



Open Season for the Fuels Storage System

Promotora Inmobiliaria del Balsas S. A. de C.V.

Promotora Inmobiliaria del Balsas, S.A. de C.V. (PIBSA), a VILLACERO Company, is pleased to inform about their upcoming Open Season for the service of fuels storage, with the purpose of receiving service requests under a Contractual Reserve modality. The storage system allows the reception and delivery of fuels, especially for the importation of gasoline and diesel and their admission to the country, as well as for the exportation of fuel oil, through sea in the port of Lázaro Cárdenas, Michoacán, Mexico.

The storage infrastructure has several advantages in terms of location, infrastructure and financial reasons, as well as fiscal benefits and financial access, all of which makes PIBSA offer a high-value storage system for the incursion to the Mexican fuel market.

The storage system is located within the property called LC Logistics and will be connected through a pipeline with the Port's Multiple Use Terminal II, which is operated by PIBSA and is authorized to have two docking positions for such purposes. Considering this, direct maneuvers can be done to unload the vessels to a storage area, and viceversa. The storage area is physically confined and all access is under supervision and control of the Lázaro Cárdenas Port Authority and the Maritime Customs Office of Lázaro Cárdenas, which gives it considerable advantages in terms of safety. The location has rail spurs that connect with the internal roads of the Port of Lázaro Cárdenas on the Isla del Cayacal. In addition to all these, PIBSA is directly served by Kansas City Southern of Mexico for the transportation of petroleum fluids to all the markets and destinations that can be served through the railroad.

As an additional advantage, the storage area operates as a Bonded Warehouse, authorized by the SAT (the Mexican Tax Authority), for the purposes of handling, custody and storage of foreign trade merchandise, with the option of operate as a Strategic Customs Warehouse (RFE, for its initials in spanish). Furthermore, this area is located within the polygon of the Lázaro Cárdenas – La Unión Special Economic Zone (ZEE-LC, for its initials in spanish), which gives access to the benefits established for these zones. Also, PIBSA signed an agreement with Banca AFIRME so that the companies with signed contractual storage capacity, with the approval of the Bank's authorization bodies, have access to credit lines for working capital, with special characteristics.

PIBSA currently has the following permits and authorizations:

- Fuels storage permit, granted by the Energy Regulatory Commission with registration number PL / 21620 / ALM / 2018.



- Authorization of Environmental Impact Manifestation, granted by the General Direction of Industrial Processes of the ASEA (The Mexican Agency of Security, Energy and Environment), with the following registration: ASEA / UGI / DGGPI / 1695/ 2018

The storage capacity offered is 1,530,000 barrels and the estimated date for service provision is June 2020. The Open Season procedure, requirements, evaluation criteria, service request forms and model contract for the provision of the storage service, will be available through the website of Promotora Inmobiliaria del Balsas S.A. of C.V. at <http://lcllogisticsgps.com/>. The reception of applications will be from 08:00 hours, time of Mexico City, from November 26, 2018 until December 21, 2018 at 18:00 hours, in the following email address: ta.hidrocs@lcllogisticsgps.com.