

Methane Market

M2M



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Economic Development Department

Coahuila, is one of the States in Mexico with greatest economic activity

... It has become an international hub for investments





CANADA

Our State has become a competitive international investment destination

UNITED STATES OF AMERICA

Atlantic Ocean

STATE OF COAHUILA

Pacific Ocean

MEXICO

SOUTH AMERICA

Located northeast of Mexico and bordering with the US

A region with constant flow of products, services and people

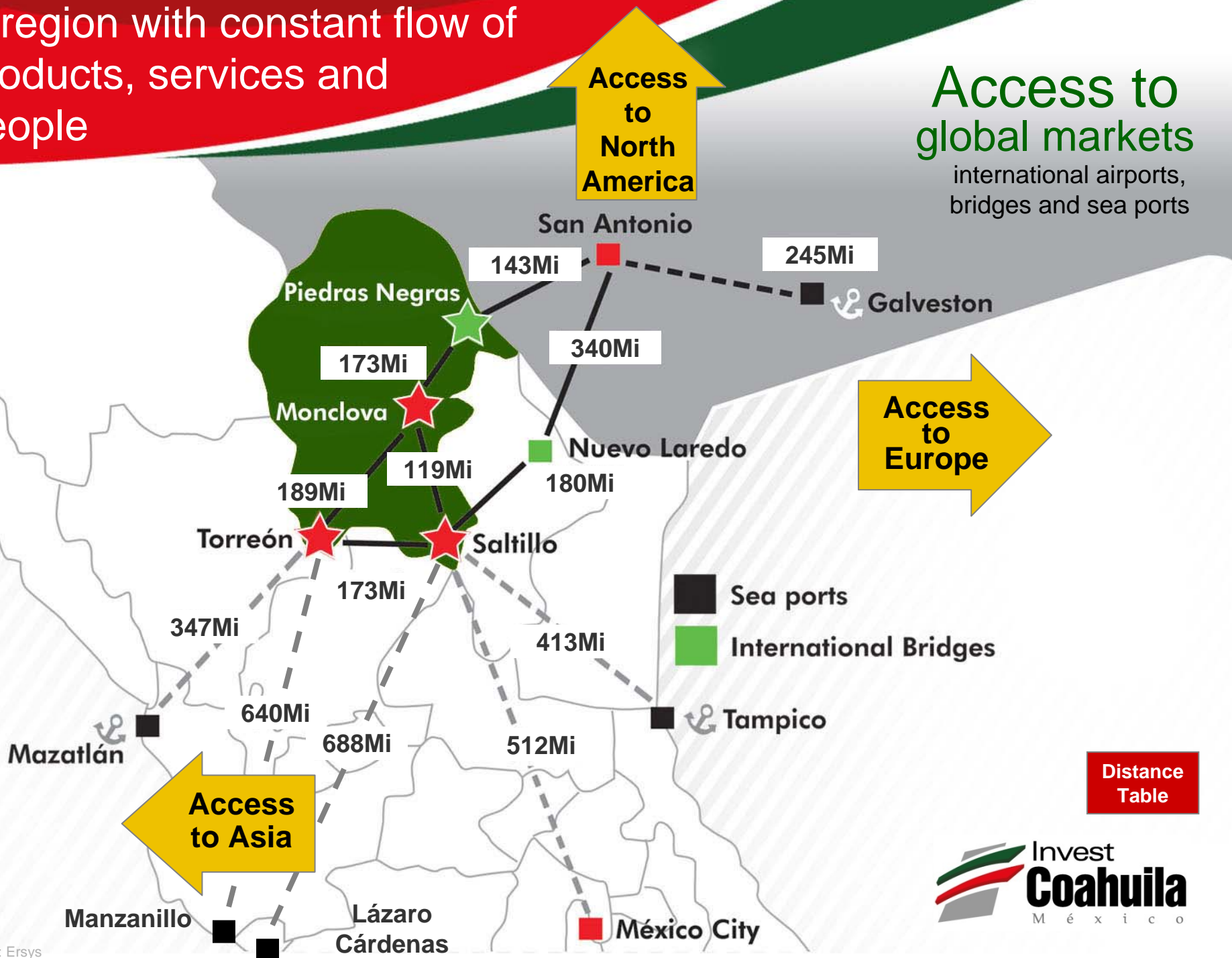
Access to global markets

international airports, bridges and sea ports

Access to North America

Access to Europe

Access to Asia



Distance Table

MINING INDUSTRY

Coahuila is the

first producer of

- Coal
- Coke
- Celestite
- Dolomite
- Sodium sulphate



**and the second
producer of:**

- Barite
- Bentonite
- Iron
- Fluorite
- Marble
- Silica

Main Companies

- Peñoles
- MICARE
- Minera México

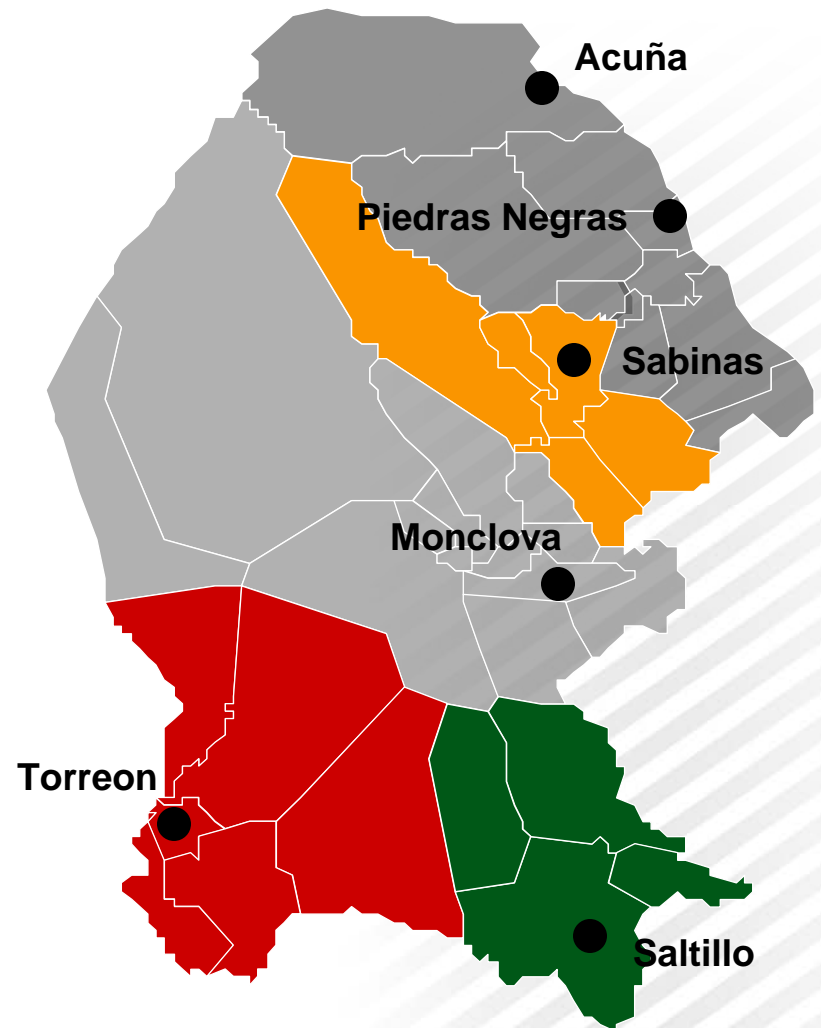
We have

95%

**of national
coal reserves**

COAHUILA REGIONS

- Northern
- Carboniferous
- Central
- Laguna
- South-East

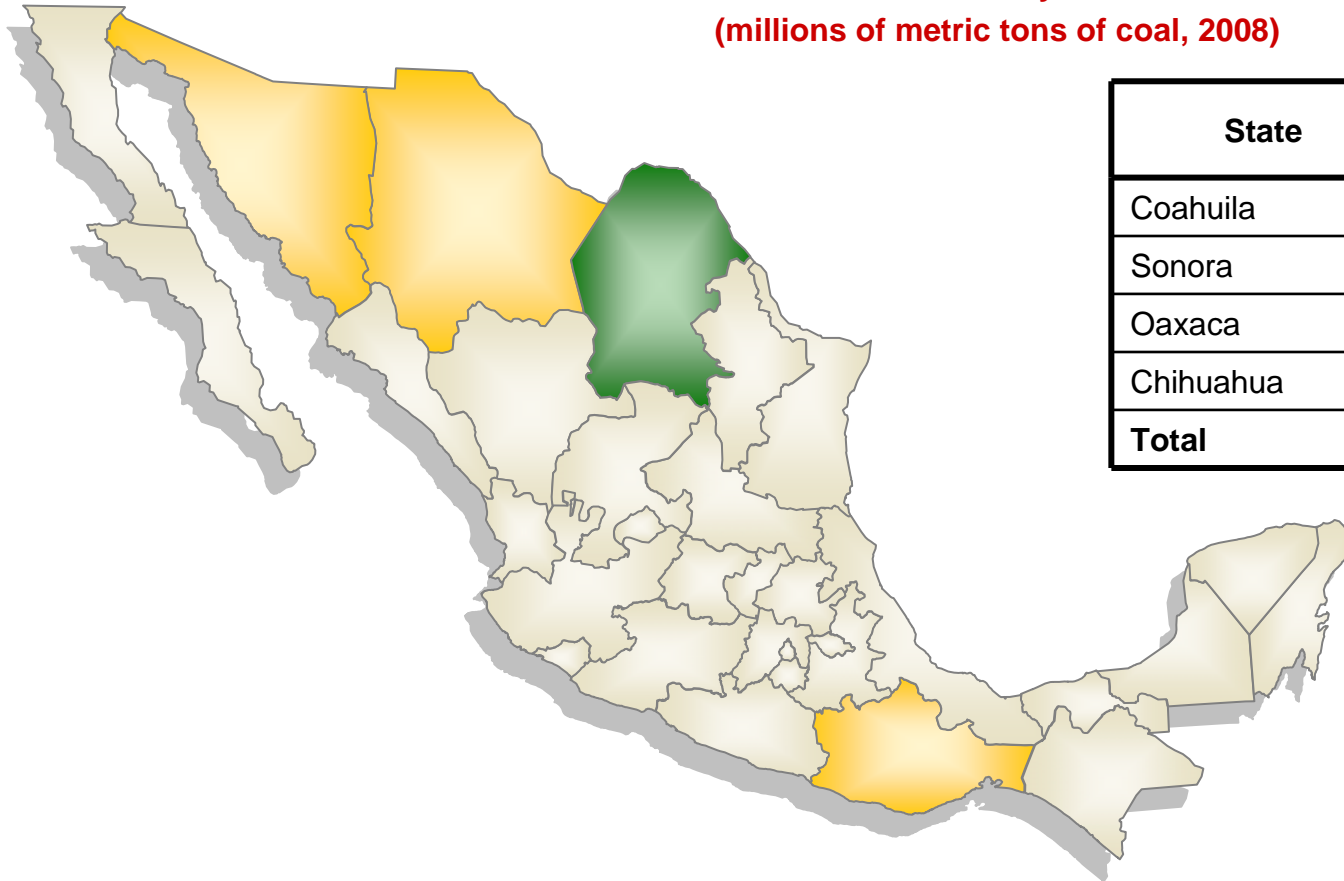


Located in northern Coahuila, is known for being the only place in México where coal is industrially extracted for the generation of electricity and steel production.

Carboniferous Region

Coal reserves are located in these States

Resereves by State
(millions of metric tons of coal, 2008)



State	Reserves	%
Coahuila	3154 MT	95.0%
Sonora	83 MT	2.5%
Oaxaca	66 MT	2.0%
Chihuahua	17 MT	0.5 %
Total	3,320 MT	100%

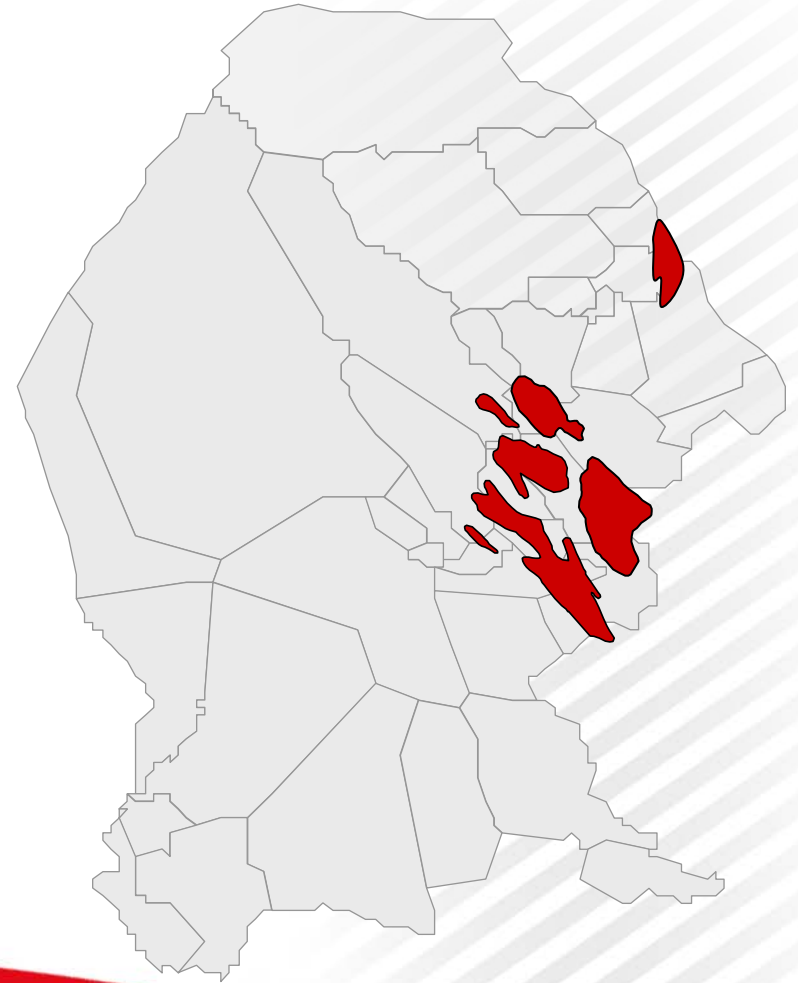
Thats 15 million tons per year.

Coal reserves areas In Coahuila

3,154 million of metric tons
distributed in seven areas

- Sabinas
- Esperanzas
- Saltillito
- Adjuntas
- San Patricio
- Monclova
- Fuentes Río Escondido

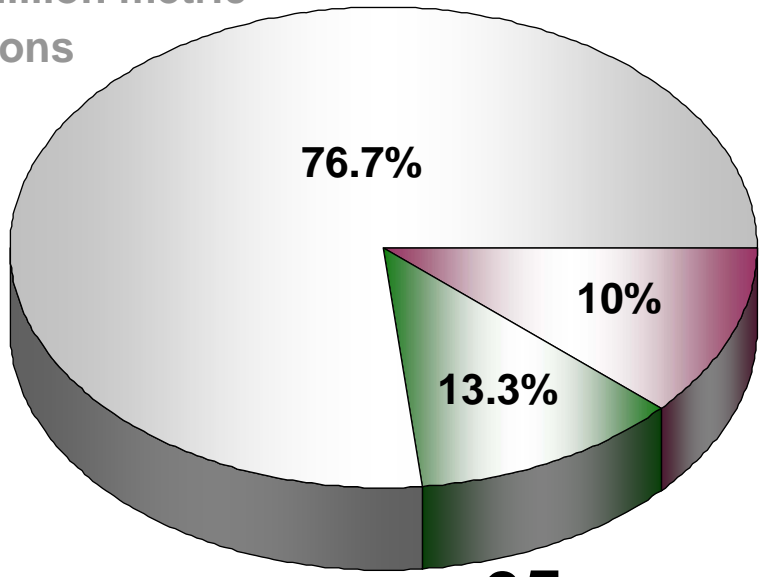
Carboniferous region coal areas



In Coahuila, more than 70 companies produce coal

Distribution of production by company size (annually)

1 Large Company
(Grupo Acerero del Norte)
11.5 million metric tons



65 small companies
2 million metric tons

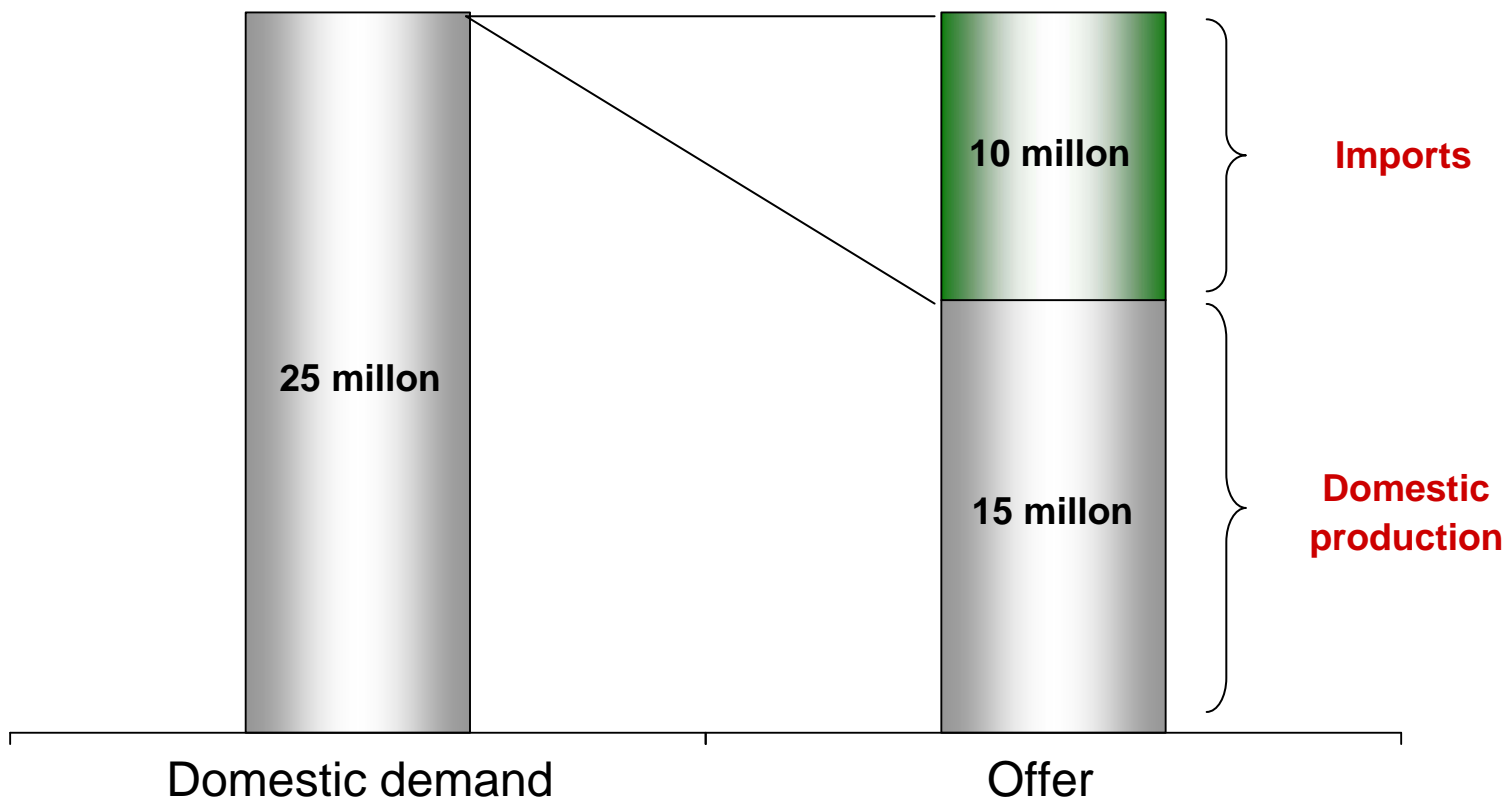
7 Medium companies
1.5 million metric tons

Company	Annual volume (metric tons)
Small	15,000 a 75,000
Medium	76,000 a 400,000

Source: Undersecretariat of Mining and Energetics.

Mexico consumes **25** million tons of coal annually

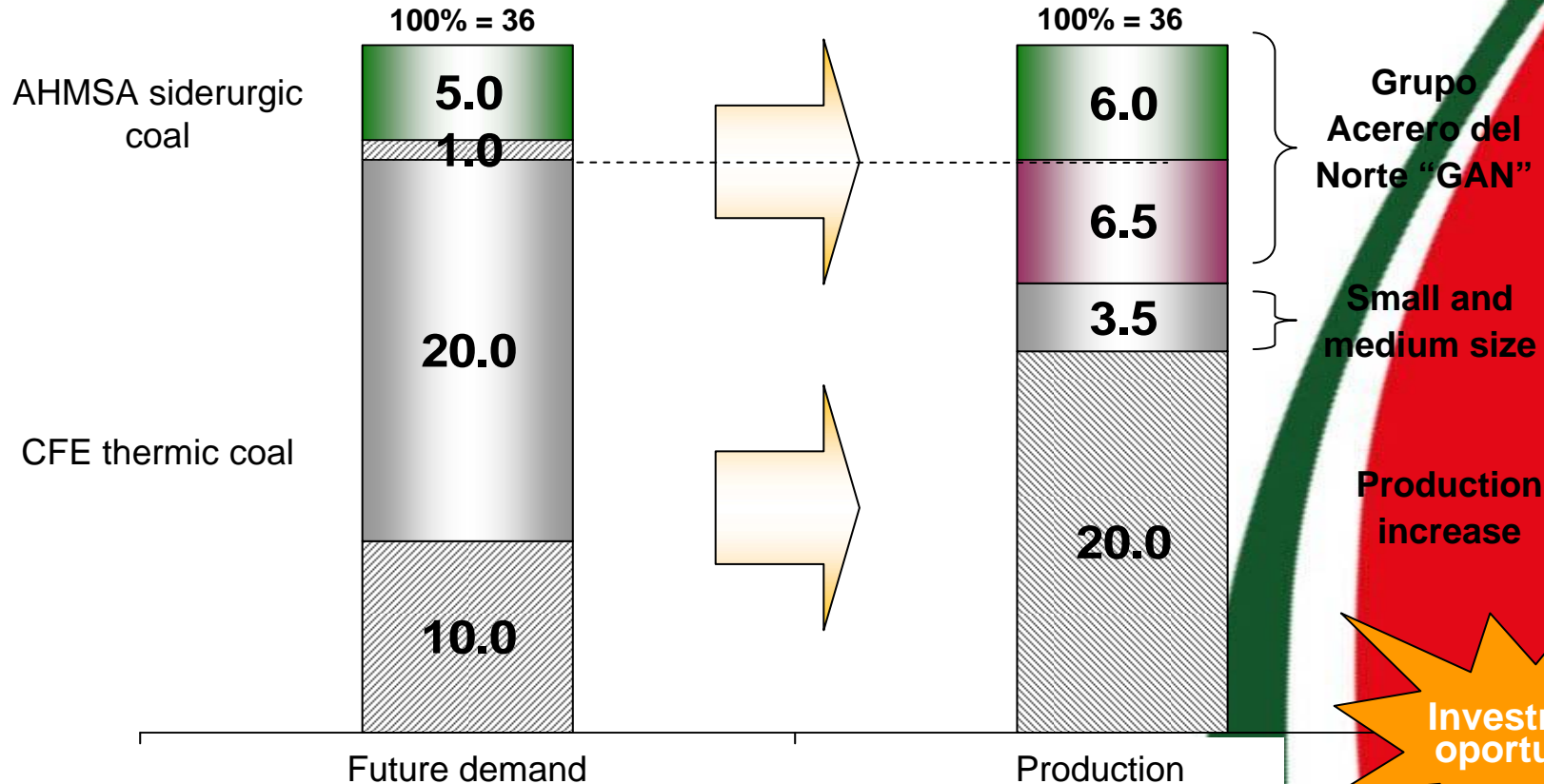
Mexican coal market (Metric tons of coal, 2008)



Present and Future demand

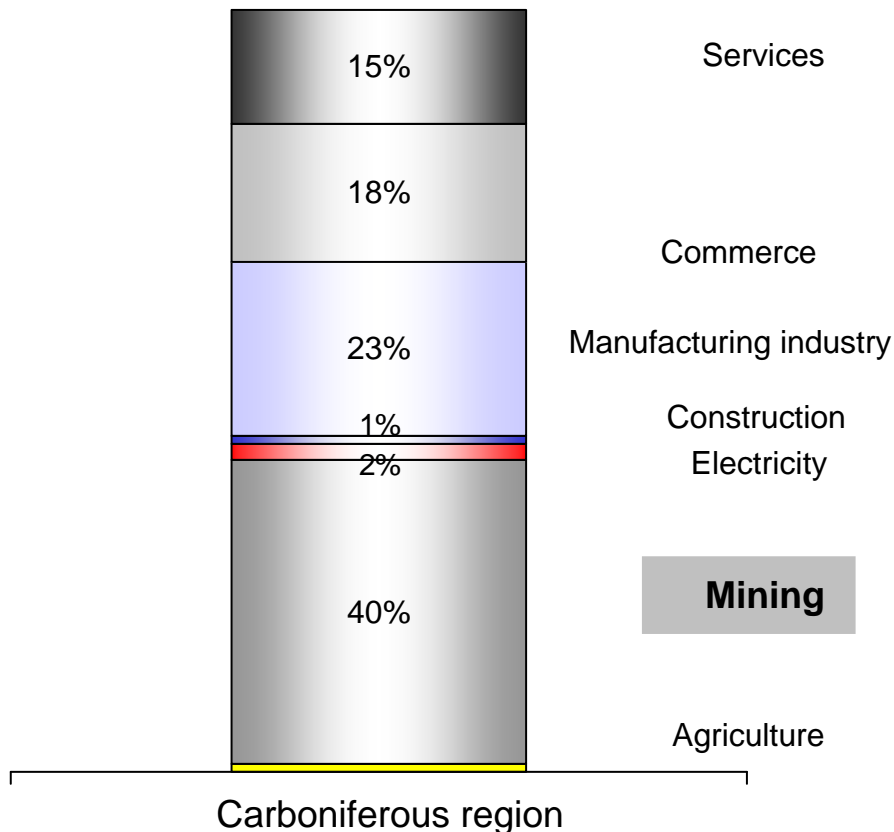
Future demand will grow **36 million metric tons (MMT) of coal** each year, so we must increment the production by **20 MMT** yearly

Future demand vs. National estimated production 2015
(in MMT of coal)



The mining industry is the most important developed industry in the carboniferous region

Carboniferous region economic structure (% of GDP, 2004)



Employment in the carboniferous region (March 2008)

Activity	Employment	%
Industry	7,069	21%
Commerce and services	9,413	28%
Mining	8,490	26%
Construcción	2,442	8%
Agriculture	659	2%
Electric industry	354	1%
Transportation	2,120	6%
Social services	2,639	8%
Total	33,186	100%

In 2008 the economic trickledown for small and medium coal producers in a commercialization context was **\$2,100** million pesos (**\$182** million USD)

Methane gas associated to coal ...

... as a business opportunity

Methane gas associated to coal

Being the methane gas one of the most dangerous factors in the mines

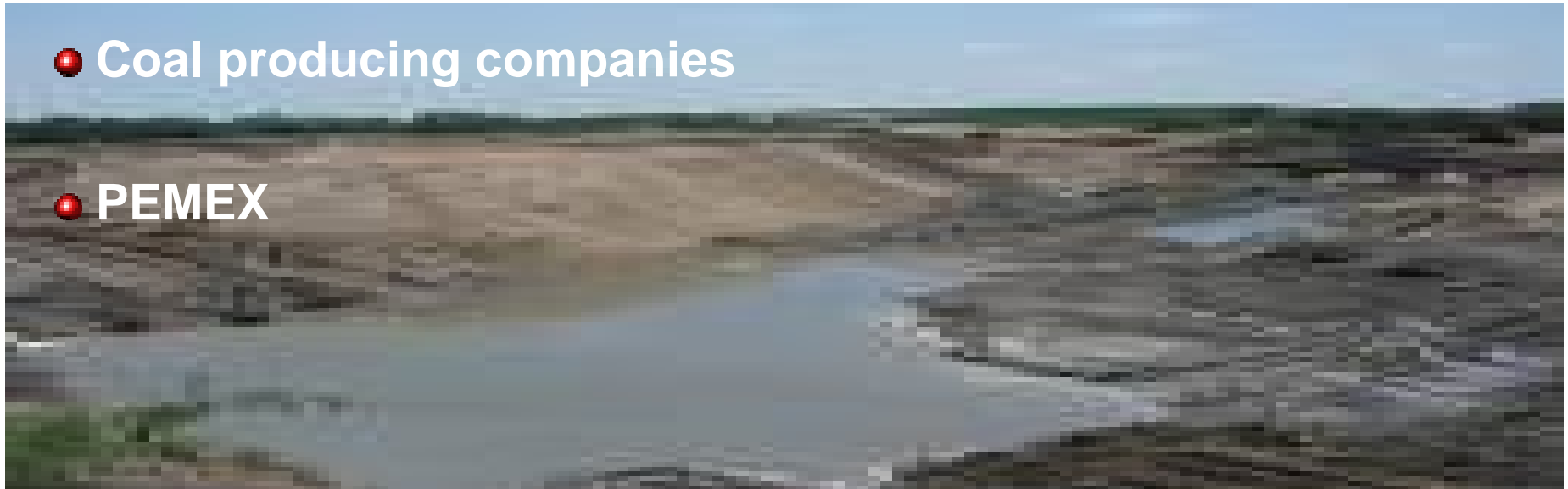
- The undersecretariat of Mining incites the businessmen to develop projects of methane gas recovery and utilization.
- The above said, complying with the legal and technical aspects of the Mining legislation.

Methane gas associated to coal

With the coal exploitation, an enormous possibility of using the gas is born, attracting investments and technologies interested in association to technify and increase the mine's productivity, including the exploration to increase the reserves of:

- Coal producing companies

- PEMEX



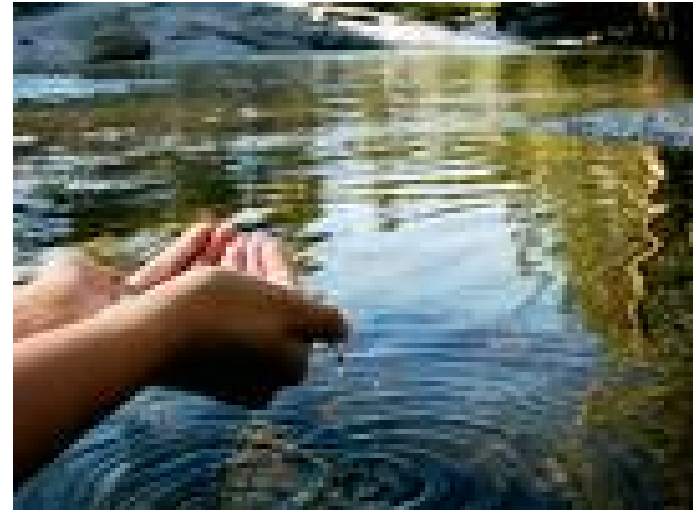
Safety in the coal mines

- The safety of the mining workers is of vital importance to the Coahuila State Government and for the mining companies.
- A group of expert engineers was formed to dictate the new official norm **NOM STPS-032-008** that entered into effect this past December 23rd.



Methane gas associated to coal

- Reduces explosion risks
- Reduces the negative impact to the environment
- Generates more wealth in the mining activities



COAHUILA

Your best option



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We offer the following custom-made incentives in any location...

Payroll Tax	Twelve months exemption on each job created
Real Property Taxes	90% exemption for property registration (Real Property Taxes)
Training	Training scholarships up to 3 daily minimum salaries for each person, for a period of 90 days*
Public Services	Assistance with all permits and licenses required to construct, occupy and operate the plant
Legal Support	Support with the legal requirements to operate the plant
City Taxes Exemptions	Help negotiating the exemption for the following city taxes: <ul style="list-style-type: none">-Acquisition of Land-Land taxes for the installation of the company (predial)-Construction Licenses for building



INVESTOR'S

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A team of Economic Development Specialists fluent in English, French and German will assist you throughout the different steps and procedures to make sure that your investment is treated with the outmost quality and support from day one.

Among the services offered are:

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After Care

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