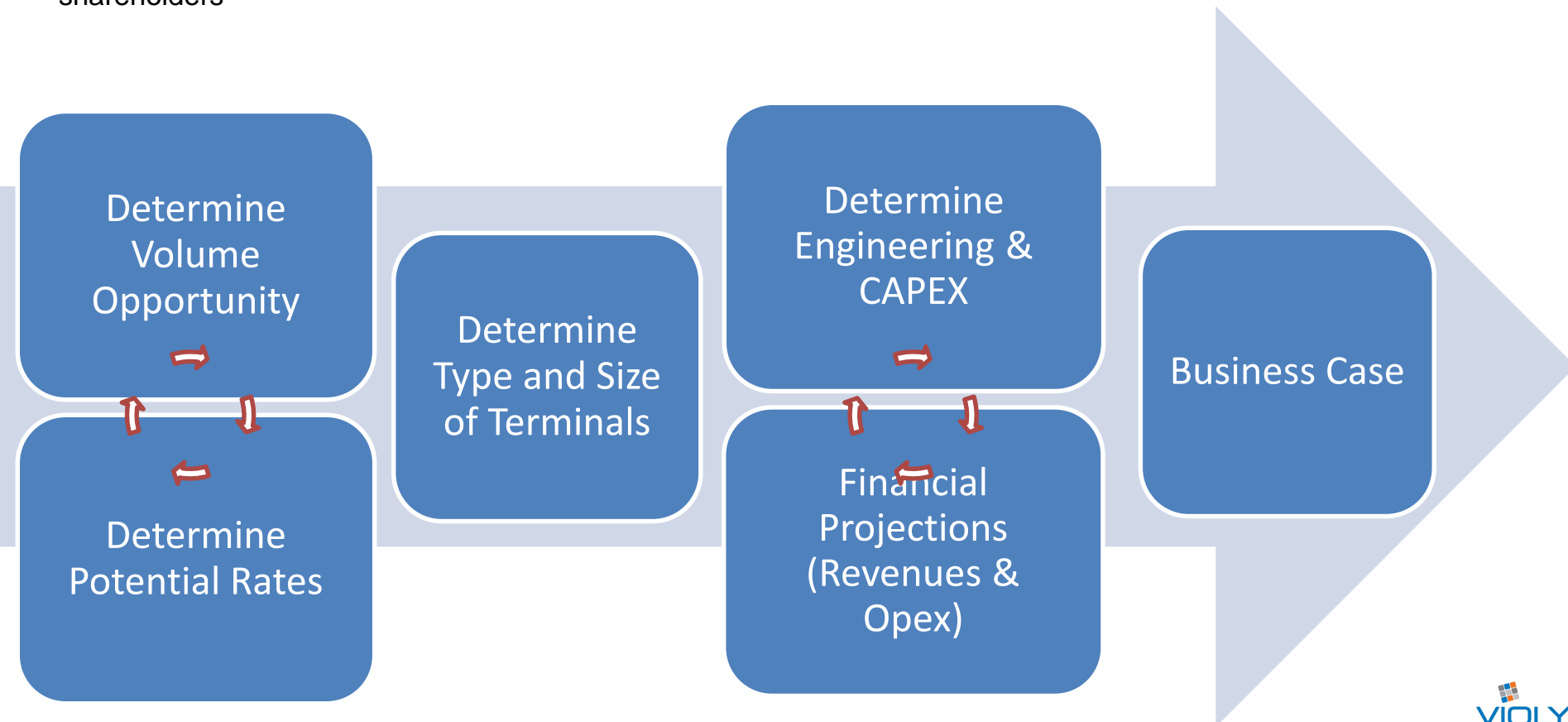


Wood Mackenzie (WM) Studies

WM was hired to carry out feasibility and demand studies for liquid and dry bulk terminals

Framework and Objectives

- Confirm and determine the market opportunity for liquid and dry bulk terminals
- Develop together with other advisors a “business case” for such terminals that would be presented to potential shareholders

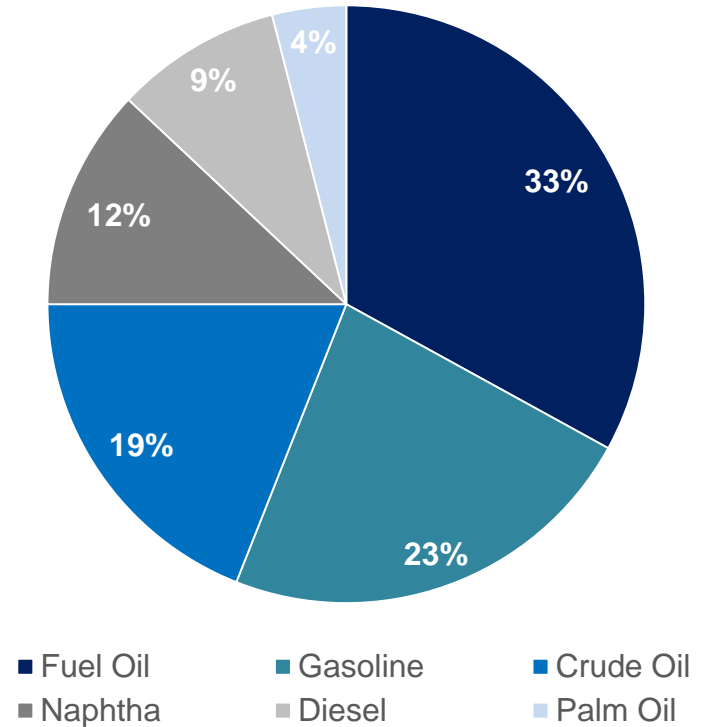


Wood Mackenzie (WM) Studies – Results

There is a storage potential between 150 thousand and 180 thousand barrels per day and a throughput between 5 and 6 million tons of coal and cereal

Liquids

- **Fuel Oil:** Produced in Barrancabermeja and currently stored in Cartagena. Investments are not foreseen in the Barrancabermeja refinery and investments in Reficar do not include improvements or increases in storage capacity
- **Gasoline:** Imports are initially expected to continue, but once Reficar is on and running, it is expected for Colombia to start exporting. Transshipment opportunity in the Caribbean
- **Oil:** Crude volumes come from exploitation close to the Magdalena River. Current volumes that are moved through Barranquilla are due to an inefficient logistical movement (trucks)
- **Naphtha:** The possibility to leverage on the Magdalena River and move the product to the center of the country would become a competitive advantage for importing this product

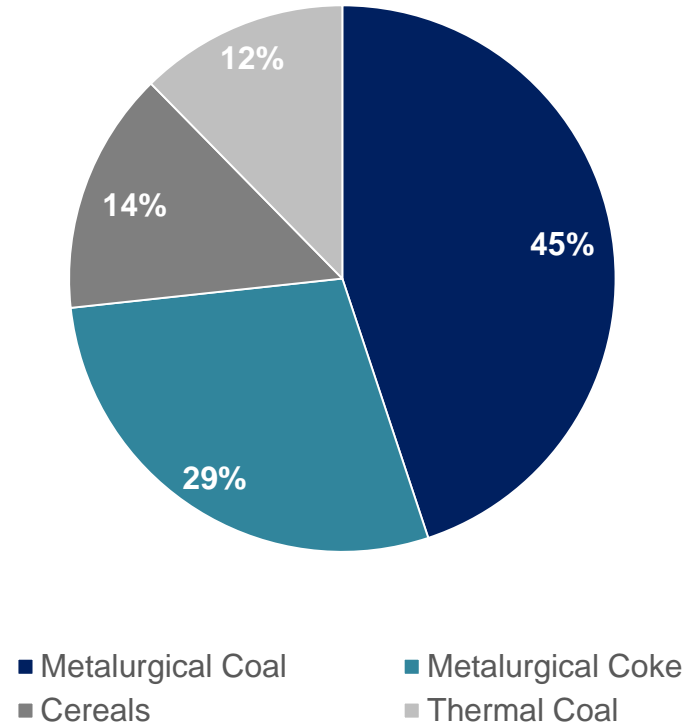


Wood Mackenzie (WM) Studies – Results

There is a storage potential between 150 thousand and 180 thousand barrels per day and a throughput between 5 and 6 million tons of coal and cereal

Dry Bulk

- **Metallurgical Coal:** Significant volume would come from the Paz del Río project in the department of Boyacá, which would be moved by river. The project plans to move 8 Mtpa
- **Coke:** Exported to steelmakers in Brazil, North America and India by producers who do not have their own/dedicated port facilities. Today, Barranquilla is the hub for this product
- **Cereals:** Due to FTA benefits, it is expected that significant corn volumes are imported by the USA. A 2% CAGR is expected between 2015 and 2030. Barranquilla's port zone handles 20% of imports without being a dominant player
- **Thermal:** Importance to address Interamerican Coal's volumes who have already made significant investments for its fluvial port to be able to move these volumes by river

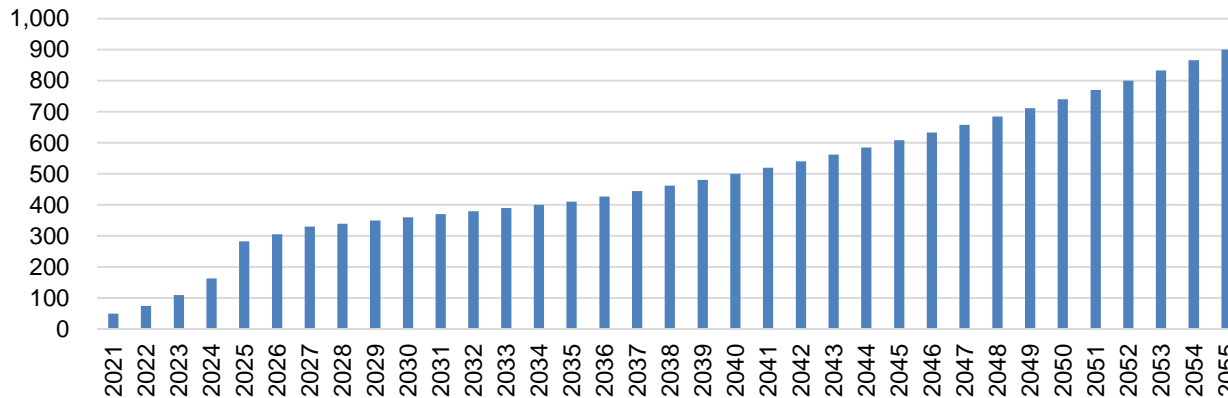


ALG Studies – Results

ALG was hired by OHL to determine feasibility and demand studies for the Container and Break Bulk terminals

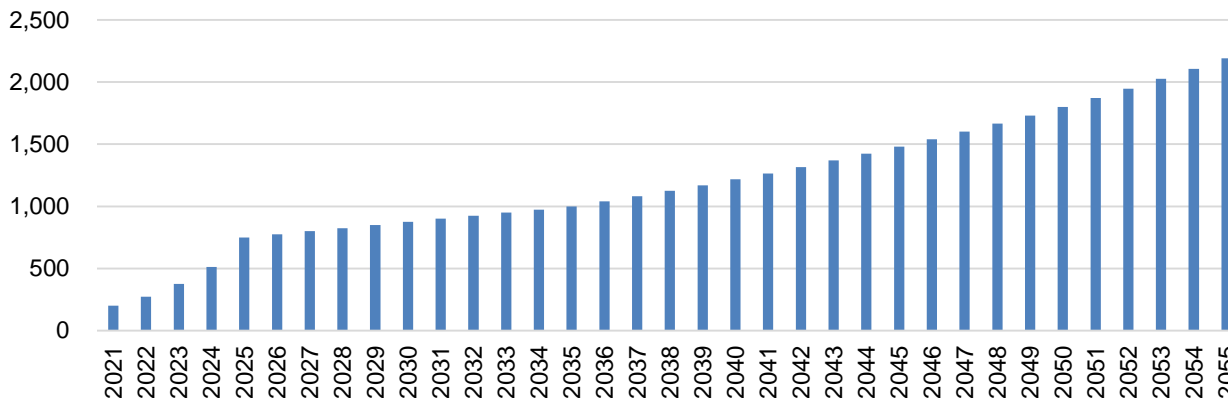
Containers

(TEUs '000)



Break Bulk

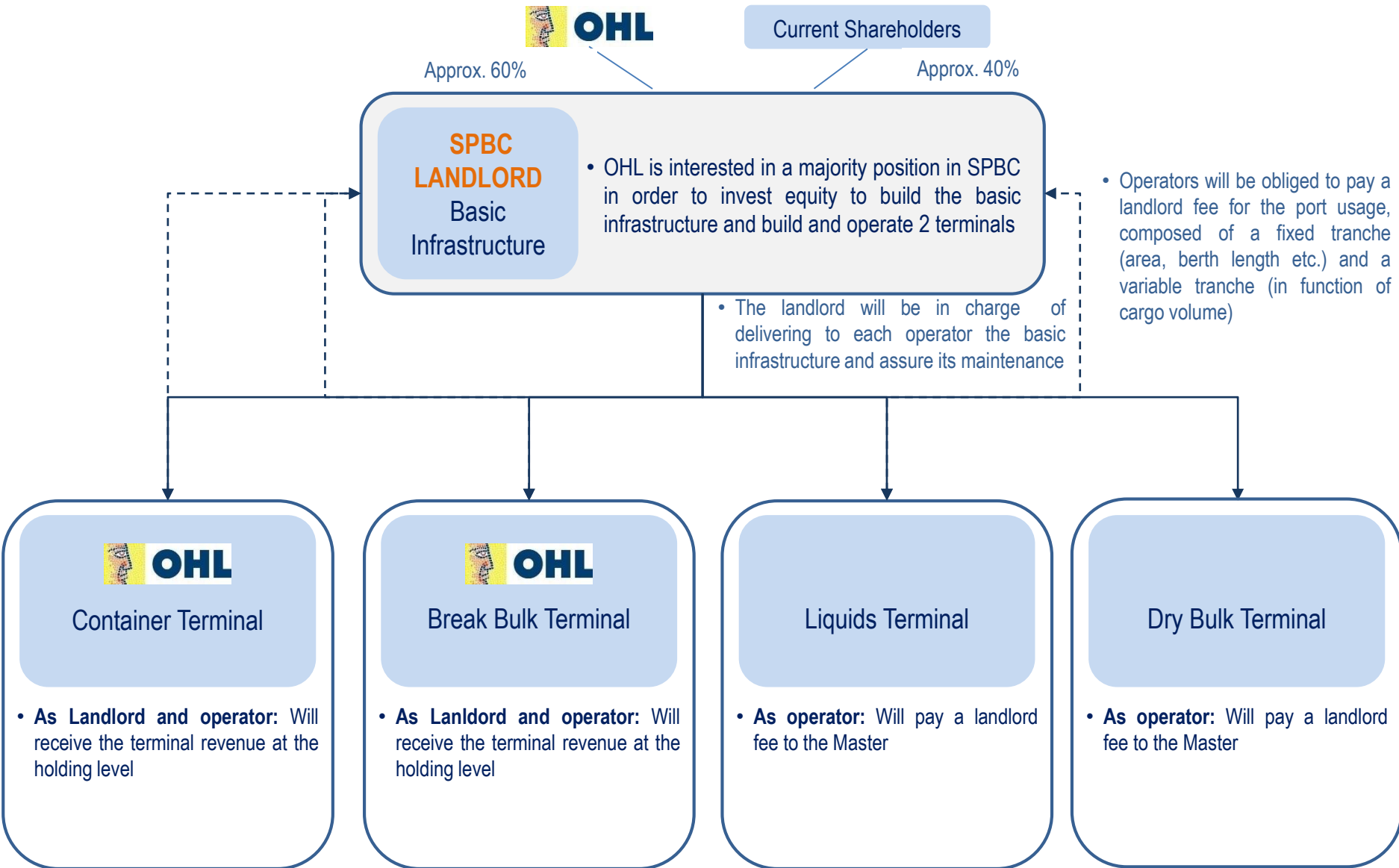
(Metric Tons '000)



Highlights

- Considers Magdalena River deepening and operational improvements throughout the projected years
- The Magdalena Basin generates the largest amount of Break Bulk and Container cargo in the country
- Barranquilla gains cargo due to Magdalena River works, absorbing part of Cartagena's cargo
- Some of the load towards Turbo and Buenaventura is gained by Barranquilla and Cartagena after improving their competitive position to attract cargo from Cundinamarca by leveraging the river

Possible Structure



Investment Amount	Phase 1 would have an estimated total cost of US\$ 800 million of equity and debt with optimal project finance structure. Final amounts will depend on final design of basic infrastructure and container and break bulk terminal designs & specifications and the designs & specifications as determined by the investor(s) for the liquid and general cargo
Structure	<p>1) Investor could be granted majority or minority shares at the SPBC level (entity that holds concession rights). As such the investor would benefit from payments made by all terminal operators. In parallel investor would invest prorate amounts in the two terminals that SPBC would operate</p> <p>Parties will agree on the final investment requirement amount and any capital contributions will reflect equity participations</p> <p>2) Investor could control an entity (NewCo) that “rents” one, several or all terminals). NewCo would be responsible for investing, building, and operating all of the terminals. NewCo would be entitled to any and all profits after paying landlord fee.</p> <p>The two structures mentioned above <u>are not</u> mutually exclusive</p>
Use of Proceeds	Covering costs associated with Phase 1
Exclusivity	Investor will have access to the development and operation of Phases 2 & 3 and to the potential concession extensions



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