

ENA Norte Trust

(a trust formed under Panamanian law)



U.S.\$600,000,000 Notes Due 2028

Issue price: 100%

Offering date: September 27, 2012

Printing date: September 26, 2012

**Public offering authorized by the Superintendency of Capital Markets
under Resolution No. 328-12 of September 24, 2012**

The U.S.\$600,000,000 Notes due 2028 (the "Notes") are being issued by ENA Norte Trust, a trust constituted pursuant to Law 1, 1984 of the Republic of Panama, in accordance with the Trust Agreement executed between Empresa Nacional de Autopista, S.A. ("ENA") and ENA Norte, S.A. ("ENA Norte") as settlors and HSBC Bank (Panama) S.A., a Panamanian corporation acting not in its individual capacity but solely as trustee of ENA Norte Trust (the "Trustee"). The ENA Norte Trust has its domicile at Edificio Plaza HSBC, Calle 47 Este y Aquilino De La Guardia Piso No. 5, Panamá, República de Panamá. Attention: Dayra Santana / Fanny Wong (dayra.y.santana@hsbc.com.pa / fanny.m.wong@hsbc.com.pa), and its contact telephone number is + 507 206-8480. The Notes are expected to be issued on October 3, 2012 pursuant to an indenture (the "Indenture") dated as of September 20, 2012 between ENA Norte Trust as issuer, and The Bank of New York Mellon, as indenture trustee (the "Indenture Trustee").

Interest will accrue on the Notes from the Settlement Date at a rate that will be determined by ENA Norte Trust and notified to the Panamanian Superintendency of Capital Markets on the Business Day prior to the issue date, through a pricing supplement to this Offering Memorandum dated September 26, 2012 calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Notes will be paid quarterly in arrears, on the 25th day of January, April, July and October, commencing in January 2013 (or, if any such day is not a New York Business Day, on the next New York Business Day, without any additional interest being paid as a result of such delay) (each, a "Scheduled Payment Date", and together with an Early Amortization Payment Date (as defined herein), as applicable, a "Payment Date"). To the extent not redeemed, repurchased or otherwise paid in full prior thereto, the final payment on the Notes is expected to be made on the July 2023 Payment Date. To the extent not redeemed, repurchased or amortized prior thereto, ENA Norte Trust shall only make payments on the Notes in accordance with the terms of the Indenture through and including the Legal Final Payment Date for the Notes on the Payment Date in April 2028 when any outstanding amount of the Notes shall become due and payable. There is no fixed amortization schedule of principal amounts for the Notes.

As of the Closing Date (as defined herein) the Notes will be secured on a *pro rata* basis by all right, title and interest of ENA Norte Trust in the rights of ENA Norte to receive Tolls and certain other payments under the Concession Agreement (as defined herein) and as of the Settlement Date (as defined herein) all of the issued and outstanding shares of ENA Norte, and all proceeds thereof. See "Summary of Terms - The Offering - Collateral" for a complete description of the Collateral. Tolls will represent substantially all of ENA Norte Trust's sources for making payments under the Notes and payments under the Notes will depend substantially on Tolls.

ENA Norte Trust is a legal vehicle that has no subsidiaries, no employees and no other business or debt (other than pursuant to the terms of the Transaction Documents as defined herein). The Trustee will not be personally liable for any amounts payable, among others, in respect of Notes or any other Transaction Documents. In the event, among others, of a payment default by ENA Norte Trust on the Notes, neither the Indenture Trustee nor any other party will have any recourse to HSBC Bank (Panama) S.A., in its individual capacity or any of its affiliates, or of their individual assets or to any other person other than recourse to the Collateral held by ENA Norte Trust, for the benefit of the Noteholders.

The Notes are not obligations of, nor guaranteed by, the Republic of Panama or any instrumentality thereof or therein.

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 52.

It is a condition to the issuance of the Notes that at least two of the following ratings shall have been received: (i) at least "BBB" and "AAA" (Pan) by Fitch, Inc.; (ii) at least "BBB" by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc.; and (iii) at least "Baa3" by Moody's Investor's Service, Inc.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the securities or "blue sky" laws of any state of the United States, or under the securities laws of any jurisdiction, except as described in the next paragraph in Panama. The Notes may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold by the Joint Lead Managers only to (i) "qualified institutional buyers" ("Qualified Institutional Buyers" or "QIBs") as defined in, and in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act that are also "qualified purchasers" ("Qualified Purchasers" or "QPs") within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "U.S. Offering"); and (ii) outside the United States in compliance with Regulation S under the Securities Act (the "International Offering," and together with the U.S. Offering, the "Offering"). For a description of certain restrictions on resale or transfer of the Notes, see "Transfer Restrictions."

The Notes will be issued in the form of one or more registered notes in global form without interest coupons and will be deposited with a custodian for The Depository Trust Company ("DTC") in New York, New York and registered in the name of Cede & Co., as nominee of DTC. Investors may hold their interests in a global note representing the Notes through organizations that are participants in DTC, including Euroclear Bank SA/NV ("Euroclear"), or Clearstream Banking, société anonyme Luxembourg ("Clearstream"). Beneficial interests in a Global Note may be held in Panama through Clearstream's participant, Central Latinoamericana de Valores S.A. ("LatinClear").

PANAMANIAN DISCLAIMER: THE PUBLIC OFFER OF THESE SECURITIES HAS BEEN AUTHORIZED BY THE SUPERINTENDENCIA DEL MERCADO DE VALORES DE PANAMA (SUPERINTENDENCY OF CAPITAL MARKETS, THE "SCM"). THIS AUTHORIZATION DOES NOT IMPLY THAT THE SUPERINTENDENCY RECOMMENDS THE INVESTMENT ON THESE NOR IT REPRESENTS A FAVORABLE OR UNFAVORABLE OPINION ABOUT THE OUTLOOK OF THE BUSINESS. THE SUPERINTENDENCY OF CAPITAL MARKETS WILL NOT BE

2

RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM OR THE STATEMENTS INCLUDED IN THE APPLICATION FOR REGISTRATION.

THE LISTING AND NEGOTIATION OF THE NOTES HAS BEEN AUTHORIZED BY THE *BOLSA DE VALORES DE PANAMÁ, S.A.* (PANAMA STOCK EXCHANGE, S.A. (THE "*PSE*")). THIS AUTHORIZATION DOES NOT IMPLY ANY RECOMMENDATION OR OPINION REGARDING THE NOTES OR THE ENA NORTE TRUST.

	Price for each Investor	Approximate fees and expenses	Net Amount to the ENA Norte Trust
Per Note	U.S.\$1,000.00	U.S.\$6.85	U.S.\$993.15
Total Offering	U.S.\$600,000,000.00	U.S.\$9,902,741.41	U.S.\$594,509,258.59

Joint Lead Managers

HSBC

Global Bank

The date of this Offering Memorandum is September 26, 2012

8

NOTICE TO INVESTORS

This Offering Memorandum may only be used where it is legal to offer and sell the Notes. This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

You should rely only on the information contained in this Offering Memorandum in making an investment decision with respect to the Notes. No person is authorized to give any information or to make any representation not contained in this Offering Memorandum and any information or representation not so contained must not be relied upon as having been authorized by ENA, ENA Norte, ENA Norte Trust or either Joint Lead Manager. Neither ENA, ENA Norte nor ENA Norte Trust has authorized anyone to provide you with any additional or different information.

The information in this Offering Memorandum may only be accurate as of the date of this Offering Memorandum. You should be aware that since the date of this Offering Memorandum there may have been changes in ENA Norte Trust's and/or the Company's business, financial condition, results of operations, prospects or otherwise that could affect the accuracy or completeness of the information set out in this Offering Memorandum. Neither the delivery of this Offering Memorandum nor any offer, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in ENA Norte Trust's and/or the Company's affairs, conditions and prospects since the date hereof.

Except as otherwise expressly set forth elsewhere herein, ENA accepts responsibility for the information contained in this Offering Memorandum. Having made all reasonable enquiries, ENA confirms that, as of the date of this Offering Memorandum, this Offering Memorandum contains all information relating to it, the Notes that is material in the context of the issue and the offering of the Notes, the information contained in this Offering Memorandum is true and accurate in all material respects, the opinions and intentions expressed in this Offering Memorandum are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that ENA is not aware of any other facts the omission of which would, in the context of the offering of the Notes, make this Offering Memorandum as a whole or any statement herein misleading in any material respect.

ENA Norte Trust accepts responsibility only for the information contained in this Offering Memorandum relating to ENA Norte Trust itself (see "*ENA Norte Trust*") and the Trust Agreement. See "*Transaction Documents and the Notes - The Panamanian Law Transaction Documents - Trust Agreement*". ENA Norte Trust is not making any representation or undertaking to any Investor of the Notes or any other person regarding any other information contained in this Offering Memorandum.

PYCSA Panama S.A., the initial concessionaire of the Concession (the "*Former Concessionaire*" or "*PYCSA Panama*"), and its affiliates, take no responsibility for the information contained in this Offering Memorandum. Notwithstanding the foregoing, however, PYCSA Panama has made certain representations and warranties about its business, operations, financial condition and other customary matters, and is providing a customary indemnity for breaches thereof, to ENA pursuant to the Capitalization Agreement, the Share Purchase Agreement, the Share Trust and the Guaranty Trust, each as defined below, pursuant to which ENA Norte is acquiring the Concession. It has also consented to the inclusion of the financial statements included in this Offering Memorandum and represented to the Company that they are true and correct. See "*The Toll Road - Acquisition of the Assigned Rights from the Former Concessionaire by ENA Norte.*"

None of ENA Norte Trust, ENA, ENA Norte, either Joint Lead Manager or their respective affiliates, directors, officers, employees, agents, representatives or advisers are making any representation or undertaking to any purchaser of the Notes regarding the legality of an investment by such purchaser

under appropriate legal investment or similar laws. In addition, you should not construe the contents of this Offering Memorandum as legal, business, financial or tax advice. You should be aware that you may be required to bear the financial risks of an investment in the Notes for an indefinite period of time. In making an investment decision, you should rely on your own examination of ENA Norte Trust, the Company, the Toll Road (as defined herein) and the Notes, including the merits and risks involved. You should consult your own attorney, business advisor, tax advisor or other professional advisor as to the legal, tax, business, financial and related aspects of an investment in the Notes.

THE NOTES HAVE NOT BEEN REGISTERED WITH, RECOMMENDED BY OR APPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

This Offering Memorandum has been prepared by ENA solely for use in connection with the offering and issue of the Notes to enable prospective purchasers to consider the purchase of the Notes. Its use for any other purpose is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents be disclosed to anyone other than the prospective purchasers to whom it is submitted. In addition, each prospective purchaser must obtain any consent, approval or permission required under the regulations in force in any jurisdiction to which it is subject or in which it purchases, offers or sells the Notes. None of ENA Norte Trust, ENA, ENA Norte nor the Joint Lead Managers shall have any responsibility for obtaining such consent, approval or permission.

ENA Norte Trust reserves the right to withdraw this offering of the Notes at any time. ENA Norte Trust and the Joint Lead Managers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it.

The distribution of this Offering Memorandum and the offering, purchase, sale or transfer of the Notes in certain jurisdictions may be restricted by law. ENA Norte Trust, ENA, ENA Norte and the Joint Lead Managers require persons into whose possession this Offering Memorandum comes to inform themselves about and to observe any such restrictions at their own expense and without liability to ENA Norte Trust, ENA, ENA Norte or either Joint Lead Manager. For a description of certain restrictions on offers and sales of the Notes and the distribution of this Offering Memorandum, see "*Plan of Distribution*" and "*Transfer Restrictions*." Except in Panama, no action has been taken in any jurisdiction to permit an offering to the general public of the Notes or the distribution of this Offering Memorandum in any jurisdiction where action would be required for those purposes. Persons to whom a copy of this Offering Memorandum has been issued may not circulate to any other person, reproduce or otherwise distribute this Offering Memorandum or any information herein for any purpose whatsoever nor permit or cause the same to occur.

This Offering Memorandum contains descriptions of certain provisions of the Transaction Documents (as defined herein) and various other related documents. This Offering Memorandum does not purport to contain complete descriptions of the terms of such documents, and all information herein about such documents is qualified in its entirety by reference to such documents.

No person has been authorized to give any information or to make any representation other than those in this Offering Memorandum and, if given or made, such information or representations must not be relied upon as having been authorized by ENA, ENA Norte, ENA Norte Trust, the Indenture Trustee, the Joint Lead Managers, or any affiliate or representative of any such person. The delivery of this Offering Memorandum at any time does not imply that information herein is correct as of any time after the date hereof. No Note (or beneficial interests therein) will be offered by the Joint Lead Managers without delivery of this Offering Memorandum.

ENA Norte Trust will not be a separate legal or juridical entity. In accordance with the Trust Law of Panama, trust assets are transferred to the trustee to be managed pursuant to the terms of a trust agreement or instrument. Although owned by the trustee, trust assets constitute a separate estate or patrimony from the other assets owned by the trustee in its individual capacity. Obligations of the trustee may only be satisfied from the trust assets, and not from the trustee's personal assets. In the case at hand, ENA Norte Trust is being created pursuant to the terms of the Trust Agreement and, therefore, there is only a contractual relationship between HSBC Bank (Panama) S.A., the ENA, ENA Norte and the Indenture Trustee, for the benefit of the Secured Parties. HSBC Bank (Panama) S.A., as trustee, will accept the assignment of the trust assets for the purpose of managing them pursuant to the terms of the Trust Agreement. For ease of reference, when used herein, the term "ENA Norte Trust" shall not refer to a separate legal entity but shall, unless the context otherwise requires, refer to the Trustee acting as such under the Trust Agreement.

In connection with the issue of the Notes, the Joint Lead Managers (or persons acting on their behalf) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Joint Lead Managers (or persons acting on their behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Joint Lead Managers (or persons acting on their behalf) in accordance with all applicable laws and rules.

NOTICE TO RESIDENTS OF PANAMA

A filing has been made for the public offering of the Notes in Panama with the SCM and to list the Notes on the PSE. Neither the registration with the SCM nor the listing of the Notes on the PSE implies any certification of the investment quality of the Notes, the solvency of the Company, or the accuracy or completeness of the information as contained in this Offering Memorandum.

NOTICE: This document shall be known as the *Prospecto Informativo* in Spanish for purposes of the registration of the offering of Notes with the SCM, and as the *Offering Memorandum* in English for purposes of the offering of the Notes outside Panama. All amendments to the terms and conditions of the Notes are subject to Acuerdo 4-2003 of April 11, 2003 and must be performed in compliance with the provisions thereof.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

Each Joint Lead Manager has represented, warranted and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to ENA Norte Trust; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area which has implemented the *Prospectus Directive*, as defined below (each, a "Relevant Member State"), each of the Joint Lead Managers has represented and agreed that with effect from and including the date on which the *Prospectus Directive* is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of the Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the

public in that Relevant Member State: (i) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication; (ii) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; (iii) at any time to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year, (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; (iv) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 DD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of any other purchaser nominated by ENA Norte Trust for any such offer; or (iv) at any time in any other circumstances falling within Article 3 of the Prospectus Directive. For the purposes of this paragraph, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “*Prospectus Directive*” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “*Prospectus Directive*” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE NEW HAMPSHIRE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Offering Memorandum:

- “*Autopista Norte*” refers to Autopista Norte, S.A. to whom the Concession has been transferred, pursuant to the Capitalization Agreement dated April 3, 2012 (the “*Capitalization Agreement*”);

- “*Balboa*” or “*B/.*” refers to a unit of account in the Republic of Panama. Panama uses the U.S. Dollar as its legal tender and sole paper currency. As of the date of this Offering Memorandum, one Balboa equals one U.S. Dollar ($B/.1.00 = \text{U.S.}\$1.00$);
- a “*Beneficial Owner*” means a holder of a beneficial interest in a Note;
- the “*Company*” refers to ENA (only to the extent related to its control of ENA Norte and its operation of the Toll Road) and ENA Norte, taken as a whole;
- “*Concession*” shall mean the administrative concession from the Republic of Panama for the operation, conservation, maintenance, administration, financing and exploitation of Corredor Norte. “*Concession*” as used herein shall mean only the Concession as it relates to Corredor Norte, as defined herein;
- “*Concession Agreement*” shall mean that certain Concession Agreement No. 98 dated December 29, 1994, among MOP (acting on behalf of the Republic of Panama) and the Former Concessionaire, to construct, manage and operate Corredor Norte, as amended, modified or waived from time to time. For the avoidance of doubt, Phase IIB and the Panama-Colón highway (except for the Panama-Madden Segment thereof) are not included in the term “*Concession Agreement*” as used herein;
- the “*Concessionaire*” or “*ENA Norte*” means ENA Norte, S.A., as concessionaire for the Toll Road as of the Closing Date (as defined below), and which is a wholly-owned subsidiary of ENA. See “*The Toll Road—Share Purchase Agreement*” and “*Use of Proceeds*”;
- “*Corredor Norte*” or “*Toll Road*” shall mean the concrete-paved highway extending from Albrook to Brisas del Golf (Phase I and Phase IIA) and the Panama-Madden Segment of the Panama-Colón highway;
- “*ENA*” refers to Empresa Nacional de Autopista, S.A. (ENA), a *sociedad anónima* (corporation) with limited liability incorporated under the laws of Panama;
- an “*Investor*” means each Noteholder and Beneficial Owner;
- a “*Noteholder*” means a registered holder of any Notes;
- the “*Operator*” or “*Maxipista*” means Maxipista de Panamá, S.A., a corporation formed under the laws of the Republic of Panama and a wholly owned subsidiary of ICATECH, and any successor operator. Maxipista will be the Operator starting on the Closing Date;
- “*Panama*” refers to the Republic of Panama; the “*Government*” refers to the established government of the Republic of Panama; “*MOP*” refers to the Ministry of Public Works, a Panamanian Government authority; and the “*MEF*” refers to the Ministry of Economy and Finance, a Panamanian Government authority;
- “*PYCSA Panama*” or the “*Former Concessionaire*” refers to PYCSA Panama, S.A., the initial concessionaire of the Concession;
- “*U.S. Dollar*” or “*U.S.\$*” refers to the legal currency of the United States of America and Panama;
- references to vehicles are to all classes of motor vehicles for which tariffs are charged in respect of the usage of the Toll Road. “*Vehicle Class*” refers to the separate categories of vehicles which are identified for the purpose of establishing a Toll Rate paid at each toll plaza for the use of a particular Segment of the Toll Road for such vehicle class and include (i) “*Vehicle Class A*”:

automobiles, motorcycles and pick-ups; (ii) “*Vehicle Class B*”: buses; (iii) “*Vehicle Class C*”: trucks; and (iv) “*Vehicle Class D*”: trucks with trailers;

- “*you*” or “*your*” refers to potential investors in or purchasers of the Notes;
- references to the length of the Toll Road or any portion of it refer only to the surface length, and do not include the length of entrances, exits and other access roads; and
- references to any agreement refer to such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified as of the date hereof.

For a list of defined terms and conventions used in this Offering Memorandum, please refer to the section entitled “*Summary of Terms - Certain Definitions*.”

PRESENTATION OF FINANCIAL AND STATISTICAL DATA

The financial statements included in this Offering Memorandum include the audited combined financial statements of PYCSA Panama and Autovías S.A. (“*Autovías*”) as of and for the years ended December 31, 2011, 2010 and 2009, in each case prepared in conformity with International Financial Reporting Standards (“*IFRS*”) and the unaudited combined financial statements of PYCSA Panama, Autovías and Autopista Norte as of and for the six-month periods ended June 30, 2012 and 2011, in each case presented in U.S. Dollars and attached hereto in Annex II (the “*PYCSA Panama Combined Financial Statements*”).

The audited combined financial statements of PYCSA Panama and Autovías as of and for the years ended December 31, 2011, 2010 and 2009 have been audited by Deloitte, Inc. (member of Deloitte Touche Tohmatsu Limited) (“*Deloitte*”).

The PYCSA Panama Combined Financial Statements have been supplied to ENA and ENA Norte by the Former Concessionaire pursuant to the Capitalization Agreement and the Stock Purchase Agreement (each as defined below) and are being attached to this Offering Memorandum for informational purposes only. The Former Concessionaire has represented and warranted to ENA and ENA Norte that the PYCSA Panama Combined Financial Statements are accurate and complete and present fairly the financial combined position and results of operations of the Former Concessionaire, Autovías and Autopista Norte as of and for the periods indicated therein. Neither ENA nor ENA Norte participated in the preparation of the PYCSA Panama Combined Financial Statements and therefore have not independently verified, nor are they providing any assurance as to the accuracy or completeness of, the PYCSA Panama Combined Financial Statements or any information derived therefrom included in this Offering Memorandum. The repayment of the Notes will be dependent on the Toll collections less operational and other expenses of the Toll Road from and after the date of issuance of the Notes. Neither ENA nor ENA Norte will be acquiring the Former Concessionaire. Therefore, Noteholders should not place undue reliance on the PYCSA Panama Combined Financial Statements and should consult their own advisors when determining the Former Concessionaire’s past results of operations. The Former Concessionaire’s historical financial performance may not be indicative of the future performance of the Toll Road and ENA Norte as the new Concessionaire. For the avoidance of doubt, the financial statements included in this Offering Memorandum contain information of operations related to certain assets which are not included in the Collateral securing the Notes.

Certain amounts and percentages that appear in this Offering Memorandum have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables and text may not be an arithmetic aggregation of the figures that precede them.

INDUSTRY AND MARKET DATA

This Offering Memorandum includes market share and industry data and forecasts that ENA has obtained from industry publications and surveys, reports of governmental agencies, market research and internal reports and surveys as well as independent third party reports. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the information. While ENA has taken reasonable actions to ensure that the information is extracted accurately and in its proper context, ENA has not independently verified any of the data from third parties contained in this Offering Memorandum and cannot give any guarantee of the accuracy or completeness of the data. Information contained in this Offering Memorandum on historical traffic volumes and Toll revenues relating to the Toll Road is based on the Former Concessionaire's internal records. Information on projected traffic volumes and trends has been derived from information published by Halcrow Group Limited ("*Halcrow*" or the "*Independent Traffic Consultant*").

ENFORCEABILITY OF CIVIL LIABILITIES

HSBC Bank (Panama) S.A. is acting not in its individual capacity but solely as trustee under the newly formed ENA Norte Trust constituted pursuant to the Trust Agreement among ENA, ENA Norte and it, and only the assets held in trust may be used to satisfy the obligations under the Notes. The assets held in trust have been granted to the Indenture Trustee pursuant to the Indenture to secure the obligations of ENA Norte Trust to the Noteholders. Because a substantial portion of the assets of ENA Norte Trust are located outside the United States, any judgment obtained in the United States against such person may not be fully collectible in the United States.

ENA has been advised by its Panamanian counsel, Morgan & Morgan, and ENA Norte Trust has been advised by its Panamanian counsel, Arias, Fábrega & Fábrega, that no treaty exists between the United States and Panama for the reciprocal enforcement of foreign judgments and that there is doubt as to the enforceability, in original actions in Panamanian courts, of liabilities predicated solely on United States federal securities laws and as to the enforceability in Panamanian courts of judgments of United States courts obtained in actions predicated upon the civil liability provision of the United States federal securities laws.

Each of ENA Norte Trust, ENA and ENA Norte will appoint as of the Settlement Date CT Corporation System, 111 Eighth Avenue, New York, New York, as its authorized agent upon which process may be served in any action arising out of or in connection with the Transaction Documents. With respect to such actions, ENA Norte Trust, ENA and ENA Norte will submit as of the Settlement Date to the jurisdiction of the courts of the State of New York sitting in the County of New York in New York City, or courts of the United States for the Southern District of New York.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes statements of future expectations, projections and forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. Statements that are not historical facts, including statements about beliefs and expectations, are forward-looking statements and can generally be identified by the use of forward-looking terminology such as the words "believe," "expect," "anticipate," "plan," "intend," "estimate," "project," "will," "seeks," "should" or, in each case, their negative and similar words. You are cautioned not to rely unduly on these forward-looking statements.

Examples of forward-looking statements contained in this Offering Memorandum include, but are not limited to:

- pro forma information, or "as if" performance of the Collateral under a set of hypothetical assumptions;

- statements about anticipated political events in Panama;
- statements about changes in the policies, legislation or regulation of the Government;
- statements about changes in tax law and the impact on the Noteholders and the Collateral;
- statements of assumptions underlying these statements;
- cash flow projections about the Collateral;
- explanations about the transferability of the Notes and any trading market for the Notes; and
- operation of the Transaction Documents in an Event of Default.

The forward-looking statements included in this Offering Memorandum reflect current views with respect to future events and are not a guarantee of future performance. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement.

The following factors, among others, may adversely affect our estimates and assumptions:

- overall performance of the Toll Road;
- future traffic volumes, Toll Rates and Toll collections on the Toll Road;
- a decrease in toll rates for Corredor Sur and other competing toll roads;
- future Government policies or decisions relating to the Toll Road;
- general political, social and economic conditions in Panama and its regions, particularly in Panama City and other areas near the Toll Road;
- changes in Government regulation, particularly as to the toll road industry, including toll rates, subsidies and the tender process for new toll road concessions and toll road operators;
- changes in the price of crude oil and gasoline;
- the timing of completion of road networks that are expected to interconnect with the Toll Road;
- the outcome of legal and regulatory proceedings in which the Company is involved or may become involved;
- accidents and natural disasters;
- expansion of the Government's mass transportation plans, including, but not limited to, the Panama City Metro system which is under construction;
- other factors beyond the control of the Company; and
- the factors that are described herein under "*Risk Factors*."

When relying on forward-looking statements, Investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Toll Road is operated. Such forward-looking statements speak only as of the date on which they are made. None of ENA, ENA Norte nor ENA Norte Trust undertakes any obligation

to update or revise any of them, whether as a result of new information, future events or otherwise. None of ENA, ENA Norte nor ENA Norte Trust makes any representation, warranty or prediction that the results suggested by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither the forward-looking statements herein nor their underlying assumptions have been verified or audited by any third party. Accordingly, Investors should not place undue reliance on any forward-looking statements.

Furthermore, the forecasts contained in the “*Independent Traffic Consultant's Report*” are included for reference purposes only, and accordingly Investors are cautioned not to place undue reliance on the Independent Traffic Consultant’s Report. Under no circumstances should the inclusion of such forecasts in this Offering Memorandum be regarded as a representation or warranty by ENA Norte Trust, ENA, ENA Norte, the Joint Lead Managers or any other person with respect to the accuracy of the forecasts or the accuracy of their underlying assumptions, or that the Toll Road will experience the forecasted results. The Independent Traffic Consultant’s Report speaks only as of its date, and the occurrence of unanticipated events or any other events since that time which could render the forecasts inaccurate are not reflected in such report.

AVAILABLE INFORMATION

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, ENA shall prepare and furnish to ENA Norte Trust, and if ENA Norte Trust has received it from ENA it shall furnish, upon the request of any Noteholder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Noteholder, (ii) to a prospective purchaser of such Note (or beneficial interests therein) that is a QIB designated by such Noteholder and a Qualified Purchaser as provided herein and (iii) to the Indenture Trustee for delivery to any applicable Noteholders or such prospective purchaser so designated, at ENA Norte Trust’s expense, in each case in order to permit compliance by such Noteholder with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A. All such information shall be in the English language. See “*Transfer Restrictions.*”

ENA Norte Trust has filed with the SCM a registration statement, of which a Spanish language free translation of this Offering Memorandum will form a part. ENA Norte Trust will also file with the SCM and the PSE its quarterly unaudited and annual audited financial statements, each prepared in accordance with IFRS, which differ in certain respects from generally accepted accounting principles of the United States (“*U.S. GAAP*”). This information can be obtained by Investors upon request at the PSE, currently located at Edificio Bolsa de Valores de Panama, Calle 49 y Av. Federico Boyd, Panama, Republic of Panama, or upon request at the SCM located at Avenida Balboa, Edificio Bay Mall, Piso 2, Oficina 206, Panama, Republic of Panama.

The principal executive offices of ENA are located at Vía Israel, Edificio Corredor Sur, Corregimiento de San Francisco, Apartado 6-2483, El Dorado, Panama, Republic of Panama.

TABLE OF CONTENTS

SUMMARY	1
SUMMARY OF TERMS.....	13
RISK FACTORS.....	51
USE OF PROCEEDS.....	66
MATURITY ASSUMPTIONS.....	67
ENA NORTE TRUST	68
THE TOLL ROAD	70
THE CONCESSION AGREEMENT	90
DESCRIPTION OF THE CONCESSIONAIRE	96
DESCRIPTION OF ENA	100
PERFORMANCE MODELS.....	103
TRANSACTION DOCUMENTS AND THE NOTES	106
THE CLEARING SYSTEMS.....	134
TAXATION.....	136
CERTAIN BENEFIT PLAN CONSIDERATIONS.....	142
PLAN OF DISTRIBUTION	146
OFFERING FEES AND EXPENSES	148
TRANSFER RESTRICTIONS.....	150
LEGAL MATTERS.....	155
INDEPENDENT AUDITORS.....	155
INDEPENDENT TRAFFIC CONSULTANT.....	155
GENERAL INFORMATION.....	156
INDEX OF DEFINED TERMS.....	157
ANNEX I – INDEPENDENT TRAFFIC CONSULTANT’S REPORT.....	A-1
ANNEX II – INDEX TO FINANCIAL STATEMENTS.....	F-1
ANNEX III – ALTERNATE SCENARIO PERFORMANCE MODELS	C-1
ANNEX IV – MAJOR MAINTENANCE TABLES.....	D-1
ANNEX V – THE CONCESSION AGREEMENT	E-1

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SUMMARY

This summary may not contain all of the information that may be important to Investors. Investors should read this entire Offering Memorandum, including the financial data and related notes and the section entitled "Risk Factors" before making an investment decision.

ENA Norte Trust

ENA Norte Trust is a trust constituted pursuant to Law 1-1984 dated January 5, 1984, of Panama, in accordance with the Trust Agreement executed between ENA and ENA Norte, as settlors and second beneficiaries under the Trust Agreement, and HSBC Bank (Panama) S.A., a Panamanian corporation constituted by Public Deed No. 24312 of the First Notary Public, dated November 11, 2008, registered in Panama's Public Registry, Mercantile Section, in Microfiche 456744, Document 633197, acting not in its individual capacity but solely as trustee. ENA Norte Trust will issue the Notes under the Indenture. The Bank of New York Mellon, a New York banking corporation, in its capacity as Indenture Trustee for the benefit of the Secured Parties under the Indenture governing the Notes, will be the primary beneficiary of ENA Norte Trust.

ENA Norte Trust is a legal vehicle that has no subsidiaries, no employees and no business or debt other than pursuant to the terms of the Transaction Documents. The domicile of ENA Norte Trust is Edificio Plaza HSBC, Calle 47 Este y Aquilino De La Guardia Piso No. 5, Panamá, República de Panamá, Attention: Dayra Santana / Fanny Wong (dayra.y.santana@hsbc.com.pa / fanny.m.wong@hsbc.com.pa), its contact telephone number is + 507 206-8480 and fax number is + 507 206-8481. According to the Trust Agreement, HSBC Bank (Panama) S.A., acting as the Trustee under the Trust Agreement, will not be personally liable for any amounts payable, among others, in respect of Notes or any other Transaction Documents, except for certain customary situations involving gross negligence or wilful misconduct, as the case may be, and as finally determined by a court of competent jurisdiction. Accordingly, pursuant to the Transaction Documents, in the event, among others, of a payment default by ENA Norte Trust on the Notes, neither the Indenture Trustee nor any other party will have any recourse to HSBC Bank (Panama) S.A. or any of its affiliates, in their individual capacity, or of their individual assets or to any other person other than recourse to the Collateral held by ENA Norte Trust, for the benefit of the Noteholders. See "*ENA Norte Trust*" and "*Capitalization*."

The Concessionaire

As of the Closing Date, the "*Concessionaire*" will be ENA Norte, a Panamanian *sociedad anónima* (corporation) incorporated by public deed 9968 dated April 20, 2012 and registered with the Public Registry of Panama at Microfiche 767262, Document 2162734 on April 25, 2012. ENA Norte is a wholly-owned subsidiary of ENA. The registered office of ENA Norte is Vía Israel, Edificio Corredor Sur, San Francisco, Panamá, Republic of Panama, Attention: Rigoberto Effio M./Hans Kupfer, and its contact telephone number is +507 226-0433. See "*The Toll Road - Share Purchase Agreement*" and "*Use of Proceeds*".

As of the Closing Date, the Concessionaire will hold the Concession to, among other things, study, design, construct, maintain, administer and operate the Corredor Norte toll road in Panama City, Panama under the administrative concession system governed by the laws of Panama. The Concessionaire will hold the Concession pursuant to the Concession Agreement. The Concession was granted by MOP acting on behalf of the Republic of Panama pursuant to the terms and conditions of that certain Concession Agreement No. 98 dated December 29, 1994, as amended from time to time, among MOP and PYCSA Panama, the Former Concessionaire, to construct, manage and operate Corredor Norte (together with its amendments thereof, the "*Concession Agreement*"). At the Closing Date, ENA Norte shall be the holder of the rights and obligations set forth under the Concession Agreement. The Concession has been transferred by the Former Concessionaire to

Autopista Norte, S.A. ("*Autopista Norte*") pursuant to the Capitalization Agreement dated April 3, 2012 (the "*Capitalization Agreement*"). See "*The Toll Road - Acquisition of the Assigned Rights from the Former Concessionaire by ENA Norte.*" For the avoidance of doubt, the "*Concession*" as used herein means only the Concession as it relates to Corredor Norte, as defined herein. Neither Phase IIB nor Panama-Colón highway (except for the Panama-Madden Segment thereof) is included in the term "*Concession Agreement*" as used herein. See Annex V to this Offering Memorandum for a free translation of the Concession Agreement and the Addenda thereto.

The Concession, in respect of each Segment of the Toll Road, expires on the earlier to occur of (i) the thirtieth anniversary of the date on which MOP certifies such Segment as being operative, or (ii) the date on which the Concessionaire achieves a specified return on its investment in the Concession (the "*Monto Total Recuperable*"). See "*The Toll Road - Expiration of the Concession Upon Receipt of the Monto Total Recuperable.*" MOP certified Phase I as operative on March 15, 1998, and therefore the thirtieth anniversary of such Segment is March 15, 2028. MOP certified the Panama-Madden Segment as operative on May 30, 1999, and therefore the thirtieth anniversary of such Segment is May 30, 2029. Phase IIA began operations on April 21, 2009, and is expected to be certified as operative by MOP on or before the Settlement Date.

The Concessionaire's primary source of revenues is the collection of Tolls along Corredor Norte. See "*Summary of Terms - The Offering - Assigned Rights and Excluded Rights*" and "*Summary of Terms - The Offering - Collateral.*"

The Former Concessionaire entered into two operations and maintenance agreements with an affiliate, Autovías, a Panamanian sociedad anónima (corporation) incorporated by public deed in 1996 under the laws of Panama, as the operator of the Toll Road, namely: (i) agreement dated October 6, 1997 for the maintenance and operation of Phase I and the Panama-Madden Segment of the Toll Road; and (ii) agreement dated April 29, 2009 for the maintenance and operation of Phase IIA. Under the terms of such operations and maintenance agreements, as amended and restated, Autovías was responsible for, among other things, the operation, management and maintenance of the Toll Road in accordance with the terms and conditions of the Concession Agreement. Termination of the Autovías operations and maintenance agreements will take effect on the Closing Date.

The Concessionaire will enter into an Operations and Maintenance Agreement (*Contrato de Operación y Mantenimiento*) with the Operator on the Closing Date which will be effective beginning on the Closing Date for a period of five years with an automatic five year extension thereafter (unless terminated earlier by agreement of the parties thereto or otherwise by its terms) (the "*Operations and Maintenance Agreement*"). The Operator was incorporated on October 26, 1998 under Panamanian law and currently has approximately 300 employees. The Operator is a wholly-owned indirect subsidiary of Empresas ICA S.A. de C.V. ("*Empresas ICA*"). Maxipista has been the operator of a separate 19.76 kilometer four lane urban toll road in Panama City, known as "Corredor Sur" ("*Corredor Sur*") since September 1999. Maxipista was selected by the Company as the Operator of the Toll Road primarily as a result of this experience, as well as with a view to integrating the operations of the Toll Road with those of Corredor Sur. The Concessionaire will contract with the Operator in regard to the operation, management and maintenance of Corredor Norte in accordance with the terms and conditions of the Operations and Maintenance Agreement. Under the terms of the Operations and Maintenance Agreement, the Operator will assist users of the Toll Road, including providing tow truck and ambulance services; coordinating with authorities regarding road safety and the safety of drivers, traffic control, emergencies and other matters; maintaining and administering the Toll Road; monitoring performance under the ancillary services agreements and receiving payments in connection therewith; providing for private security along the entirety of the Toll Road; and performing routine and minor maintenance activities under the supervision of MOP.

Pursuant to the Assignment Agreement, ENA Norte and ENA, as the case may be, will have assigned by the Closing Date to the ENA Norte Trust: (i) the right to receive all Tolls collected from Corredor Norte pursuant to the Concession Agreement, with respect to Phase I, Phase IIA and the Panama-Madden Segment, (ii) the right to receive compensation from the Republic of Panama in order to maintain "contractual equilibrium" in accordance with Clause 14 of the Concession Agreement, (iii) the right to receive any payment upon termination of the Concession or as a result of an administrative redemption (*rescate administrativo*) by the Republic of Panama in accordance with the Concession Agreement, and (iv) the right to receive the proceeds of any business interruption, property casualty or general liability insurance payments related to the business and operations of ENA Norte, excluding all insurance proceeds payable to parties other than ENA (with respect to the business of ENA Norte), ENA Norte, the Indenture Trustee or the ENA Norte Trust. ENA Norte and ENA will have received by the Closing Date the required Governmental Approval to assign the Assigned Rights to ENA Norte Trust. 100% of the Concessionaire's capital shares are owned by ENA. In addition, ENA will assign its rights as beneficiary to the Share Trust and the Guarantee Trust (solely with respect to amounts reserved in connection with existing litigation of the Former Concessionaire and the fixed reserve amount) to ENA Norte Trust, which will also form part of the "Assigned Rights."

ENA is a corporation formed under the laws of the Republic of Panama. ENA is wholly owned by the Republic of Panama. As of the Settlement Date, the principal asset of ENA will be 100% of the share capital of each of ENA Norte and ENA Sur S.A., the concessionaire of the Corredor Sur toll road in Panama City. As a result of the foregoing, the Government of Panama will be the 100% indirect shareholder of the Concessionaire. See "*Summary of Terms*", "*Use of Proceeds*" and "*Risk Factors - Concession Collections are affected by Toll Rates and revisions thereto; the Company has the right to decrease the Toll Rates pursuant to the Transaction Documents.*"

The Toll Road

In 1994, MOP awarded the Concession to the Former Concessionaire to study, design, construct, operate and maintain a 42.7 kilometer highway, as further described below, located along the northwestern edge of Panama City. See "The Concession Agreement". Panama City's old town, port and central business district lie in the extreme southwestern corner of the metropolitan area. Due to physical constraints, the city and its highway network have developed primarily along one main east-west corridor running parallel to the coast, with a second branch corridor heading north alongside the Transistmica highway. The "channelled" development of the city in one main corridor and the concentration of employment and commercial activity in the central business district resulted in severe traffic congestion in the city, especially at peak times. The Toll Road plays an integral role in the road network of the city and the country.

The Toll Road currently comprises Phase I and Phase IIA with a combined length of 19.4 kilometers, the Panama - Madden segment with a length of 14 kilometers, and two branches, Villa Lucre and Zárate (Brisas del Golf) which are, respectively, 3.3 kilometers and 1.3 kilometers in length. Excluding the aforementioned branches, the Toll Road's current total length is 33.4 kilometers, with a total of 12 total or partial interchanges with electronic classification Toll collection systems at ramp toll plazas. Along Phase I, there are eight interchanges with toll plazas and mainline plazas at Tinajitas, near its northeastern end and at Martin Sosa and Ascanio Villalaz at its southern end. One of these junctions includes a plaza at the southern end for all vehicles using the Panama-Madden Segment. The Panama-Madden Segment has no intermediate junctions and no other toll plazas. Not all entrances and exits of Corredor Norte are tolled, but the system requires that most users will drive through two plazas.

Toll revenues for the Toll Road have generally increased year-on-year since it commenced operations. During the years ended December 31, 2011, 2010 and 2009, the Former Concessionaire generated Toll revenues of U.S.\$53.9 million, U.S.\$47.7 million and U.S.\$39.6 million, respectively. During the six-month periods ended June 30, 2012 and 2011, the Former Concessionaire, generated Toll revenues of U.S.\$28.5 million and

U.S.\$25.9 million, respectively. Currently an automobile trip along the entire length of Phase I of Corredor Norte costs U.S.\$2.40, and saves between 10 minutes and 45 minutes compared to the same journey via the untolled highway network. The additional charge for using Phase IIA is U.S.\$1.25. Lightweight and heavy trucks, buses and minibuses each have separate rates, which are set forth below.

Business Strategy Relating to the Toll Road

The Concessionaire plans to increase Toll revenues from Corredor Norte by optimizing traffic volume, in particular through improving the Toll collection system, rather than through Toll Rate increases. For periods prior to 2007, increases in Toll revenues could be explained in part by corresponding increases in Toll Rates. However, since 2007, there have been no increases in Toll Rates, and, as a result, increases in Toll revenues have not been materially affected by changes in Toll Rates. The Concessionaire may choose not to increase or to reduce Toll Rates in accordance with the specific criteria for doing so set out in the Transaction Documents. See *“Summary - Prohibited Toll Rate Reductions”* and *“Risk Factors - Concession Collections are affected by Toll Rates and revisions thereto; the Company has the right to decrease the Toll Rates pursuant to the Transaction Documents.”*

The Concessionaire plans to optimize future Toll Road revenues and Toll collection capabilities by replacing over time the existing Toll collection system, which relies primarily on cash payments, with a more fully automated system. Because existing toll booths are already equipped to process proximity cards, the Concessionaire plans, in the short term, to further promote and increase the availability of this method of payment. Over the longer term, in addition to the increased use of proximity cards, the Concessionaire plans to further replace the use of cash with an electronic Toll collection system based on tags and antennas. Under this system, participating vehicles will be equipped with electronic tags which automatically activate the Toll collection system and raise the toll booth gate when the vehicle approaches the toll booth. A similar system, called “SurExpress”, is already in use on the Corredor Sur toll road in Panama City, and has had a positive effect in optimizing the flow of traffic. The Concessionaire further believes that the appointment of Maxipista, which acts as the operator of Corredor Sur, as the Operator of Corredor Norte will contribute positively to the roll out of these electronic systems. Notwithstanding these plans, there can be no assurance that any such plans will come to fruition, or if completed, that any improvements implemented will be effective in increasing traffic volume. See *“Risk Factors - Traffic growth on the Toll Road may be constrained by capacity at certain areas, and the Concessionaire’s planned implementation of more comprehensive electronic Toll collection systems may not be successfully implemented.”*

Independent Traffic Consultant’s Report

The Concessionaire, through the Joint Lead Managers, retained Halcrow to provide an independent assessment of the Toll Road’s likely future traffic and revenue streams. The Independent Traffic Consultant’s Report was completed on September 14, 2012 and provides an assessment of future Toll revenues based on an examination of existing information and certain traffic counts and surveys. The Independent Traffic Consultant’s Report is included in this Offering Memorandum as Annex I. Halcrow has prepared the Independent Traffic Consultant’s Report upon the authority of such firm as a traffic consultant. The Independent Traffic Consultant’s Report should be read in its entirety by prospective investors for the information contained therein with respect to the Toll Road and other related matters.

As part of the Independent Traffic Consultant’s Report, Halcrow provided forecasts for the Toll Road’s traffic and Toll revenues based on an analysis of the following factors: economic and population growth in the city and corridors, an increase in car ownership, new developments in the Toll Road, existing highway networks and transit services, the response to increases in Toll Rates and the capacity of the Toll Road. On this basis, the Independent Traffic Consultant’s Report provided five forecasts of annual Toll revenues of the Toll Road. All five cases:

- exclude inflation and real changes in the Toll Rates;
- assume population growth of 1.9% per annum from 2012 to 2020 and 1.3% per annum from 2020 to 2030; and
- assume GDP growth of: 7.0% in 2012; 6.5% in 2013; 6.0% in 2014; 5.5% in 2015; 5.0% in 2016; 4.5% in 2017; 4.0% per annum in each of 2017 through 2020; and 3.0% per annum in each of 2020 through 2030, except in the low GDP case where GDP growth is assumed to be 5.0% in 2012; 4.5% in 2013; 4.0% in 2014; 4.0% in 2015; 3.5% in 2016; 3.0% in 2017; 3.0% per annum in each of 2017 through 2020; and 2.0% per annum in each of 2020 through 2030.

Each of the five cases contains certain specific assumptions, as set forth below:

- *a base case*, assuming: Phase IIB opens January 1, 2014, with tolls of U.S.\$1.25 charged at each of Las Lajas and Mañanitas; the Corredor Sur expansion opens January 1, 2015; toll plaza capacity at Tinajitas is improved in 2013 with no constraints thereafter, electronic Toll collection is implemented as described in Figure 6.2 of the Independent Traffic Consultant's Report; the Gonzalillo Link opens on January 1, 2014; certain improvements are made at specific city intersections; Metro line 1 opens January 1, 2014 and Metro line 2 opens January 1, 2020.
- *a do-nothing case*, assuming: no changes to the current network.
- *a low case*, assuming: no changes to the current network, except for the opening of the Corredor Sur expansion on January 1, 2015 and certain city intersection improvements; Metro line 1 opens January 1, 2014 and Metro line 2 opens January 1, 2020.
- *a high case*, assuming: that all base case assumptions are met, other than completion of the Corredor Sur expansion.
- *a low GDP case (with low GDP's)*, assuming that all base case assumptions are met other than: GDP growth of 5.0% in 2012; 4.5% in 2013; 4.0% in 2014; 4.0% in 2015; 3.5% in 2016; 3.0% in 2017; 3.0% per annum in each of 2017 through 2020; and 2.0% per annum in each of 2020 through 2030.

The forecasts show annual Toll revenues reaching the following totals in 2028 (in 2011 prices):

- *base case*: U.S.\$150.9 million;
- *do-nothing case*: U.S.\$134.3 million;
- *low case*: U.S.\$126.6 million;
- *high case*: U.S.\$151.4 million; and
- *low GDP case*: U.S.\$123.3 million.

Generally, the Independent Traffic Consultant's Report was made using various analytical methodologies and assumptions. The forecasts and conclusions contained therein are inherently subject to unpredictable factors, including, among others, the level of background traffic growth, the development of (or lack of) transport infrastructure, socio-economic issues, stability of Toll Rates and drivers' response to Toll changes. Even if such assumptions and methodologies are accurate, the actual traffic volumes and patterns may differ materially from those expressed or implied in the Independent Traffic Consultant's Report. Accordingly,

investors are urged not to place undue reliance on the Independent Traffic Consultant's Report conducted by Halcrow.

According to the Independent Traffic Consultant's Report, the key risks to these forecasts are the rate of background traffic growth (i.e., growth in traffic that occurs in a community over a given period of time as a result of population change, levels of development, the rate of development of alternative transportation infrastructure and other similar factors), the development of certain new transport infrastructure and an economic recession in Panama.

DIAGRAMS OF THE TRANSACTION

The diagrams below illustrate and summarize the transactions effected under the Transaction Documents. Investors should refer to the sections in this Offering Memorandum titled "Summary of Terms" and "Transaction Documents and the Notes" for a more complete description of the transactions summarized hereinafter.

Diagram of Transaction Structure at Closing

Legend of Diagram of Transaction Structure at Closing

1. ENA, ENA Norte and HSBC Bank (Panama) S.A., acting not in its individual capacity but solely as trustee, enter into a Trust Agreement under which ENA Norte Trust is formed. The main purposes of ENA Norte Trust include the issuance of the Notes and the granting of a security interest to the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture with respect to the Assigned Rights and the Share Collateral.
2. Pursuant to the Assignment Agreement, ENA and ENA Norte assigns its rights, title, interests and benefits in the Assigned Rights to ENA Norte Trust.
3. Pursuant to the Share Transfer Instrument, ENA transfers all of its right, title, interests and benefits in the Share Collateral (all of ENA's shares in ENA Norte) to ENA Norte Trust.
4. ENA Norte Trust issues and the Indenture Trustee authenticates the Notes, which are sold to the Noteholders.
5. The proceeds of the purchase price paid by the Noteholders, net of certain issuance expenses, are paid to ENA Norte Trust.
6. ENA Norte Trust uses such proceeds as described under "Use of Proceeds" herein.
7. Pursuant to the Servicing Agreement, ENA, in its capacity as the Servicer, agrees, among other obligations with respect to ENA Norte and ENA Norte Trust, to service the Concession Collections derived from the Assigned Rights and cause the Operator to collect the Concession Collections and deposit them into the Panamanian Concentration Account in accordance with the terms of the Operations and Maintenance Agreement.
8. Pursuant to the Support Agreement, ENA and ENA Norte will provide certain representations, warranties and covenants to ENA Norte Trust and the Indenture Trustee for the benefit of the Secured Parties.

Diagram of Post-Closing Allocations of Collections and Payments

Legend of Diagram of Post-Closing Allocations of Collections and Payments

Collections from the Collateral are deposited into the Panamanian Concentration Account on each Business Day:

- R1. Toll collections from the Toll Road are deposited into the Panamanian Concentration Account.
- R2. Payments received by ENA Norte Trust under the Concession Agreement with respect to the Assigned Rights are deposited into the Panamanian Concentration Account.

P1. At the close of business on each Calculation Date, ENA Norte Trust shall transfer all amounts in the Panamanian Concentration Account to the Concentration Account.

On each Transfer Date, and in respect of the amount for such Transfer Date, the Indenture Trustee, in accordance with the Servicing Report, sends funds from the Concentration Account, subject to availability, to the following accounts in the following priorities:

- C1. To the Operating Account, an amount equal to the Operating Account Transfer Amount.
- C2. To the Primary Payment Account, an amount equal to the Primary Payment Account Transfer Amount.
- C3. To the Debt Service Reserve Account, an amount equal to the Debt Service Reserve Account Transfer Amount.
- C4. To the Major Maintenance Reserve Account, an amount equal to the Major Maintenance Reserve Account Transfer Amount.
- C5. To the CapEx Reserve Account, an amount equal to the CapEx Reserve Account Transfer Amount.
- C6. All remaining funds in the Concentration Account to the Excess Cash Flow Account.

From time to time, the Indenture Trustee shall apply funds in the Operating Account, subject to availability, in accordance with Servicing Report, for the following purposes in the following priorities:

- O1. *Pro rata*, (i) fees, expenses and indemnities of the Indenture Trustee and the fees, expenses and indemnities of the Trustee (including, without limitation, the fees and expenses of the Independent Engineer, the Independent Traffic Consultant, SCM, PSE, LatinClear, any Qualified LC Bank and the Rating Agencies) as of the next Scheduled Payment Date; (ii) if ENA is not the Servicer, the fees of the replacement Servicer as directed in writing by such person for the month in which such Transfer Date occurs, and (iii) insurance coverage expenses with respect to the Toll Road as reasonably requested by the Servicer in writing for the month following the month in which such Transfer Date occurs; and
- O2. Upon the written instruction of the Servicer, *pro rata*, amounts for (i) the Monthly Operator Fees which are then due and as yet unpaid as of the month of such disbursement for the month following the month in which such Transfer Date occurs, and (ii) 100% of Panamanian income taxes related to the Concession, ENA Norte Trust

and ENA Norte and any and all required taxes of general application which are payable with respect to the Concession, ENA Norte Trust and ENA Norte and any and all required taxes of general application which are payable with respect to the Concession estimated by the Servicer to be payable during the month following the month in which such Transfer Date occurs.

On each Payment Date, the Indenture Trustee, in accordance with the Servicing Report, applies funds in the Primary Payment Account, subject to availability, for the following purposes in the following priorities:

- S1. To pay, *pro rata*, to the Noteholders, an aggregate amount equal to the sum of the (i) the sum of the Interest Amounts for the Notes as of such Payment Date and (ii) the Additional Amounts, if any, which may be incurred with respect to the Notes as of such Payment Date; and
- S2. If an Early Amortization Period remains in effect as of the related Early Amortization Payment Date, or if such Payment Date is a Redemption Date, then to pay, *pro rata*, to the Noteholders, an aggregate amount up to the then outstanding Principal Balance for such Notes as of such Payment Date.
- D1. To the extent that on any Transfer Date, there is a shortfall in the Primary Payment Account, the Indenture Trustee shall draw funds, in accordance with the Servicing Report, from the Debt Service Reserve Account to reduce such shortfall in the Primary Payment Account.
- X1. To the extent that on any Transfer Date, there is a shortfall in the Concentration Account, the Indenture Trustee shall draw funds, in accordance with the Servicing Report, from the Excess Cash Flow Account to reduce such shortfall in the Concentration Account.

On each Payment Date, the Indenture Trustee applies funds in the Excess Cash Flow Account, subject to availability, in accordance with Servicing Report, for the following purposes in the following priorities:

- E1. Fees of the Servicer, if ENA is the Servicer.
- E2. To pay, *pro rata*, to the Noteholders, an aggregate amount up to the Principal Balance of the Notes (after giving effect to payments made on such Payment Date pursuant to priority (b) of the Primary Payment Account Waterfall for such Payment Date).
- E3. To pay any due and unpaid Transaction Obligations.
- E4. Any remaining amounts on deposit in the Excess Cash Flow Account shall be transferred to the Concentration Account.

SUMMARY OF TERMS

The information provided below is a summary of the main terms and conditions of the offering of the Notes. Potential investors should read this section jointly with the totality of the information contained in this Offering Memorandum.

I. THE OFFERING

Securities Offered	U.S.\$600,000,000 aggregate principal amount of Notes due 2028 (the "Notes") issued pursuant to the terms of the Indenture. The Notes will be issued in a single tranche. No additional series of notes will be issued under the Indenture.
Denominations	The Notes will be issued in minimum denominations of (i) U.S.\$250,000 and integral multiples of U.S.\$1,000 in excess thereof as to Notes offered in reliance on Rule 144A under the Securities Act and (ii) U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof as to Notes offered in reliance upon Regulation S under the Securities Act.
Offering Date	September 27, 2012.
Settlement Date	The issuance of the Notes is expected to occur on October 3, 2012.
Closing Date	The Business Day immediately following the Settlement Date, upon completion of all Conditions Precedent for Closing. See " <i>Acquisition of Assigned Rights by ENA Norte</i> " below for further description of the events occurring on the Settlement Date and Closing Date.
Expected Final Payment Date	To the extent not redeemed or repurchased prior thereto, the date of the final payment on the Notes, which is expected to be on the July 2023 Payment Date.
Legal Final Payment Date	To the extent not redeemed, repurchased or otherwise paid in full prior thereto, the final payment date for the Notes is the Payment Date occurring in April 2028.
Offering of the Notes	Interests in the Notes will be offered in the U.S. to potential investors who are Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act and Qualified Purchasers within the meaning of the Investment Company Act, and outside the U.S. to non-U.S. persons in reliance upon Regulation S under the Securities Act.
Registration	It is intended that the Notes will be registered for public offering in Panama with the SCM. Further, it is intended that the Notes will be listed on PSE.
Joint Lead Managers	HSBC Securities (USA) Inc. and Global Bank Corporation, and their respective successors.
Issuer	The Notes will be issued by HSBC Bank (Panama) S.A., a Panamanian corporation, not in its individual capacity but solely as trustee (the "Trustee") of ENA Norte Trust, a newly formed Panamanian trust constituted pursuant to the Trust Agreement dated September 20, 2012 (the "Trust Agreement") among ENA, ENA Norte and the Trustee (the "ENA Norte Trust" or the "Issuer").

Upon Closing, the beneficiaries of ENA Norte Trust are the Indenture Trustee for the benefit of the Secured Parties, in first place, and ENA and ENA Norte, together, in second place.

Indenture Trustee

The Bank of New York Mellon, a New York banking corporation, as indenture trustee under the Indenture, and any successor thereto.

Operator

Maxipista de Panamá, S.A., a corporation formed under the laws of the Republic of Panama and a wholly owned subsidiary of ICATECH Corporation, shall be the Operator at Closing, and any successor operator thereto.

Subject to written confirmation from the Rating Agencies that replacement of the Operator will not result in a downgrade of the existing ratings of any of the Notes or any other adverse change of status in the applicable rating classifications of the Notes, the Operator may be replaced at the written direction of ENA.

Servicer

ENA will initially act as servicer under the Servicing Agreement. ENA is wholly owned by the Republic of Panama. Under applicable law, the government of the Republic of Panama may sell up to 49% of all issued and outstanding shares of ENA.

Collateral

The Notes will be secured on a *pro rata* basis by all right, title and interest of ENA Norte Trust, whether assigned as of the Settlement Date, the Closing Date or thereafter assigned, in, to and under the following collateral:

- (a) the Assigned Rights assigned to ENA Norte Trust pursuant to the Assignment Agreement, and all proceeds of the foregoing, including, without limitation, insurance proceeds;
- (b) the Transaction Accounts and all proceeds of the foregoing; and
- (c) the Share Collateral transferred to ENA Norte Trust pursuant to the Trust Agreement and the Share Transfer Instrument and all proceeds of the foregoing.

The security interest in the Assigned Rights with respect to rights of ENA Norte derived from the Concession Agreement shall be perfected on the Closing Date.

The security interest in the Assigned Rights, with respect to rights of ENA in the Share Trust and the Guarantee Trust the Transaction Accounts and the Share Collateral shall be perfected on the Settlement Date.

Assigned Rights

Pursuant to the Assignment Agreement, ENA Norte and ENA, as the case may be, will have assigned the Assigned Rights by the Settlement Date or the Closing Date, as applicable, to ENA Norte Trust.

The "Assigned Rights" shall consist, in respect of ENA Norte, of: (i) the right to receive all Tolls collected from Corredor Norte pursuant to the Concession Agreement, with respect to Phase I, Phase IIA and the Panama-Madden

8

Segment, (ii) the right to receive compensation from the Republic of Panama in order to maintain "contractual equilibrium" in accordance with Clause 14 of the Concession Agreement, (iii) the right to receive any payment upon termination of the Concession or as a result of an administrative redemption (*rescate administrativo*) by the Republic of Panama in accordance with the Concession Agreement, and (iv) the right to receive the proceeds of any business interruption, property, casualty or general liability insurance payments related to the business and operations of ENA Norte, excluding all insurance proceeds payable to parties other than ENA (with respect to the business of ENA Norte), ENA Norte, the Indenture Trustee or ENA Norte Trust. ENA will assign its rights as beneficiary to the Share Trust and the Guarantee Trust (solely with respect to amounts reserved in connection with existing litigation of the Former Concessionaire and the fixed reserve amount) to ENA Norte Trust, which will also form part of the "Assigned Rights."

Under the terms of the Concession Agreement, the Concessionaire will have, with respect to the Concession, among others:

- (i) the right to collect and receive Tolls until the earlier of (A) the date ENA Norte has recovered the recoverable amount (the "*Monto Total Recuperable*") under the Concession as set forth in the Concession Agreement and (B) 30 years starting from the date that MOP has authorized the commencement of operations of the applicable Segment, unless, in either case, expired or terminated earlier in accordance with its terms; and
- (ii) subject to Governmental Approval, the right to assign to third parties certain rights under the Concession (including the right to collect and receive Tolls).

The first authorization for the commencement of operations for Corredor Norte was granted in March 15, 1998 with respect to Phase I. ENA Norte and ENA will receive the required Governmental Approval to assign the Assigned Rights to ENA Norte Trust on or prior to the Closing Date. The Toll Rates in effect as of the date of this Offering Memorandum are described in "*The Toll Road*."

Excluded Rights

The following "*Excluded Rights*" shall be excluded from the Assigned Rights: (i) charges paid by users of the Toll Road other than Tolls, (ii) payment rights arising from the provision of ancillary services, (iii) Tolls collected from any future extension of Corredor Norte, and (iv) any rights related to Phase IIB or Autopista Madden-Colón (except for rights related to the Panama-Madden Segment). ENA has the right to build Phase IIB; however, Tolls collected from Phase IIB are not included in the definition of Assigned Rights.

Toll Rate Reductions

ENA and ENA Norte may reduce the Toll Rates in effect as of any date of determination, *provided* that such Toll Rate reduction does not constitute a Prohibited Toll Rate Reduction, as determined by ENA Norte Trust. Any such Toll Rate reduction that does not constitute a Prohibited Toll Rate Reduction shall be approved by ENA Norte Trust without the need to obtain the consent of the Indenture Trustee or the Majority Controlling Party.

A "*Prohibited Toll Rate Reduction*" shall have occurred if, as of any date of

determination, any Toll Rate for any Segment and any Vehicle Class shall have been reduced in rate from the Toll Rate for such Segment and such Vehicle Class previously in effect and if any of the Restriction Conditions exist.

“Restriction Conditions” shall mean:

- (a) any of the Debt Service Coverage Ratios for the most recently reported Quarterly Reporting Period as reported by the Servicer as of such date of determination and the three immediately preceding Quarterly Reporting Periods is below 1.75x; or
- (b) any Forward-Looking Debt Service Coverage Ratio for any future Quarterly Reporting Period as of such date of determination as reported by the Servicer (determined as if the reduced Toll Rate were in effect but assuming that traffic volume until the Notes are paid in full is equal to that traffic volume at the point the Toll Rates are reduced) below 1.50x; or
- (c) the amount by which the Toll Rates are reduced does not allow the Notes to be repaid by the Payment Date that is one year prior to the Legal Final Payment Date as determined by the Servicer pursuant to a certification in the Servicing Report.

ENA Norte Trust Action Requirements

Pursuant to the Share Transfer Instrument, as of the Settlement Date, ENA Norte Trust will have received the shares of ENA Norte. Pursuant to the Indenture, ENA Norte Trust will pledge its interest in the shares of ENA Norte to the Indenture Trustee for the benefit of the Secured Parties under New York law.

As of the Settlement Date, the articles of incorporation of ENA Norte shall require the affirmative action of ENA Norte Trust, as shareholder in trust of ENA Norte, to approve or order, as applicable, any of the following actions (i) to place ENA Norte into bankruptcy, receivership, conservatorship or similar status; (ii) to permit a Toll Rate reduction from the then existing Toll Rates; (iii) to reduce, decrease, forfeit, discharge, terminate or waive any amounts payable under the Concession; (iv) upon the occurrence of an event of default of the Operator under the Operations and Maintenance Agreement, to remove and replace the Operator thereunder; or (v) to amend, modify or waive any provisions of the bylaws or other organizational documents of ENA Norte which would adversely affect the approval requirements described in clauses (i) through (iv).

ENA Norte Trust shall only approve or give its consent to any of the actions specified (x) in clauses (i), (iii), (iv) and (v) above, or (y) clause (ii) above as to Prohibited Toll Rate Reductions, upon the prior written consent of the Indenture Trustee acting at the direction of the Majority Controlling Party. Any such actions taken without the requisite consent shall be void *ab initio*.

Toll Rate reductions which do not constitute Prohibited Toll Rate Reductions, as determined by ENA Norte Trust, shall be approved by ENA Norte Trust without the need to obtain the consent of the Indenture Trustee or the Majority Controlling Party.

Required Ratings

It is a condition to the issuance of the Notes that at least two of the following ratings shall have been received: (i) at least "BBB" and "AAA" (Pan) by Fitch; (ii) at least "BBB" by S&P; and (iii) at least "Baa3" by Moody's. The ratings address the likelihood of timely payment of the expected Interest Amounts for the Notes on each Payment Date and the ultimate payment of the outstanding Principal Balance of the Notes on their Legal Final Payment Date. The ratings do not address the likelihood of payment of any Overdue Interest, Additional Amounts, Make-Whole Premium or any other amounts payable in respect of the Notes or the timeliness of any accelerated principal payments coming due as the result of the occurrence of an Event of Default. A rating is not a recommendation to buy, sell or hold a Note (or beneficial interests therein) and is subject to revision or withdrawal in the future by each Rating Agency.

Payment Dates

Interest on the Notes will be payable quarterly in arrears, on the 25th day of January, April, July and October, or if any such day is not a Business Day, on the next succeeding Business Day (each, a "*Scheduled Payment Date*"), commencing on the January 2013 Payment Date. However, commencing on the 25th day of the month following the occurrence of an Event of Default which remains in effect, an "*Early Amortization Payment Date*" shall occur on the 25th day of each month (in each case, if a Business Day or if not, the next succeeding Business Day).

Unless an Early Amortization Period is then in effect, to the extent of available funds in the Excess Cash Flow Account on each Scheduled Payment Date, principal payments will be made with respect to the Notes until paid in full. When an Early Amortization Period is in effect, to the extent of available funds in the Primary Payment Account and in the Excess Cash Flow Account on each Early Amortization Payment Date, principal payments will be made, with respect to the Notes, until paid in full.

Payments will be made to the Noteholders of record on the Record Date with respect to any Payment Date.

Interest Payments

Interest on the Notes will be paid on each Payment Date at the rate of %¹ per annum (the "*Interest Rate*"), calculated on the basis of a 360-day year consisting of twelve 30-day months; *provided* that, for so long as ENA Norte Trust has failed to make full payment of all due accrued interest on the Notes, such rate will increase by 2% per annum on the overdue amount of interest.

Interest will accrue on the Notes from the Settlement Date at a rate that will be determined by ENA Norte Trust and notified to the Panamanian Superintendency of Capital Markets on the business day prior to the issue date, through a pricing supplement to this Offering Memorandum dated September 26, 2012, calculated on the basis of a 360-day year consisting of twelve 30 day months.

The interest amount for the Notes for each Payment Date (the "*Interest Amount*") will, with respect to each Payment Date, be equal to the sum of:

- (a) the Current Interest Due for the Notes and the Interest Period relating to such Payment Date;

¹ To be determined by the ENA Norte Trust.

- (b) the Overdue Interest for the Notes and such Payment Date; and
- (c) the Capitalized Interest for the Notes and the Interest Period relating to such Payment Date.

Principal Payments

There are no scheduled payments of principal amounts for the Notes with respect to each Payment Date other than on the Legal Final Payment Date, when any outstanding amount of the Notes shall become due and payable.

Optional Redemption

Provided that ENA Norte Trust shall have received from ENA a written redemption notice and the full amount of the Repurchase Price for all (or a portion) of the Notes outstanding has been delivered to the Indenture Trustee for deposit into the Concentration Account pursuant to the Indenture and the Support Agreement, ENA Norte Trust may, on any Payment Date following the Settlement Date (and the Redemption Date shall be on that Payment Date) upon not less than 30 days' (or more than 60 days') irrevocable prior written notice to the Noteholders; provided the Indenture Trustee shall receive such notice at least 45 days prior to the Redemption Date (instructing the Indenture Trustee to further notify the Noteholders), commit to redeem the Notes in whole (or in part, in which case the principal amount of such partial redemption shall be applied with respect to each Noteholder on a *pro rata* basis subject to the applicable procedures of the applicable Clearing System) at a price equal to the Redemption Price for such Notes (which would be applied by the Indenture Trustee to redeem the Notes)) (an "*Optional Redemption*"). Such payment will, if no other amounts payable under the Transaction Documents shall remain outstanding after such payment, result in the Assignment Termination Date.

No redemption premium will be payable in the event of any such *Optional Redemption* of the Notes other than the Make-Whole Premium in accordance with the Indenture.

ENA shall have the right to redeem the Notes in whole in case Additional Amounts are due with respect to the Notes as a result of a change in Applicable Law (a "*Tax Event*"). No Make-Whole Premium will be due and payable in case of an *Optional Redemption* following a Tax Event.

Mandatory Redemption

Upon the occurrence of a Mandatory Redemption Event, the Notes will automatically be declared due and payable, and ENA will be obligated to pay ENA Norte Trust (for further payment to the Indenture Trustee) the Repurchase Price for the Notes (a "*Mandatory Redemption*").

No Make-Whole Premium will be payable in the event of a redemption of the Notes pursuant to a Mandatory Redemption Event.

Make-Whole Premium

As of any date of determination and as determined by the Independent Investment Banker, the "*Make-Whole Premium*" will equal, with respect to the Notes to be redeemed, an amount equal to the excess of (a) the present value (compounded on a quarterly basis) to such date of the expected future principal and interest cash flows until the Legal Final Payment Date for the Notes being redeemed or pre-paid, discounted at a *per annum* rate equal to the sum of (i) the Treasury Rate and (ii) 0.50% per annum at the time of prepayment, over (b) the aggregate principal

amount of the Notes to be redeemed.

Taxes and Other Deductions

Except as noted in the following paragraph, all payments to be made in respect of the Notes, or otherwise under the Transaction Documents, will be made in Dollars as described above and will be made free and clear of, and without any deduction or withholding for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any taxing authority in the Republic of Panama unless such amounts are required by any such taxing authority to be withheld or deducted.

Additional Amounts

The Notes will be entitled to the payment of Additional Amounts (if any) (except to the extent that such amounts are paid directly by ENA Norte Trust to the applicable taxing authorities).

ENA Norte Trust (subject to certain customary exceptions) will pay as described under "*Allocation of Collections and Payments*" to the Indenture Trustee (for the benefit of the applicable Noteholders) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received by the applicable Noteholders after such deduction or withholding will equal the respective amounts that would have been received by the applicable Noteholders in respect of such payment in the absence of such deduction or withholding. See "*Panamanian Tax Treatment.*"

II. ACQUISITION OF ASSIGNED RIGHTS BY ENA NORTE

Capitalization Agreement

Pursuant to the Capitalization Agreement, the Former Concessionaire will contribute, free of any liens and encumbrances, the Concession and the Concession Agreement, among other assets, to Autopista Norte in consideration for the right to receive Class A shares and Class B shares in Autopista Norte, which together represent 100% of the issued and outstanding share capital of Autopista Norte. Promptly thereafter, the Former Concessionaire will assign the right to receive such Class B shares to Inglewood in consideration for the complete payment of the U.S.\$350,000,000 in debt that the Former Concessionaire owed to Inglewood.

Share Trust Agreement

Pursuant to the Share Trust Agreement, the Former Concessionaire and Inglewood will assign their right to receive the Class A shares and Class B shares in Autopista Norte to the Share Trust. The Share Trust will hold the right to receive such Class A shares and Class B shares in Autopista Norte, and subject to the successful completion of the offering of the Notes, after payment of the purchase price under the Share Purchase Agreement, will hold such Class A Shares and Class B Shares for the benefit of ENA.

Share Purchase Agreement

Pursuant to the Share Purchase Agreement, the Former Concessionaire and Inglewood will transfer and sell to ENA the Class A shares and Class B shares in Autopista Norte in consideration for a price to be paid in cash, to be obtained in substantial part from the proceeds of the issuance of the Notes, and upon satisfaction of the conditions precedent set forth therein.

For further information regarding the acquisition of the Assigned Rights by ENA Norte, see "*The Toll Road - Acquisition of the Assigned Rights from the Former Concessionaire by ENA Norte.*"

Settlement Date

On the Settlement Date, the proceeds from the issuance of the Notes will be paid to the Share Trust. The Share Trust will immediately proceed to pay the Former Concessionaire the purchase price for the Class A Shares and to Inglewood the purchase price of the Class B Shares of Autopista Norte pursuant to the Share Purchase Agreement. Upon receipt of the proceeds of the issuance of the Notes, the assignment of the Class A shares and Class B shares in Autopista Norte will be consummated in the Share Trust for the benefit of ENA (as transferee under the Share Purchase Agreement). Pursuant to the terms of the Share Trust, the trustee of the Share Trust (as the holder of the Class A and Class B shares) has irrevocable instructions to perform all necessary actions to dissolve Autopista Norte. Further, the trustee of the Share Trust will transfer all of the assets of Autopista Norte, including the Concession and the Concession Agreement, to ENA Norte pursuant to the Asset Purchase Agreement.

Distributions of the proceeds from the issuance of the Notes in accordance with "Use of Proceeds" will be made on the Settlement Date.

Closing Date

On the Closing Date, and upon satisfaction of the Conditions Precedent, the transfer of the Concession and other assets pursuant to the Asset Purchase Agreement from the Share Trust to ENA Norte, and the assignment of the Assigned Rights (with respect to rights of ENA Norte derived from the Concession Agreement) from ENA Norte to ENA Norte Trust pursuant to the Assignment Agreement will come into effect. Upon completion of the transactions described above, ENA Norte shall be the holder of the Concession and the rights and obligations set forth under the Concession Agreement, and the transactions set forth in the Assignment Agreement and the Trust Agreement will have been consummated.

Mandatory Redemption Event

If Closing does not occur by the end of the third Business Day immediately following the Settlement Date, a "Mandatory Redemption Event" shall occur automatically and ENA shall be obligated to pay the Repurchase Price. See "Mandatory Redemption."

All amendments to the terms and conditions of the Notes are subject to Acuerdo 4-2003 of April 11, 2003 and must be performed in compliance with the provisions thereof.

III. PRINCIPAL TRANSACTION DOCUMENTS

Transaction Documents

The Transaction Documents consist of (a) the Indenture, the Trust Agreement, the Assignment Agreement, the Servicing Agreement, the Support Agreement, the Notes and the Share Transfer Instrument (the "Finance Documents") and (b) the Concession and Maintenance Agreements (which together with the Finance Documents constitute the "Transaction Documents").

Indenture

The Notes will be issued pursuant to that certain indenture, dated on or before the Settlement Date, between ENA Norte Trust and the Indenture Trustee, as amended from time to time in accordance with its terms (the "Indenture"). ENA Norte Trust will pledge the Assigned Rights and the Share Collateral to the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture. The effectiveness of the pledge of the Assigned Rights and the Share Collateral under the Indenture will commence on the Closing Date.



Trust Agreement

Pursuant to that certain trust agreement, dated on or before the Settlement Date, among ENA, ENA Norte and the Trustee, as may be amended from time to time in accordance with the terms of the Finance Documents (the "*Trust Agreement*"), ENA Norte Trust will be formed under Panamanian law in order for ENA Norte Trust to receive the Assigned Rights and the Share Collateral from ENA Norte and ENA, so as to enable ENA Norte Trust to create a security interest over the Assigned Rights and the Share Collateral for the benefit of the Indenture Trustee for the benefit of the Secured Parties.

The Trust Agreement will set forth that ENA Norte Trust shall not be terminated or dissolved until all obligations of ENA Norte Trust, ENA and ENA Norte under the Transaction Documents and any other Transaction Obligations are paid.

Assignment Agreement

Pursuant to that certain assignment agreement, dated on or before the Settlement Date, among ENA, ENA Norte and ENA Norte Trust, as amended from time to time in accordance with the terms of the Finance Documents (the "*Assignment Agreement*"), ENA and ENA Norte will assign to ENA Norte Trust all of their rights, title, interests and benefits under the Assigned Rights, then existing or thereafter created through and including the date on which all amounts payable under the Transaction Documents by ENA, ENA Norte and/or ENA Norte Trust have been paid in full (whether as a result of the payment of the Repurchase Price or otherwise) (the "*Assignment Termination Date*"). The effectiveness of the assignment under the Assignment Agreement will commence on the Closing Date with respect to rights of ENA Norte derived from the Concession Agreement, and on the Settlement Date with respect to rights of ENA in the Share Trust and the Guarantee Trust.

Each of ENA and ENA Norte will take all further actions as may be required from time to time to perfect ENA Norte Trust's and the Indenture Trustee's interest in the Assigned Rights.

Share Transfer Instrument

Pursuant to that certain share transfer instrument, dated on or before the Settlement Date, between ENA and ENA Norte Trust, as amended from time to time in accordance with the terms of the Finance Documents (the "*Share Transfer Instrument*"), (i) ENA will transfer to ENA Norte Trust all of its right, title, interest and benefits in the Share Collateral, then existing or thereafter created through and including the date on which all amounts payable under the Transaction Documents by ENA, ENA Norte and/or ENA Norte Trust have been paid in full (whether as a result of the payment of the Repurchase Price or otherwise), and (ii) ENA Norte Trust will provide ENA with a proxy to vote the Share Collateral on matters other than those described under the heading "ENA Norte Trust Action Requirements" until notified in writing of the occurrence of an Event of Default by ENA Norte Trust or the Indenture Trustee.

Servicing Agreement

Pursuant to that certain servicing agreement, dated on or before the Settlement Date, among the Servicer (at Closing, ENA, or any replacement servicer thereto, if not ENA), ENA Norte, ENA Norte Trust, and the Indenture Trustee, as may be amended from time to time in accordance with the terms of the Finance Documents (the "*Servicing Agreement*"), ENA is empowered to act on behalf of ENA Norte with respect to certain of the rights of ENA Norte under the Transaction Documents.

Within ten Business Days after the end of each Reporting Period, the Servicer will deliver (or cause to be delivered) to ENA Norte Trust, the Indenture Trustee (for delivery to each Noteholder) and the Rating Agencies, a "Servicing Report" that (*inter alia*) identifies for such Reporting Period:

- (a) the amount of Concession Collections received during such Reporting Period;
- (b) if such Reporting Period is a Quarterly Reporting Period, (i) the Debt Service Coverage Ratio with respect to such Quarterly Reporting Period and the prior three Quarterly Reporting Periods and supporting calculations, including, without limitation, revenue and expense breakdowns, (ii) the Forward-Looking Debt Service Coverage Ratio with respect to each subsequent Quarterly Reporting Period, through the Quarterly Reporting Period in which the Legal Final Payment Date occurs, the minimum value of such Forward-Looking Debt Service Coverage Ratios, and supporting calculations, including, without limitation, revenue projection breakdowns, (iii) traffic statistics for such Reporting Period, (iv) the balances in each of the Transaction Accounts as of the end of such Reporting Period, and (v) whether any Event of Default has occurred during such Reporting Period;
- (c) a detailed set of information as set forth in the Servicing Report which is necessary for, and relevant to, the distributions under the priorities of the Concentration Account Waterfall on the related Scheduled Payment Date or Early Amortization Payment Date, that is capable of determination as of the date of preparation of such Quarterly Report or Monthly Report;
- (d) complete information as to the distributions made for the prior Transfer Date, specifying each payment made under the priorities of the Concentration Account Waterfall;
- (e) a detailed statement in connection with all transaction expenses (including those incurred by the Indenture Trustee and ENA Norte Trust) with respect to the previous Quarterly Reporting Period;
- (f) a forecast, based on reasonably detailed calculations made on the basis of the forecasts (for any periods where actual data is not then available) included in the most recently-delivered Independent Traffic Report, showing whether the *Monto Total Recuperable* under the Concession Agreement will be achieved during the succeeding five-year period and, if not, what amount of the portion of the *Monto Total Recuperable* will be achieved during such five-year period; or whether any such forecast shall show that ENA Norte shall achieve a return of capital and profit equal to 90% or more of the *Monto Total Recuperable* under the Concession Agreement during such period;
- (g) if ENA intends to reduce the Toll Rates starting the immediately following Reporting Period, a certification stating that the amount by which the Toll Rates are reduced allows the Notes to be repaid by the Payment Date that is one year prior to the Legal Final Payment Date, and supporting

calculations; and

- (h) such other quarterly or monthly information as may be reasonably and practically capable of preparation following a reasonable request in writing by the Indenture Trustee, the Independent Engineer or ENA Norte Trust.

These reports are in a form previously agreed upon by the Servicer and the Indenture Trustee.

Support Agreement

Each of ENA and ENA Norte has entered into a support agreement, dated on or before the Settlement Date (as amended from time to time in accordance with the terms of the Finance Documents, the "*Support Agreement*"), with ENA Norte Trust and the Indenture Trustee pursuant to which, each of ENA and ENA Norte shall provide certain representations, warranties and covenants to the Indenture Trustee, and ENA Norte Trust for the benefit of the Secured Parties.

Majority Controlling Party

The Majority Controlling Party may direct the Indenture Trustee to enforce rights under, or grant waivers or consent to amendments of, the provisions of the related Transaction Documents and the Notes (other than certain fundamental provisions affecting any Notes).

"*Majority Controlling Party*" shall mean, as of any date of determination, the Voting Parties that act in concert as to the issue in question and which hold as of such date of determination in the aggregate more than 60% of the Principal Balance of the Voting Obligations on such date.

Governing Law

The Notes, the Indenture, the Support Agreement and the Servicing Agreement will be governed by, and construed in accordance with, the laws of the State of New York. The Trust Agreement, the Assignment Agreement, the Share Transfer Instrument, the Concession Agreement, the Operations and Maintenance Agreement, and any other documents relating to the assignment and transfer of Collateral located in Panama will be governed by, and construed in accordance with, the laws of the Republic of Panama.

Consent to Jurisdiction

ENA, ENA Norte and ENA Norte Trust will each consent to the jurisdiction of the U.S. District Court for the Southern District of New York and any New York State court, sitting in the County of New York, and will agree that all disputes under the Transaction Documents may be submitted to the jurisdiction of such courts.

IV. ALLOCATION OF COLLECTIONS AND PAYMENTS

Transaction Accounts

"*Transaction Accounts*" shall mean, collectively, the Panamanian Concentration Account, the Concentration Account, the Primary Payment Account, the Operating Account, the Major Maintenance Reserve Account, the Excess Cash Flow Account, the Debt Service Reserve Account, the CapEx Reserve Account, and the Insurance Account.

All Transaction Accounts maintained in the U.S. shall be Eligible Accounts. Funds in Eligible Accounts may only be invested in Eligible Investments.

Panamanian Concentration Account

On or prior to the Settlement Date, ENA Norte Trust will establish and maintain a Dollar denominated segregated trust account held at HSBC Bank (Panama) S.A. in the name of the Trustee for the benefit of the Indenture

Trustee for the benefit of the Secured Parties (the "*Panamanian Concentration Account*").

Pursuant to the Concession Agreement and the Operations and Maintenance Agreement, the Operator shall deposit the Tolls (a) daily in the case of cash Collections, and (b) if otherwise (including upon the advent of any electronic Collections), within no more than five Business Days following receipt and identification of payments with respect to the Toll Road, in the Panamanian Concentration Account. In addition, within five Business Days of receipt, the Operator shall deposit any other amounts received directly by it in respect of Assigned Rights into the Panamanian Concentration Account.

ENA Norte Trust shall cause to be deposited any amounts which are received from ENA or ENA Norte with respect to the Assigned Rights into the Panamanian Concentration Account and shall apply such amounts in accordance with the terms of the Indenture and the other Finance Documents.

From time to time, in accordance with the Transaction Documents, the Indenture Trustee, by written instruction, may direct ENA Norte Trust to make payments from amounts on deposit in the Panamanian Concentration Account as directed in such written instructions.

Concentration Account

On or prior to the Settlement Date, the Indenture Trustee will establish and maintain a Dollar denominated, segregated Eligible Account in the name of the Indenture Trustee for the benefit of the Secured Parties (the "*Concentration Account*"). At the close of business on each Calculation Date, ENA Norte Trust shall transfer all funds in the Panamanian Concentration Account by wire transfer to the Concentration Account. Such amounts shall be deemed to be on deposit in the Concentration Account as of the close of business on such Calculation Date.

The payment priorities, timing, and mechanics set forth hereunder in items (a) through (f) are the "*Concentration Account Waterfall*." Funds on deposit in the Concentration Account will be transferred by the Indenture Trustee in accordance with the transfer instructions set forth in the Servicing Report, subject to the availability of funds, on the Transfer Date to satisfy the following payments in the priorities and amounts set forth below:

- (a) *first*, to transfer to the Operating Account, an amount equal to the Operating Account Transfer Amount for such Transfer Date;
- (b) *second*, to transfer to the Primary Payment Account, an amount equal to the Primary Payment Account Transfer Amount for such Transfer Date;
- (c) *third*, to transfer to the Debt Service Reserve Account, an amount equal to the Debt Service Reserve Account Transfer Amount for such Transfer Date;
- (d) *fourth*, to transfer to the Major Maintenance Reserve Account, an amount equal to the Major Maintenance Reserve Account Transfer Amount for such Transfer Date;
- (e) *fifth*, to transfer to the CapEx Reserve Account, an amount equal to the

CapEx Reserve Account Transfer Amount for such Transfer Date; and

- (f) *sixth*, to transfer all remaining funds in the Concentration Account to the Excess Cash Flow Account.

To the extent that any Transfer Amount for such Transfer Date is a negative number, the related transfer described in the Concentration Account Waterfall shall instead require a transfer of such Transfer Amount from the related Transaction Account to the Concentration Account.

If at the close of business on any Calculation Date related to a Transfer Date, the Required Transfer Amount for such Transfer Date shall exceed the Concentration Account Balance at such time, the Indenture Trustee shall, as instructed in the Servicing Report, to the extent of such shortfall, draw from amounts on deposit in the Excess Cash Flow Account, to the extent available, to satisfy such shortfall, shall transfer such amounts to the Concentration Account and shall adjust all calculations and allocations with respect to such Transfer Date to reflect the application of the transferred amounts. If immediately thereafter, the Primary Payment Account Transfer Amount for such Transfer Date shall exceed the amount to be allocated to the Primary Payment Account on such Transfer Date, the Indenture Trustee, as instructed in the Servicing Report, to the extent of such shortfall, shall draw from amounts on deposit in the Debt Service Reserve Account to satisfy such shortfall and shall transfer such amounts to the Primary Payment Account and shall adjust the related calculations with respect to such Transfer Date to reflect the application of the transferred amounts.

If a balance remains in the Concentration Account after all the Notes have been paid in full and all other obligations under the Indenture have been discharged (including Transaction Obligations), then such balance will become immediately payable to ENA upon written request therefor delivered to the Indenture Trustee.

**Operating
Account**

On or prior to the Settlement Date, the Indenture Trustee will establish and maintain a Dollar denominated, segregated Eligible Account in the name of the Indenture Trustee for the benefit of the Secured Parties (the "*Operating Account*") to hold funds which will be employed to support and pay for any Operations and Maintenance Expenses. The Operating Account shall receive deposits from time to time as required pursuant to the Concentration Account Waterfall.

The balance requirements of the Operating Account as of any Transfer Date shall be in compliance with the Operating Account Required Amount.

The Indenture Trustee shall cause funds in the Operating Account to be disbursed at any time to pay in the following priorities and amounts (in accordance with the Servicing Report):

- (a) *first, pro rata*, (i) the fees, expenses and indemnities of the Indenture Trustee and the fees, expenses and indemnities of the Trustee (including fees and expenses of the Independent Engineer, the Independent Traffic Consultant, SCM, PSE, LatinClear, any Qualified LC Bank and the Rating Agencies) as of the next Scheduled Payment Date, (ii) if ENA is

not the Servicer, the fees of the replacement Servicer, as directed in writing by such replacement Servicer for the month in which such Transfer Date occurs, and (iii) insurance coverage expenses with respect to the Toll Road as reasonably requested by the Servicer in writing for the month following the month in which such Transfer Date occurs; and

- (b) *second*, upon the written instruction of the Servicer, *pro rata*, amounts for (i) the Monthly Operator Fees which are then due and as yet unpaid as of the month of such disbursement for the month following the month in which such Transfer Date occurs, and (ii) 100% of Panamanian income taxes related to the Concession, ENA Norte Trust and ENA Norte and any and all required taxes of general application which are payable with respect to the Concession, ENA Norte Trust and ENA Norte and any and all required taxes of general application which are payable with respect to the Concession then payable estimated by the Servicer to be payable during the month following the month in which such Transfer Date occurs.

Upon an Optional Redemption, the balance of funds in the Operating Account may, upon the written request of ENA Norte Trust, be applied to make payment of the Repurchase Price if the Notes will be fully retired following such payment.

On any Transfer Date, any funds on deposit in the Operating Account in excess of the Operating Account Required Amount for such Transfer Date will be transferred to the Concentration Account for allocation in accordance with the Concentration Account Waterfall for such Transfer Date as instructed in the Servicing Report.

If a balance remains in the Operating Account after all of the Notes have been paid in full and all other obligations under the Indenture have been discharged, then such balance will become immediately payable to ENA upon written request therefor delivered to the Indenture Trustee.

Primary Payment Account

On or prior to the Settlement Date, the Indenture Trustee shall establish, or cause to be established, and thereafter maintain a Dollar denominated, segregated Eligible Account in the name of the Indenture Trustee for the benefit of the Secured Parties to hold amounts which will be employed to fund payments on the Notes as described in the Primary Payment Account Waterfall from time to time (the "*Primary Payment Account*").

On each Payment Date, funds on deposit in the Primary Payment Account as of the close of business on the related Determination Date will be paid on such Payment Date, subject to the availability of funds, to satisfy the following payments in the priorities and amounts set forth below (in accordance with the instruction in the Servicing Report) (the "*Primary Payment Account Waterfall*"):

- (a) *first*, to pay, *pro rata*, to the Noteholders, an aggregate amount equal to the sum of the (i) the sum of the Interest Amounts for the Notes as of such Payment Date and (ii) the Additional Amounts, if any, which may be incurred

with respect to the Notes as of such Payment Date; and

- (b) *second*, if an Early Amortization Period remains in effect as of the related Early Amortization Payment Date, or if such Payment Date is a Redemption Date, then to pay, *pro rata*, to the Noteholders, an aggregate amount up to the then outstanding Principal Balance for such Notes as of such Payment Date.

Debt Service Reserve Account

Prior to the Settlement Date, the Indenture Trustee will establish and maintain a Dollar denominated, segregated Eligible Account as a debt service reserve account in the name of the Indenture Trustee for the benefit of the Secured Parties (the "*Debt Service Reserve Account*"). The Debt Service Reserve Account will be funded on the Settlement Date from the proceeds of the issuance of the Notes in an amount in cash equal to U.S.\$

The required level of funding of the Debt Service Reserve Account on any Transfer Date shall be the Debt Service Reserve Account Required Amount.

At the election of ENA, as an alternative to maintaining all or a portion of the amounts in the Debt Service Reserve Account, in whole or in part, ENA Norte Trust (acting on the written instructions of ENA) shall replace amounts in the Debt Service Reserve Account with an unconditional, irrevocable standby letter of credit with The Bank of New York Mellon as Indenture Trustee as named beneficiary (each, a "*Reserve LC*") from a Qualified LC Bank, *provided* that the Reserve LC and the remaining cash deposits provide the same coverage amounts as the Debt Service Reserve Account would otherwise require. Amounts on deposit in the Debt Service Reserve Account may be used to reimburse draws upon a related Reserve LC to the extent such reimbursement restores dollar for dollar the ability of the Indenture Trustee to draw upon such Reserve LC for such purposes in the future.

If the financial institution issuing or confirming a Reserve LC ceases to be a Qualified LC Bank, then ENA Norte Trust (acting on the written instructions of ENA) shall use its reasonable efforts to promptly (and in any event within 30 days of the date that ENA notified the Indenture Trustee in writing that such financial institution ceased to be a Qualified LC Bank) substitute such institution with a Qualified LC Bank together with the corresponding Reserve LC. If ENA Norte Trust (acting on the written instructions of ENA) fails to substitute such institution and Reserve LC within such 30-day period with a Qualified LC Bank and a corresponding Reserve LC, then the Indenture Trustee shall draw the full amount of such Reserve LC and deposit such amount in the related Debt Service Reserve Account.

If, as of the close of business for the Indenture Trustee on any Determination Date preceding any Payment Date, there are insufficient funds on deposit in the Primary Payment Account to make any of the following payments due on or before the next Payment Date, amounts on deposit in the Debt Service Reserve Account or available for drawing under a Reserve LC, to the extent of the Debt Service Reserve Account Balance, shall be used by the Indenture Trustee to make payments in the following order of priority (in accordance with the Servicing Report): (i) *first*, any Interest Amount owed in respect of the Notes, (ii) *second*, any Additional Amounts owed in respect to the Notes, (iii) *third*, if an Early Amortization Period is in effect, the Principal Balance of the Notes, and (iv) *fourth*, payment of the Repurchase Price upon an Optional

Redemption.

As of any Transfer Date, any amount by which the balance in a Debt Service Reserve Account exceeds the Debt Service Reserve Account Required Amount in respect of such Transfer Date will be transferred to the Concentration Account for application in accordance with the Concentration Account Waterfall.

If a balance remains in the Debt Service Reserve Account after all of the Notes have been paid in full and all obligations under the Indenture have been discharged, then such balance will become immediately payable to ENA upon written request therefor delivered to the Indenture Trustee.

**Major
Maintenance
Reserve Account**

On or prior to the Settlement Date, the Indenture Trustee will establish and maintain a Dollar denominated, segregated Eligible Account in the name of the Indenture Trustee for the benefit of the Secured Parties (the "*Major Maintenance Reserve Account*") to hold amounts which will be employed to fund Major Maintenance Expenses from time to time. The Major Maintenance Reserve Account will be funded on the Settlement Date from the proceeds of the issuance of the Notes in an amount equal to U.S.\$1,250,000.

The balance requirements in respect of any Transfer Date for the Major Maintenance Reserve Account shall be in compliance with the Major Maintenance Reserve Account Required Amount.

On each Transfer Date, so long as the Indenture Trustee has not received notice of acceleration of the maturity of the Notes as the result of a declaration of an Event of Default, the Indenture Trustee shall disburse funds in the Major Maintenance Reserve Account upon the written instructions of the Servicer in the following order of priority:

- (a) *first*, to the Operating Account, to the extent such account would not otherwise be fully funded to meet disbursements due the following month; and
- (b) *second*, to (i) the Servicer and/or Concessionaire, as requested by the Servicer in writing, for expenditures during the calendar year (and not previously spent in that year) for major maintenance work to be performed on Corredor Norte in accordance with the Major Maintenance Budget; (ii) the Servicer and/or Concessionaire in the event that the Servicer and the Independent Engineer certify in writing to the Indenture Trustee that emergency expenditures are required to mitigate or remediate a major maintenance emergency on Corredor Norte; or (iii) the Servicer and/or Concessionaire in the event that the Servicer and an authorized representative of ENA Norte (who has furnished to the Indenture Trustee an appropriate incumbency certificate) certify in writing to the Indenture Trustee that emergency expenditures are required to mitigate or remediate a major maintenance emergency on Corredor Norte and the amount in question is less than U.S.\$100,000.

Upon an Optional Redemption, the balance of funds in the Major Maintenance Reserve Account may, upon the written request of ENA Norte Trust, be applied to make payment of the Repurchase Price if the Notes will be fully retired following such payment.

If, on any Business Day, there are insufficient funds available in the Major Maintenance Reserve Account to pay current necessary Major Maintenance Expenses and priorities *first* through *third* of the Concentration Account Waterfall for the next Transfer Date have been fully funded (as certified by the Servicer in writing), (i) the Servicer may request an advance of funds from amounts available in the Concentration Account by written notice to the Indenture Trustee for such expenses not to exceed in the aggregate the amount to be deposited in the Major Maintenance Reserve Account for the next Transfer Date, (ii) upon the Indenture Trustee's receipt of written instructions from the Servicer of such advance, the Indenture Trustee shall withdraw such funds from the Concentration Account and pay the advance to the Servicer, and (iii) any advance of funds shall reduce the Major Maintenance Reserve Account Required Amount and hence, the amount needed to be deposited to the Major Maintenance Reserve Account for the next Transfer Date by the amount of such advance.

On any Transfer Date, any funds on deposit in the Major Maintenance Reserve Account in excess of the Major Maintenance Reserve Account Required Amount for such Transfer Date will be transferred to the Concentration Account for allocation in accordance with the Concentration Account Waterfall for such Transfer Date.

If a balance remains in the Major Maintenance Reserve Account after all of the Notes have been paid in full and all other obligations under the Indenture have been discharged, then such balance will become immediately payable to ENA upon written request therefor delivered to the Indenture Trustee.

Amounts in the Major Maintenance Reserve Account shall not be used with respect to certain repairs to be made to Corredor Norte pursuant to the Share Purchase Agreement and the Guarantee Trust for which amounts have been provisioned under a separate account thereunder.

**CapEx Reserve
Account**

On or prior to the Settlement Date, the Indenture Trustee, will establish and maintain a Dollar denominated, segregated Eligible Account in the name of the Indenture Trustee for the benefit of the Secured Parties (the "*CapEx Reserve Account*") to hold funds which will be employed to support and pay for CapEx Expenses. The CapEx Reserve Account shall receive deposits from time to time as required pursuant to the Concentration Account Waterfall.

The balance requirements of the CapEx Account as of any Transfer Date shall equal the CapEx Reserve Account Required Amount.

The Indenture Trustee shall cause funds in the CapEx Reserve Account to be disbursed at any time, subject to an aggregate limitation of U.S.\$1,500,000 in any two consecutive calendar years, to pay, upon the written instruction of the Servicer together with a written certification that the aggregate limitation of U.S.\$1,500,000 described above has not been reached, amounts for CapEx Expenses payable to the Servicer and/or Concessionaire.

Upon any Optional Redemption, the balance of funds in the CapEx Reserve Account may, upon the written request of ENA Norte Trust, be applied to pay the Repurchase Price if the Notes will be fully retired following such

redemption.

On any Transfer Date, any funds on deposit in the CapEx Reserve Account in excess of the CapEx Reserve Account Required Amount for such Transfer Date will be transferred to the Concentration Account for allocation in accordance with the Concentration Account Waterfall for such Transfer Date.

If a balance remains in the CapEx Reserve Account after all of the Notes have been paid in full and all other obligations under the Indenture have been discharged, then such balance will become immediately payable to ENA upon written request therefor delivered to the Indenture Trustee.

Excess Cash Flow Account

On or prior to the Settlement Date, the Indenture Trustee will establish and maintain a Dollar denominated, segregated Eligible Account in the name of the Indenture Trustee for the benefit of the Secured Parties to hold amounts of excess cash flow which will be employed to pay down the Notes and to fund other expenses as provided under the Indenture from time to time (the "*Excess Cash Flow Account*").

On each Payment Date, in accordance with the instructions from the Servicer in the Servicing Report, funds on deposit in the Excess Cash Flow Account as of the related Determination Date will be paid on such Payment Date, subject to the availability of funds, to satisfy the following payments in the priorities and amounts set forth below in accordance with transfer instructions in the Servicing Report (the "*Excess Cash Flow Waterfall*"):

- (a) *first*, the fees of the Servicer, if ENA is the Servicer;
- (b) *second*, to pay, *pro rata*, to the Noteholders, an aggregate amount up to the Principal Balance of the Notes (after giving effect to payments made on such Payment Date pursuant to priority (b) of the Primary Payment Account Waterfall for such Payment Date);
- (c) *third*, to pay any due and unpaid Transaction Obligations; and
- (d) *fourth*, any remaining amounts on deposit in the Excess Cash Flow Account shall be transferred to the Concentration Account.

Upon an Optional Redemption or the declaration of an Event of Default, the balance of funds in the Excess Cash Flow Account will be applied to make payment of the Repurchase Price upon the written request of ENA if the Notes will be fully retired following such payment and the Repurchase Price will be fully paid.

Insurance Account

On or prior to the Settlement Date, the Indenture Trustee will establish and maintain a Dollar denominated, segregated Eligible Account in the name of the Indenture Trustee for the benefit of the Secured Parties to hold amounts which are paid under insurance policies in respect of the Toll Road from time to time (the "*Insurance Account*").

The Indenture Trustee and/or ENA Norte Trust will deposit or cause to be deposited into the Concentration Account all proceeds from any business interruption insurance relating to the Toll Road or ENA Norte Trust that

2

comprises a part of the Assigned Rights; the Indenture Trustee and/or ENA Norte Trust will deposit or cause to be deposited into the Insurance Account all proceeds from any other insurance that comprises part of the Assigned Rights. So long as no Early Amortization Period remains in effect and the amount of funds required to repair major property damage to Corredor Norte or pay any other claim or liability arising in respect of Corredor Norte does not exceed U.S.\$5,000,000, the Indenture Trustee shall disburse funds in the Insurance Account upon the written instructions of the Servicer delivered within 45 days of the receipt of such proceeds to cover any indemnification, repair or other payment in respect of the major property damage or liability events insured. In the event that the required expenditures to repair such damage or pay such other claim or liability will exceed U.S.\$5,000,000 but will not exceed U.S.\$15,000,000, the Indenture Trustee will cause funds in the Insurance Account to be disbursed at the Servicer's written instructions (which shall be accompanied by a certification by the Independent Engineer in respect of repairs of property damage as to the appropriate intended amount and usage of such proceeds) delivered within 45 days of the receipt of such proceeds to cover any indemnification, repair or other payment in respect of the major property damage or liability events insured. In the event that the required expenditures to repair such damage or pay such other claim or liability events will exceed U.S.\$15,000,000, the Indenture Trustee shall cause funds in the Insurance Account to be disbursed only for the foregoing purposes upon the written instructions of the Majority Controlling Party delivered within 90 days of the receipt of such insurance proceeds.

Upon (a) an Optional Redemption, (b) the commencement of an Early Amortization Period, or (c) the inability or failure to use insurance proceeds as described in the foregoing paragraph, the balance of funds in the Insurance Account will be applied to make payment of the Repurchase Price upon the written request of ENA if the Notes will be fully retired following such payment.

If a balance remains in the Insurance Account after all of the Notes have been paid in full and all other obligations under the Indenture have been discharged, then such balance will become immediately payable to ENA upon written request therefor delivered to the Indenture Trustee.

V. EVENTS OF DEFAULT

Events of Default

Each of the following will be designated as "*Events of Default*" for the Notes:

- (a) the failure to pay any Interest Amounts on the Notes or Additional Amounts, if any, when the same becomes due and payable and such failure shall have continued for a period of 5 days;
- (b) the failure to pay the principal on the Notes, when such principal becomes due and payable, on the Legal Final Payment Date, upon redemption or otherwise;
- (c) a breach or default shall have occurred in the performance of any obligation of ENA Norte Trust under the Indenture (other than pursuant to clauses (a) or (b) above), or in the performance of any obligation by any of ENA Norte Trust, ENA, ENA Norte, the Servicer or the Operator under

any Transaction Document, or any other agreement to which ENA Norte Trust is a party in connection with the Toll Road, and (i) with respect to the following covenant: "suffer at any time that ENA Norte Trust causes, or consents to, a Prohibited Toll Rate Reduction (unless acting at the written direction of the Indenture Trustee acting at the direction of the Majority Controlling Party)," as set forth herein under the heading "Negative Covenants of ENA Norte Trust," any such default or breach (A) with respect to the first such occurrence, shall have continued for a period of 10 days after notice thereof shall have been given to ENA Norte Trust by the Indenture Trustee, and (B) with respect to any subsequent occurrence, shall have occurred, and (ii) if otherwise, any such default or breach shall have continued for a period of 30 days after written notice thereof shall have been given to ENA Norte Trust by the Indenture Trustee;

- (d) any representation or warranty confirmed or made in connection with the execution and delivery of the Indenture or any other Transaction Document by any of ENA Norte Trust, ENA or ENA Norte shall be found to have been incorrect in any material respect;
- (e) any Governmental Authority shall have condemned, nationalized, confiscated, seized, or otherwise expropriated all or any substantial part of the property or other assets of any of ENA Norte Trust, ENA or ENA Norte (other than the Excluded Rights) or the Toll Road, or shall have taken any action for the dissolution or liquidation of ENA Norte Trust, ENA or ENA Norte or any action that would prevent ENA Norte Trust, ENA or ENA Norte or their respective officers from carrying on its business or operations (other than business or operations solely related to the Excluded Rights) or a substantial part thereof; except to the extent that such action from a Governmental Authority has been effectively stayed within 30 days from the date of such Governmental Authority action;
- (f) there shall have been entered against any of ENA Norte Trust, ENA or ENA Norte a decree or order by a court adjudging any of ENA Norte Trust, ENA or ENA Norte, as applicable, bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of ENA Norte Trust, ENA or ENA Norte, as the case may be, under any Applicable Law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of ENA Norte Trust, ENA or ENA Norte, as the case may be, or of any substantial part of its property or other assets, or ordering the winding up or liquidation of its affairs; or any petition is filed by any party seeking any of the above and is not dismissed within 30 days;
- (g) any of ENA Norte Trust, ENA or ENA Norte shall have requested a moratorium or suspension of payment of debts from any court, or instituted proceedings or taken action to be liquidated or adjudicated bankrupt or insolvent, or consented to the institution of bankruptcy or insolvency proceedings against it, or filed a petition or answer or consent seeking a composition with its creditors or reorganization or relief under any Applicable Law, or consented to the filing of any such petition or to

the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of any of ENA Norte Trust, ENA or ENA Norte, as the case may be, or of any substantial part of its respective property or other assets, or made an assignment for the benefit of creditors, or admitted in writing its inability to pay its debts generally as they become due; or any other event shall have occurred which under any Applicable Law would have an effect analogous to any of those events listed in this clause (g);

- (h) any license, approval or consent necessary for the carrying out of the business of the Toll Road and any business and operations of ENA Norte Trust, ENA or ENA Norte related thereto (other than such business or operations related solely to the Excluded Rights) or for the performance by any of ENA Norte Trust, ENA, ENA Norte, the Servicer or the Operator of its obligations under the Indenture or under any other Transaction Document or for the performance by any party of its obligations under any Transaction Document is not obtained when required or otherwise ceases to be in full force and effect, and such license approval or consent is not restored within 60 days after the Indenture Trustee shall have given notice thereof to ENA Norte Trust, except where the failure to obtain, or maintain in full force and effect, such license, approval or consent could not, alone or in the aggregate, have a Material Adverse Effect;
- (i) any authorization necessary for any of ENA Norte Trust, ENA and ENA Norte to perform and observe its obligations under any Transaction Document is not obtained when required or is rescinded, terminated, lapses or otherwise ceases to be in full force and effect, and such authorization is not restored or reinstated within 45 days of notice by the Indenture Trustee to ENA Norte Trust requiring such restoration or reinstatement except where the failure to obtain such authorization or where such rescission, termination, lapse of or cessation of such authorization could not, alone or in the aggregate, have a Material Adverse Effect;
- (j) any provision of the Indenture or any other Transaction Document (other than any Transaction Document evidencing a lien or any component part thereof) is or becomes invalid, illegal or unenforceable, and such provision has not been replaced by alternative provisions reasonably satisfactory to the Indenture Trustee within (or otherwise if such default continues for) a period of 30 days after the Indenture Trustee shall have given notice thereof to ENA Norte Trust except for such provision the invalidity, illegality or unenforceability of which could not, alone or in the aggregate, have a Material Adverse Effect;
- (k) the perfection or maintenance of any security interest in the Collateral for the benefit of the Secured Parties or any component thereof shall for any reason cease to be in full force and effect or otherwise lose its priority;
- (l) either (i) the Concession and Maintenance Agreements are suspended, revoked, terminated or materially amended or cease to be in full force and effect, (ii) the transfer of the Concession or the Concession Agreement to ENA Norte has been declared invalid or has been voided, or has reverted

to the transferor thereof or (iii) any of ENA Norte Trust, ENA or ENA Norte receives notice from MOP, or any other applicable Governmental Authority of Panama, of any event that could reasonably be expected to result in the suspension, revocation, termination, a material amendment to, or the cessation of the Concession and Maintenance Agreements except to the extent that notice of such suspension, revocation, termination, material amendment or cessation to the Concession and Maintenance Agreements has been revoked, terminated, cured or reverted within 30 days from the date of such action;

- (m) failure to promptly (and in any event, within five (5) Business Days from receipt thereof) notify the Indenture Trustee in the event that any of ENA Norte Trust, ENA or ENA Norte receives a notification from MOP of material noncompliance with the terms of either of the Concession and Maintenance Agreements, or other action that, under the terms of either of the Concession and Maintenance Agreements, would, if left unresolved, result in termination of such agreement;
- (n) ENA and ENA Norte shall fail to replace the Operator following a default under the Operations and Maintenance Agreement that is not cured within the time period specified therein;
- (o) failure of the Debt Service Reserve Account, on each of six consecutive Transfer Dates, to contain an amount equal to the Debt Service Reserve Account Required Amount;
- (p) there is entered into against any of ENA Norte Trust, ENA or ENA Norte (1) a final, non-appealable judgment or order for the payment of money in an aggregate amount exceeding U.S.\$10,000,000 (or the equivalent in another currency) in the case of ENA or ENA Norte or U.S.\$10,000 (or the equivalent in other currency) in the case of ENA Norte Trust (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage or other moneys held in trust for such purposes under the Share Purchase Agreement or otherwise), or (2) one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;
- (q) ENA Norte Trust shall be or become subject to regulation as an "investment company" under the Investment Company Act;
- (r) a currency transfer moratorium shall have been declared in Panama or any other action by the Republic of Panama shall have occurred, in each case preventing any of ENA, ENA Norte or ENA Norte Trust from performing its obligations under any Transaction Document (including affecting the sale of the Assigned Rights, or transfer of funds to the Indenture Trustee) in any manner that would reasonably be expected to have a Material Adverse Effect;

- (s) ENA Norte Trust shall fail to have a valid security or ownership interest under all Applicable Laws in all or any portion of the Assigned Rights, subject only to the lien of the Indenture Trustee and liens for taxes, assessments and other governmental charges payable by ENA Norte Trust and not yet due and payable, which remains uncured for 30 days or more;
- (t) either of ENA or ENA Norte shall purport to sell, assign, convey or otherwise dispose of or grant a lien on all or any portion of the Assigned Rights or other Collateral to any person other than ENA Norte Trust;
- (u) any Independent Traffic Report is not prepared or delivered as required under the Support Agreement and such failure has continued for more than 30 days;
- (v) the partial or total destruction of Corredor Norte which significantly affects or impairs the ability of ENA Norte Trust to fulfill its obligations under the Transaction Documents;
- (w) (i) if, at any time, ENA shall own less than a majority interest in the shares of ENA Norte or (ii) if at any time the ownership of fifty per cent or greater of the shares of either of ENA or ENA Norte is held by entities other than by those controlled by the Republic of Panama;
- (x) any Independent Engineer Report is not prepared or delivered as required under the Support Agreement and such failure has continued for more than 30 days; or
- (y) the Indenture Trustee has not received an opinion of Panamanian counsel declaring that the Conditions Precedent have been satisfied on or prior to the third Business Day immediately following the Settlement Date.

Early Amortization Period

Upon the occurrence of an Event of Default with respect to the Notes, the Majority Controlling Party for the Notes, by notice then given in writing to ENA Norte Trust, the Servicer and the Indenture Trustee, may declare that an Early Amortization Period has commenced; *provided*, that an Early Amortization Period will automatically commence (i) if any Event of Default arises due to an Event of Default described in clause (f) of the definition thereof, or (ii) when a Monto Total Recuperable Trigger exists.

“*Early Amortization Period*” shall mean the period beginning on the day on which the Early Amortization Period is declared to have commenced by the Majority Controlling Party for the Notes by notice then given in writing to ENA Norte Trust, the Servicer and the Indenture Trustee or automatically commences and is continuing through and including the earlier of:

- (a) the date on which all principal of and interest on the Notes, and all other amounts (including any Additional Amounts) due under the Transaction Documents, have been paid in full; or
- (b) the date on which such Early Amortization Period has been terminated by the Majority Controlling Party for the Notes by notice then given in writing to ENA Norte Trust, the Servicer and the Indenture Trustee.

Event of Default

An Event of Default will be declared (A) automatically in the case of an Event of

Declaration

Default under clause (f) of the definition thereof or (B) if otherwise, upon the Indenture Trustee being directed by the Majority Controlling Party to so declare an Event of Default.

Upon the declaration of any Event of Default, the Indenture Trustee (if so instructed by the Majority Controlling Party), by notice then given in writing to ENA Norte Trust, the Servicer, each Rating Agency and ENA, will declare the Principal Balance of the Notes immediately due and payable.

If an Event of Default is declared, then the Indenture Trustee shall promptly exercise its rights under the Indenture to control ENA Norte through the shares pledged thereunder.

VI. LEGAL INVESTMENT AND TAX MATTERS**Registration and Offering**

The Notes have not been and will not be registered under the Securities Act or the other securities laws of any jurisdiction other than Panama. It is expected that the Notes will be registered for public offering in Panama with SCM. Further, it is expected that the Notes will be listed on the PSE. The Notes (and beneficial interests therein) will be offered: (a) in the U.S. to QIBs that are QPs in reliance upon Rule 144A under the Securities Act, and (b) outside the U.S. to non-U.S. persons in reliance upon Regulation S.

Form and Delivery

The Notes will be represented by one or more Global Notes in fully registered form without coupons. The Notes offered and sold to QIBs that are QPs under Rule 144A will be represented by "*Rule 144A Global Notes*." Notes offered and sold in offshore transactions in reliance upon Regulation S to persons that are non-U.S. persons will be represented by "*Regulation S Global Notes*" (together with Rule 144A Global Notes, the "*Global Notes*"). Each of the Global Notes will initially be registered in the name of a nominee of DTC and held by the Indenture Trustee on behalf of such nominee. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, the book entry records maintained by DTC and its direct and indirect participants (including Euroclear, Clearstream and LatinClear). The Notes (and beneficial interests therein) will be subject to certain restrictions on transfer.

Benefit Plan Considerations

Each purchaser or holder of the Notes or any interest therein will be deemed to have represented and agreed by its purchase and holding thereof that (a) either (1) it is not, and is not acting on behalf of, (A) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*") subject to Title I of ERISA, (B) a plan, account and other arrangement subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "*Code*"), including an individual retirement account and a "Keogh plan," or (C) an entity whose underlying assets are considered to include plan assets of such plans, accounts and arrangements, (each of (A), (B) and (C) a "*Benefit Plan*") or a governmental, church or non-U.S. plan that is subject to federal, state, local, non-U.S. or other laws or regulations that contain provisions that are similar to the fiduciary responsibility and prohibited transaction provisions of ERISA or Section 4975 of the Code ("*Similar Laws*"), and no part of the assets to be used by it to purchase or hold such Notes or any interest therein constitute the assets of any Benefit Plan or such a governmental, church or non-U.S. plan, or (2) its purchase, holding and disposition of such Notes does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of

ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, a violation of Similar Laws); and (b) it will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to represent and agree with respect to its purchase, holding and disposition of such Notes to the same effect as the purchaser's representation and agreement set forth in this sentence. See "*Certain Benefit Plan Considerations*."

Panamanian Tax Treatment

Interest payable on the Notes will be exempt from income tax or withholding requirements in Panama, provided that the Notes are registered with the SCM and are initially placed on the PSE for exchange or through an organized market. A filing has been made to register the Notes with the SCM and to list the Notes on the PSE. Accordingly, interest payments made on the Notes will be exempt from income tax or withholding requirements in Panama; provided, however, that there can be no assurance that these tax benefits will not be changed or revoked by the Government in the future. Should the Notes not be initially placed on the PSE, interest payments will be subject to income taxes at the regularly applicable rates, which would have to be withheld by ENA Norte Trust.

Taxation of Interest

Interest payable on the Notes will be exempt from income tax or withholding requirements in Panama, provided that the Notes are registered with the SCM and are initially placed on the PSE for exchange or through an organized market. A filing has been made to register the Notes with the SCM and to list the Notes on the PSE. Accordingly, interest payments made on the Notes will be exempt from income tax or withholding requirements in Panama; provided, however, that there can be no assurance that these tax benefits will not be changed or revoked by the Government in the future. Should the Notes not be initially placed on the PSE, interest payments will be subject to a 5% income tax, which would have to be withheld by ENA Norte Trust.

Taxation of Dispositions

Upon registration of the Notes with the SCM, any capital gains realized by a Noteholder on the sale or other disposition of Notes will be exempt from income tax in Panama, provided that the sale or disposition of the Notes is made through an exchange or other organized market in Panama or outside of Panama. A filing has been made to register the Notes with the SCM and to list the Notes on the PSE. Thus, any gains realized on the sale of the Notes through this exchange will be exempt from income tax in Panama. In addition, the Office of the General Revenue Director (Dirección General de Ingresos) has held in a non-binding opinion that any capital gains realized by a Noteholder who is not resident in Panama on the sale or other disposition of Notes that is executed and effected outside of Panama, subject to the laws of a jurisdiction other than Panama and for which payment is made outside of Panama, by a purchaser who is not resident in Panama, will not be deemed Panama source income and therefore will not be subject to income tax on capital gains in Panama. Losses recognized on the sale or disposition of Notes will likewise be disallowed as a deduction for income tax purposes in Panama.

Stamp and Other Taxes

Upon registration of the Notes with the SCM, the Notes will not be subject to stamp, registration or similar taxes. There are no sales, transfer or inheritance taxes applicable to the sale or disposition of the Notes.

Foreign Investors

A person domiciled outside of Panama is not required to file a tax return in Panama, solely by reason of his or her investment in the Notes if gains realized on the sale and disposition of the Notes are exempt from income tax as indicated above.

VII. CERTAIN DEFINITIONS

“*Affiliate*” shall mean, with respect to any specified person, any other person controlling or controlled by or under common control with such specified person. For the purposes of this definition, “*control*” when used with respect to any specified person shall mean the right or power to direct or cause the direction of the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “*controlling*” and “*controlled*” shall have meanings correlative to the foregoing. For the purposes of this definition, “*person*” shall mean any individual, corporation, company, partnership, joint venture, trust, estate, unincorporated association, Governmental Authority or other entity of whatever nature.

“*Applicable Law*” shall mean as to any Person: (a) the certificate of incorporation, charter, by-laws, memorandum of association, articles of association or other organizational or governing documents of such Person and (b) any law, executive order, decree, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person and/or any of its Property or to which such Person and/or any of its Property is subject.

“*Asset Purchase Agreement*” shall mean that certain *Contrato de Compraventa de Activos* dated September 25, 2012 among ENA Norte, ENA and MMG Trust, S.A., as trustee of the Share Trust.

“*Autopista Norte*” shall mean Autopista Norte, S.A., a corporation formed under the laws of the Republic of Panama.

“*Business Day*” shall mean a day other than a Saturday, Sunday or other day on which banking institutions in New York, New York or Panama City, Panama, are permitted or required by Applicable Law to remain closed.

“*Calculation Date*” shall mean, with respect to any Transfer Date, the Business Day, which is two Business Days prior to such Transfer Date.

“*CapEx Expenses*” shall mean any costs, expenses and other charges incurred in connection with, or arising out of further capital construction relating to the Toll Road including, without limitation, engineering, surveying and planning services, concrete, aggregate, asphaltic, and structural steel materials and necessary labor, equipment, fuel and supplies to effect excavation, site preparation, grading, road and interchange construction, fabrication and surfacing and the installation of traffic control, communication and lighting systems, and/or the improvement or replacement of the toll collection system.

“*CapEx Reserve Account Balance*” shall mean, as of any date of determination, the amount of funds on deposit in the CapEx Reserve Account or held for investment with respect to the CapEx Reserve Account as of such date of determination.

“*CapEx Reserve Account Required Amount*” shall mean, as of any Transfer Date, U.S.\$1,500,000.

“*CapEx Reserve Account Transfer Amount*” shall mean, as of any Transfer Date, the difference, if any, of (i) the CapEx Reserve Account Required Amount for such Transfer Date, over (ii) the CapEx Reserve Account Balance as of the close of business on the Calculation Date related to such Transfer Date; *provided* that the CapEx Reserve Account Transfer Amount shall not exceed U.S.\$200,000 on any Transfer Date related to a Scheduled Payment Date except for the first Payment Date occurring in January 2013.

“*Capitalization Agreement*” shall mean that certain *Acuerdo de Capitalización* dated April 3, 2012, among the Former Concessionaire, Autopista Norte, Inglewood and ENA.

“*Capitalized Interest*” shall mean, with respect to any period of determination, the sum of (a) the Current Capitalized Interest for the Notes and such period of determination, and (b) the Overdue Capitalized Interest for the Notes as of the end of such period of determination.

“*Clearing Systems*” shall mean DTC, Euroclear, Clearstream and LatinClear.

“*Closing*” shall mean the satisfaction of all Conditions Precedent on the Closing Date.

“*Collections*” shall mean, with respect to any period of time, all income, revenue, receipts, collections and proceeds of the foregoing received with respect to the Collateral during such period of time (excluding amounts payable to the Insurance Account).

“*Comparable Treasury Issue*” shall mean the U.S. Treasury security selected by the Independent Investment Banker that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities having a maturity date closest to the remaining term of the Notes until the Legal Final Payment Date.

“*Comparable Treasury Price*” shall mean, with respect to any Redemption Date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding that Redemption Date, as set forth in the daily statistical release designated H.15 (519) (or any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Notes” or (ii) if any such release (or any successor release) is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (B) if the Independent Investment Banker for the Notes obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“*Concentration Account Balance*” shall mean, at any date of determination, the amount of funds on deposit in the Concentration Account or held for investment with respect to the Concentration Account as of such date of determination.

“*Concession*” shall mean the administrative concession from the Republic of Panama for the operation, conservation, maintenance, administration, financing and exploitation of Corredor Norte. “*Concession*” as used herein shall mean only the Concession as it relates to Corredor Norte, as defined herein.

"*Concession Agreement*" shall mean that certain Concession Agreement No. 98 dated December 29, 1994, among MOP (acting on behalf of the Republic of Panama) and the Former Concessionaire, to construct, manage and operate Corredor Norte, as amended, modified or waived from time to time. Phase IIB and Autopista Madden-Colón (except for the Panama-Madden Segment thereof) are not included in the term "*Concession Agreement*" as used herein.

"*Concession and Maintenance Agreements*" shall mean the Concession Agreement together with the Operations and Maintenance Agreement.

"*Concession Collections*" shall mean, with respect to any period of time, the Collections received with respect to the Assigned Rights during such period of time.

"*Concessionaire*" shall mean ENA Norte, together with its successors and permitted assignees, acting as the concessionaire for the Concession.

"*Conditions Precedent*" shall mean, (i) the deposit of the proceeds of the offering of the Notes minus fees payable to the Joint Lead Managers and other fees and expenses related to the Issuance of the Notes with the Share Trust, (ii) the adoption of the resolution of the Share Trust approving the dissolution of Autopista Norte, (iii) the publication of the Notice of Dissolution in a newspaper of general circulation in the Republic of Panama, (iv) the registration of the deed of dissolution of Autopista Norte before the Public Registry in Panama, (v) the execution of an addendum No. 8 to the Concession Agreement acknowledging the transfer of the Concession to ENA Norte by all parties thereof, including the Office of the Comptroller General of the Republic of Panama, and (vi) the delivery by the trustee of the Share Trust, as transferor, to ENA Norte of all other documents necessary to complete and perfect the transfer of the assets sold pursuant to the Asset Purchase Agreement.

"*Corredor Norte*" shall mean the concrete-paved highway extending from Albrook to Brisas del Golf (Phase I and Phase IIA) and the Panama-Madden Segment of the Panama-Colon highway.

"*Current Capitalized Interest*" shall mean, with respect to the Notes and any period of determination, the product of (i) the sum of (A) the Interest Rate for the Notes and (B) 2.0% per annum, (ii) the sum of (A) the Overdue Interest for the Notes as of the related date of determination and (B) the Overdue Capitalized Interest for the Notes as of the related date of determination and (iii) the number of days in the related Interest Period (computed on the basis of a 360-day year consisting of twelve 30-day months) divided by 360.

"*Current Interest Due*" shall mean, with respect to any period of determination, the product of (i) the Interest Rate for the Notes, (ii) the current Principal Balance of the Notes outstanding as of the preceding Payment Date (after giving effect to all distributions on such preceding date) (or, in the case of the first Payment Date, after the issuance of the Notes, the Initial Principal Balance of the Notes) and (iii) the number of days in the related Interest Period (computed on the basis of a 360-day year consisting of twelve 30-day months) divided by 360.

"*Debt Service Coverage Ratio*" shall mean, on any date of determination, the ratio obtained by dividing (A) the excess, if any, of (i) the amount of Collections deposited into the Panamanian Concentration Account and the Concentration Account (without duplication) (other than from the funds of ENA or its Affiliates, directly or indirectly) during the past Quarterly Reporting Period immediately preceding (or ending on) such date over (ii) amounts paid during such period in respect of priority (a) of the Concentration Account Waterfall by (B) the Quarterly Debt Service to be paid on the next Scheduled Payment Date after such date of determination.

"*Debt Service Reserve Account Balance*" shall mean, as of any date of determination, the sum of (i) the amount of funds on deposit in the Debt Service Reserve Account or held for investment with respect to the Debt Service

Reserve Account as of such date of determination and (ii) the amount which may be drawn upon under a related Reserve LC as of such date of determination, which was used to replace amounts in the Debt Service Reserve Account.

"Debt Service Reserve Account Required Amount" shall mean an amount equal to the Interest Amount for the Notes on each Payment Date which occurs on or before the next two Scheduled Payment Dates (assuming that any Overdue Interest with respect to the Notes is fully paid on the first such Payment Date and that the Principal Balance of the Notes shall be the then current Principal Balance except as reduced for payments of Principal Amounts on applicable Payment Dates, if any); *provided* that, with respect to the first Payment Date occurring on January 2013 the Debt Service Reserve Account Required Amount shall be subject to a maximum amount of U.S.\$

"Debt Service Reserve Account Transfer Amount" shall mean, as of any Transfer Date, the excess, if any, of (i) the Debt Service Reserve Account Required Amount for such Transfer Date, over (ii) the Debt Service Reserve Account Balance as of the Calculation Date related to such Transfer Date.

"Determination Date" shall mean, with respect to any Payment Date, the Business Day which is two Business Days prior to such Payment Date.

"Dollar" or *"U.S.\$"* shall mean the lawful currency of the U.S.

"DTC" shall mean The Depository Trust Company.

"Eligible Account" shall mean a segregated trust account that is either held at the Indenture Trustee or: (a) maintained with a depository institution or trust company (or branch thereof) (including the Indenture Trustee and its Affiliates) located in the U.S. whose long-term unsecured and uncredit-enhanced senior debt obligations are rated at least "A" by S&P, "A" by Fitch and "A2" by Moody's, in the event that each such rating agency is then a Rating Agency; *provided* that (i) if such institution is not rated by Fitch, then S&P and Moody's ratings only shall suffice and (ii) in no event shall fewer than two of the foregoing ratings be required or (b) maintained with a U.S. federally or state chartered depository institution subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. § 9.10(b).

"Eligible Investments" shall mean any investment in either: (i) direct obligations of, or fully guaranteed by, the full faith and credit of the U.S. government, (ii) demand and time deposits in, certificates of deposit of, bankers' acceptances issued by or money market funds or interest bearing accounts with any commercial bank or other financial institution (including the Indenture Trustee, the Trustee and their Affiliates, acting in their respective commercial capacities and, in the case of money market funds, including any such fund for which the Indenture Trustee, the Trustee or an Affiliate thereof acts as the sponsor, distributor, investment manager, administrator, servicing agent, custodian or subcustodian or advisor (notwithstanding that (A) the Indenture Trustee, the Trustee or an Affiliate charges and collects fees and expenses from such funds for services rendered, *provided* that such charges, fees and expenses are on terms consistent with terms negotiated at arm's-length and (B) the Indenture Trustee and the Trustee may charge and collect fees and expenses for services rendered pursuant to the Indenture, in each case having an unsecured foreign currency rating of at least "A-1" by S&P, "F-1" by Fitch and "P-1" by Moody's or, with respect to money market funds, which funds must have the highest rating available thereto from S&P, Fitch and Moody's, (iii) repurchase obligations with respect to any obligation described in clause (i) or in which the repurchase obligation counterparty is a commercial bank or other financial institution meeting the requirements set forth in clause (ii), or (iv) commercial paper rated at least "A-1" by S&P, "F-1" by Fitch (and if not rated by both S&P and Fitch, by one of them at such level and "P-1" by Moody's); *provided* that:

- (1) each Eligible Investment must be: (x) evidenced by negotiable certificates or instruments or issued in the name of the Indenture Trustee or the Trustee, as applicable, or its nominee or (y) in book-entry form in the name of the Indenture Trustee or the Trustee, as applicable;
- (2) each Eligible Investment must mature not later than the New York Business Day before the earlier of (i) the day such Eligible Investment may need to be drawn upon and (ii) the next Payment Date, except overnight deposits (which may mature or be available on such Payment Date);
- (3) the person or account holding such Eligible Investment pursuant to the Transaction Documents must not, at the date of such investment, be subject to withholding taxes on such Eligible Investment imposed by the U.S., any political subdivision thereof or any other jurisdiction; and
- (4) (i) in the event that each rating agency is then a Rating Agency, then all three ratings shall be required unless such investment is not rated by Fitch, in which case S&P and Moody's ratings shall suffice and (ii) in no event shall fewer than two of the foregoing ratings be required.

"*ENA*" shall mean Empresa Nacional de Autopista, S.A., a corporation formed under the laws of the Republic of Panama, and any successor thereto.

"*ENA Norte*" shall mean ENA Norte, S.A., a corporation formed under the laws of the Republic of Panama, and any successor thereto, which is a wholly owned subsidiary of ENA.

"*ENA Sur*" shall mean ENA Sur, S.A., a corporation formed under the laws of the Republic of Panama, and any successor thereto, which is a wholly owned subsidiary of ENA.

"*Environmental Laws*" shall mean any and all applicable statutes, ordinances, orders, rules, regulations, judgments, Governmental Approvals, or any other requirements of Governmental Authorities relating to (a) environmental matters, including those relating to any Hazardous Materials Activity; (b) the generation, use, storage, transportation or disposal of Hazardous Materials; or (c) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to any of ENA Norte Trust, ENA, ENA Norte or the Toll Road.

"*Expense Budget*" shall mean such biennial budget, covering at least the next two years, prepared by, or at the direction of, the Servicer, which includes and estimates the income, costs and expenses associated with or related to the Concession.

"*Financial Reporting Date*" shall mean, in any year, any of April 30, May 31, August 31 and November 30 of such year.

"*Fitch*" shall mean Fitch, Inc.

"*Former Concessionaire*" shall mean PYCSA Panama, S.A., the initial concessionaire of the Concession.

"*Forward-Looking Debt Service Coverage Ratio*" shall mean, with respect to any Quarterly Reporting Period and any date of determination, the ratio obtained by dividing (a) the average of the amounts equal to clause (A) of the definition of the Debt Service Coverage Ratios for the four Quarterly Reporting Periods immediately preceding (or ending on) such date of determination, by (b) the Quarterly Debt Service to be paid on the related Scheduled Payment Date. For the avoidance of doubt, the calculation of the Forward-Looking Debt Service Coverage Ratio shall include calculations for all future Quarterly Reporting Periods.

"*Governmental Approval*" shall mean (a) any authorization, consent, approval, license, lease, ruling, permit, tariff, rate, certification, exemption, filing, variance, claim, order, judgment, decree or publication of, by or with, (b) to the extent required by a Governmental Authority, any notice to, (c) any declaration of or (d) any registration by or with, any Governmental Authority, in each case relating to (i) the due execution and delivery of, and the performance by each party of, any Transaction Document or its obligations and the exercise of its rights under, each Transaction Document to which it is (or is intended to be) a party, (ii) the Grant by ENA or ENA Norte of the liens created pursuant to the Transaction Documents to which ENA or ENA Norte is a party, the validity, enforceability and perfection of such liens and the exercise by the Indenture Trustee of its rights and remedies under such Transaction Documents or (iii) the operation of the Toll Road as contemplated by the Transaction Documents.

"*Governmental Authority*" shall mean any nation or government (including Panama and the U.S.), any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any multilateral or supranational entity.

"*Grant*" shall mean to grant, bargain, sell, warrant, alienate, remise, demise, release, convey, assign, transfer, mortgage, pledge, create and grant a security interest in and right of setoff against an asset of the granting party. A Grant of Collateral shall include all rights, powers and options (but none of the obligations) of ENA Norte Trust thereunder, including the immediate continuing right to claim for, collect, receive and receipt for principal and interest payments in respect of the Collateral and all other monies payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring proceedings in the name of ENA Norte Trust or otherwise and generally to do and receive anything that ENA Norte Trust is or may be entitled to do or receive thereunder or with respect thereto.

"*Guarantee Trust*" shall mean that certain *Contrato de Fideicomiso de Garantía* dated June 1, 2012 among the Former Concessionaire, ENA and MMG Trust, S.A. as trustee.

"*Hazardous Materials*" shall mean (i) any petroleum or petroleum products, flammable materials, explosives, radioactive materials, friable asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls (PCBs) and, to the extent regulated by Environmental Laws, noise and odors, (ii) any chemicals, other materials, substances or wastes which are now or hereafter become defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants," "pollutants" or words of similar import under any Environmental Law and (iii) any other chemical, material, substance or waste which is now or hereafter regulated under or with respect to which liability or standards of conduct are imposed under any Environmental Law.

"*Indenture*" shall mean that certain indenture, dated on or before the Settlement Date, between ENA Norte Trust and the Indenture Trustee, as amended and/or supplemented from time to time in accordance with its terms.

"*Independent Engineer*" shall mean Omniconsult, S.A.; *provided* that, if the Independent Engineer ceases to act as the Independent Engineer for any reason, the Servicer will appoint, as soon as practicable, another internationally recognized and active, highly qualified and experienced independent engineering firm, acceptable to the Indenture Trustee acting at the direction of the Majority Controlling Party, and thereafter such firm or any successor to such firm shall be the Independent Engineer.

"*Independent Engineering Report*" shall mean that certain engineering report prepared prior to the Closing Date and at two year intervals thereafter by the Independent Engineer which contains a review and assessment of the actual and forecasted physical condition of Corredor Norte and which sets forth, based upon the professional judgment of the Independent Engineer, the required levels of major maintenance and related expenses which are

to be required for Corredor Norte during the period specified in such report. The Independent Engineering Report shall include (x) a forecast of required repair and maintenance expenses (and other amounts required to fund the Major Maintenance Reserve Account) through the remaining life of the Concession and (y) an evaluation of the performance of the Operator under the Operations and Maintenance Agreement. Copies of the Independent Engineering Reports shall be provided by the Independent Engineer to each of the Indenture Trustee, ENA Norte Trust, ENA, ENA Norte and each Rating Agency. If the Independent Engineering Report determines that repair and maintenance work on Corredor Norte, in addition to such work as shall have been theretofore scheduled, needs to be completed, the Major Maintenance Reserve Account Required Amount will be increased to take into account the projected expense associated with such work.

“*Independent Investment Banker*” shall mean one of the Reference Treasury Dealers appointed by ENA to act as the “Independent Investment Banker.”

“*Independent Traffic Consultant*” shall mean Halcrow Group Limited; *provided* that, if the Independent Traffic Consultant ceases to act as the Independent Traffic Consultant for any reason, the Servicer will appoint, as soon as practicable, another internationally recognized and active, highly qualified and experienced independent traffic consulting firm, acceptable to the Indenture Trustee acting at the direction of the Majority Controlling Party, and thereafter such firm or any successor such firm shall be the Independent Traffic Consultant.

“*Independent Traffic Report*” shall mean that certain traffic report prepared prior to the Closing Date and at three year intervals thereafter by the Independent Traffic Consultant which contains a review and assessment of the actual and projected levels of traffic and revenue of Corredor Norte during the period specified in such report. The Independent Traffic Report shall include a forecast of traffic levels on Corredor Norte through the remaining life of the Concession and revenues of Corredor Norte through the remaining life of the Concession. Copies of the Independent Traffic Report shall be provided by the Independent Traffic Consultant to each of the Indenture Trustee, ENA Norte Trust, ENA, ENA Norte and each Rating Agency. The Independent Traffic Report shall also provide, from and after the date of the first Independent Traffic Report, the forecast of revenues for the calculation of the Debt Service Coverage Ratio for any calculation thereof that requires a forecast.

“*Inglewood*” shall mean Inglewood Financial, Inc., a corporation formed under the laws of the British Virgin Islands.

“*Initial Principal Balance*” shall mean U.S.\$600,000,000.

“*Interest Period*” shall mean (a) initially, the period from and including the Settlement Date to but excluding the first Payment Date thereafter and (b) thereafter, the period from and including the day immediately following the end of the preceding Interest Period to, but excluding, the following Payment Date.

“*Investment Company Act*” shall mean the the U.S. Investment Company Act of 1940, as amended.

“*Investor*” shall mean each Noteholder and each Noteowner.

“*Joint Lead Managers*” shall mean HSBC Securities (USA) Inc. and Global Bank Corporation, and their respective successors.

“*Major Maintenance Budget*” shall mean a biennial budget, covering at least the next two years, prepared by, or at the direction of, the Servicer, based upon the budgetary and major maintenance recommendations set forth in the most recent Independent Engineering Report, which provides an itemization of the monthly levels of planned major maintenance expenses for the following two calendar years submitted no later than September 30 of each

year to the Indenture Trustee, ENA Norte Trust and each Rating Agency, which will set forth the budgeted major maintenance expenditures for at least the next two calendar years.

"Major Maintenance Expenses" shall mean major maintenance expenditures with respect to the Toll Road.

"Major Maintenance Reserve Account Balance" shall mean, as of any date of determination, the amount of funds on deposit in the Major Maintenance Reserve Account or held for investment with respect to the Major Maintenance Reserve Account as of such date of determination.

"Major Maintenance Reserve Account Required Amount" shall mean, with respect to any Transfer Date, the sum of the amounts set forth in the Major Maintenance Budget for each of the months which occurs in the four calendar quarters which follow such Transfer Date.

"Major Maintenance Reserve Account Transfer Amount" shall mean, as of any Transfer Date, the difference, if any, of (i) the Major Maintenance Reserve Account Required Amount for such Transfer Date, over (ii) the Major Maintenance Reserve Account Balance as of the close of business on the Calculation Date related to such Transfer Date.

"Material Adverse Effect" shall mean a material adverse effect on (a) the properties, business, prospects, operations, earnings, assets, liabilities or condition (financial or otherwise) of ENA Norte Trust, (b) the ability of ENA Norte Trust to perform its obligations in all material respects under any Transaction Document, (c) the enforceability of the Transaction Documents or the attachment, perfection or priority of any of the liens or security interests intended to be created thereby, (d) the ability of either of ENA or ENA Norte (either individually or as the Servicer) to perform its obligations under the Transaction Documents to which it is a party, (e) the consummation of the transactions contemplated by the Transaction Documents, including (i) on the validity or enforceability against either of ENA (either individually or as the Servicer) or ENA Norte of any of the Finance Documents to which it is a party or (ii) with respect to the valid assignment of the Assigned Rights to ENA Norte Trust, (f) the validity or enforceability against ENA Norte Trust of any of the Transaction Documents to which it is a party; or (g) the Collateral (including, without limitation, the validity, enforceability and ranking of any security interest).

"Monthly Operator Fee" shall mean, with respect to any calendar month, commencing with the month of the Closing Date and concluding with the month in which all obligations under the Indenture are discharged, an amount equal to the fee payable to the Operator for such month with respect to operations and minor maintenance, including, without limitation, any amount payable as an annual bonus or to meet any guaranteed profitability level under the terms of the Operations and Maintenance Agreement.

"Monthly Report" shall mean a Servicing Report delivered with respect to a Monthly Reporting Period.

"Monthly Reporting Period" shall mean (a) the period commencing on the Settlement Date and ending on October 31, 2012 and (b) each calendar month thereafter.

"Monto Total Recuperable Trigger" shall be in effect as of any Financial Reporting Date in any year, commencing with November 30, 2012, if as of such Financial Reporting Date (a) the forecast set forth under clause (f) of the definition of Servicing Report shows that ENA Norte will achieve a return of capital and profit equal to 90% or more of the *Monto Total Recuperable* under the Concession Agreement during such period, or (b) the Servicer shall have failed to provide such a forecast as described in clause (f) of the definition of Servicing Report.

"Moody's" shall mean Moody's Investors Service, Inc.

“MOP” shall mean the Ministry of Public Works (*Ministerio de Obras Públicas*) of the Republic of Panama and any successor thereto.

“Noteholder” shall mean a registered holder of any Note.

“Noteowner” shall mean a beneficial owner of any Note.

“Notice of Dissolution” shall mean a notice made in compliance with Panamanian law and accompanying the resolution of the Share Trust, as the sole shareholder of Autopista Norte, approving the dissolution of Autopista Norte.

“Operating Account Balance” shall mean, as of any date of determination, the amount of funds on deposit in the Operating Account or held for investment with respect to the Operating Account as of such date of determination.

“Operating Account Required Amount” shall mean, with respect to any Transfer Date, the sum of (i) the amount of the fees, expenses and indemnities of the Indenture Trustee and ENA Norte Trust as of the next Scheduled Payment Date (including, without limitation, the fees and expenses of the Independent Engineer, the Independent Traffic Consultant, SCM, PSE, LatinClear, any Qualified LC Bank and the Rating Agencies); (ii) if ENA is no longer the Servicer, the fees of the replacement Servicer for the month following the month in which such Transfer Date occurs; (iii) insurance coverage expenses with respect to the Toll Road as reasonably requested by the Servicer in writing for the month following the month in which such Transfer Date occurs, (iv) the Monthly Operator Fee for the month following the month in which such Transfer Date occurs; and (v) 100% of the amount of the Panamanian income taxes, relating to the Concession, ENA Norte Trust and ENA Norte and any and all required taxes, in each case arising under laws of general application which are payable with respect to the Concession estimated by the Servicer to be payable during the month following the month in which such Transfer Date occurs.

“Operating Account Transfer Amount” shall mean, as of any Transfer Date, the difference, if any, of (i) the Operating Account Required Amount for such Transfer Date, over (ii) the Operating Account Balance as of the close of business on the Calculation Date related to such Transfer Date.

“Operations and Maintenance Agreement” shall mean that certain operations and maintenance agreement, in effect as of the Closing Date, as amended from time to time, between ENA Norte and the Operator which provides for the operation and maintenance of Corredor Norte by the Operator.

“Operations and Maintenance Expenses” shall mean, with respect to any calendar month, for any costs, expenses and other charges incurred in connection with, or arising out of, the operations and maintenance of the Toll Road, including, without limitation, the service and maintenance of the Toll Road, including any fees or expenses incurred by the Indenture Trustee and the Trustee, taxes, labor, equipment, material, fuel, insurance and resources to maintain and service the Toll Road and their auxiliary services and facilities and the electric power to illuminate and operate the traffic control and communication systems of the Toll Road paid, incurred or budgeted with respect to such calendar month.

“Overdue Capitalized Interest” shall mean, with respect to the Notes and any date of determination, the sum of the amounts of Current Capitalized Interest for the Notes on all prior Payment Dates which were not previously distributed on any prior Payment Date or Redemption Date in respect of the Notes.

“*Overdue Interest*” shall mean, with respect to the Notes and any date of determination, the sum of the Current Interest Due for the Notes on all prior Payment Dates which were not previously distributed on any prior Payment Dates or Redemption Dates in respect of the Notes.

“*Panama-Madden Segment*” shall mean a 14 kilometer dual two-lane highway running in a north west/south east direction, intersecting with Phase I approximately 4 kilometers from its north east end. The Panama-Madden Segment parallels the Panama-Colon highway and represents the first phase of a new highway between Panama City and the city of Colón, which currently extends as far as Quebrada López.

“*Payment Date*” shall mean (i) each Scheduled Payment Date, and (ii) during an Early Amortization Period, each Early Amortization Payment Date.

“*Phase I*” shall mean a 13.2 kilometer, dual two-lane highway running in a northeast/southwest direction between Albrook and the tollway’s interchange with the *Transistmica* highway located to the north of Panama City and its principal highways.

“*Phase IIA*” shall mean the Segment starting at the terminus of Phase I at the *Transistmica* interchange (kilometer 13.2) and extending to Brisas del Golf (approximately kilometer 19.4).

“*Phase IIB*” shall mean the final Segment of approximately 9.8 kilometers of the original design of Corredor Norte, which stretches from Brisas del Golf to Tocumen, which is expected to be completed by January 2014.

“*Primary Payment Account Balance*” shall mean, as of any date of determination, the amount of funds on deposit in the Primary Payment Account or held for investment with respect to the Primary Payment Account as of such date of determination.

“*Primary Payment Account Required Amount*” shall mean, as of any Transfer Date, the sum of (a) the Interest Amount for the Notes on the next Payment Date, (b) the Additional Amounts, if any, which may be incurred and are due to the Noteholders with respect to the Notes on the next Payment Date, and (c) if an Early Amortization Period is in effect, the excess Principal Balance for the Notes as of the close of business on the Calculation Date related to such Transfer Date.

“*Primary Payment Account Transfer Amount*” shall mean, as of any Transfer Date, the difference, if any, of (i) the Primary Payment Account Required Amount for such Transfer Date, over (ii) the Primary Payment Account Balance as of the close of business on the Calculation Date related to such Transfer Date.

“*Principal Balance*” shall mean, with respect to any date of determination, the aggregate outstanding principal balance of the Notes on such date after giving effect to: (a) any payments previously made on or before such date for all or any portion of the principal of the Notes, and (b) the cancellation of all or any portion of the principal of the Notes previously made as a result of ENA Norte Trust’s or ENA’s acquiring any interest therein and electing to have such principal amount cancelled as a result of an Optional Redemption.

“*Purchase Agreement*” shall mean the Purchase Agreement dated September 20, 2012, among ENA Norte Trust, ENA, ENA Norte and the Joint Lead Managers for the initial purchase of the Notes.

“*Qualified Institutional Buyer*” or “*QIB*” shall mean a qualified institutional buyer as defined in Rule 144A of the Securities Act.

“*Qualified LC Bank*” shall mean a bank having a short-term rating of at least “A-1” by S&P, “F-1” by Fitch and “P-1” by Moody’s, in the event that each such rating agency is then a Rating Agency; provided that (i) if such

institution is not rated by Fitch, then S&P's and Moody's ratings only shall suffice and (ii) in no event shall fewer than two of the foregoing ratings be required.

"*Qualified Purchaser*" or "*QP*" shall mean a qualified purchaser within the meaning of the Investment Company Act.

"*Quarterly Debt Service*" shall mean, as of any date of determination, the Interest Amounts to be paid on such Scheduled Payment Date with respect to the Notes.

"*Quarterly Report*" shall mean a Servicing Report delivered with respect to a Quarterly Reporting Period.

"*Quarterly Reporting Period*" shall mean (a) the period commencing on the Settlement Date and ending on December 31, 2012 and (b) each three consecutive calendar months thereafter.

"*Rating Agencies*" shall mean, collectively Fitch, Moody's and S&P, to the extent that any or all of them is currently rating the Notes.

"*Record Date*" shall mean the last New York Business Day in the calendar month preceding the month in which the relevant Payment Date occurs.

"*Redemption Date*" shall mean the date set for an Optional Redemption or a Mandatory Redemption.

"*Redemption Price*" shall mean, as of any date of determination, an amount in Dollars equal to the sum of: (a) the Principal Balance of the Notes to be redeemed, (b) all accrued and unpaid interest on the Notes (if any) on such redeemed principal amount to but excluding the Redemption Date, (c) all unpaid Additional Amounts with respect to the Notes to be redeemed, and (d) only if as a result of an Optional Redemption (but not as a result of an Optional Redemption following a Tax Event), the Make-Whole Premium for the Notes to be redeemed calculated as of the Redemption Date.

"*Reference Treasury Dealer*" shall mean each of (a) HSBC Securities (USA) Inc., or an affiliate which is a primary U.S. government securities dealer, and (b) two other leading primary U.S. government securities dealers in New York City reasonably designated by ENA; provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a "*Primary Treasury Dealer*"), ENA shall substitute therefor another leading primary U.S. government securities dealer that is a *Primary Treasury Dealer*.

"*Reference Treasury Dealer Quotation*" shall mean, with respect to each Reference Treasury Dealer and any Redemption Date, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that Redemption Date.

"*Reporting Period*" shall mean a Monthly Reporting Period or a Quarterly Reporting Period.

"*Repurchase Price*" shall mean the aggregate Redemption Price for the Notes to be redeemed plus all other amounts then due and payable by ENA Norte Trust, ENA Norte or ENA under the Transaction Documents.

"*Required Transfer Amount*" shall mean, with respect to any Transfer Date, the amount equal to the sum of (i) the Operating Account Transfer Amount as of the close of business on the Calculation Date related to such Transfer Date, (ii) the Primary Payment Account Transfer Amount as of the close of business on the Calculation Date related to such Transfer Date, (iii) the Debt Service Reserve Account Transfer Amount as of the close of

business on the Calculation Date related to such Transfer Date, (iv) the Major Maintenance Reserve Account Transfer Amount as of the close of business on the Calculation Date related to such Transfer Date, and (v) the CapEx Reserve Account Transfer Amount as of the close of business on the Calculation Date related to such Transfer Date.

“S&P” shall mean Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc.

“Secured Parties” shall mean the Trustee, the Indenture Trustee and the Noteholders.

“Securities Act” shall mean the U.S. Securities Act of 1933, as amended.

“Segment” shall mean any segment of the Toll Road.

“Settlement Time” shall mean 9:00 a.m. (Eastern time) on the third Business Day after the date of the Terms Agreement.

“Share Collateral” shall mean all of the issued and outstanding shares of ENA Norte and all proceeds thereof.

“Share Purchase Agreement” shall mean the *Contrato de Compraventa de Acciones* dated May 9, 2012, among the Former Concessionaire, Inglewood, ENA, Autopista Norte, and MMG Trust, S.A., as trustee of the Share Trust.

“Share Trust” shall mean the *Fideicomiso de Acciones Autopista Norte (TP 12-202)* created pursuant to the Share Trust Agreement.

“Share Trust Agreement” shall mean the *Contrato de Fideicomiso de Acciones*, dated May 9, 2012, among the Former Concessionaire, Inglewood, ENA, Autopista Norte, and MMG Trust, S.A., as trustee of the Share Trust.

“Terms Agreement” shall mean that certain terms agreement dated September 26, 2012 among the Joint Lead Managers, ENA, ENA Norte and ENA Norte Trust.

“Toll Rates” shall mean, for any Segment of the Toll Road and any Vehicle Class as of any date of determination, the toll rates in effect at each toll plaza for each Vehicle Class as of such date of determination.

“Toll Road” shall mean Corredor Norte.

“Tolls” shall mean the aggregate amount of monies received pursuant to the Concession Agreement by or for the Concessionaire from payment by each user of the Toll Road for use thereof.

“Transaction Obligations” shall mean obligations of ENA Norte Trust, ENA or ENA Norte which arise with respect to the Transaction Documents or in connection with the purchase of Notes in accordance with the terms of the Purchase Agreement.

“Transfer Amount” shall mean, with respect to any Transfer Date, any or all of (i) the Operating Account Transfer Amount for such Transfer Date, (ii) the Primary Payment Account Transfer Amount for such Transfer Date, (iii) the Debt Service Reserve Account Transfer Amount for such Transfer Date, (iv) the Major Maintenance Reserve Account Transfer Amount for such Transfer Date, and (v) the CapEx Reserve Account Transfer Amount for such Transfer Date.

“Transfer Date” shall mean, with respect to any calendar month, the twelfth Business Day following the last Business Day of such calendar month commencing with the calendar month following the month in which the Settlement Date occurs.

“Treasury Rate” shall mean, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding that Redemption Date by an Independent Investment Banker) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

“U.S.” shall mean the United States of America.

“Vehicle Class” refers to the separate categories of vehicles which are identified for the purpose of establishing a Toll Rate paid at each toll plaza for the use of a particular Segment of the Toll Road for such vehicle class and include (i) Vehicle Class A: automobiles, motorcycles and pick-ups; (ii) Vehicle Class B: buses; (iii) Vehicle Class C: trucks; and (iv) Vehicle Class D: trucks with trailers.

“Voting Obligations” shall mean the Notes, other than any Notes (or beneficial interests therein) owned by ENA Norte Trust, ENA Norte or ENA or any of their respective Affiliates.

“Voting Parties” shall mean (a) Noteholders of the Notes, and (b) any entity to whom a Noteholder of the Notes has assigned its voting rights as a Noteholder.

RISK FACTORS

An investment in the Notes involves risks and the following describes some of the significant risks that could affect ENA Norte Trust and the value of the Notes. Investors should carefully consider all of the information in this Offering Memorandum and, in particular, the risks described below before investing in the Notes. Investors should also consider the information provided below in connection with the forward-looking statements in this Offering Memorandum and the notice regarding forward-looking statements appearing earlier in this Offering Memorandum.

Risks Relating to the Toll Road

Concession Collections are dependent to a significant degree on the Toll Road's traffic volumes, which are largely beyond ENA Norte Trust's or the Company's control.

The Company's principal source of revenue (and therefore ENA Norte Trust's, as assignee of the Concession Collections and other Assigned Rights) is the Company's Toll collections from users of the Toll Road. Such revenues will depend on the number of Toll-paying vehicles that travel on the Toll Road and therefore may be adversely affected by decreases in traffic volumes on the Toll Road. Any reduction in the level of traffic on the Toll Road may have an adverse effect on ENA Norte Trust's ability to meet its payment obligations under the Notes and the Concentration Account Waterfall.

Traffic volumes on the Toll Road and, consequently, the Concession Collections, are directly and indirectly affected by a number of factors, including but not limited to:

- the performance of the Panamanian economy and the economic development of Panama City and other adjacent areas that are served by the Toll Road;
- rising fuel prices, which may decrease traffic volumes;
- a decrease in, or the elimination of, toll rates for Corredor Sur and other competing toll roads;
- the cost of purchasing and operating motor vehicles, including financing costs which may decrease traffic volumes;
- serious weather conditions, acts of God or any other *force majeure* event that could impair the safe operation of, restrict traffic access to or prevent use of the Toll Road;
- the quality, convenience and travel time of alternate routes outside the Toll Road;
- traffic on, or the physical condition of, surrounding roads that could hinder access to the Toll Road;
- the availability and relative cost and convenience of alternate means of transportation, including but not limited to development of the Panama City Metro system or other forms of mass transit such as metro buses, private unregulated buses and various types of taxis;
- the need for maintenance and repair of parts or all of the Toll Road, as well as material access roads, which may result in restricted or no access to the Toll Road for material periods of time;
- the overall security of the Toll Road as managed by the local police;

- public or governmental reactions to Toll Rate increases or decreases; and
- seasonal holidays.

The Company believes that growth in traffic volumes on the Toll Road is, among other things, related to the growth of the economy in Panama generally and the traffic corridors surrounding Panama City in particular. In the event of an adverse change in Panama's principal economic indicators, including GDP growth and inflation or the conditions affecting the traffic corridors surrounding Panama City, traffic volume on the Toll Road may decline and projections with respect to such traffic volume in succeeding years may not be met.

Traffic volumes are also influenced by the convenience and extent of the Toll Road's proximity to other parts of the local and national highway and toll road network, as well as the cost, convenience and availability of other means of transportation. There can be no assurance that future changes affecting the road network in Panama, through road additions and closures or through other traffic diversions or redirections, the development and opening to the general public of roads located within private residential areas adjacent to the Toll Road, or the development of other means of transportation such as the Panama City Metro system currently under construction, will not adversely affect traffic volume on the Toll Road.

In the event there is a significant decrease in traffic volume on the Toll Road, there may be a corresponding decrease in Concession Collections which could have a material adverse effect on ENA Norte Trust's ability to meet its payment obligations under the Notes.

Concession Collections may be affected by competing roads and other modes of transportation.

Under the Concession Agreement, the Government agreed not to build, either itself or through a separate concession, roads that would compete with the Toll Road. This prohibition does not apply to existing roads or to Corredor Sur. Notwithstanding this, however, certain other roads and transportation alternatives do in fact compete with the Toll Road, as described further under "*The Toll Road - Competition*" and in "*Annex I - Independent Traffic Consultant's Report*." In addition, the concessionaire of the Corredor Sur concession, ENA Sur, is allowed to decrease toll rates if certain conditions precedent are met under its current financing arrangements, and could eliminate tolls once such financing is paid in full. A decrease of toll rates, or the elimination thereof, in Corredor Sur may affect traffic patterns in Corredor Norte if users base their travel plans on cost. In addition, a major reorganization of Panama City's public transport system has recently commenced. The backbone of this initiative is the Panama City Metro system currently under construction with up to four lines, the first line of which is due to open in 2014. The bus network is being reorganized in advance of the Panama City Metro opening and will feature a cohesive network of planned routes. The planned reorganization will provide viable alternatives to car traffic for commuters. See "*Annex I - Independent Traffic Consultant's Report*" for a study and analysis on the impact of such reorganization on projected Toll volumes. Although no further changes to public transportation infrastructure or major road projects are currently planned that could affect Tolls, there are no assurances that this will not change during the term of the Notes.

The traffic forecasts set out in this Offering Memorandum are subject to uncertainties.

The forecasts of traffic volumes on the Toll Road from 2012 to 2030 as set out in the Independent Traffic Consultant's Report appended to this Offering Memorandum were prepared by the Independent Traffic Consultant. These forecasts were made using the Independent Traffic Consultant's various analytical methodologies and models and include numerous assumptions considered appropriate by the Independent Traffic Consultant. These forecasts are inherently subject to uncertainties and unpredictable factors, including, among others, socio-economic conditions, including most importantly the latest GDP forecasts, expansion plans for Corredor Norte, toll plaza capacity and constraints for the Toll Road, the impact of city network improvements, the impact of the Panama City Metro currently under construction and the impact of different economic growth

scenarios. The forecasts are based on data compiled independently by the Independent Traffic Consultant and data collected by the Company, which may be subject to inaccuracies and inconsistencies. See "*Annex I - Independent Traffic Consultant's Report*." Even if the forecasts' assumptions, methodologies and adjustments used to forecast traffic volumes are accurate, actual traffic volumes, Toll Rate increases or decreases and patterns may differ materially from those expressed or implied therein for a variety of reasons.

The forecasts are included for reference purposes only, and accordingly Investors are cautioned not to place undue reliance on the Independent Traffic Consultant's Report. Under no circumstances should the inclusion of such forecasts in this Offering Memorandum be regarded as a representation or warranty by ENA Norte Trust, the Company, the Joint Lead Managers or any other person with respect to the accuracy of the forecasts or the accuracy of their underlying assumptions, or that the Toll Road will experience the forecasted results. The Independent Traffic Consultant's Report speaks only as of its date, and the occurrence of unanticipated events or any other events since that time which could render the forecasts inaccurate are not reflected in the report.

Traffic growth on the Toll Road may be constrained by capacity at certain areas, and the Concessionaire's planned implementation of more comprehensive electronic Toll collection systems may not be successfully implemented.

The Independent Traffic Consultant's Report concluded that future traffic growth along the Toll Road may be constrained due to physical limitations at certain toll plazas and certain heavily-used sections, particularly during rush hours. As a result of the Concessionaire's limited ability to make future reductions in Toll Rates, given the provisions of the Finance Documents prohibiting the Concessionaire from making Prohibited Toll Rate Reductions, future revenue from Toll collections will be primarily dependent on traffic volume. Any material capacity constraints could negatively affect traffic volume, and therefore revenues from Toll collections. To address these potential capacity constraints, ENA plans to expand and modernize the existing electronic Toll collection systems or implement new systems in the future. Funding for improvements or new systems to the Toll Road is expected to be made from Concession Collections, in accordance with, and subject to the limitations of, the terms of the Notes and the payment priorities set forth therein. Enhancements to other segments that are not part of the Concession will not be made with Concession Collections. However, there can be no assurance that this strategy will be implemented, or be effective if implemented, or that the costs of such strategy may not be greater than anticipated, thereby impairing the Toll Road's ability to maintain adequate traffic volume in order for ENA Norte Trust to meet its payment obligations under the Notes.

Leakage of the Tolls collected on the Toll Road may adversely affect Concession Collections.

Concession Collections are primarily dependent on the integrity of the Company's Toll collection system. The Company currently operates the Toll Road on an "open" Toll collection system with different Toll Rates applicable to certain classes of vehicles. On toll roads which operate on the open toll collection system, each motorist using a particular class of vehicle is charged a flat rate at the point of entry to the toll road regardless of the actual distance travelled. See "*The Toll Road - Corredor Norte - Toll Rates*" for information on the Company's Toll Rate calculations.

Currently, Tolls are collected both manually and via pre-paid proximity cards at 25 toll booths along the Toll Road. Cash collections during the six-month period ended July 31, 2012 accounted for approximately 63% of Tolls paid. During the same period, approximately 37% of Toll Road drivers used pre-paid proximity cards, compared to approximately 34% for 2011. ENA plans to expand and modernize the existing electronic Toll collection systems or implement new systems in the future. Funding for improvements or new systems is expected to be made from Concession Collections, in accordance with, and subject to the limitations of, the

terms of the Notes and the payment priorities set forth therein. See “*The Toll Road - Toll Revenues - Toll Collection.*”

The level of Concession Collections may be reduced by leakage through Toll evasion, fraud or technical faults in the Company’s Toll collection system. If Toll collection is not properly monitored, leakage may reduce the Concession Collections. If the Company fails to control leakage in its Toll collection systems, or if any unforeseen event were to render all or part of the Toll Road or Toll collection computer system non-operational, there could be a material adverse effect on Concession Collections and therefore the ability to meet the payment obligations under the Notes and the Concentration Account Waterfall.

Certain major and minor maintenance works on the Toll Road are currently ongoing, and any failure to complete or implement these works as planned may reduce traffic flows and Concession Collections.

During the several months preceding the offering of the Notes, the Former Concessionaire, in consultation with MOP, has undertaken certain major and minor maintenance works in connection with improving the safety and state of repair of the Toll Road. These works have included, among other things, the repair and optimization of pavement, embankments, shoulders and signage along each Segment of the Toll Road. In addition to major and minor maintenance and repair work, these works have also sought to address areas where the Toll Road has been deemed not to meet the design standards of the American Association of State Highway and Transportation Officials (“AASHTO”). For example, in order to ensure the safety of motorists, certain curves in the Toll Road which are sharper than recommended by AASHTO are being equipped with signage which reduces the maximum speeds at which vehicles may travel on these curves. Although there is no specific timeline for the completion of the maintenance and repair work, it is being funded by specific provisions of the Share Purchase Agreement, and not by Concession Collections. See “*The Toll Road - Amounts Reserved in Guarantee Trust.*” While many of these ongoing maintenance works have been completed, any failure to fully implement them as planned could reduce traffic flows along the Toll Road. Furthermore, reductions in the maximum velocity at which vehicles may travel along certain portions of the Toll Road may also reduce traffic flows. Any material reduction in traffic flows could serve to reduce Concession Collections, thereby affecting ENA Norte Trust’s ability to meet its payment obligations under the Notes.

Risks Relating to the Issuer, the Company and the Operator

Generation of Concession Collections is dependent on the Concessionaire’s and the Operator’s compliance with their obligations under the Concession and Management Agreements (as defined herein) and the Servicing Agreement.

The ability of ENA Norte Trust to receive Concession Collections and cause them to be applied to make payments on the Notes will depend in significant part upon the Company’s and the Operator’s compliance with their obligations under the Concession and Management Agreements and the Servicing Agreement. As ENA Norte Trust is a special purpose trust without employees, it will have to rely on the Company and the Operator for such compliance.

ENA Norte Trust will rely on the Operator for the operations and maintenance of the Toll Road and the collection of Tolls. ENA, as Servicer, will cause the Tolls to be collected and report to ENA Norte Trust at the end of any relevant Monthly Reporting Period or Quarterly Reporting Period the amount of Tolls received during such Reporting Period. ENA Norte, as Concessionaire, has the right to collect and receive Tolls as long as it is in compliance with its obligations set forth under the Concession Agreement. The non-performance by the Company or the Operator of their obligations may interfere with the receipt of Tolls, and/or the reporting of the exact amount ENA Norte Trust is entitled to receive. Such disruptions may cause reductions in the amounts available to make payments on the Notes.

2

In the event of a breach of the Operator's obligations under the Operations and Maintenance Agreement, with the prior written consent of the Indenture Trustee acting at the direction of the Majority Controlling Party, the Concessionaire has the right to remove the Operator and designate a substitute Operator (the "*Substitute Operator*"), and sign a new Operations and Maintenance contract with a different operator with terms substantially similar to the existing Operations and Maintenance Agreement. Likewise, the Indenture Trustee as directed by the Majority Controlling Party may replace ENA as Servicer with a Replacement Servicer in the event the shares assigned to ENA Norte Trust under the Share Transfer Instrument are sold to a third party. There are a limited number of entities eligible to become a successor Operator or Servicer. It may be difficult to find a successor Operator or Servicer in a timely manner or at all. The lack of or delay in appointing a successor Operator or Servicer may cause delays or disruptions in the activities related to the Concession and Management Agreements or the Finance Documents, which delay could adversely affect the Concession Collections and the payment of the Notes.

The Company and the Operator operate in a regulated environment and the performance of their obligations under the Concession Agreement may be affected by the development and application of regulations in Panama, including environmental regulations.

The Company and the Operator operate in a regulated environment, and their operation of the Toll Road is regulated pursuant to applicable environmental, labor, social security, public health, consumer protection, competition, operational and safety regulations. Future regulatory changes may generate incremental costs and requirements, and may adversely affect the Company's and the Operator's operation and management of the Toll Road, the performance of their obligations under the Concession Management Agreements and ultimately Concession Collections. There can be no assurance that the Company and the Operator will be able to obtain or maintain all necessary governmental approvals or business licenses for operation of the Toll Road.

In addition, licenses obtained by the Company and the Operator under applicable Panamanian laws and regulations may be subject to conditions, and continued compliance therewith may be expensive, difficult or impossible. It is possible that governmental authorities could take enforcement action against the Company and the Operator for their failure to comply with such regulations, including the aforementioned conditions. These enforcement actions could result, among other things, in the imposition of fines or the revocation of the Company's concession or the Operator's right or ability to operate the Toll Road.

The Company depends on amounts available to it under the Concentration Account Waterfall for payments of operations and maintenance costs of the Toll Road, and certain of these operations and maintenance costs will have priority of payment over amounts due under the Notes pursuant to the Concentration Account Waterfall.

Under the Concentration Account Waterfall, operations and maintenance costs allocated to the Operating Account will have priority of payment over amounts due under the Notes. Funds allocated to the Operating Account include, among others, those which will be employed to support and pay for any costs, expenses and other charges incurred in connection with, or arising out of the operations and maintenance of the Toll Road, including, without limitation, the service and maintenance of the Toll Road and their auxiliary services and facilities, including labor, equipment, material, fuel and resources to maintain and service the Toll Road and their auxiliary services and facilities and the electric power to illuminate and operate the traffic control and communication systems of the Toll Road and their auxiliary services and facilities. Some of these costs and expenses are uncertain or unpredictable. Any unforeseen or significant increase in these expenses could decrease amounts payable under the Notes pursuant to the Concentration Account Waterfall. See "*Summary of Terms - Allocation of Collections and Payments - Concentration Account*" and "*Summary of Terms - Allocation of Collections and Payments - Operating Account*."

In addition, the operation of the Toll Road could be disrupted by natural disasters, including hurricanes, earthquakes, fires, floods and similar events, which could significantly reduce Concession Collections or

significantly increase the expense of operating the Toll Road. While the Company shall, as of the Closing Date, maintain insurance (to the extent available on commercially reasonable terms) to protect against loss or damage to the Company's assets, such insurance is subject to customary deductible and coverage limits. Accordingly, there can be no assurance that the proceeds of such insurance, together with other available funds, will be sufficient to provide for the repair or replacement of the damaged or destroyed portion of the Toll Road, or that such insurance will remain available on commercially reasonable terms or at all. In general, the Company's net revenue is dependent upon the extent of its operations and maintenance costs, because for so long as the Operations and Maintenance Agreement is in effect the Company is required to pay operations and maintenance costs out of the Concession Collections available to it under the Concentration Account Waterfall. In addition, operational interruptions could adversely affect Concession Collections. There can be no assurance that Concession Collections ultimately paid to the Company through the Concentration Account Waterfall will be sufficient to pay all operations and maintenance costs of the Toll Road payable by the Company. If the Company has insufficient funds to pay such costs, it may fail to perform its obligations under the Concession and Management Agreements and be in default thereunder, which could adversely affect ENA Norte Trust's ability to meet its payment obligations under the Notes and the Concentration Account Waterfall.

Commencing on the Closing Date, the Toll Road will begin to be operated by a new Operator; this change in Operator may cause unforeseen disruptions or inefficiencies in the operation of the Toll Road.

ENA Norte Trust will rely on the Operator for the operations and maintenance of the Toll Road and the collection of Tolls. Since the commencement of Toll Road operations the Toll Road has been continuously operated by Autovías, an affiliate of the Former Concessionaire. Commencing on the Closing Date, the Operator of the Toll Road will be Maxipista, a corporation formed under the laws of the Republic of Panama and an indirect subsidiary of Empresas ICA. See "*The Toll Road - Operation and Maintenance of the Toll Road.*" Maxipista has been the operator of the Corredor Sur toll road in Panama City since September 1999, and its affiliated companies comprise one of the largest toll road operators in Mexico. Maxipista was selected by the Company as the Operator of the Toll Road primarily as a result of this experience, as well as with a view to integrating the operations of the Toll Road with those of Corredor Sur. Notwithstanding this, however, the change from one Operator to another may result in certain unforeseen disruptions or inefficiencies in the operation of the Toll Road, in particular during the period following this transition. Any non-performance by the Operator of its obligations may interfere with the receipt of Tolls. Such disruptions may cause reductions in the amounts available to make payments on the Notes.

ENA Norte may need to seek additional capital in the future.

Ongoing repair and maintenance of the Toll Road and the upgrade of electronic Toll collection systems will require capital investment which may exceed amounts allocated thereto pursuant to the Finance Documents. There can be no assurance that amounts deposited in the Operating Account, Major Maintenance Reserve Account and CapEx Reserve Account will be sufficient to satisfy costs, expenses and other charges incurred in connection with, or arising out of the operations and maintenance of the Toll Road. If ENA Norte's plans or assumptions change, if the assumptions used to prepare the Expense Budget prove to be inaccurate, or if it experiences unanticipated costs or competitive pressures, ENA Norte may be required to seek additional capital. The Transaction Documents restrict the terms upon which ENA Norte may incur additional debt.

Furthermore, ENA has limited capital with which it is able to supply resources to ENA Norte and to fulfill its financial obligations under the Transaction Documents. Substantially all of the assets of ENA consist of its ownership of ENA Sur and its proposed ownership of the Corredor Norte through its ownership of ENA Norte. Substantially all of ENA Sur's assets are assigned or pledged in connection with the financing transaction for the acquisition of ENA Sur. Substantially all of the assets of ENA Norte will be assigned or pledged in connection with the proposed offering of the Notes.

The Former Concessionaire is a party to ongoing litigation.

A civil claim was filed before the Third Circuit Court of the First Circuit of Panama, Civil Branch, by Jorge Miguel Melgarejo Haddad, Juan Arturo Melgarejo Haddad and Javier Eduardo Melgarejo Haddad against the Former Concessionaire, Autovias, Grupo Pycsa, S.A. de C.V. and Pycsa International, Ltd. (the "*Melgarejo Claim*"). The plaintiffs' claims are based, among other things, on allegations that: (a) the sale of Corredor Norte was not duly authorized by the shareholders of PYCSA International, Ltd., and of the Former Concessionaire; (b) the proposed price of for the purchase of Corredor Norte is not adequate; and (c) the shareholders of PYCSA International, Ltd., and of the Former Concessionaire will lose their share of the purchase price once the proceeds are distributed. The relief sought by the plaintiffs is for the court to prevent any transaction between the defendants and the Government of the Republic of Panama involving the sale of Corredor Norte or the shares of the Former Concessionaire. The plaintiffs had initially sought a temporary injunction against any such transaction, which petition has been denied by the court.

Should the plaintiffs' claim be upheld by the court prior to payment of the purchase price under the Stock Purchase Agreement, expected to occur on the Settlement Date, the transfer of the Concession and related assets by the Former Concessionaire to Autopista Norte could be suspended and/or the trustee of the Share Trust could be enjoined from ordering the dissolution of Autopista Norte. As a result, the trustee of the Share Trust would be further enjoined from transferring the Concession and related assets to ENA Norte, which would thereby prevent the Concession from becoming Collateral for the Notes.

Panamanian counsel for the Company and the Joint Lead Managers will opine as of the Settlement Date that the Melgarejo Claim will not affect in any material respect the Assigned Rights under the Assignment Agreement, the transfer of the Share Collateral under the Share Transfer Instrument or any subsequent assignment, transfer or grant of security interest in the Collateral permitted in accordance with the Finance Documents, in favor of the Indenture Trustee for the benefit of the Secured Parties.

Amounts with respect to this litigation have been reserved under the Guarantee Trust and ENA's rights therein will be assigned to the ENA Norte Trust pursuant to the Assignment Agreement. See "*The Toll Road - Acquisition of the Assigned Rights From the Former Concessionaire by ENA Norte*" and "*The Toll Road - Amounts Reserved in Guarantee Trust*."

Risks Relating to the Concession Agreement

Concession Collections are affected by Toll Rates and revisions thereto; the Company has the right to decrease the Toll Rates pursuant to the Transaction Documents.

Pursuant to the Concession Agreement, the Concessionaire has the right to increase the Toll Rates in accordance with inflation pursuant to the system currently approved by the Panamanian Council of Ministers. Further toll increases must be approved by MOP and the Panamanian Council of Ministers. ENA Norte also has the right, subject to applicable limitations included in the Finance Documents, to charge lower rates than those in force for the purpose of providing an incentive to utilize the Toll Road. See "*The Concession Agreement and other Principal Contracts - Concession Agreement*."

ENA Norte is an entity controlled by ENA, a corporation wholly-owned and controlled by the Republic of Panama. Due to such ownership and the fact that Concession Collections are used to pay debt service and expenses, ENA may not have the same incentive to increase or maintain the Toll Rates that a private sector entity receiving excess Concession Collections as profit would have. It is possible that after the Closing Date ENA may decrease the Toll Rates or may decide to leave the Toll Rates unchanged with respect to any previous period.

On or before the Settlement Date, the shares of ENA Norte will be transferred to ENA Norte Trust, and then pledged by ENA Norte Trust to the Indenture Trustee, for the benefit of the Secured Parties. The articles of incorporation (*pacto social*) of ENA Norte in effect as of the Settlement Date will require the consent of all shareholders (including ENA Norte Trust to which its shares have been assigned on the Settlement Date) to permit any Toll Rate reduction from the existing Toll Rates. Pursuant to the Trust Agreement, so long as an Event of Default has not been declared and notified by the Indenture Trustee to ENA Norte Trust, any request by the Servicer to ENA Norte Trust of a Toll Rate Reduction which does not constitute a Prohibited Toll Rate Reduction, as determined by ENA Norte Trust, shall automatically be approved by ENA Norte Trust without the need to obtain the consent of the Indenture Trustee. Without the consent of the Majority Controlling Party, the Indenture Trustee will not consent to any Prohibited Toll Rate Reduction. The Company expects that a decrease in the Toll Rates in an amount that would not constitute a Prohibited Toll Rate Reduction will not adversely affect ENA Norte Trust's ability to make full and timely payments on the Notes; however, there can be no assurance that a reduction in the Toll Rates will not affect the full and timely payments on the Notes.

The Company is subject to force majeure risks, which may adversely affect ENA Norte Trust's ability to meet its payment obligations under the Notes and the Concentration Account Waterfall.

If the Company is unable to perform its obligations under the Concession Agreement as a result of a *force majeure* event (such as a war, strike, riot, act of terrorism or natural catastrophe), although it would not be in breach of the Concession Agreement, Concession Collections may be adversely affected. Business interruption insurance is not specifically required by the Concession Agreement. In the event that any *force majeure* event (such as flooding damage to the Toll Road or the destruction of the Company's Toll collection computer system) interrupts the Company's ability to operate the Toll Road, there may be a significant reduction in Concession Collections, which would adversely affect ENA Norte Trust's ability to meet its payment obligations under the Notes and the Concentration Account Waterfall.

The Concession Agreement can expire early or be terminated by the Government in certain circumstances.

Concessions for public works are governed by a special statute, Law No. 5 dated April 15, 1988, as amended and supplemented from time to time (the "*Concession Law*"), which provides the circumstances and conditions under which the Concession can be terminated. MOP may unilaterally terminate the Concession prior to expiration for the reasons set forth in the Concession Agreement, including default by ENA Norte or bankruptcy of ENA Norte. In addition, under the Concession Agreement, the Government may unilaterally elect to undertake an administrative redemption (or "*rescate administrativo*") of the Concession for reasons of public interest. The grounds for termination for default are specified in the Concession Agreement, which are described further under "*The Concession Agreement*." In the case of the early termination of the Concession Agreement as a result of a default by ENA Norte and the expiration of any applicable notice and cure periods, ENA Norte is not entitled to compensation from the Government. Following termination of the Concession Agreement under these circumstances, ENA Norte Trust would no longer receive Tolls and would be unable to meet its payment obligations under the Notes.

In the case of an administrative redemption, the Concession would terminate, but compensation is required to be paid by the Government. Compensation for this event is required to be in an amount equal to the net present value as of the date of the administrative redemption of the remaining unamortized amount invested by the Concessionaire in the Concession, plus accrued interest and the projected internal rate of return from Toll revenues through the end of the relevant Concession as if no administrative redemption had occurred. Pursuant to the Assignment Agreement, ENA Norte will assign to ENA Norte Trust the right to receive any amounts payable by the Government to ENA Norte in the event of an administrative redemption. Management of the Company believes that the amount due to ENA Norte Trust upon an administrative redemption by the Government would be sufficient to satisfy the claims of the Noteholders. However, there can be no assurance that in the event of a termination of the Concession Agreement based on administrative

redemption the Government would agree with the calculations of ENA Norte regarding the amount owed, and consequently, no assurance that the amounts paid to ENA Norte Trust from the Government would be sufficient to satisfy the claims of the Noteholders.

Furthermore, under Panamanian law the Government may, for reasons of public utility or interest, expropriate private property by filing a lawsuit against the owner in a judicial proceeding that results in the court's assessing the value of the property and ordering the transfer of title and the payment of the valuation. In addition, MOP acting on behalf of the Republic of Panama is entitled to expropriate or temporarily occupy private property in cases of "war, serious disturbance of public order or urgent social interest." However, in occupancy cases in which returning the occupied property is feasible, MOP must return the property when the circumstances that caused the occupancy have ceased and, in all cases, must indemnify the owner for the damages caused during the occupancy. Otherwise, MOP acting on behalf of the Republic of Panama is obligated to pay the value of the expropriated property according to the court's assessment.

The principal asset of ENA Norte is its contractual right to operate the Toll Road pursuant to the Concession Agreement. ENA Norte Trust's principal asset is the right to receive Toll revenues generated by operation of the Toll Road. Following termination of the Concession Agreement under these circumstances, ENA Norte Trust would no longer receive Tolls in respect of such Concession and may be unable to meet its payment obligations under the Notes.

The Concession Agreement will expire early if the *Monto Total Recuperable* is received.

The Concession Agreement will automatically expire prior to its expiration date if the Concessionaire has received the *Monto Total Recuperable*. The *Monto Total Recuperable*, as calculated in accordance with the Concession Agreement, is U.S.\$329.9 million, recoverable through net Toll Road collections, expressed in December 29, 1994 dollars. For purposes of calculating the *Monto Total Recuperable*, Toll collection revenues consist of the Concessionaire's gross revenues from Toll collections minus operations, maintenance, financial costs and taxes. For purposes of determining whether the *Monto Total Recuperable* relating to Toll revenues has been met, the Concessionaire calculates a cumulative amount of Toll revenues since the start of operations of Corredor Norte by obtaining the sum of the net income from Toll revenues for each fiscal year of operation, in each case expressed in December 29, 1994 dollars and applying an annual discount rate corresponding to the Concessionaire's weighted average cost of capital adjusted by inflation, with a floor of 10.5% (minimum) and a cap of 12.5% (maximum).

The Company does not believe that the *Monto Total Recuperable* under the Concession Agreement will be reached prior to the stated expiration date of the Concession. However, there can be no assurance that the Concession will not be terminated on the basis of receipt of the *Monto Total Recuperable*. Pursuant to the Finance Documents, the existence of a *Monto Total Recuperable* Trigger will automatically commence an Early Amortization Period. See "*Summary of Terms - Events of Default - Early Amortization Period Declaration.*"

Risks Relating to Panama

Panama's economic situation may affect the Company's business and ENA Norte Trust's ability to meet its obligations under the Notes.

The Company's financial condition and results of operations, as well as ENA Norte Trust's ability to meet its obligations under the Notes, are substantially dependent on economic conditions prevailing from time to time in Panama. The Panamanian economy is small and, although reasonably diversified, depends to a significant extent on the service sector, including businesses linked to the Panama Canal activities, a large free trade zone and an international banking center. Panama's real gross domestic product, or GDP, increased in

2011, experiencing growth of 10.6%, as compared to growth of 7.6% and 3.9% in 2010 and 2009, respectively. In the first three months of 2012, Panama's GDP registered an estimated real increase of 10.6% compared to the same period of 2011. The Government estimates that Panama's GDP growth for 2012 will be approximately of 10.0%. However, if economic performance of the Panamanian economy slows or declines, such development may adversely affect the expected growth rates for traffic flows in the Toll Road and the collection of Tolls. Due to the small size and limited focus of the Panamanian economy, adverse developments in Panama, even developments affecting a single activity, could have a more pronounced effect than would be the case if the developments occurred within the context of a larger, more diversified economy.

Furthermore, investing in an emerging market country such as Panama carries economic risks. These risks include many different factors that may affect Panama's economic results, including the following:

- interest rates in the United States and other financial markets outside Panama;
- changes in economic or tax policies;
- the imposition of trade barriers;
- general economic and business conditions in Panama and the global economy;
- the ability of the Panama Canal to remain a competitive route for inter-oceanic transportation;
- the ability of Panama to effect key economic reforms;
- the impact of hostilities or political unrest in other countries that may affect international trade, commodity prices and the global economy; and
- the decisions of international financial institutions regarding the terms of financial arrangements vis à vis Panama.

Any adverse effect on the Panamanian economy could adversely affect usage of the Toll Road, thereby impairing ENA Norte Trust's ability to meet its payment obligations under the Notes.

The Company's and ENA Norte Trust's ability to make required payments on the Notes may be adversely affected by the nature of the Panamanian monetary system.

Since shortly after its independence from Colombia in 1903, Panama has used the U.S. Dollar as legal tender and sole paper currency, using the Balboa only as coinage and as a unit of account with an exchange rate set at parity with the U.S. Dollar. Inflation was 2.4%, 3.5% and 5.9% in 2009, 2010 and 2011, respectively. Although the absence of a printed national currency and the general absence of domestic budgetary financing through the banking system (other than from 1987 to 1989) reduce the risk of accelerated inflation, they do impose constraints on fiscal and monetary policy, particularly for responding to external shocks, that are not present in countries that can finance their deficits by printing local currency. Given the dependence on the U.S. Dollar and the U.S. economy, there can be no assurance that appreciation or depreciation of the U.S. Dollar against other currencies or the existence of sustained higher levels of inflation in the U.S. economy (and the resultant effect on the value of the U.S. Dollar) or increases or decreases in interest rates generally in the United States will not adversely affect the Panamanian monetary system or, indirectly, enterprises such as the Toll Road and the Company. In addition, there are currently no exchange controls or other restrictions imposed by Panamanian law on payments in U.S. Dollars by ENA Norte Trust, and capital moves freely in and out of the country, without local currency risk. However, in the event that foreign exchange or payment restrictions that

prevent remittances from Panama with respect to the Notes are imposed by the Government, the recourse of Noteholders would be limited to ENA Norte Trust's assets.

Panama's economy, and therefore the Company's business and usage of the Toll Road, remains vulnerable to external shocks, including the recent global economic crisis and those that could be caused by future significant economic difficulties of its major regional trading partners or by more general "contagion" effects, which could have a material adverse effect on Panama's economic growth.

Emerging-market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

A significant decline in the economic growth of any of Panama's major trading partners could adversely affect Panama's economic growth. In addition, because international investors' reactions to the events occurring in one emerging market country sometimes result in a "contagion" effect, in which an entire region or class of investment is disfavored by international investors, Panama could be adversely affected by negative economic or financial developments in other emerging market countries. For example, Panama's economic growth slowed for fiscal year 2009, with GDP growth of 3.9% for 2009 as compared to GDP growth of 10.1% for 2008, due in part to the impact of the global economic crisis that began in mid-2007 on the Panamanian economy. This was mainly due to the United States, Panama's main trading partner and the main source of customers of the Panama Canal, experiencing a marked deceleration of economic activity during the period.

While GDP growth increased to 7.6% and 10.6% in 2010 and 2011, respectively, there can be no assurance that any crises such as those described above or similar events will not negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Panama. In addition, there can be no assurance that these events will not adversely affect Panama's economy. Any adverse effect on the Panamanian economy could adversely affect usage of the Toll Road, thereby impairing ENA Norte Trust's ability to meet its payment obligations under the Notes.

The regulation of the securities market in Panama is less extensive than regulation in certain other countries.

Publicly available information about Panamanian issuers of securities is less readily available and less detailed in certain respects than the information that is regularly published by or about listed companies in the United States and certain other countries. In addition, regulations governing the Panamanian securities market are not as extensive as those in effect in the United States and other major world markets. ENA Norte Trust's assets primarily consist of the right to receive Tolls.

Risks Relating to the Offering of Notes

The ENA Norte Trust will not receive the assignment of the Assigned Rights and further be able to pledge them to the Indenture Trustee for the benefit of the Secured Parties until the Conditions Precedent have been satisfied.

The Concession and the Concession Agreement will be transferred to ENA Norte on the Closing Date, upon completion of the Conditions Precedent as described in Section "Summary of Terms - Acquisition of Assigned Rights by ENA Norte" and "The Toll Road - Acquisition of the Assigned Rights from the Former Concessionaire by ENA Norte." On the Settlement Date, a significant part of the proceeds of the issuance of the Notes will be transferred to the Share Trust for further payment to the Former Concessionaire and Inglewood as part of the purchase price of their respective shares in Autopista Norte. Also on the Settlement Date, the Secured Parties will have a security interest in the Share Collateral with respect to ENA's shares in ENA Norte and the Assigned Rights related to the rights of ENA in the Share Trust and the Guarantee Trust.

The Secured Parties will not have a security interest over the Assigned Rights related to the right to receive Tolls until the Conditions Precedent are satisfied on the Closing Date. Pursuant to the Share Trust Agreement, the trustee of the Share Trust has been instructed to perform (upon receipt of the proceeds of the issuance of the Notes by the Share Trust and payment to the Former Concessionaire and Inglewood of the purchase price of their respective shares in Autopista Norte), all necessary actions to dissolve Autopista Norte and transfer all of the assets of Autopista Norte, including the Concession and the Concession Agreement, to ENA Norte pursuant to the Asset Purchase Agreement. Panamanian counsel to ENA and the Joint Lead Managers will opine that, provided all conditions precedent set forth in the Share Trust Agreement are satisfied, the obligations under the Share Trust Agreement are enforceable with respect to all parties therein, shall be irrevocable and may not be set aside by any of its creditors (including any liquidator, trustee, receiver or similar official with respect to it) or any other person.

If the Conditions Precedent are not satisfied by the end of the third Business Day following the Settlement Date, the Secured Parties will have the right to declare an Early Amortization Period. In addition, a Mandatory Redemption shall occur and ENA shall be obligated to pay the Repurchase Price. Notwithstanding these and other remedies the Secured Parties may have against the ENA Norte Trust and ENA, the Secured Parties will have limited Collateral if the ownership of the Concession has not passed to ENA Norte and the assignment of the Assigned Rights pursuant to the Assignment Agreement in connection with the rights arising from the Concession Agreement has not been made effective, and ENA may not have sufficient resources to pay the Repurchase Price.

The Notes will be limited recourse obligations, payments upon which are primarily dependent on the Concession Collections.

The Notes will be limited recourse obligations of ENA Norte Trust with recourse being limited to the Collateral. The Notes will not be an obligation or responsibility of, or guaranteed or secured by, any other entity or collateral (and in particular HSBC Bank (Panama) S.A., as trustee of the trust constituted pursuant to the Trust Agreement, will not be individually liable for the obligations to the Noteholders). None of the shareholders, officers or directors of ENA Norte Trust, the Company, the Indenture Trustee, any of their respective affiliates or any other person or entity will be obligated to make payments on the Notes. There can be no assurance that the Concession Collections and other amounts derived from the Collateral will be sufficient to make payments on the Notes. Consequently, Investors should rely solely upon amounts received in respect of the Collateral for payment on the Notes.

The Notes are not obligations of, or guaranteed by, the Republic of Panama.

The Notes are not direct obligations of, or guaranteed by, the full faith and credit of the Republic of Panama nor any instrumentality of the Government.

The only obligations of the Republic of Panama are with regard to the right of the Concessionaire to receive compensation in order to maintain "contractual equilibrium" under the Concession (an agreed real rate of return whereby the Concessionaire is compensated for losses arising from extraordinary or unforeseen circumstances) and the right to receive a payment as a result of an administrative redemption (*rescate administrativo*) by the Government. These obligations form part of the Assigned Rights; however, such obligations would rank *pari passu* with other debt of the Republic of Panama, including foreign debt.

In the event the Concession Agreement is terminated due to a default by ENA Norte, the Government has no obligation to pay any outstanding amounts under the Concession Agreement or the Notes. In addition, the Government has not waived its sovereign immunity, and therefore, any claims for payment of amounts owed under the Concession Agreement will have to be brought before Panamanian courts.

Panama is a foreign sovereign state. As a result, it may be difficult or impossible for Investors to obtain or enforce judgments against Panama, whether in an Investor's own jurisdiction or elsewhere.

The ratings of the Notes may be lowered or withdrawn.

It is a condition to the issuance of the Notes that at least two of the following ratings shall have been received: (i) at least "BBB" and "AAA" (Pan) by Fitch; (ii) at least "BBB" by S&P; and (iii) at least "Baa3" by Moody's. The ratings address the likelihood of timely payment of the scheduled Interest Amounts for the Notes on each Payment Date and the ultimate payment of the outstanding Principal Amounts for the Notes on their Legal Final Payment Date. The ratings do not address the likelihood of payment of any Overdue Interest, Additional Amounts, Make-Whole Premium or any other amounts payable in respect of the Notes or the timeliness of any accelerated principal payments coming due as the result of the occurrence of an Event of Default. A rating is not a recommendation to buy, sell or hold a Note (or beneficial interests therein) and is subject to revision or withdrawal in the future by each Rating Agency.

The rights of holders under the Indenture with respect to actions that may be taken by the Indenture Trustee if an Event of Default occurs are limited.

If there is an Event of Default under the Indenture, the Majority Controlling Party in respect of the Notes will have the right to direct the Indenture Trustee to declare the principal balance and interest due under the Notes due and payable and institute proceedings to foreclose upon the Collateral (the Assigned Rights, the Transaction Accounts and the shares of ENA Norte). In this event, the Indenture Trustee will be able, if so instructed by the Majority Controlling Party, to apply any money in the Transaction Accounts and any amounts received after the disposition of the Collateral remaining after the sale thereof for the benefit of a holder. However, it may be difficult or impossible for the Indenture Trustee to sell the Assigned Rights.

In addition, if an Event of Default has occurred and is continuing, the Indenture Trustee will have the right to sell the shares of ENA Norte that have been assigned to ENA Norte Trust. Whether there would be a buyer for such stock is subject to significant uncertainty. Even if the Indenture Trustee is successful in finding a buyer for the shares of ENA Norte, there can be no assurance that the price it receives will be the full amount due to a holder of all unpaid principal of, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes. Further, ENA is only restricted from reducing its ownership to less than a majority interest in the shares of ENA Norte. ENA may sell such minority stake in ENA Norte before the Notes are paid in full. ENA's ownership of less than the total number of shares in ENA Norte may affect the price of the shares in the event of a sale of stock to a third party.

There is no existing market for the Notes, and a liquid market may not develop.

The Notes constitute a new issue of securities for which there is no existing market, and there can be no assurance regarding the future development of a market for the Notes, the ability of Investors to sell their Notes or the price at which Notes may be sold. The Joint Lead Managers are not obligated to facilitate trading in the Notes and any such activities, if commenced, may be discontinued at any time, for any reason, without notice. If the Joint Lead Managers do not facilitate trading in the Notes for any reason, there can be no assurance that another firm or person will do so. Trading or resale of the Notes may be negatively affected by other factors described in this Offering Memorandum arising from this transaction, the market for securities backed by assets located in Panama or the market for securities associated with operating assets or project financings.

There are restrictions on transfer of the Notes.

The Notes have not been and are not expected to be registered under the Securities Act or any applicable state's or other jurisdiction's securities laws (except for those of Panama) or with the U.S. Securities and

Exchange Commission or regulatory authorities in any jurisdiction other than Panama. The offering of the Notes will be made pursuant to exemptions from the registration provisions of the Securities Act and from other securities laws. Accordingly, reoffers, resales, pledges and other transfers of the Notes are subject to the restrictions described under “*Transfer Restrictions.*”

There is substantial volatility in the prices of securities related to Panama and limited recourse securities.

The market for securities backed by assets located in Panama is influenced by political, economic and market conditions in Panama and, to varying degrees, market conditions in other emerging market countries and in the United States. Although economic conditions are different in each country, investors’ reactions to developments in one country may affect the capital markets in other countries and the value of securities related to those countries.

In addition, the financial crisis that began in mid-2007 following events in the sub-prime mortgage loan market in the United States and was accentuated by the bankruptcy of Lehman Brothers, followed by the U.S. recession and the economic situation of certain members of the European Union, has affected the liquidity and prices for a number of credit and capital markets products, including market prices for asset-backed securities and emerging market debt securities. It is uncertain whether this trend will continue and, if it does, the extent of the adverse secondary effects it may have on the Panamanian economy and on the market value of the Notes.

Payments under the Notes are subordinated to certain third-party payments in accordance with the Concentration Account Waterfall.

In accordance with the Concentration Account Waterfall, certain payments are paid in priority to payments of interest or principal on the Notes. In addition to certain operations and maintenance expenses discussed above, these payments include the fees, expenses and indemnities of ENA Norte Trust and Indenture Trustee, the fees of any Replacement Servicer if ENA is no longer the Servicer and taxes. In particular, there can be no assurance as to the particular amount of fees that any Replacement Servicer may require for such role. ENA (while acting as Servicer) will receive a Servicing Fee as consideration after payment of interest on the Notes, but with priority over payments of principal on the Notes. After making such payments to a Replacement Servicer in such circumstances, there may not be sufficient funds available to pay interest amounts then due or make repayments of principal on the Notes.

There may be limitations on foreclosure or enforcement of rights in the Collateral.

The creation, transfer to ENA Norte Trust, perfection of the Indenture Trustee’s security interest and enforcement of the Indenture Trustee’s rights in respect of the Collateral are, in some cases, governed by the laws of Panama. The laws relating to the creation and perfection of security interests in Panama differ from those in the United States and may be subject to restrictions and limitations, including the effect of fraudulent conveyance and similar laws. The enforcement of contract rights under the Concession Agreement would depend on successful enforcement action in a court in Panama against the Government, the outcome of which is subject to the laws of Panama. These restrictions and limitations may have the effect of preventing, limiting and/or delaying the foreclosure and subsequent disposition of the Collateral, and may materially impair the claims of Noteholders. Any such delay in having an enforceable claim could also diminish the value of the interest of Noteholders in the Collateral due, among other things, to the existence of other potential creditors and claimants.

This Offering Memorandum contains forward-looking statements.

Certain statements in this Offering Memorandum contain “forward-looking” information that involves risks and uncertainties, as set out in “*Forward-Looking Statements.*” Actual future results, outcomes and trends

may differ materially depending upon a variety of factors discussed under "*Forward-Looking Statements.*" When considering forward-looking statements, Investors should carefully weigh the factors discussed therein and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Toll Road is operated. There can be no assurance that the results or outcomes suggested by such forward-looking statements will be achieved, and undue reliance should not be placed on such statements.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, will be approximately U.S.\$572,358,686.47 (after deduction of the fees and expenses set forth in the first item below) and will be applied by ENA Norte Trust on the Settlement Date as follows:

- to pay the fees and expenses of the Indenture Trustee (including the fees of its agents and counsel), the Trustee of ENA Norte Trust, the Joint Lead Managers and other expenses relating to the Offering of the Notes including, without limitation, expenses related to the SCM, the PSE and Latinclear (approximately U.S.\$9,902,741.41);
- to fund the Debt Service Reserve Account (U.S.\$17,250,000.00);
- to fund the Major Maintenance Reserve Account (U.S.\$1,250,000.00);
- to contribute to the payment of the purchase price through a loan (U.S.\$600,000,000.00) to ENA Norte for such purpose for the acquisition of the Concession from the Share Trust; and
- to pay any other amounts or fund any other accounts as contemplated in the Transaction Documents.

MATURITY ASSUMPTIONS

There are no scheduled payments of principal amounts for the Notes with respect to each Payment Date. To the extent not redeemed, repurchased or amortized prior thereto, ENA Norte Trust shall only be obligated and the Indenture Trustee shall only make payments of principal and interest on the Notes in accordance with the terms of the Indenture through and including the Legal Final Payment Date. Any outstanding amount on the Notes shall become due and payable on the Legal Final Payment Date.

Although it is anticipated that the Notes will be paid in full by the Expected Final Payment Date, no assurance can be given in that regard. The ability of the Indenture Trustee to make such payments depends upon the level of Concession Collections generated from time to time. Accordingly, no assurance can be given as to the actual rate of payment of principal of the Notes distributed to the Noteholders.

Furthermore, the Notes may be redeemed in certain circumstances prior to the Legal Final Payment Date. See "*Summary of Terms - Optional Redemption.*"

ENA NORTE TRUST

The issuer of the Notes (the “*Issuer*”) is HSBC Bank (Panama) S.A. is a Panamanian banking institution acting exclusively in its capacity as trustee under the Trust Agreement. ENA Norte Trust is a trust constituted pursuant to Law No. 1-1984 dated January 5, 1984 of Panama and created pursuant to the terms of the Trust Agreement. The domicile of ENA Norte Trust is Edificio Plaza HSBC, Calle 47 Este y Aquilino De La Guardia Piso No. 5, Panamá, República de Panamá, Attention: Dayra Santana / Fanny Wong (Dayra.y.santana@hsbc.com.pa / Fanny.m.wong@hsbc.com.pa) and its contact telephone number is +507 206-8480 and fax number is +507 206-8481. The Trustee is an entity duly authorized to engage in the trust business in or from Panama pursuant to a license issued in its favor by means of Resolution FID No. 6-96 of November 26, 1986 and Resolution number FID-004-2009 of June 24, 2009 of the Superintendency of Banks of Panama. In addition to performing the trust business, the Trustee also engages in the banking business in Panama. According to the Trust Agreement, HSBC Bank (Panama) S.A., acting as the trustee under the Trust Agreement, will not be personally liable for any amounts payable, among others, in respect of the Notes or any other Transaction Documents, except for certain customary situations involving gross negligence or willful misconduct, as the case may be, and as finally determined by a court of competent jurisdiction. Accordingly, pursuant to the Transaction Documents, in the event, among others, of a payment default by ENA Norte Trust on the Notes, neither the Indenture Trustee nor any other party will have any recourse against the trustee of ENA Norte Trust, in its individual capacity or any of its affiliates, or of their individual assets or to any other person other than recourse to the Collateral held by ENA Norte Trust, for the benefit of the Noteholders.

ENA Norte Trust was established for the limited purpose, among other things, of enabling the assignment to it of the Assigned Rights and the Share Collateral, issue the Notes, make loans to ENA Norte as described in “*Use of Proceeds*” and make payments on the Notes from Concession Collections, among others. For a detailed description of the purposes of the Trust, see “*Transaction Documents and the Notes - The Panamanian Law Transaction Documents - The Trust Agreement.*”

ENA Norte Trust will hold no material assets other than the Assigned Rights and the Share Collateral. ENA Norte Trust is not expected to have any liabilities other than those directly related to the issuance of the Notes and payment of any other obligations under the Transaction Documents that shall be discharged by ENA Norte Trust with the assets forming the Assigned Rights and the Share Collateral.

As of the date of this Offering Memorandum, ENA Norte Trust is not authorized to incur any debt except for the Notes and the transactions described in the Transaction Documents. There will be no recourse against the trustee of ENA Norte Trust, ENA or ENA Norte or any of their respective Affiliates for ENA Norte Trust’s obligations.

As of the date of this Offering Memorandum, ENA Norte Trust has not prepared audited financial statements. ENA Norte Trust will prepare annual and quarterly reports which will be filed with the SCM and the PSE in Panama, in accordance with local regulations.

As of the date of this Offering Memorandum, there are no conflicts of interest between the duties of the administrative, management and supervisory bodies of ENA Norte Trust and the private interests of such persons.

HSBC Bank (Panama) S.A. may only resign as Trustee pursuant to the terms of the Trust Agreement.

Analysis of Financial Results and Results of Operations

As noted above, the Issuer is a trust (*fideicomiso*), which will be constituted on or prior to the Settlement Date. Therefore, a section on Analysis of Financial Results and Results of Operations as required by Article 7, Section VIII of Acuerdo 2-2010 of the Superintendency of Capital Markets is not applicable.



THE TOLL ROAD

Overview of the Toll Road

In 1994, MOP awarded the Concession to the Former Concessionaire to study, design, construct, operate and maintain a 42.7 kilometer highway, as further described below, located along the northwestern edge of Panama City. See "The Concession Agreement". Panama City's old town, port and central business district lie in the extreme southwestern corner of the metropolitan area. Due to physical constraints, the city and its highway network have developed primarily along one main east-west corridor running parallel to the coast, with a second branch corridor heading north alongside the *Transistmica* highway. The "channelled" development of the city in one main corridor and the concentration of employment and commercial activity in the central business district resulted in severe traffic congestion in the city, especially at peak times. The Toll Road plays an integral role in the road network of the city and the country.

The Toll Road is a dual two-lane highway designed to relieve traffic congestion in Panama City and allow direct access to the central urban area for motorists, a substantial portion of whom are daily commuters coming from the suburbs. The Toll Road connects the Albrook domestic airport, which lies just to the west of the central business district, to northern areas of the Panama City region, running along the western and northern fringes of the city's built-up area.

The Toll Road was constructed and commenced operations in several Segments, each of which is described below. The main objective of the Government under ENA's planned acquisition of the Toll Road is to continue to develop and harmonize Panama's road network system.

Two maps of the Toll Road are set forth below.

Source: The Concessionaire

During the years ended December 31, 2011, 2010 and 2009, PYCSA Panama, the Former Concessionaire, generated Toll revenues of U.S.\$53.9 million, U.S.\$47.7 million and U.S.\$39.6 million, respectively, from annual average daily transactions of 114,188, 101,033 and 82,260 per day. During the six-month periods ended June 30, 2012 and 2011, the Former Concessionaire, generated Toll revenues of U.S.\$28.5 million and U.S.\$25.9 million, respectively, from averages of 119,170 and 109,320 transactions per day.

Toll Road Segments

Phase I

Phase I of Corredor Norte opened in 1997, with tolled operations beginning in March 1998. Phase I is a 13.2 kilometer dual two-lane highway running in a northeast/southwest direction between Albrook and the Toll Road's interchange with the *Transistmica* Highway, and located to the north of Panama City and the city's principal highways. The *Transistmica* Highway connects Panama City on the Pacific side of the country with the city of Colón on the Caribbean or Atlantic side. The Independent Traffic Study has estimated that the full length of a trip along Phase I saves between 10 minutes and 45 minutes compared to the same journey via the un-tolled highway network.

The Panama-Madden Segment

The Panama-Madden Segment opened in May 1999 and was tolled from the outset. The Panama-Madden Segment is 14 kilometers long and extends from the interchange with the Corredor Norte in Panama City (approximately 4 kilometers from the northeast end of the Corredor Norte) to an interchange at Madden Road. The Panama-Madden Segment, a dual two-lane highway, was designed to provide a faster and safer alternative for motorists travelling between

Panama City (located on the Pacific coast) and the suburbs and other communities located along the *Transístmica* Highway between Panama City and Colón (located on the Atlantic coast), on a route parallel to the Panama Canal. The Panama-Madden Segment includes a 3.8 kilometer, two-lane feeder road between the Panama-Madden Segment and Alcalde Diaz. The Panama-Madden Segment directly connects with the Corredor Norte to form an integrated toll road system. Construction of the Panama-Madden Segment began in December 1997 and was completed in May 1999, at which point Tolls began to be collected.

Phase IIA

Phase IIA of Corredor Norte, which extends as far Brisas del Golf, opened in May 2009 and was tolled from the outset. Phase IIA is a 6.2 kilometer dual two-lane highway running in a northeast/southwest direction between the interchange with the *Transístmica* Highway, the final interchange of Phase I, and Brisas del Golf, which are two of the most affluent areas through which Corredor Norte passes.

Phase IIB

Construction of Phase IIB commenced on March 19, 2012, with completion expected by September 2013. The initial design of Phase IIB contemplates an approximately 9.8 kilometer dual two-lane highway. Once complete, Phase IIB is expected to link Phase I and Phase IIA with the Pan-American Highway in the Tocumen area. On May 27, 2010, the Former Concessionaire transferred its rights and obligations to construct and operate Phase IIB to Maxipista. On May 30, 2011, Maxipista transferred its rights and obligations to construct and operate Phase IIB to ENA.

For the avoidance of doubt, Phase IIB is not included in the Collateral for the Notes.

The Panama-Colón Highway

The Panama-Colón highway is a 42 kilometer segment that was initially part of the Concession awarded to the Former Concessionaire. The Former Concessionaire, pursuant to an agreement dated June 29, 2006 authorized by MOP, partially assigned its rights to the Panama-Colón highway under the Concession to Constructora Norberto Odebrecht, S.A. This segment has characteristics substantially similar to the Panama-Madden Segment. The Panama-Colón highway connects Madden Road to Colón. Colón is Panama's principal port of trade and is located on the Atlantic coast. The Madden-Colón Highway and the Panama-Madden Segment together comprise the Panama-Colón highway, which connects Panama City and Colón.

For the avoidance of doubt, the Panama-Colón highway (except for the Panama-Madden Segment thereof) is not included in the Collateral for the Notes.

Design and Technical Aspects of Corredor Norte

Tolling System. The Toll Road initially operated as a "closed" system, although owing to operational difficulties, this was changed to an "open" system in December 2001. In a "closed" toll system, drivers take a ticket on entry to the system, and pay once on exit. The toll tariff is usually calculated on the basis of distance travelled. This system is the fairest to the user and usually maximizes revenue. It is very costly, however, in terms of the large number of toll plazas required (at every entry and exit), and in terms of operational costs (every exit must have toll collectors). In an open system, by contrast, drivers simply pay a fixed amount at a toll plaza, regardless of how far they have travelled, and may pay at more than one plaza, as is now the case with the Toll Road.

Mainline Plazas and Interchanges. The Toll Road currently comprises Phase I and Phase IIA with a combined length of 19.4 kilometers, the Panama - Madden segment with a length of 14 kilometers, and two branches, Villa Lucre and Zárate (Brisas del Golf) which are, respectively, 3.3 kilometers and 1.3 kilometers in length. Excluding the aforementioned branches, the Toll Road's current total length is 33.4 kilometers, with a total of 12 total or partial interchanges with electronic classification Toll collection systems at ramp toll plazas. Along Phase I, there are eight

interchanges with toll plazas and mainline plazas at Tinajitas, near its northeastern end and at Martin Sosa and Ascanio Villalaz at its southern end. One of these junctions includes a plaza at the southern end for all vehicles using the Panama-Madden Segment. The Panama-Madden Segment has no intermediate junctions and no other toll plazas. Not all entrances and exits of Corredor Norte are tolled, but the system requires that most users will drive through two plazas. There are four interchanges on Phase IIA, with ramp toll plazas at *Transistmica* (east facing) and mainline toll plazas on the Villa Lucre and the Brisas del Golf links.

The maximum speed along certain stretches of the Toll Road is 110 km/h, however along various stretches slower speeds are required in order to assure the safety of motorists. It has two 3.6 meter wide travel lanes in each direction, divided by a 3.6 meter wide paved strip plus a 0.6 meter wide central Jersey barrier, all with shoulders on both sides of at least 2.7 meters in width.

Drainage and Hydraulic Structures. The Toll Road incorporates culverts where the road crosses small streams. According to engineering studies conducted in 2002 to determine certain hydraulic characteristics of the Toll Road, the design of the hydraulic structures and the scope of the drainage works are appropriate to withstand precipitation events with a recurrence interval of 50 years.

Pavement. The Toll Road is constructed using Portland cement concrete, mainly on an embankment over ground conditions of variable quality, which include approximately 33.4 kilometers of road in total. The pavement construction is comprised of an average 24.6 meter-wide section of 20.0 centimeter pavement-quality concrete over 20 centimeters of stabilized sub-base. The underlying sub-base is graded crushed basalt. The sub-grade and the sub-base under the concrete base were constructed in accordance with standards set forth by MOP and AASHTO.

Toll Facilities. The Toll collection system was designed to have sufficient capacity so that significant delays would be avoided at toll booths. Toll booths are located near entry and exit interchanges and at strategic junctions. The Concessionaire plans to significantly reduce the use of cash as a means of payment of Tolls, and instead upgrade Toll facilities by installing the necessary infrastructure and systems for electronic Toll collection. See “--Toll Collection” below.

The current locations of the interchanges and access points along the Toll Road are shown on diagram below.

Source: Independent Traffic Consultant’s Report

New Developments in the Toll Road’s Area of Influence

Construction at certain major real estate and other development sites along the Toll Road either has already taken place or is expected shortly, including:

- At Brisas del Golf, next to the current exit of Phase IIA, a significant number of middle-income housing and commercial properties have already been completed, with additional residential and commercial developments under construction. The second phase of Brisas del Golf residences is currently under construction.
- There is a plan to build a residential development at the terminus of the planned Phase IIB of Corredor Norte.
- There is a plan to build a residential development in the 24 de Diciembre region of Panama City.

Based on the operating history of the Toll Road, the Concessionaire believes that the presence of the Toll Road is likely to continue to encourage residential and commercial development nearby, which it expects, in turn, to positively affect the volume of traffic on the Toll Road.

Toll Revenues

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Overview

Toll revenues for the Toll Road have generally increased year-on-year since it commenced operations. During the years ended December 31, 2011, 2010 and 2009, the Former Concessionaire generated Toll revenues of U.S.\$53.9 million, U.S.\$47.7 million and U.S.\$39.6 million, respectively. During the six-month periods ended June 30, 2012 and 2011, the Former Concessionaire, generated Toll revenues of U.S.\$28.5 million and U.S.\$25.9 million, respectively. Currently an automobile trip along the entire length of Phase I of Corredor Norte costs U.S.\$2.40, and saves between 10 minutes and 45 minutes compared to the same journey via the un-tolled highway network. The additional charge for using Phase IIA is U.S.\$1.25. Lightweight and heavy trucks, buses and minibuses each have separate rates, which are set forth below.

According to Halcrow, in 2011 approximately 93% of traffic on the Toll Road was comprised of automobiles, with 2% of traffic related to buses and 5% to trucks. Governmental officials, such as police and fire vehicles, as well as vehicles of a limited number of other entities, as determined by the Cabinet Council, are exempt from paying Tolls when travelling on the Toll Road.

As of the date of this Offering Memorandum, the following table sets forth the current Toll Rates in U.S. dollars per Vehicle Class as set forth in the Concession Agreement along the entirety of each Segment of the Toll Road:

Summary of Toll Rates

<u>Vehicle Class</u>	<u>Description</u>	<u>Phase I</u>	<u>Phase IIA</u>	<u>Panama-Madden Segment</u>
A	Motorcycles, Passenger Cars, Pickup Trucks	2.40	1.25	2.50
B	Minibuses, Buses	5.00	2.50	4.50
C	Lightweight Trucks ⁽¹⁾	5.00	4.50	4.50
D	Heavy Trucks ⁽²⁾	5.00	5.00	4.50

(1) Single unit trucks with 2 or 3 axles.

(2) Truck with 4 or more axles.

Increases and Decreases in Toll Rates

Under the terms of the Concession, the Concessionaire is authorized to increase Toll Rates annually to reflect Panamanian inflation, or more frequently when the inflation level in Panama increases by 5% or more compared to the most recent Toll Rate increase. Prior to the implementation of a Toll increase based on an increase in inflation, the Concessionaire must submit its calculations reflecting inflationary increases to MOP for verification. Subject to the restrictions set out in the Transaction Documents in regard to Prohibited Toll Rate Reductions, Toll Rates can be reviewed and/or modified whenever the Concessionaire deems necessary, so long as it receives the approval of MOP and the Cabinet Council. See "*Summary of Terms - The Offering - Tolls.*"

Over the life of the Toll Road, Toll Rates have been increased on several occasions, with varying effects, as described below:

- On July 1, 2001, the Former Concessionaire implemented the first Toll Rate increase in an average amount of 21.7%, ranging from 16.7% to 50%, depending on the type of truck or bus. Tolls for automobiles remained unchanged,

except for trips between Avenida Martin Sosa and Avenida Ascanio Villalaz for which Toll Rates were increased by 43%. The immediate impact was an approximately 20% decline in traffic over the following six months.

- From December 15, 2001, the closed Toll system was abandoned and replaced with an open Toll system. This action had the effect of increasing the average Tolls paid by 7.1% for automobiles and 1.8% for buses and trucks. With certain exceptions, overall prices for users were generally reduced by the change in system, and traffic increased sharply in January 2002.
- Certain Toll Rates were also changed on May 15, 2004, with an average increase for automobiles of 21.0% and no change for buses or trucks. Following this Toll Rate increase, traffic declined by 2.7% over the following 12-month period, but once again began to increase by the middle of 2005.
- In January 2007 there was a Toll Rate increase of approximately 15% for automobiles. Notwithstanding this increase, traffic on Phase I more than doubled between the years 2006 and 2009.

Notwithstanding the foregoing, the Concessionaire may increase Toll Rates during the life of the Concession in accordance with the terms of the Concession Agreement, but may only reduce Toll Rates in accordance with the specific criteria for doing so set out in the Transaction Documents. See *“Summary of Terms - The Offering - Prohibited Toll Rate Reductions”* and *“Risk Factors - Concession Collections are affected by Toll Rates and revisions thereto; the Company has the right to decrease the Toll Rates pursuant to the Transaction Documents.”*

Under the terms of the Concession Agreement, the Government has the right, at its discretion, to allow vehicles to travel on the Toll Road free of charge. The Government has exercised this right various times in the history of the Toll Road, as follows:

- for 11 days during December 2008. The Government’s stated reason for its decision was to provide a price reduction to motorists affected by the increased traffic on Corredor Norte and alternative roads during the holiday season, the busiest period of the year. See *“Toll Revenues - Seasonality”*;
- on August 11, 2009, due to a public transportation general strike;
- on December 8, 2010, and again from December 13, 2010 through December 16, 2010, in each case due to floods caused by severe weather conditions in the metropolitan area of Panama City;
- from January 1, 2011 through January 17, 2011, due to severe weather conditions; and
- only in the case of trucks, buses and minibuses, during the entire months of February and March 2011, and again from April 1, 2011 through April 16, 2011 due to severe weather conditions, as a measure to reduce regular traffic in the road.

During these periods, Toll for the applicable Vehicle Class collections dropped to zero along the Toll Road. During the life of the Concession, though not contractually obligated to do so, the Government has agreed to reimburse the Concessionaire for lost revenue during these periods.

Traffic Volume

According to the Independent Traffic Study there have been several distinct phases in traffic development on the Toll Road, as set out below:

- Following an initial ramp-up until after the opening of the Panama-Madden Segment (on May 30, 1999), traffic levels stabilized at between 0.8 and 1.0 million transactions per month, and stayed at that level until June 2001.

8

- Tolls for trucks and buses were increased on July 1, 2001 by approximately 21.7% (on average), ranging from 16.7% to 50%. Tolls for automobiles remained at the same level except for trips between Martin Sosa and Azcanio Villalaz for which Toll Rates were increased by 43%. Traffic declined over the following six months by approximately 20%.
- Following the implementation of the open Toll system on December 15, 2001, traffic increased sharply in January 2002.
- From January 2002 traffic fell gradually before returning to growth from April 2003. By May 2004 Corredor Norte traffic volumes were almost the same as they had been in January 2002.
- Following the Toll Rate increase for automobiles on May 15, 2004, traffic declined by 2.7% over the following 12-month period. Traffic levels increased once again beginning in the middle of 2005.
- From January 2006 until March 2009 there was a period of explosive traffic growth. During this period traffic levels on Phase I more than doubled, despite an increase in Toll Rates of around 15% for cars in January 2007. This was the last Toll Rate increase on Corredor Norte prior to the date of this Offering Memorandum. Growth rates over this period were approximately 960 transactions per month, or 11,500 transactions per year. This represents an annualized percentage growth rate of 35% per annum at the beginning of the period, reducing to 15% per annum by the end of the period.
- Daily transactions increased in May 2009 following the opening of Phase IIA. Traffic has continued to grow since, albeit at a slightly lower rate of approximately 920 transactions per month. At current transaction levels, this equates to an annualized rate of around 9% per annum.

Toll Rate increases in the early years of operation of the Toll Road, as for example the Toll Rate increase in December 2001, tended to have significant and long lasting impacts on traffic volumes. More recent Toll Rate increases, as for example the increase in January 2007, tended to have short-lived impacts. Average daily transactions totaled across all plazas on the Toll Road were approximately 114,188, 101,033 and 82,260 in 2011, 2010 and 2009, respectively.

Future traffic volumes on the Toll Road are dependent on traffic growth and the capacity of the Toll Road, among other factors. The Concessionaire plans to optimize future Toll Road revenues and Toll collection capabilities from the existing cash system (which still accounts for approximately 63% of revenues for the six month period ended July 31, 2012) for a more fully automated system. See “Toll Collection” below. This strategy, if implemented successfully, is expected to materially increase the capacity of all toll plazas, in particular that of mainline plazas (i.e. Azcanio Villalaz, Mañanitas and, once Phase IIB is completed, Las Lajas), to accommodate present and future traffic growth. Notwithstanding these current plans, however, there can be no assurance that any such plans will come to fruition, or if completed, that any improvements implemented will be effective in increasing traffic volume. See “Risk Factors - Traffic growth on the Toll Road may be constrained by capacity at certain areas, and the Concessionaire’s planned implementation of more comprehensive electronic Toll collection systems may not be successfully implemented.”

The following table sets forth the actual traffic volume on the Toll Road for the periods indicated:

Volume ¹	<u>2008</u>	<u>% of Volume</u>	<u>2009</u>	<u>% of Volume</u>	<u>2010</u>	<u>% of Volume</u>	<u>2011</u>	<u>% of Volume</u>	<u>2012</u>	<u>% of Volume</u>
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9

January	1,585.82	7.30%	2,003.65	6.44%	2,605.37	7.06%	3,382.17	8.11%	3,393.34	11.35%
February	1,454.07	6.70%	1,867.95	6.00%	2,326.42	6.31%	3,313.85	7.95%	3,163.46	10.58%
March	1,674.02	7.71%	2,174.39	6.99%	3,086.97	8.37%	3,237.67	7.77%	3,829.06	12.81%
April	1,735.56	7.99%	2,203.67	7.08%	2,862.82	7.76%	3,217.16	7.72%	3,509.88	11.74%
May	1,696.69	7.81%	2,742.46	8.81%	2,993.49	8.12%	3,311.44	7.95%	3,949.65	13.21%
June	1,680.74	7.74%	2,814.95	9.05%	2,946.72	7.99%	3,324.66	7.98%	3,843.64	12.86%
July	1,792.68	8.26%	2,739.39	8.80%	3,077.44	8.35%	3,475.13	8.34%	3,991.52	13.35%
August	1,725.04	7.94%	2,915.98	9.37%	3,249.47	8.81%	3,708.16	8.90%	4,216.74	14.10%
September	1,833.99	8.45%	2,755.93	8.86%	3,227.67	8.75%	3,534.16	8.48%	-	-
October	2,002.12	9.22%	3,095.85	9.95%	3,413.99	9.26%	3,740.07	8.97%	-	-
November	1,756.79	8.09%	2,577.92	8.28%	2,988.36	8.10%	3,402.76	8.16%	-	-
December	2,778.76	12.80%	3,227.60	10.37%	4,098.37	11.11%	4,031.34	9.67%	-	-
Total	21,716.26	100%	31,119.73	100%	36,877.07	100%	41,678.57	100%	29,897.27	-
Volume	2008	growth	2009	growth	2010	growth	2011	growth	2012	growth
January – June	9,826.89	30.68%	13,807.06	40.50%	16,821.78	21.83%	19,786.95	17.63%	21,689.01	9.61%
July – December	11,889.37	29.12%	17,312.66	45.61%	20,055.30	15.84%	21,891.62	9.16%	-	-
Annual	21,716.26	29.82%	31,119.73	46.50%	36,877.07	13.10%	41,678.57	13.90%	-	-

Source: The Former Concessionaire

1. All volume figures in thousands of transactions.

The following table sets forth information regarding traffic volume in 2011:

	Traffic volume	Percentage of volume
Automobiles.....	38,765,551	90.89%
Buses, Minibuses.....	2,305,488	5.41%
Trucks.....	607,529	1.42%
Exempt Vehicles.....	972,900	2.28%
Total.....	42,651,468	100.00%

Source: The Former Concessionaire

Exempt Transactions

Certain Government and non-Government entities, as determined by the Cabinet Council, are exempt from paying Tolls when travelling on the Toll Road, including vehicles in connection with the police department, the fire department and MOP, among others. Management of the Concessionaire has indicated that for each of the years 2007 through 2011, Toll exempt operations comprised less than 2.7% of the Toll Road's total annual traffic volume.

Seasonality

Traffic patterns on major highways are affected by seasonal variations in demand. Based on the actual percentages of monthly traffic volume for the years 2007 through 2011, December is overall the busiest month on the Toll Road, when monthly average daily traffic is typically 30.8% higher than the annual average. Aside from that, the traffic profile over the course of the year is relatively stable.

Toll Collection

The Toll Road operates on an open Toll system. Along Phase I, there are eight interchanges with toll plazas and mainline plazas at Tinajitas, near its northeastern end and at Martin Sosa and Ascanio Villalaz at its southern end. One of these interchanges includes a plaza for all vehicles entering the Panama-Madden Segment. There are four interchanges

along Phase IIA, with ramp toll plazas at the interchange with the *Transistmica* Highway and mainline toll plazas at Villa Lucre and Brisas del Golf. The Panama-Madden Segment has no intermediate junctions and no other toll plazas. Not all entrances and exits along the Toll Road are currently tolled, but the system requires most vehicles to drive through two toll plazas. The Concessionaire is studying whether to place toll plazas at entrances and exits where there are none at present.

Currently, Tolls are collected both manually and via pre-paid proximity cards at 25 toll booths along the Toll Road. Cash collections account for approximately 63% of Tolls paid for the six month period ended July 31, 2012. No Toll discount is offered for pre-paid Tolls, and the initial proximity card can be purchased for U.S.\$13.00, which includes the cost of the card plus U.S.\$10.00 in Tolls. The balance on a card can be increased at manual toll booths along the Toll Road. During the six month period ended July 31, 2012, approximately 37% of Toll Road drivers used pre-paid proximity cards, compared to approximately 34% in 2010.

Toll plaza capacity on Corredor Norte has become an increasingly important issue, especially at the Tinajitas toll plaza. Future traffic volumes on the Toll Road are dependent upon traffic growth and the capacity of the Toll Road, among other factors. Traffic congestion is already serious in the morning peak period, and, according to the Independent Traffic Consultant, is most likely dampening demand. The Concessionaire plans to optimize future Toll Road revenues and Toll collection capabilities by replacing over time the existing system, which relies primarily on cash payments, with a more fully automated system. Because existing toll booths are already equipped to process proximity cards the Concessionaire plans, in the short term, to further promote and increase the availability of this method of payment. Over the longer term, in addition to the increased use of proximity cards, the Concessionaire plans to further replace the use of cash with an electronic Toll collection system based on tags and antennas. Under this system, participating vehicles will be equipped with electronic tags which automatically activate the Toll collection system and raise the toll booth gate when the vehicle approaches the toll booth. A similar system, called "SurExpress", is already in use on the Corredor Sur toll road in Panama City, and has had a positive effect in optimizing the flow of traffic. The Concessionaire further believes that the appointment of Maxipista, which acts as the operator of Corredor Sur, as the Operator of Corredor Norte will contribute positively to the roll out of these electronic systems. Notwithstanding these plans, however, there can be no assurance that any such plans will come to fruition, or if completed, that any improvements implemented will be effective in increasing traffic volume. See "*Risk Factors - Traffic growth on the Toll Road may be constrained by capacity at certain areas, and the Concessionaire's planned implementation of more comprehensive electronic Toll collection systems may not be successfully implemented.*"

Competition

Under the Concession Agreement, the Government agreed not to build, either itself or through a separate concession, roads that would compete with the Toll Road. This prohibition does not apply to existing roads or to Corredor Sur. Notwithstanding this, however, certain other roads and transportation alternatives do in fact compete with the Toll Road, as described further below. In addition, see "*Annex I - Independent Traffic Consultant's Report*" for a study and analysis on the impact of competition on projected Toll volumes and "*Risk Factors - Concession Collections may be affected by competing roads and other modes of transportation.*"

Corredor Sur

The Government initially provided for two toll corridors to relieve traffic congestion in Panama City. In addition to Corredor Norte, on August 6, 1996, MOP granted a concession to ICA Panama S.A. to study, design, construct, operate, maintain and manage a 19.76 kilometer four lane urban toll road in Panama City, known as "Corredor Sur". Corredor Sur became fully operational in February 2000. Corredor Sur runs in a north-east/south-west direction along the coast, connecting the western sector of Panama City (Paitilla), which includes the main business and financial district of Panama City and the new development of Punta Pacifica, and the eastern sector (Tocumen), which includes various suburban areas, the Tocumen International Airport and the Pan American Highway. Since August 2011, the Concessionaire of Corredor Sur has been ENA Sur S.A., an Panamanian corporation indirectly controlled by the Government of Panama, wholly-owned by ENA and an affiliate of ENA Norte. ENA Sur currently plans to expand

Corredor Sur. The planned expansion contemplates the widening of the main two-lane sections of Corredor Sur to three-lanes by January 1, 2015. In addition, the current three-lane section (viaduct westbound) is expected to be expanded to four lanes. ENA Sur also plans to expand the number and capacity of toll plazas along Corredor Sur, as well as to materially improve certain key interchanges. It also plans to construct a new flyover over the link from Cincuentenario to Via Israel.

Metro and Bus System

A major reorganization of Panama City's public transport system has recently commenced. The backbone of this initiative will be a Metro system with up to four lines, the first line of which is under construction and is due to open in 2014. The bus network is being reorganized in advance of the Metro opening and will feature a cohesive network of planned routes. The planned reorganization will provide viable alternatives to car traffic for commuters. See "*Annex I - Independent Traffic Consultant's Report*" for a study and analysis on the impact of such reorganization on projected Toll volumes and "*Risk Factors - Concession Collections may be affected by competing roads and other modes of transportation.*"

Toll-Free Secondary Roads

Certain toll-free secondary roads run parallel to and compete with the Toll Road. The main east-west toll-free road is Avenida Ricardo J. Alfaro. This two-lane road experiences significant traffic congestion, particularly at peak times.

There are currently planned improvements to the non-tolled Panama City highway network, particularly the grade separation of a number of important intersections along Via Brasil and Simon Bolivar, both of which run perpendicular to certain portions of the Toll Road. These improvements are expected to increase the capacity of these main routes, improve traffic flow and increase speeds (at least in the short term). These improvements are expected to be completed between 2013 and 2015.

In addition, there is a major planned improvement to Avenida Domingo Diaz, which is the continuation of Avenida Ricardo J. Alfaro. The plan involves widening the road to three lanes in each direction, as well as implementing certain improvements at key intersections. These improvements are expected to be completed in 2014.

Albrook Mall - La Amistad Link

In January 2012 a new route was opened linking the La Amistad/El Dorado junctions on Corredor Norte with Albrook Mall and destinations to the south. This link is a direct competitor to Corredor Norte for these trip movements. The new route is comprised of existing roads, a new link, and grade separation of two key interchanges.

Via Brasil - Avenida Martin Sosa

There are currently planned improvements to Via Brasil and Avenida Martin Sosa which would act as direct connecting roads without traffic lights between Corredor Norte, Corredor Sur and Cinta Costera.

Operation and Maintenance of the Toll Road

The Operator

The Former Concessionaire entered into two operations and maintenance agreements with an affiliate, Autovías, a Panamanian *sociedad anónima* (corporation) incorporated by public deed in 1996 under the laws of Panama, as the operator of the Toll Road, namely: (i) agreement dated October 6, 1997 for the maintenance and operation of Phase I and the Panama-Madden Segment of the Toll Road; and (ii) agreement dated April 29, 2009 for the maintenance and operation of Phase IIA. Under the terms of such operations and maintenance agreements, as amended and restated,

Autovías was responsible for, among other things, the operation, management and maintenance of the Toll Road in accordance with the terms and conditions of the Concession Agreement. Termination of the Autovías operation and maintenance agreement will take effect on the Closing Date.

As of Closing Date, Maxipista will become the Operator of the Toll Road. Maxipista, was incorporated on October 26, 1998 under Panamanian law and currently has approximately 300 employees. The Operator is a wholly-owned indirect subsidiary of Empresas ICA. The Operator obtains much of its experience and expertise from its affiliate, ICA Infraestructuras S.A. de C.V., which is also a wholly-owned indirect subsidiary of Empresas ICA. Since 1999, the Operator has been the operator of Corredor Sur pursuant to a separate and unrelated operations and maintenance agreement with the concessionaire of Corredor Sur.

The Concessionaire will enter into an Operations and Maintenance Agreement with the Operator on the Closing Date which will be effective beginning on the Closing Date for a period of five years with an automatic five year extension thereafter (unless terminated earlier by agreement of the parties thereto or otherwise by its terms). The Operations and Maintenance Agreement will provide that the Operator will operate, manage and maintain the Toll Road in accordance with its terms and conditions. Under this agreement, the Operator will assist users of the Toll Road, including providing tow truck and ambulance services; coordinate with authorities regarding road safety and the safety of drivers, traffic control, emergencies and other matters; maintain and administer the Toll Road; monitor performance under the ancillary services agreements; provide for private security in eight designated posts along the Toll Road and the offices; and perform minor routine maintenance activities under the supervision of MOP. The Operator does not currently operate the Toll Road, but is currently the operator of the Corredor Sur Toll Road.

Under the Operations and Maintenance Agreement, the overall performance of the Operator in connection with the operation of the Toll Road will be rated based on its performance in adhering to certain objective standards in the following areas, among others:

- collection of Tolls from users;
- supervision of the activities concerning ancillary services;
- deposit of monies collected;
- traffic and revenue reporting;
- maintenance of the vehicle registration system;
- security in the facilities;
- cleaning of surfaces, including bridges and junctions;
- replacement of metallic railing, including reflecting brackets, following traffic accidents;
- cleaning of drainage works;
- grass mowing and cleaning of road ditches in rights of way and junctions;
- replacement and repair of right of way fencing following traffic accidents;
- maintenance of electric plants and hydropneumatic equipment; and
- maintenance of signals.

Furthermore, under the terms of the Operations and Maintenance Agreement, the Operator will agree to act as the agent of the trustee of the ENA Norte Trust (for the benefit of the Secured Parties) in connection with the collection and deposit of Tolls into the Panamanian Concentration Account.

Termination under the Operations and Maintenance Agreement

The Concessionaire may terminate the Operations and Maintenance Agreement by means of a written notice to the Operator at least 90 days prior to the date of termination, due to breach by the Operator of the terms and conditions of the Operations and Maintenance Agreement, including:

- failure by the Operator on two consecutive occasions to prepare and deliver to the Concessionaire certain reports required under the terms of the Operations and Maintenance Agreement, and such failure is not cured within 30 days, provided that the Concessionaire delivers prior written notice to the Operator indicating that it has not received such reports;
- failure by the Operator to comply with any of its material obligations under the Operations and Maintenance Agreement, and such failure is not cured within 90 days of notice by the Concessionaire;
- if insolvency or bankruptcy proceedings are initiated against the Operator and such proceedings are not suspended within 30 days, the Operator makes a general assignment for the benefit of its creditors, the Operator declares itself insolvent or there is an admission in writing by the Operator of its inability to repay its indebtedness when due;
- failure by the Operator to pay or deposit any amount due under the Operations and Maintenance Agreement, and such failure is not cured for a period of 10 days;
- failure by the Operator to achieve certain standards as set out in the Operations and Maintenance Agreement, and as determined by the Independent Engineer Report in its evaluation to be performed every two years;

provided, however, that under the terms of the Support Agreement, the Concessionaire may only exercise its termination right with prior approval from the Indenture Trustee acting at the direction of the Majority Controlling Party.

The Operator may terminate the Operations and Maintenance Agreement, with prior written notice of at least 90 days provided to the Indenture Trustee and the trustee of ENA Norte Trust in the event that:

- the Concessionaire has not complied with any of its payment obligations and such non compliance continues for a period of 10 days from the date the Concessionaire receives a written notice by the Operator of such non compliance;
- the profitability of the Operator with relation to operating and minor maintenance payments is less than 12%;
- failure by the Concessionaire to comply with any of its material obligations under the Operations and Maintenance Agreement, and such failure is not cured within 90 days of notice by the Concessionaire, unless such noncompliance has been addressed or remedied prior to the date specified in the termination notice; or
- if insolvency or bankruptcy proceedings are initiated against the Concessionaire and such proceedings are not suspended within 30 days, the Concessionaire makes a general assignment for the benefit of its creditors, the Concessionaire declares itself insolvent or there is an admission in writing by the Concessionaire of its inability to repay its indebtedness when due.

In addition to the occurrence of other conditions allowing for termination by one or both parties, the Operations and Maintenance Agreement may also be terminated by mutual consent and terminates automatically if the Concession Agreement is terminated by MOP before the expiration of its term.

Payments under the Operations and Maintenance Agreement

Under the Operations and Maintenance Agreement, the Concessionaire shall pay the Operator, for operating services and minor maintenance, an annual fixed amount of U.S.\$8.5 million, as follows: (i) for the first 3 years, payment shall be made on a monthly basis in twelve equal amounts; and (ii) for the remainder of the term of the agreement, and no later than 30 days prior to the commencement of each year of operation, the Concessionaire will pay 10% of such operations and maintenance fee in advance for that year of operation. The remaining balance of 90% will be paid on a monthly basis in twelve equal amounts of U.S.\$637,000.

Fees will be adjusted annually in an amount equal to the annual IPC in Panama from January 1 until December 31 with respect to the previous calendar year. This annual fixed amount will cover operating fees and minor maintenance.

The Concessionaire will recognize and pay to the Operator 100% of any increases in minimum wage decreed by law and any new increments in employer's dues related to social security and educational insurance as approved by law after the commencement of the term of the Operations and Maintenance Agreement. In the event of increases in salaries resulting from collective bargaining agreements, the Concessionaire will pay to the Operator 70% of these increases, including corresponding social security dues. This adjustment will be effective upon receipt by the Concessionaire of a written notice from the Operator. Also, in recognition of potential technological and administrative advances, the Operations and Maintenance Agreement provides that, notwithstanding the payment terms under the contract, the terms may be adjusted so as to guarantee a minimum 12% profitability based on operating services and minor maintenance payments.

In addition to the monthly payments for operating services and minor maintenance described above, the Concessionaire will also recognize and pay the Operator an annual bonus of U.S.\$170,000 in the event that the Operator successfully complies with certain services standards as set out in the Operations and Maintenance Agreement; provided, however, that a bonus will not be paid if the Operator fails to meet such standards and, as a consequence, receives three noncompliance written notices from the Concessionaire within one year of operation.

Projected Minor and Major Maintenance Costs

The Operator has established a budget of projected minor and major maintenance costs throughout the Concession period. Expected annual expenses for ENA Norte after the Closing Date include:

- fees of the Operator of U.S.\$8.5 million per year, as described above;
- U.S.\$650,000 per year in insurance fees;
- U.S.\$300,000 to U.S.\$2.0 million in major maintenance expenses (as estimated by the Independent Engineer), as per the Major Maintenance Budget; and
- other expenses related to trust fees and insurance.

In addition, ENA, as Servicer, will be entitled to a servicing fee of U.S.\$750,000 per year, subject to the adjustments described in the section "*Transaction Documents and the Notes - The Servicing Agreement.*"

The major maintenance items of the Toll Road are managed by the Concessionaire and include the repair of the concrete overlay of the roadway, maintaining the consistency of the pavement surface with asphalt in areas of heavy use, replacement of paving stones, repairs of cracks, joint repair and sealing, repair of surface texture, anti-corrosive treatment



of bridges, maintenance of the main drainage channels, replacement of traffic signs, mileage posts, reflective lane markers, right-of-way fencing and reflective material in side railings and center dividers, repair of road markings, replacement of reflective road studs and topography surveys to monitor settlement.

Under the Operations and Maintenance Agreement, the Concessionaire and Operator will determine on an annual basis major maintenance required and the amounts to be spent in that connection. For the first year of operation by the Operator, the Independent Engineer has established a budget of projected major maintenance costs of U.S.\$1.4 million, which includes resurfacing and sealing the roadway asphalt, replacing and relocating concrete slabs, structures, drainage works, signaling and replacement of support equipment. As of November 15, 2010, the date of the Independent Engineer Report, the aggregate major maintenance costs estimated for Corredor Norte, excluding any future expansion, were U.S.\$13.2 million (excluding inflation) from 2012 through 2028. The Independent Engineer Report concluded that the Concessionaire's budget of projected maintenance costs was reasonable and adequate, allowing it some flexibility in targeting key activities in its maintenance plan.

Vehicle Registration System

Corredor Norte has in place a vehicle registration system that allows the Operator to measure and control the traffic volume on the Toll Road. The vehicle registration system enables the Operator to count the number of vehicles travelling through the Toll Road, classifying vehicles according to type and recording the booth and lane where they paid their Tolls, the date and time when they paid and the means of payment used. This information is used to build a database, which also operates as an auditing tool by reporting any difference between the identification of vehicle type made by the system and the amount charged by the toll booth operator. The system's hardware and software integrates data and video, with magnetic sensors connected to an encrypted network linked by Asymmetric Digital Subscriber Line transmission technology. The system is designed to be stable and secure since it backs up its data electronically and is powered by uninterruptible power sources and automated power plants. This system can be upgraded in accordance with technological developments.

Independent Traffic Consultant's Report

The Concessionaire, through the Joint Lead Managers, retained Halcrow to provide an independent assessment of the Toll Road's likely future traffic and revenue streams. The Independent Traffic Consultant's Report was completed on September 14, 2012 and provides an assessment of future Toll revenues based on an examination of existing information and certain traffic counts and surveys. The Independent Traffic Consultant's Report is included in this Offering Memorandum as Annex I. Halcrow has prepared the Independent Traffic Consultant's Report upon the authority of such firm as a traffic consultant. The Independent Traffic Consultant's Report should be read in its entirety by prospective investors for the information contained therein with respect to the Toll Road and other related matters.

As part of the Independent Traffic Consultant's Report, Halcrow provided forecasts for the Toll Road's traffic and Toll revenues based on an analysis of the following factors: economic and population growth in the city and corridors, an increase in car ownership, new developments in the Toll Road, existing highway networks and transit services, the response to increases in Toll Rates and the capacity of the Toll Road. On this basis, the Independent Traffic Consultant's Report provided five forecasts of annual Toll revenues of the Toll Road. All five cases:

- exclude inflation and real changes in the Toll Rates;
- assume population growth of 1.9% per annum from 2012 to 2020 and 1.3% per annum from 2020 to 2030; and
- assume GDP growth of: 7.0% in 2012; 6.5% in 2013; 6.0% in 2014; 5.5% in 2015; 5.0% in 2016; 4.5% in 2017; 4.0% per annum in each of 2017 through 2020; and 3.0% per annum in each of 2020 through 2030, except in the low GDP case where GDP growth is assumed to be 5.0% in 2012; 4.5% in 2013; 4.0% in

2014; 4.0% in 2015; 3.5% in 2016; 3.0% in 2017; 3.0% per annum in each of 2017 through 2020; and 2.0% per annum in each of 2020 through 2030.

Each of the five cases contains certain specific assumptions, as set forth below:

- *a base case*, assuming: Phase IIB opens January 1, 2014, with tolls of U.S.\$1.25 charged at each of Las Lajas and Mañanitas; the Corredor Sur expansion opens January 1, 2015; toll plaza capacity at Tinajitas is improved in 2013 with no constraints thereafter, electronic Toll collection is implemented as described in Figure 6.2 of the Independent Traffic Consultant's Report; the Gonzalillo Link opens on January 1, 2014; certain improvements are made at specific city intersections; Metro line 1 opens January 1, 2014 and Metro line 2 opens January 1, 2020.
- *a do-nothing case*, assuming: no changes to the current network.
- *a low case*, assuming: no changes to the current network, except for the opening of the Corredor Sur expansion on January 1, 2015 and certain city intersection improvements, Metro Line 1 opens January 1, 2014 and Metro line 2 opens January 1, 2020.
- *a high case*, assuming: that all base case assumptions are met, other than completion of the Corredor Sur expansion.
- *a low GDP case (with low GDP's)*, assuming that all base case assumptions are met other than: GDP growth of 5.0% in 2012; 4.5% in 2013; 4.0% in 2014; 4.0% in 2015; 3.5% in 2016; 3.0% in 2017; 3.0% per annum in each of 2017 through 2020; and 2.0% per annum in each of 2020 through 2030.

The forecasts show annual Toll revenues reaching the following totals in 2028 (in 2011 prices):

- *base case*: U.S.\$150.9 million;
- *do-nothing case*: U.S.\$134.3 million;
- *low case*: U.S.\$126.6 million;
- *high case*: U.S.\$151.4 million; and
- *low GDP case*: U.S.\$123.3 million.

Generally, the Independent Traffic Consultant's Report was made using various analytical methodologies and assumptions. The forecasts and conclusions contained therein are inherently subject to unpredictable factors, including, among others, the level of background traffic growth, the development of (or lack of) transport infrastructure, socio-economic issues, stability of Toll Rates and drivers' response to Toll changes. Even if such assumptions and methodologies are accurate, the actual traffic volumes and patterns may differ materially from those expressed or implied in the Independent Traffic Consultant's Report. Accordingly, investors are urged not to place undue reliance on the Independent Traffic Consultant's Report conducted by Halcrow.

According to the Independent Traffic Consultant's Report, the key risks to these forecasts are the rate of background traffic growth (i.e., growth in traffic that occurs in a community over a given period of time as a result of population change, levels of development, the rate of development of alternative transportation infrastructure and other similar factors), the development of certain new transport infrastructure and an economic recession in Panama.

Legal Proceedings

- A civil claim was filed before the Third Circuit Court of the First Circuit of Panama, Civil Branch, by Jorge Miguel Melgarejo Haddad, Juan Arturo Melgarejo Haddad and Javier Eduardo Melgarejo Haddad against the Former Concessionaire, Autovías, Grupo Pycsa, S.A. de C.V. and Pycsa International, Ltd. The plaintiffs' claims are based, among other things, on allegations that: (a) the sale of Corredor Norte was not duly authorized by the shareholders of PYCSA International, Ltd., and of the Former Concessionaire; (b) the proposed price of for the purchase of Corredor Norte is not adequate; and (c) the shareholders of PYCSA International, Ltd., and of the Former Concessionaire will lose their share of the purchase price once the proceeds are distributed. The relief sought by the plaintiffs is for the court to prevent any transaction between the defendants and the Government of the Republic of Panama involving the sale of Corredor Norte or the shares of the Former Concessionaire. The plaintiffs had initially sought a temporary injunction against any such transaction, which petition has been denied by the court. See "Risk Factors - The Former Concessionaire is a party to ongoing litigation."
- Ordinary civil claim filed before the Second Circuit Court of the First Judicial Circuit of Panama, Civil Branch, by Juan Melgarejo against the Former Concessionaire, for the amount of U.S.\$2,400,000. Juan Melgarejo claimed the payment of certain amounts allegedly due pursuant to certain services provided by Juan Melgarejo under a service agreement with the Former Concessionaire. In July, 2012, the trial court issued a ruling in favor of the defendant.
- Ordinary civil claim filed before the Fifteenth Circuit Court of the First Judicial Circuit of Panama, Civil Branch, by Cazago, S.A., against the Former Concessionaire for the amount of U.S.\$1,787,500. Cazago, S.A., claimed damages resulting from the devaluation of its land because of negligent acts on the part of the defendant. The trial court ruled for the plaintiff, ordering the defendant to pay the amount of U.S.\$825,000. However, Cazago, S.A., has filed an appeals motion, seeking the damages award to be increased to the amount first claimed (U.S.\$1,787,500).
- Ordinary civil claim filed before the Seventh Circuit Court of the First Judicial Circuit of Panama, Civil Branch, by Caja de Ahorros, S.A., against the Former Concessionaire, for the amount of U.S.\$11,337,830.65. Caja de Ahorros, S.A., claimed that the defendant entered into, and used, certain land owned by Caja de Ahorros, S.A. However, both the trial court and (on appeal) the Superior Court ruled in favor of the defendant, as it was determined that the statute of limitations for the plaintiff to file a claim had run out. Caja de Ahorros, S.A., then filed a new appeal before the First Chamber of the Supreme Court (*casación*). Prior to a ruling having been issued by the Supreme Court, the parties entered into a settlement agreement whereby the defendant agreed to pay the plaintiff the sum of U.S.\$1,626,000.
- Ordinary civil claim filed before the Second Circuit Court of the First Judicial Circuit of Panama, Civil Branch, by the Municipality of San Miguelito against the Former Concessionaire for the amount of U.S.\$157,103.55. The parties signed a settlement agreement in April, 2012, for the amount of the claim. The settlement agreement entails the filing of a motion to dismiss the claim, such filing was made on April 27, 2012. As of today, the defendant has paid U.S.\$141,393.19 out of the U.S.\$157,103.55, and the difference will be reserved from the purchase price under the Guarantee Trust.
- Ordinary civil claim filed before the Fifth Circuit Court of the First Judicial Circuit of Panama, Civil Branch, by Distribuidora Extra against the Former Concessionaire for the amount of U.S.\$260,844.50. The trial court ruled for the plaintiff and such ruling was upheld on appeal by the Superior Court, ordering the defendant to pay the amount of U.S.\$243,080. The plaintiff then appealed the ruling before the First Chamber of the Supreme Court (*casación*). Prior to a ruling having been issued by the Supreme Court, the parties entered into a settlement agreement whereby the defendant agreed to pay the plaintiff the sum of U.S.\$391,230.20. As of today, the defendant has paid U.S.\$352,108.08, the difference will be reserved from the purchase price under the Guarantee Trust.

2

Amounts with respect to the legal proceedings described above have been reserved under the Guarantee Trust and ENA's rights therein will be assigned to the ENA Norte Trust pursuant to the Assignment Agreement. See "*Transaction Documents and the Notes - The Assignment Agreement.*"

Environmental Matters

Pursuant to company policies and environmental laws in Panama, during the design stage and prior to the construction of Corredor Norte, an Environmental Impact Study and Plan of Action and Environmental Management ("*PAEM*") were prepared and duly approved by ANAM. The PAEM contain the details of the Concessionaire's obligations in respect to preventing, mitigating and offsetting all negative impacts related to the Toll Road in the physical, biological and socioeconomic aspects, both during the construction stage and during the operation phase of Corredor Norte. The Concessionaire believes that, when the Toll Road is transferred to the Concessionaire, it will be in material compliance with applicable environmental requirements as obtained by the PAEM and does not expect these requirements to result in material expenditures in the foreseeable future.

Employees

The Concessionaire has no key employees. The Concessionaire will contract with the Operator to operate and maintain the Toll Road. See "*The Toll Road - Operation and Maintenance of the Toll Road - The Operator.*"

Insurance

The Concessionaire will maintain insurance for the Toll Road as required by the Indenture and the Concession Agreements. Coverage will include property insurance, including flood and earthquake coverage, primary and excess liability insurance, automobile insurance and workers' compensation insurance.

Acquisition of the Assigned Rights from the Former Concessionaire by ENA Norte

On April 3, 2012 the Former Concessionaire, Autopista Norte, Inglewood Financial, Inc. ("*Inglewood*") and ENA entered into the Capitalization Agreement, by which the Former Concessionaire agreed to contribute to Autopista Norte, free of all liens and encumbrances, the Concession, the Concession Agreement and certain other related assets. In consideration for this contribution, Autopista Norte granted to the Former Concessionaire the right to receive shares representing 100% of Autopista Norte's authorized capital. The Former Concessionaire then transferred rights to receive a portion of such shares to Inglewood as payment for certain outstanding PYCSA Panama debt owed to Inglewood.

Pursuant to the Share Trust Agreement, dated May 9, 2012, the Former Concessionaire and Inglewood assigned their right to receive the Autopista Norte shares described above to the Share Trust. On May 9, 2012, the parties to the Capitalization Agreement and MMG Trust, S.A., as trustee of the Share Trust, entered into the Share Purchase Agreement in respect of the sale, by the Former Concessionaire and Inglewood, and the purchase, by ENA, of all of the issued and outstanding share capital of Autopista Norte. Pursuant to the terms of the Share Purchase Agreement and the Share Trust Agreement, all such shares of Autopista Norte are to be held in trust by the Share Trust for the benefit of ENA, subject to the successful completion of the offering of the Notes.

On the Closing Date, once payment of the purchase price under the Share Purchase Agreement has been sent to the Former Concessionaire and Inglewood, the trustee of the Share Trust will cause Autopista Norte to be dissolved, upon which all of the assets of Autopista Norte, including the Concession and the Concession Agreement, shall be transferred to the trustee of the Share Trust, as sole shareholder (in its capacity as trustee, for the benefit of ENA, and not in its individual capacity). The trustee of the Share Trust will then transfer all of the assets of Autopista Norte, including the Concession and the Concession Agreement, to ENA Norte pursuant to the Asset Purchase Agreement, dated September 25, 2012 among ENA Norte, ENA and MMG Trust, S.A., as trustee of the Share Trust and, on or prior to the Closing Date, ENA Norte will execute Addendum No. 8 to the Concession Agreement with MOP, which addendum will be countersigned by the Comptroller General of the Republic of Panama. Immediately thereafter, on the Closing Date,

2

pursuant to the Assignment Agreement, ENA Norte and ENA, as the case may be, will assign the Assigned Rights to ENA Norte Trust.

Upon completion of the transactions described above, ENA Norte will be the holder of the Concession and the rights and obligations set forth under the Concession Agreement, and the transactions set forth in the Assignment Agreement and the Trust Agreement will have been consummated.

The Capitalization Agreement, the Share Purchase Agreement and the Share Trust Agreement contain representations and warranties made by the Former Concessionaire and Inglewood, including as to:

- good and valid title to the Concession;
- good and valid title to the shares of Autopista Norte S.A.;
- the business, operations and financial condition of the Former Concessionaire;
- the holding of material governmental authorizations;
- compliance with laws;
- full execution of the major and minor maintenance budgets;
- the status of outstanding litigation;
- the status of outstanding indebtedness; and
- certain other customary matters.

Representations and warranties made by the Former Concessionaire will remain in force for a period ranging from five years through 15 years, in the case of governmental authorizations, tax, environmental and litigation representations.

The Former Concessionaire has provided an indemnity to ENA for breaches of such representations and warranties, as well as with regard to certain other matters, including current and future litigation in which the Former Concessionaire is involved, certain pending maintenance works as of the Settlement Date and the pending acquisition of certain real estate related to continued operation of the Toll Road. In order to provide collateral for this indemnity, the Former Concessionaire has agreed in the Share Purchase Agreement that certain cash amounts will be withheld from the purchase price for the shares and deposited in trust (the "*Guarantee Trust*") for the benefit of ENA, ENA Norte, the Republic of Panama and Autopista Norte, and further assigned by ENA to ENA Norte Trust pursuant to the Assignment Agreement. These cash amounts represent the first source of funds available in order to reimburse such parties for all costs, expenses or other liabilities related to these matters. The amounts held in trust include the following, among others:

- a fixed amount of U.S.\$17.5 million to provide a general fund to cover costs, expenses and other losses;
- a fixed amount of U.S.\$32.4 million related to the Melgarejo Claims (as defined and further described under "*Risk Factors - The Former Concessionaire is a party to ongoing litigation*" above);
- a variable amount of up to U.S.\$40.0 million in respect of any undisclosed or new litigation to which the Former Concessionaire or any of its affiliates becomes a party on or prior to the Settlement Date. The Former Concessionaire and the other parties to the Share Purchase Agreement may agree that mutually acceptable legal counsel will provide a legal opinion related to probable liabilities related to such new litigation, and will base the amount of the reserve to be held in trust on this legal opinion. If potential liability related to such new litigation

exceeds U.S.\$25.0 million, then a reserve in the minimum amount of U.S.\$25.0 million will be maintained, and the parties agree that they will agree in good faith any additional amounts to be deposited in trust. If potential liability related to such new litigation exceeds U.S.\$40.0 million, then a reserve in the minimum amount of U.S.\$40.0 million will be maintained, and the parties agree that they will agree in good faith any additional amounts to be deposited in trust;

- to the extent that the Former Concessionaire has agreed to settle any outstanding litigation but has not paid such agreed amounts prior to the Settlement Date, then the full amount of any outstanding settlement payments to be made will be deposited in trust as an obligation separate from the stipulated reserve to be paid in such litigation;
- certain fixed and floating amounts related to certain ongoing roadwork along the Toll Road that has not been completed prior to the Settlement Date, as certified by the independent engineering firm Proyectos Ejecución y Control de Obras S.A. (as described under “Amounts Reserved in Guarantee Trust”); and
- a reserve amount sized to the market value (as determined by an independent appraiser) of lands that ENA considers are necessary for the operation of the Concession and in respect of which, as of the closing date under the Share Purchase Agreement, the Former Concessionaire has not reached a definitive agreement for the transfer of such land to the Republic of Panama.

Amounts in the Guarantee Trust related to existing litigation will be assigned to the ENA Norte Trust on the Settlement Date. If future claims that are not in existence as of the Settlement Date are brought against the Former Concessionaire, then the U.S.\$17.5 million fixed general fund held in the Guarantee Trust to cover costs, expenses and other losses will be held in trust until the date that is five years from the Settlement Date. If no such future claims are filed, then such U.S.\$17.5 million general fund will be progressively decreased by U.S.\$1.25 million after the first year from the date in which such fund is received by the trustee of the Guarantee Trust, U.S.\$1.25 million after the second year, U.S.\$5.0 million after the third year, and the balance at the end of the fifth year.

With respect to other amounts held in the Guarantee Trust, however, certain amounts related to litigation may be removed from the trust account by the trustee of the Guarantee Trust and delivered to the Former Concessionaire if any specific claims that have been filed and for which reserves have been made under the Guarantee Trust are effectively settled, or favorable rulings have been issued by courts of competent jurisdiction.

The Capitalization Agreement, the Share Purchase Agreement and the Share Trust Agreement are governed by the laws of Panama. The parties to the Capitalization Agreement and the Share Purchase Agreement have agreed that any dispute not otherwise resolved by negotiated settlement will be submitted to arbitration proceedings in Panama in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules in effect at the time of such dispute. Parties to the Share Trust Agreement have agreed that any dispute related to that agreement will be resolved in the courts of Panama.

Amounts Reserved in Guarantee Trust

The parties to the Share Purchase Agreement agreed to reserve certain amounts from the purchase price of the shares in Autopista Norte in order to cover unforeseen liabilities, certain works, expenses and investments that were incomplete or pending of payment as of the date of the Share Purchase Agreement. The Guarantee Trust will be funded on the Settlement Date with the following amounts and with respect to the following purposes:

- A reserve amount sized to the market value (as determined by an independent appraiser) of lands that ENA considers are necessary for the operation of the Concession for which as of the Closing Date under the Share Purchase Agreement the Former Concessionaire has not reached a definite agreement for the transfer of such land to the Republic of Panama.

- A reserve amount up to U.S.\$4,997,182.45 to cover the purchase price for the acquisition of lands for which as of the Closing Date under the Share Purchase Agreement the Former Concessionaire has executed a purchase agreement of there is a binding court decision.
- A reserve amount to cover refill works in El Mirador, Club de Golf and Ramal Manuel F. Zárate, as determined by Proyeco (an independent engineer) considering surveys conducted in the area and the costs budgeted by the contractor in charge to complete the works.
- Other amounts as determined by Proyeco related to other major or minor maintenance of the Toll Road that may remain pending on the Closing Date under the Share Purchase Agreement.
- Up to U.S.\$30.0 million to cover any potential damages and losses to the Republic of Panama, ENA, ENA Norte, Autopista Norte or any of its affiliates, assignees or successors, with respect to the civil claim filed before the Third Circuit Court of the First Judicial Circuit of Panama, Civil Branch, by Jorge Miguel Melgarejo Haddad, Juan Arturo Melgarejo Haddad and Javier Eduardo Melgarejo Haddad against the Former Concessionaire, Autovías, Grupo Pycsa, S.A. de C.V. and Pycsa International, Ltd. (See "*Risk Factors - The Former Concessionaire is a party to ongoing litigation*").
- Up to U.S.\$40.0 million for any new claim filed on or before the payment date under the Share Purchase Agreement against Inglewood Financial Inc., the Former Concessionaire and/or Autopista Norte or any of its affiliates, assignees or successors; provided, however, that these new claims have not been disclosed to ENA under the Share Purchase Agreement, the plaintiff is requesting a conviction against the defendants and no reserve has been made for such new claims (the "*New Claims*"). This amount could be reduced by the corresponding mechanisms in the Share Purchase Agreement.
- Any amounts agreed by the parties to the Share Purchase Agreement related to new claims filed before the payment date thereunder against Inglewood Financial Inc., the Former Concessionaire and/or Autopista Norte or any of its affiliates, assignees or successors, related to acts or omissions of the Former Concessionaire and/or Inglewood Financial Inc., before such payment date, where the plaintiffs are not seeking damages; provided, however, that no final settlement agreement has been reached and is in full force and effect.
- Up to U.S.\$2,042,404.72 to cover the claims filed by Victor Diego Ribero Mendoza and Cazago, S.A. against the Former Concessionaire.
- Up to U.S.\$2.4 million to cover any potential damages and losses to the Republic of Panama, ENA, ENA Norte, Autopista Norte or any of its affiliates, assignees or successors, with respect to the Ordinary civil claim filed before the Second Circuit Court of the First Judicial Circuit of Panama, Civil Branch, by Juan Melgarejo against the Former Concessionaire, for the amount of U.S.\$2.4 million.
- The amount required to purchase the Property No. 261,198, owned by CORINDAG, S.A., and the Property No. 73,706 owned by Banco Hipotecario Nacional.
- Any amount agreed by the parties for any claim filed on or before the payment date under the Share Purchase Agreement against Inglewood Financial Inc., the Former Concessionaire and/or Autopista Norte or any of its affiliates, assignees or successors, where the plaintiffs are seeking damages; provided, however, that no final settlement agreement has been reached and is in full force and effect and the damages sought exceed – either by themselves or in addition to the New Claims, the sum of U.S.\$40.0 million.

These reserved amounts will also have the benefit of the fixed reserved amount in the Guarantee Trust (U.S.\$17.5 million) that will be used in case the reserved amounts described above do not cover the amount required to satisfy any such expenses and obligations that remain outstanding at the Closing Date under the Share Purchase Agreement or to

cover unforeseen liabilities under any claims apart from the ones described above. This fixed amount will be held in the Guarantee Trust until the date that is five years from the Settlement Date, provided that no claim or action has been filed that may cause any damages to ENA, the Republic of Panama, Autopista Norte or any of its affiliates, assignees or successors, in which case the corresponding reserve shall be made until such claim or action is resolved. The fixed amount will be reduced by U.S.\$1.25 million in the first year, by U.S.\$1.25 million in the second year and by U.S.\$5.0 million in the third year.

ENA will be authorized to draw amounts reserved in the Guarantee Trust to pay these expenses. Amounts in the Guarantee Trust related to existing litigation will be assigned to the ENA Norte Trust on the Settlement Date pursuant to the Assignment Agreement. Amounts in the Transaction Accounts corresponding to the issuance of the Notes and amounts resulting from Concession Collections will not be used with respect to those items that have been reserved for in the Guarantee Trust.

For further information regarding the acquisition of the Assigned Rights by ENA Norte, see "*Summary of Terms - Acquisition of Assigned Rights by ENA Norte.*"

THE CONCESSION AGREEMENT

The following are summaries of selected provisions of certain principal agreements related to the Toll Road and are not considered to be a full statement of the terms of each such agreement. Accordingly, the following summaries are qualified in their entirety by reference to each agreement. A copy of each such agreement is available, free of charge, upon request from the Indenture Trustee. A free English translation of the Concession Agreement and related Addenda are attached as Annex V to this Offering Memorandum.

Regulatory Framework

The Concession was awarded in accordance with Law No. 5 of April 15, 1988, and the Panamanian Cabinet Council approved the award of the Concession to the Former Concessionaire pursuant to Cabinet Resolution No. 661 dated December 15, 1994. Law No. 5 of April 15, 1988, and its amendments, establish and regulate the administrative concession system for the execution of works in Panama considered by the Cabinet Council to be in the public interest. These works, performed by private companies under the supervision of MOP, include the construction, improvement, maintenance, conservation, refurbishment and operation of roads and highways in Panama. In accordance with the administrative concession system, private companies must perform all works granted under a concession at their own risk and with their own resources in exchange for the charging of Tolls or such other compensation as agreed with the Government under the Concession Agreement.

Terms and Conditions of the Concession

General

In 1994, the Government awarded the Concession to the Former Concessionaire. In connection herewith, the Government, acting through MOP, and the Former Concessionaire entered into the Concession Agreement on December 29, 1994. The *Contraloría General de la República* (General Comptroller's Office) countersigned the Concession Agreement on January 4, 1995. The Concession Agreement was then modified by: Addendum 1 of December 29, 1996; Addendum 2 of June 18, 1999; Addendum 3 of August 30, 1999; Addendum 4 of September 20, 2001; Addendum 5 of January 30, 2007; Addendum 5A of March 13, 2009; Addendum 5B of July 16, 2009; Addendum 5C of July 16, 2009; Addendum 5D of May 3, 2010; Addendum 5E of October 29, 2010; Addendum 6 of July 22, 2011 and Addendum 7 of September 17, 2012. Addendum 8, approving the transfer of the Concession to the Concessionaire, will be signed and approved on or prior to the Closing Date. The Concession Agreement encompasses, the study, design, construction, maintenance, administration and operation of Corredor Norte, which as defined in this Offering Memorandum includes Phase I, Phase IIA and the Panama-Madden Segment, under the administrative concession system governed by the laws of Panama. The same concession agreement also encompasses the study, design, construction, maintenance, administration and operation of certain other segments of the Corredor Norte, including Phase IIB thereof. For the avoidance of doubt, however, neither Phase IIB nor Panama-Madden highway (except for the Panama-Madden Segment thereof) is included in the terms "Concession" and "Concession Agreement" as used herein or comprises the Collateral for the Notes.

The Concession, in respect of each Segment of the Toll Road, expires on the earlier to occur of (i) the thirtieth anniversary of the date on which MOP certifies such Segment as being operative, or (ii) the date on which the Concessionaire achieves a specified return on its investment in the Concession (the "*Monto Total Recuperable*"). See "*The Toll Road - Expiration of the Concession Upon Receipt of the Monto Total Recuperable*." MOP certified Phase I as operative on March 15, 1998, and therefore the thirtieth anniversary of such Segment is March 15, 2028. MOP certified the Panama-Madden Segment as operative on May 30, 1999, and therefore the thirtieth anniversary of such Segment is May 30, 2029. Phase IIA began operations on April 21, 2009, and is expected to be formally accepted by MOP on or before the Settlement Date.

Phase I of Corredor Norte opened in 1997, with tolled operations beginning in March 1998. The Panama-Madden Segment opened in May 1999 and was tolled from the outset. Phase IIA of Corredor Norte, which extends to Brisas del

Golf, opened in May 2009. The early stages of construction on the Concession were primarily financed with proceeds of a bond offering executed by the Former Concessionaire in October, 1997.

The Concession Agreement provides for the Concessionaire to be compensated by the right to retain the revenue derived from the operation of the highway. The Concession Agreement is governed by the laws of Panama, and all the parties thereto are subject to the jurisdiction of the courts of Panama; however, the Concession Agreement also provides that the parties may agree to resolve disputes thereunder through arbitration.

Obligations and Rights of the Concessionaire

The Concessionaire's obligations under the Concession Agreement are principally to:

- study, design, construct, maintain, administer, exploit and finance Corredor Norte, fill-in for the road, culverts, bridges, intersections and interchanges. Construction has been completed, and the Toll Road, as defined herein, is fully operational;
- manage and maintain Corredor Norte during the entire period of the Concession; and
- comply with environmental laws and all other applicable Panamanian laws and regulations.

In addition, the Concession Agreement requires the Concessionaire to:

- assume payment for the acquisition of private property necessary to carry out the Concession, which would then be compensated by the Government.
- comply with Panamanian labor laws and ensure that at least 90% of its employees are Panamanian;
- maintain third-party liability insurance;
- allow MOP access to the construction works on Corredor Norte for inspections;
- maintain certain Toll Rates, subject to adjustments permitted under the Concession Agreement and subject to approval by MOP. See "*Toll Rates*" below; and
- pay all fees, charges and taxes applicable to the Concession, except for those exempted by law.

MOP has not declared an Event of Default on any of the Concessionaire's obligations under the Concession Agreement.

In return, the Concessionaire has the following principal rights under the Concession Agreement:

- the right to collect Tolls from the road users during the term of the Concession;
- subject to Government approval, the right to assign certain rights of the Concession to third parties, including the right to collect Tolls;
- the right to establish an administrative trust for financing purposes;
- the right of first refusal to develop ancillary services revenues along the right-of-way of Corredor Norte;
- the right to receive indemnity in case of an administrative redemption of the Concession or any segment thereof by the Government;

- the right to be indemnified under certain circumstances to maintain the contractual equilibrium. See “*Contractual Equilibrium*” below; and
- the right to receive certain tax exemptions as described in the Concession Agreement.

Obligations and Rights of the Government

The construction of Phase I and the Panama-Madden Segment of Corredor Norte has been completed and approved by the Government. The construction of Phase IIA of Corredor Norte has been completed and is expected to be certified as operative by MOP on or before the Settlement Date. The Government may monitor the activities of the Concessionaire during the operation of the Concession and has the right to appoint auditors to carry out audits of the activities of the Concessionaire.

In addition, the Government has undertaken not to authorize the concession of, or build by itself, any competing new road, although it is not excluded from improving the existing railroad network. The only other toll road concession in Panama is the ENA Sur Concession, which was awarded in 1996.

Acquisition of Right-of-Way

The process of acquiring the right-of-way for Corredor Norte under the Concession Agreement, and in accordance with the provisions of Article 47 of the Panamanian Constitution and the provisions of Law No. 57 of 1946, is as follows:

- land owners are notified by the Government that their property is to be subject to acquisition for reasons related to the public interest;
- the Concessionaire and the landowners are responsible for negotiating the price for each property; and
- if no agreement can be reached between the Concessionaire and a landowner, the Government expropriates the land and determines the compensation to be paid to the landowner.

Under the Concession Agreement, the Concessionaire is required to pay for the land acquisitions in connection with the right-of-way for Corredor Norte. The Concessionaire negotiates directly with the private parties and agrees the amount of indemnification for the right-of-way, which agreement is then subject to the written consent of the Government. Any amount initially paid by the Concessionaire would then be compensated by the Government.

Toll Rates

Throughout the operation of the Concession, the Concessionaire is authorized to increase Tolls annually to reflect Panamanian inflation, or more frequently when the inflation level in Panama increases by 5% or more compared to the most recent Toll Rate increase. Prior to the implementation of a Toll increase based on an increase in inflation, the Concessionaire must submit its calculations reflecting inflationary increases to MOP for verification. However, Toll Rates can be reviewed and/or modified whenever the Concessionaire deems it necessary, so long as it receives the approval of MOP and the Cabinet Council.

If prior to the expiration of the Concession, it is proven that Toll revenues will be insufficient for the Concessionaire to obtain the *Monto Total Recuperable* (see “*Expiration and Early Termination*” below), the Concessionaire may formally commence negotiations with MOP to extend the terms of the Concession, including the extension of the period of the Concession, in order to obtain such return on the Concessionaire’s investment. For further information, see “*Corredor Norte - Toll Revenues - Overview*” and the Independent Traffic Study attached as Annex I to this Offering Memorandum.



Contractual Equilibrium

The Concession Agreement incorporates the concept of “contractual equilibrium” whereby the Concessionaire is compensated for losses arising from extraordinary or unforeseen circumstances. Corredor Norte’s contractual equilibrium is defined as the financial-economic equilibrium existing at the time the Concession Agreement was executed. This equilibrium is specified as a real rate of return (12.59%) in the financial proposal submitted by the Former Concessionaire as part of its bid documents. Under the Concession Agreement, the Concessionaire is not obliged to assume losses or a deficit arising from changes in law or decrees or other unforeseeable and extraordinary circumstances which affects the Concessionaire economically or financially. The Concessionaire and the Government are contractually obligated to negotiate in good faith the agreements necessary to maintain contractual equilibrium under the Concession Agreement.

To date, the Concessionaire has not sought compensation for any events relating to contractual equilibrium. If the Concessionaire were to attempt to seek such compensation, the outcome is uncertain. There can be no assurance as to the amount or form of compensation that the Concessionaire would receive for a claim in respect of contractual equilibrium.

Income Tax

Pursuant to the Concession Agreement, the Former Concessionaire was exempt from the payment of income tax until March 2003. From June 2003 to June 2008, the Former Concessionaire received a 75% exemption from the payment of income tax. Starting in June 2008, and throughout the end of the Concession, the Concessionaire receives a 50% exemption from the payment of income tax.

Expiration and Early Termination

Expiration Date

The Concession, in respect of each Segment of the Toll Road, expires on the earlier to occur of (i) the thirtieth anniversary of the date on which MOP certifies such Segment as being operative, or (ii) the date on which the Concessionaire achieves a specified return on its investment in the Concession (the “*Monto Total Recuperable*”). See “*The Toll Road - Expiration of the Concession Upon Receipt of the Monto Total Recuperable*.” MOP certified Phase I as operative on March 15, 1998, and therefore the thirtieth anniversary of such Segment is March 15, 2028. MOP certified the Panama-Madden Segment as operative on May 30, 1999, and therefore the thirtieth anniversary of such Segment is May 30, 2029. Phase IIA began operations on April 21, 2009, and is expected to be certified as operative by MOP on or before the Settlement Date.

Early Termination

The Government has the right to terminate the Concession prior to expiration upon:

- a default (as described below) by the Concessionaire; or
- the occurrence of an administrative redemption (as described below). The Concession Agreement provides for no right of early termination by the Concessionaire.

Default by the Concessionaire. Each of the following events constitutes a default by the Concessionaire, granting the Government the right of early termination under the Concession Agreement:

- the Concessionaire fails to carry out the works described in the Concession Agreement in the manner and under the terms agreed;
- the Concessionaire alters the purpose of the Concession Agreement without approval from MOP;
- the Concessionaire fails to carry out the purpose of the Concession Agreement;

- the Concessionaire fails to conserve, maintain and repair the assets of the Concession;
- the Concessionaire fails to make the additional expansions and investments contemplated in the Concession, if any;
- the Concessionaire fails to provide the public service for which the Concession was granted;
- the Concession, or the assets associated therewith, are transferred, assigned or encumbered without authorization from the Government or are used for a purpose other than the purposes set forth in the Concession Agreement;
- the Concessionaire is declared bankrupt; or
- the Concessionaire proves incapable financially or technically of carrying out the Concession.

If early termination results from any of the above events, the Concessionaire is entitled only to compensation of its actual investment. To date, the Government has not declared, or threatened to declare, a default on the part of the Concessionaire.

Third Party Rights. In accordance with Article 18 of Law No. 5 of April 15, 1988, as amended, the Government may allow the Concessionaire a reasonable cure period with respect to any default, except if the Concessionaire is declared bankrupt or proves to be incapable financially or technically of carrying out the Concession. In addition, according to Article 23 of Decree No. 17 dated November 29, 1989, when the holder of a Government concession has – with the proper governmental authorization – assigned certain rights thereunder to a third party, MOP must give such third party written notice of any default by the relevant concessionaire. Such third party would then be given a reasonable time period to cure the default, after which time the third party would have the right to assume operation of the concession in order to preserve the rights assigned to it. Notwithstanding the foregoing, Article 23 of Decree No. 17 is unclear as to whether such third party protections are to be extended in cases of default by the concessionaire by reason of bankruptcy or the concessionaire is proving to be incapable financially or technically of carrying out the concession.

Administrative Redemption. In addition, the Government retains the right to declare an administrative redemption, which is the termination of the Concession for reasons of public interest. In the event that the Government declares an administrative redemption, the Concessionaire would be entitled to receive compensation equal to the net present value, as of the date of the administrative redemption, of the remaining unamortized amount invested by the Concessionaire in the Concession, plus accrued interest and the projected internal rate of return from Toll revenues through the end of the Concession as if no administrative redemption had occurred.

The Concessionaire has performed calculations to determine, at various dates from June 30, 2012 through and including the stated maturity of the Notes, whether the amounts that the Government would be obligated to pay in respect of an administrative redemption would be sufficient to repay amounts outstanding under the Notes. According to these calculations, the Concessionaire believes that the amounts that would be received from the Government at each such date would be sufficient for this purpose, although no such assurance can be given.

To date, the Government has not declared, or to the Concessionaire's knowledge threatened to declare, an administrative redemption.

Expiration of the Concession Upon Receipt of the Monto Total Recuperable

The Concession Agreement will automatically expire prior to the expiration date if the Concessionaire has received the *Monto Total Recuperable*. The *Monto Total Recuperable*, as calculated in accordance with the Concession Agreement, is U.S.\$329.9 million, recoverable through net Toll Road collections, expressed in December 29, 1994 dollars. For purposes of calculating the *Monto Total Recuperable*, Toll collection revenues consist of the



Concessionaire's gross revenues from Toll collections minus operations, maintenance, financial costs and taxes. For purposes of determining whether the *Monto Total Recuperable* relating to Toll revenues has been met, the Concessionaire calculates a cumulative amount of Toll revenues since the operation of Corredor Norte began by obtaining the sum of the net income from Toll revenues for each fiscal year of operation, in each case expressed in December 29, 1994 dollars by application of an annual discount rate corresponding to the Concessionaire's weighted average cost of capital adjusted by inflation, with a floor of 10.5% (minimum) and a cap of 12.5% (maximum). The Concessionaire does not expect that its net Toll collections will reach the *Monto Total Recuperable* prior to the expiration date of the Concession.

The following table shows the Concessionaire's cumulative net income from Toll collection revenues since the beginning of the Concession as of each date listed, in each case discounted and adjusted as discussed above for purposes of calculation of the *Monto Total Recuperable*:

	As of December 31,		
	2009	2010	2011
Cumulative net income from Toll revenues (adjusted for purposes of calculation of the <i>Monto Total Recuperable</i>).....	U.S.\$7,722,173	U.S.\$13,485,559	U.S.\$17,932,094
Source: Financial Statements of the Former Concessionaire			

Dispute Resolution

The Concession Agreement provides that disputes between ENA Norte and the Government are to be resolved in the Panamanian court system; however, the ENA Norte Concession Agreement further provides that the parties may agree to resolve disputes thereunder through arbitration.



DESCRIPTION OF THE CONCESSIONAIRE

Overview of the Concessionaire

ENA Norte was formed on April 25, 2012 and is a corporation organized and existing under the laws of the Republic of Panama, recorded in the Mercantile Section of the Public Registry Office, at Microfiche 767262, Document No. 2162734. The registered office of ENA Norte is Via Israel, Edificio Corredor Sur, San Francisco, Panamá, Republic of Panama, Attention: Rigoberto Effio M./Hans Kupfer, and its contact telephone number is +507 226-0433. ENA Norte will commence being the Concessionaire of the Toll Road as of the Closing Date, as further described in "*The Toll Road--Acquisition of the Collateral from the Former Concessionaire.*" ENA Norte is a wholly owned subsidiary of ENA, which in turn is wholly owned by the Government of Panama. As of the Closing Date, the principal asset of the ENA Norte will be the Concession. See "*The Concession Agreement*" and "*Summary of Terms.*"

Management of the Concessionaire

Board of Directors

The Concessionaire is managed by its board of directors. The board of directors represents the Concessionaire for all purposes, except where expressly restricted by law or the Concessionaire's bylaws or where exclusively reserved to shareholder's meetings. The Concessionaire's articles of incorporation provide that the board of directors will consist of seven directors, who are elected by shareholders. A majority of the board of directors may elect new members of the board of directors in order to fill any vacancies. Directors can also be removed at any time by a majority of the shareholders in accordance with the laws governing corporations in Panama.

Upon the closing of the acquisition of the Concessionaire's capital shares on or about the date hereof, the board of directors will consist of not fewer than six members. Members of the board of directors are elected for an indefinite term. The board of directors meets every other month, and may meet more frequently when necessary. The members of the board of directors of ENA Norte, and their respective positions, are as follows:

Riccardo Francolini Arosemena

Nationality: Panamanian
Date of birth: January 3, 1970
Address: Punta Pacífica, Torres de las Americas
Torre B oficina 20b.
P.O. Box: 0819-07748, Panama Rep. Panama
Email: rfrancolini@gsuarez.com
Fax: +(507) 226-6094

Mr. Francolini Arosemena has a Masters Degree in Business Administration with a specialization in Marketing. He graduated from Universidad Latinoamericana de Ciencias y Tecnología (ULACIT). He also has Bachelor's Degree in Finance from Universidad Santa María la Antigua (USMA). Since 2009, he has served as Vice President of the Board of Directors of Tocumen S.A., and has served as a Director of Petrochemical de Panamá, S.A. since 2005. He is Vice President and a shareholder of Grupo Suárez.

Juan Carlos Fábrega Roux

Nationality: Panamanian
Date of birth: October 5th, 1962
Address: Paitilla, Tuscany Building Apto, 27 A
P.O. Box: 0834-01071
Email: cfabrega@gmail.com
Fax: + 507 303-1909

Mr. Fábrega has a Bachelor's Degree in Business Administration from Florida State University and an MBA focused on Finance from Nova University. With 25 years of experience in the banking and finance sector, Mr. Fábrega started his professional career at Lloyds Bank plc, where he worked for six years as Credit Executive Officer responsible for the analysis, supervision and management of credit facilities to corporate clients. He worked for 17 years at Grupo Banistmo where he held several positions, eventually serving as Executive Vice President and General Manager. Currently, he serves as President of Capital Managers Co. S.A., a company responsible for the management of private funds. He also serves as Executive President of Grupo Verdeazul, a real estate project development company, and as President – Executive Director of Prival Bank, S.A., a financial institution focused on private and commercial banking which started operations with a General Banking License on March 24, 2010. In addition he is President of Acerta Compañía de Seguros, serves as a Director of Grupo Semusa, the leading Panamanian insurance brokerage firm, and Director/Vice President of Fundación Amador.

Anastacio Ruiz de León

Nationality: Panamanian
Date of birth: March 5, 1976
Address: Punta Pacífica, Torres de las Americas Torre B oficina 20b.
P.O. Box: 0819-07748, Panama Rep. Panama
Email: truiz@arcoyasociados.com
Fax: +(507) 226-6094

Mr. Ruiz de León is an industrial engineer, and has served as President and owner of Constructora Arco for the past 12 years.

Enrique Asensio Gavilán

Nationality: Spanish
Date of birth: December 11, 1955
Address: Punta Pacífica, Torres de las Americas Torre B oficina 20b.
P.O. Box: 0819-07748, Panama Rep. Panama
Email: easensio@unesa.com

Fax: +(507) 226-6094

Mr. Gavilán has a Bachelor's Degree in civil engineering from Universidad Santa María la Antigua (USMA), Panamá. He has over 26 years of experience in residential project construction and administration, urbanizations, roads, residential buildings, shopping centers, hotels and restaurants. He is currently Vice President of Planning and Development at Grupo UNESA and owner of Grupo SUCASA, having served in these positions for nine years.

Julio Fábrega

Nationality: Panamanian
Date of birth: June 12, 1951
Address: Bello Horizonte, Juan Díaz
Calle 11, # 117-D
P.O. Box: 0819-07748, Panama Rep. Panama
Email: : comunicacioncorporativa@ica.com.mx
Fax: +(507) 226-6094

Mr. Fábrega has a Bachelor's Degree in science and commerce. He specializes in trade union organization and education and the preparation and development of collective bargaining agreements. He serves as Secretary of Union Defense, Legal Issues and Collective Bargaining, as well as an instructor, at Instituto de Educación Sindical at Confederación de Trabajadores de la República de Panamá ("CTRP"). He is also a member of the Executive Group and the Analyst Group at Federación Internacional de Trabajadores de la Industria Metalúrgica ("FITIM"). He serves as Secretary General of both Sindicato Nacional de Trabajadores Metalúrgicos y Afines de Panamá (SITRAMETAL) and Federación Nacional de Trabajadores Metalúrgicos y Afines de Panamá (FENATRAMET). He is a member of Consejo Nacional de Trabajadores Organizados (CONATO) and has served as a member of the Advisory Board of the Development Trust Fund.

Jaime Jose Ford Castro is expected to be formally designated President of ENA's Board of Directors in the coming weeks by the Executive Branch of Panama's Government. Subsequent to the aforementioned designation, he is expected to be formally designated President of both ENA Sur and ENA Norte by ENA's Board of Directors. Mr. Ford is the recently designated Minister of Public Works and therefore head of MOP. Mr. Ford was born on January 17th, 1976 and holds an MBA from the University of Louisville and a Bachelor's degree in Business Administration with an emphasis in marketing from Loyola University, New Orleans, Louisiana, United States. Prior to his designation as

Minister of Public Works, Mr. Ford was the Minister of Housing and Territorial Order (i.e., Ministerio de Vivienda y Ordenamiento Territorial, or MIVIOT). Prior to that, he was the General Manager of Optimus Real Estate, a company founded by Mr. Ford in 2007. He has also worked for the Compañía Internacional de Seguros, S.A. (2004 - 2007 / 2001 - 2003); in the Panamanian Commercial Development Office in Beijing, China (2003 - 2004); and with Inversiones Moses, S.A., a Panamanian real estate development company (1998 - 2001).

Each of the members of the Concessionaire's board of directors can be reached through ENA Norte, S.A. at Vía Israel, Edificio Corredor Sur, Corregimiento de San Francisco, Apartado 6-2483, El Dorado, Panama, Republic of Panama. The telephone number at ENA Norte is +(507) 226-0433, and the facsimile number is +(507) 226-4036.

Executive Officers

The Concessionaire currently has no executive officers.

Executive Compensation

The members of the board of directors will not receive salaries for their services; however, they may receive a fee for participation in meetings of the board. The board of directors of ENA will determine the individual levels of compensation paid to the general manager, the internal auditor and each executive officer.

Share Ownership of the Concessionaire

ENA was formed on January 5, 2011 and is a corporation organized under the laws of the Republic of Panama. ENA is wholly owned by the Republic of Panama. Under applicable law, the Government may, however, sell up to 49% of all issued and outstanding shares of ENA. As of the date of this Offering Memorandum, the principal assets of ENA are 100% of the issued and outstanding share capital of ENA Norte and 100% of the issued and outstanding share capital of ENA Sur, the concessionaire of the Corredor Sur toll road in Panama City. See "*Description of ENA.*"

As a result of the foregoing, the Government of Panama is the 100% indirect shareholder of the Concessionaire. The Government will have the ability to control indirectly all operations of ENA Norte, subject to Applicable Law and the terms of the Notes. See "*Summary of Terms*" and "*Risk Factors - Concession Collections are affected by Toll Rates and revisions thereto; the Company has the right to decrease the Toll Rates pursuant to the Transaction Documents.*"

Employees

The Concessionaire has no key employees. The Concessionaire will contract with the Operator to operate and maintain the Toll Road. ENA Norte's administrative affairs will be handled by ENA on the basis of an administration contract to be subscribed between ENA and ENA Norte. See "*The Toll Road - Operation and Maintenance of the Toll Road - The Operator.*"

DESCRIPTION OF ENA

Overview of ENA

ENA is a Panamanian corporation created under Law 76 and incorporated on January 5, 2011. ENA is a corporation organized and existing under the laws of the Republic of Panama, recorded in the Mercantile Section of the Public Registry Office, at Microfiche 723197, Document No. 1903738. ENA's shares are issued in registered form and are 100% owned by the Government of Panama. ENA's shares are held in the custody of the MEF. Under applicable law, the Government may, however, sell up to 49% of all issued and outstanding shares of ENA. ENA owns 100% of the issued and outstanding share capital of ENA Norte and ENA Sur, the concessionaire of the Corredor Sur toll road in Panama City.

As of the date of this Offering Memorandum, the principal assets of ENA are 100% of the issued and outstanding share capital of ENA Norte and 100% of the issued and outstanding share capital of ENA Sur, the concessionaire of the Corredor Sur toll road in Panama City.

ENA acts as an operating company and is authorized to engage in all the activities contemplated in Law N°76 of April 15, 2010, including any amendments thereto, any successor legislation thereto, any regulations or decrees issued under any of them and any additional laws or regulations relating to the scope of the permitted business activities of ENA in a manner that is consistent with the Transaction Documents;

ENA will act as Servicer under the terms of the Transaction Documents.

Management of ENA

Board of Directors

The board of directors of ENA represents the top management level. The board of directors represents ENA for all purposes, except where expressly restricted by law or ENA's bylaws or where exclusively reserved to shareholder's meetings. ENA's articles of incorporation provide that the board of directors will consist of seven directors, four of whom are designated by the executive branch (*Organo Ejecutivo*) of the Government, one who is designated by the executive branch from a slate proposed by the Panamanian Chamber of Commerce, Industry and Agriculture (*Cámara de Comercio, Industrias y Agricultura*), one director who is designated by the executive branch from a slate proposed by the Panamanian Chamber of Construction (*Cámara Panameña de la Construcción*) and one director who is designated by the executive branch from slates proposed by the National Council of Organized Workers (*Consejo Nacional de Trabajadores Organizados*) and the National Confederation of Independent Labor Union (*Confederación Nacional de Unidad Sindical Independiente*). Appointments of directors (except for the director solely designated by the executive branch, who may be freely removed thereby) are to be ratified by the National Congress of Panama (*Asamblea Nacional de Panamá*). Directors may only be removed before expiration of the term for which they were appointed for cause, in accordance with Law 76 of 2010 and ENA's articles of incorporation.

The board of directors meets every month, and may meet more frequently when necessary. The board of directors of ENA is comprised of the same members who comprise the board of directors of ENA Norte. See "*Description of the Concessionaire - Management of the Concessionaire - Board of Directors.*"

Executive Officers

The board of directors appoints the general manager, internal auditor and executive officers of ENA for an indefinite period. The individual responsibilities of the general manager, the internal auditor and the executive officers are established by the board of directors and ENA's bylaws.

The following are the executive officers of ENA, and hold the following positions:

Rigoberto Effio Morais
(General Manager)

Address: Panama, Costa del Este, Plaza Cristal
P.O. Box:
Email: : effio@efssa.com
Tel: +(507) 271-4564

Mr. Effio is an industrial engineer with a degree from the Tecnológico de Monterrey; he also holds an MBA from the Instituto Centroamericano de Administración de Empresas (INCAE). Prior to his designation as ENA's General Manager, he was the Administrative and Finance Manager of Tocumen International Airport. From 2008 to July 2009 he was the Administrative and Finance Manager of Ocean Pollution Control. From 2002-2010 he was a Senior Partner and shareholder of Project and Strategic Development, S.A., a Panamanian consultancy company. From 2001 to 2002 he served as General Manager of Bonlac. He worked for 21 years with The Gillette Company, holding positions of increasing responsibility throughout Latin America and Asia.

Hans G. Kupfer
(Chief Financial Officer)

Address: Calle Dr. Alberto Navarro #73, Edificio Stella Maris, 3rd Floor, Panama City, Panama
P.O. Box: 0819-07748, Panama Rep. Panama
Email: kupferhgk@gmail.com

Mr. Kupfer is an accomplished banking and finance professional with more than 20 years of managerial, administrative and marketing experience. He received a Bachelor of Science in Business Administration from Bucknell University and has a Master in Business Administration from Notre Dame University. He was the Vice President of the Financial Institutions Group of HSBC (Panama) S.A. Also, he has served as Vice President and Head of Finance and Planning of Primer Banco del Istmo, S.A. and Banistmo Group, S.A.

Larissa Sofia Landau
(Chief Legal Counselor)

Nationality: Panamanian
Date of birth: September 27, 1971
Address: Villa de las Fuentes, Condominio Las Cascadas, 8-D
Email: llandau@cwpanama.net

Ms. Landau has a Bachelor of Laws degree from the University of Panama and has a Master's Degree in Maritime Development. Currently, she is a Legal Counsel of Aeropuerto Internacional de Tocumen, S.A. As a Legal Counsel and Administrator of Isla Ecologica in Bocas del Toro she contributed to



tourism development and client service and participated in proceedings before the Ministry of Commerce and Industry. In addition, she contributed to obtaining environmental approvals and participated in administrative procedures before the police and municipal authorities. She has served as a Development Director of Human Resources, Fiscal Counsel and Legal Counsel in the Comptroller's Office of Panama where she reviewed from a legal perspective all contracts in which Panama was a counterparty before the Comptroller provided its authorization and issued legal opinions regarding the administrative actions of the Comptroller.

ENA's executive offices are located at Vía Israel, Edificio Corredor Sur, Corregimiento de San Francisco, Apartado 6-2483, El Dorado, Panama, Republic of Panama. The telephone number at ENA is +(507) 226-0433, and the facsimile number is +(507) 226-4036.

Executive Compensation

The Board of Directors of ENA determines the individual levels of compensation paid to each the general manager, as well as to any executive officer.

Employees

ENA currently has four key employees, including the executive officers set forth above.

PERFORMANCE MODELS

The following tables set forth projections of amortization schedules and resulting debt service coverage ratios for the Notes under the Transaction Documents based on the base case traffic and rate forecasts in the Independent Traffic Consultant's Report. Annex III contains alternate scenario performance models utilizing four alternative scenarios to the Base Case (the Do Nothing Case, Low Case, High Case and low GDP Case from the Independent Traffic Consultant's Report). They are neither a historical description of operational performance of the Toll Road nor a prediction of anticipated operational performance. Actual performance is likely to differ, perhaps materially, from these models due to inherent uncertainties in the assumptions set out below. All scenarios use the same expense assumptions.

CASHFLOW — BASE CASE

Payment Date	Beginning Balance	Interest	Principal	Cash Available for Debt Service	DSCR
Jan-13	600,000,000	10,925,000	1,821,011	14,706,283	1.35x
Apr-13	598,178,989	8,598,823	5,445,475	14,336,946	1.67x
Jul-13	592,733,514	8,520,544	6,911,232	15,732,479	1.85x
Oct-13	585,822,283	8,421,195	7,054,670	15,776,657	1.87x
Jan-14	578,767,612	8,319,784	8,596,833	17,226,437	2.07x
Apr-14	570,170,779	8,196,205	5,305,844	14,126,746	1.72x
Jul-14	564,864,935	8,119,933	6,515,166	15,295,870	1.88x
Oct-14	558,349,769	8,026,278	6,645,629	15,333,079	1.91x
Jan-15	551,704,140	7,930,747	8,119,665	16,752,017	2.11x
Apr-15	543,584,475	7,814,027	7,024,013	15,130,818	1.94x
Jul-15	536,560,462	7,713,057	8,443,095	16,455,011	2.13x
Oct-15	528,117,367	7,591,687	8,605,218	16,495,842	2.17x
Jan-16	519,512,150	7,467,987	10,243,979	18,018,693	2.41x
Apr-16	509,268,170	7,320,730	9,005,769	16,655,290	2.28x
Jul-16	500,262,401	7,191,272	10,374,550	17,904,188	2.49x
Oct-16	489,887,852	7,042,138	10,560,805	17,941,416	2.55x
Jan-17	479,327,047	6,890,326	12,354,370	19,593,901	2.84x
Apr-17	466,972,676	6,712,732	10,774,909	17,797,360	2.65x
Jul-17	456,197,767	6,557,843	12,462,876	19,337,813	2.95x
Oct-17	443,734,891	6,378,689	12,462,034	19,381,784	3.04x
Jan-18	431,272,857	6,199,547	14,409,681	21,158,556	3.41x
Apr-18	416,863,176	5,992,408	12,315,492	19,083,297	3.18x
Jul-18	404,547,683	5,815,373	14,105,059	20,722,827	3.56x
Oct-18	390,442,624	5,612,613	14,352,756	20,768,064	3.70x
Jan-19	376,089,868	5,406,292	16,440,074	22,679,321	4.19x
Apr-19	359,649,793	5,169,966	14,283,970	20,377,626	3.94x
Jul-19	345,365,823	4,964,634	16,208,875	22,130,573	4.46x
Oct-19	329,156,949	4,731,631	16,488,120	22,177,240	4.69x
Jan-20	312,668,828	4,494,614	18,723,795	24,218,649	5.39x
Apr-20	293,945,033	4,225,460	17,060,821	21,900,421	5.18x
Jul-20	276,884,213	3,980,211	18,930,805	23,535,885	5.91x
Oct-20	257,953,407	3,708,080	19,244,326	23,577,395	6.36x
Jan-21	238,709,081	3,431,443	21,678,836	25,747,292	7.50x
Apr-21	217,030,245	3,119,810	18,745,069	22,465,032	7.20x
Jul-21	198,285,176	2,850,349	20,926,022	24,384,790	8.56x

8

Payment Date	Beginning Balance	Interest	Principal	Cash Available for Debt Service	DSCR
Oct-21	177,359,154	2,549,538	21,274,484	24,432,533	9.58x
Jan-22	156,084,670	2,243,717	23,826,851	26,688,343	11.89x
Apr-22	132,257,820	1,901,206	20,604,584	23,264,143	12.24x
Jul-22	111,653,235	1,605,015	22,869,858	25,253,786	15.73x
Oct-22	88,783,378	1,276,261	23,245,964	25,301,366	19.82x
Jan-23	65,537,414	942,100	25,901,512	27,645,798	29.34x
Apr-23	39,635,901	569,766	22,810,270	24,017,348	42.15x
Jul-23	16,825,631	241,868	16,825,631	26,085,963	107.85x
Oct-23	-	-	-	-	-

Expected Weighted Average Life (years) 6.86

Assumptions:

1. With respect to the first Payment Date, the beginning balance is the amount of the offered Notes. Such balance is presented for illustration purposes only and the actual amount of the offered Notes may differ from such amount without any change in the table in the final Offering Memorandum. The beginning balance for each subsequent Payment Date is such amount as of the preceding Payment Date minus the amount of principal assumed to have been paid on such date.
2. The amount of interest for each Payment Date is based on the assumptions that (a) the amount of Principal is, for such Quarterly Reporting Period, as set forth in the Beginning Balance, and (b) the Interest Rate is 5.75%. In this Offering Memorandum such amount when actually determined is known as the Quarterly Debt Service. The foregoing Interest Rate is presented for illustrative purposes only and the actual rate is subject to pricing of the Notes. It may therefore differ from such rates without any change in the table in the final Offering Memorandum.
3. Cash Available for Debt Service in the table above is the amount corresponding to clause (A) of the definition of Debt Service Coverage Ratio. It is based on (a) Collections projected to be deposited into the Panamanian Concentration Account in each Quarterly Reporting Period, based on the Independent Traffic Consultant's Report, as described in the introductory paragraph above, minus (b) fees, expenses and indemnities of the Indenture Trustee and the Trustee; insurance coverage expenses; Monthly Operator Fees; and taxes. For purposes of this Performance Model, the foregoing expenses were assumed to be U.S.\$9,595,000 per annum, subject to a 3% growth compounded annually and ENA is assumed to be the servicer.
4. DSCR corresponds to the definition of Debt Service Coverage Ratio used in this Offering Memorandum, and represents, as used in the foregoing table, the ratio of Cash Available for Debt Service to Interest. It does not include Principal.
5. There are no scheduled amounts of Principal payable under the Notes, except that the Principal Balance of the Notes is legally due on the Legal Final Maturity Date. Principal amounts set forth in this table are based on the assumption that (a) there is no Early Amortization event and (b) pursuant to the payment priorities after Interest (and Additional Amounts thereon, assumed to be zero) the amounts due in respect of the following items, as required by the Indenture, to be paid to the following recipients have been: the Debt Service Reserve Account, the Major Maintenance Reserve Account, the CapEx Reserve Account and Servicing Fees of ENA as Servicer. The amounts payable to such accounts or ENA may vary by period.

9

6. For purposes of this Performance Model, the Settlement Date is assumed to be October 1, 2012. Additionally, tax credit, refunds and value added taxes are assumed to be zero.

TRANSACTION DOCUMENTS AND THE NOTES

The following summary of certain provisions of the Finance Documents does not purport to be complete and is qualified in its entirety by reference to the provisions of the applicable Finance Documents. The following descriptions of certain sections of the Finance Documents should be read in conjunction with "Summary of Terms" above, which sets forth important terms of the Notes and the Finance Documents not repeated below. The Noteholders and Beneficial Owners will be entitled to the benefits of, be bound by, and be deemed to have notice of all of the provisions of the Finance Documents. Copies of the Finance Documents will be on file with the Indenture Trustee as well as the SCM and may be inspected at the corporate trust office of the Indenture Trustee at 101 Barclay Street, 4th Floor East, New York, New York 10286 (the "Corporate Trust Office") and the offices of the SCM.

The Panamanian Law Transaction Documents

The Trust Agreement

HSBC Bank (Panama) S.A. will act in its capacity as trustee under the ENA Norte Trust, which was formed pursuant to Law No. 1-1984 of Panama and created in accordance with the Trust Agreement. The Trust Agreement dated as of September 20, 2012 was entered into between ENA, as settlor and servicer, ENA Norte as settlor, and HSBC Bank (Panama) S.A. as trustee. Upon Closing, the beneficiaries of ENA Norte Trust are the Indenture Trustee for the benefit of the Secured Parties, in first place, and ENA and ENA Norte, together, in second place.

ENA Norte Trust is being created pursuant to the Trust Agreement in order for ENA Norte Trust to receive the Assigned Rights and the Share Collateral from ENA Norte and ENA, so as to enable ENA Norte Trust to create a security interest over the Assigned Rights, the Share Collateral and the Transaction Accounts for the benefit of the Indenture Trustee for the benefit of the Secured Parties. Since ENA Norte Trust is being created specifically for the offering of the Notes, for purposes of Panamanian law it is not required to adopt principles of corporate governance. The Trust Agreement sets forth the activities of ENA Norte Trust and sets forth the specific rights of the beneficiaries. Concurrently with the execution of the Trust Agreement, ENA Norte Trust will establish the Note Issuance Proceeds Account and the Panamanian Concentration Account. Under the Trust Agreement, ENA, in its capacity as Servicer, is entitled to instruct ENA Norte Trust regarding a number of operational matters and dealings with counterparties under the various Transaction Documents. So long as the Trustee has not received notice from the Indenture Trustee that an Event of Default has been declared and/or that an Early Amortization Period exists, the Servicer can provide such instructions, subject to the limitations described in the Servicing Agreement.

The Trust Agreement may not be terminated prior to payment in full of the Notes and all other amounts owing thereunder (including Transaction Obligations) without the written consent of the Indenture Trustee.

The Trust Agreement is governed and interpreted in accordance with the laws of Panama, and the parties thereto are irrevocably submitted to the jurisdiction of the competent courts (i) of Panama and (ii) of the U.S. District Court of the Southern District of New York or of any New York State Court sitting in the County of New York in respect of any action or legal proceeding thereunder.

The Assignment Agreement

Under the Assignment Agreement, ENA will assign to ENA Norte Trust all of its rights, title, interests and benefits under the Assigned Rights existing on the Settlement Date or generated at any time thereafter through and including the Assignment Termination Date and ENA Norte will assign to ENA Norte Trust all of its rights, title, interests and benefits under the Assigned Rights existing on the Closing Date or generated at any time thereafter through and including the Assignment Termination Date. See “*Summary of Terms - Assigned Rights and - Excluded Rights.*” ENA Norte received the required Government Approval to assign the Assigned Rights to ENA Norte Trust on _____, 2012. The Assignment Agreement is governed and interpreted in accordance with the laws of Panama, and the parties thereto are irrevocably submitted to the jurisdiction of the competent courts of (i) Panama and (ii) the U.S. District Court of the Southern District of New York or of any New York State Court sitting in the County of New York in respect of any action or legal proceeding thereunder.

The New York Law Transaction Documents

The Notes

Status. The Notes represent unconditional and unsubordinated obligations of ENA Norte Trust, the repayment of which is secured by, and limited to, the Collateral, but however do not represent interests in, or obligations of the Indenture Trustee, ENA, ENA Norte or the Trustee and of any of their respective Affiliates. The Notes are not insured or guaranteed by any governmental agency in the U.S., Panama or elsewhere.

The Rights of Noteholders. Each of the Notes offered hereby and issued pursuant to the Indenture (i) will represent the right of the applicable Noteholder to receive interest on such Note on each Payment Date at the related Interest Rate and (ii) is legally due on the Legal Final Payment Date. To the extent not redeemed or repurchased prior thereto, the ENA Norte Trust shall only make payments on the Notes in accordance with the terms of the Indenture through and including the Legal Final Payment Date.

Governing Law and Consent to Jurisdiction. The Notes will be governed by the laws of the State of New York. ENA Norte Trust will consent to the jurisdiction of the U.S. District Court for the Southern District of New York and any New York State court sitting in the County of New York, and will agree that all disputes under the Transaction Documents may be submitted to the jurisdiction of such courts.

Form and Registration. The Notes will be issued in fully registered form only, without interest coupons. No service charge will be made for any registration of transfer or exchange of the Notes, but the Indenture Trustee may require payment of a sum sufficient to cover any tax or other government charge payable in connection therewith. The Notes (or beneficial interests therein) may not be transferred unless the principal amount so transferred is in an authorized denomination.

Book-Entry System. The Notes will be represented by one or more Global Notes. The Global Notes representing the Notes will be issued in the form of one or more registered notes in global form, without interest coupons and will be deposited with a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

The Notes are being offered and sold in this initial offering in the U.S. solely to QIBs under Rule 144A that are also Qualified Purchasers and who satisfy other requirements as described under “*Transfer Restrictions*” and in offshore transactions to persons other than U.S. persons, as defined in Regulation S, in reliance on Regulation S. Following this offering, the Notes may be sold:

- to QIBs under Rule 144A that also are Qualified Purchasers and who satisfy other requirements as described under “*Transfer Restrictions*” and otherwise in compliance with Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “*Investment Company Act*”);
- to non-U.S. persons outside the U.S. in reliance on Regulation S; and
- if available, under other exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and other applicable securities laws, as described under “*Transfer Restrictions*.”

Rule 144A Global Notes. Notes offered and sold to QIBs that are Qualified Purchasers and who satisfy other requirements as described under “*Transfer Restrictions*” under Rule 144A are referred to collectively as the “*Rule 144A Global Notes*.” Interests in the Rule 144A Global Notes will be available for purchase only by QIBs that are also Qualified Purchasers and who satisfy other requirements as described under “*Transfer Restrictions*”. Rule 144A Global Notes are issued in minimum denominations of U.S.\$250,000.

Regulation S Global Notes. Notes offered and sold in offshore transactions in reliance on Regulation S to persons that are non-U.S. persons are referred to collectively as the “*Regulation S Global Notes*” and, together with the Rule 144A Global Notes, the “*Global Notes*.” See “*Transfer Restrictions*” with respect to certain restrictions for Investors for resale or transfer of beneficial interests in the Global Notes. Regulation S Global Notes are issued in minimum denominations of U.S.\$1,000.

Investors may hold their interest in a Global Note representing the Notes only directly through DTC and indirectly through DTC’s direct or indirect participants (including, Euroclear or Clearstream).

In addition, beneficial Interests in a Global Note may be held in Panama through LatinClear. LatinClear is a participant in Clearstream. Subject to the transfer restrictions discussed below, transfers of beneficial Interests in the Regulation S Global Notes may be made (i) among LatinClear participants or (ii) from a LatinClear participant to a non-LatinClear participant through Clearstream.

Exchanges Among the Global Notes. Transfers by an owner of a beneficial interest in a Regulation S Global Note representing the Notes to a transferee who takes delivery of that interest through a Rule 144A Global Note representing the Notes will be made only in accordance with applicable procedures and upon receipt by the Indenture Trustee of a written certification from the transferee of the beneficial interest in the form provided in the Indenture to the effect that the transfer is being made to a QIB that is also a Qualified Purchaser within the meaning of Rule 144A and the Investment Company Act in a transaction meeting the requirements of Rule 144A and the Investment Company Act.

Transfers by an owner of a beneficial interest in a Rule 144A Global Note representing the Notes to a transferee who takes delivery of the interest through a Regulation S Global Note representing the Notes will be made only upon receipt by the Indenture Trustee of a certification from the transferor that the transfer is being made outside the U.S. to a non-U.S. person in accordance with Regulation S or, if available, Rule 144A under the Securities Act.

Any beneficial interest in one of the Global Notes representing the Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note representing the Notes will, upon transfer, cease to be an interest in that Global Note and become an interest in the other Global Note and, accordingly, will

then be subject to any transfer restrictions and other procedures applicable to beneficial interests in the other Global Note.

Book-Entry Procedures for the Global Notes. Ownership of beneficial interests in a Global Note representing the Notes will be limited to DTC and to persons that may hold interests through institutions that have accounts with DTC. Beneficial interests in a Global Note will be shown on, and transfers of those ownership interests will be effected only through, records maintained by DTC, and its respective participants for that Global Note. The conveyance of notices and other communications by DTC to its participants and by its participants to owners of beneficial interests in the Notes will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect.

DTC holds the securities of its respective participants and facilitates the clearance and settlement of securities transactions among its respective participants through electronic book-entry changes in accounts.

Principal and interest payments on the Notes represented by a Global Note will be made to DTC, as the sole registered owner and the sole holder of Notes represented by the Global Note for all purposes under the Indenture. Accordingly, ENA Norte Trust, ENA, ENA Norte, the Indenture Trustee and any paying agent will have no responsibility or liability for:

- any aspect of DTC's records relating to, or payments made on account of, beneficial ownership interests in a Note represented by a Global Note;
- any other aspect of the relationship between DTC and its participants or the relationship between those participants and the owners of beneficial interests in a Global Note held through those participants; or
- the maintenance, supervision or review of any of DTC's records relating to those beneficial ownership interests.

DTC has advised ENA Norte Trust that upon receipt of any payment of principal of or interest on a Global Note representing the Notes, DTC will credit, on its book-entry registration and transfer system, the accounts of participants with payments in amounts proportionate to their respective beneficial interests in the principal amount of that Global Note as shown on DTC's records. The Joint Lead Managers will initially designate the accounts to be credited. Payments by participants to owners of beneficial interests in a Global Note will be governed by standing instructions and customary practices, as is the case with securities held for customer accounts registered in "street names," and will be the sole responsibility of those participants.

The Notes represented by a Global Note can be exchanged for definitive Notes of the same series in registered form only if DTC notifies ENA Norte Trust that it is unwilling or unable to continue as depository for that Global Note or at any time DTC ceases to be a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and a successor depository is not appointed by us within 90 calendar days. In such case, the Indenture Trustee shall instruct DTC to notify all applicable Noteowners of the occurrence of such event and of the availability of definitive Notes to such Noteowner. A Global Note representing the Notes that can be exchanged under the preceding sentence will be exchanged for definitive Notes that are issued in authorized denominations in registered form for the same aggregate amount. Those definitive Notes will be registered in the names of the owners of the beneficial interests in the relevant Global Note as directed by DTC and may bear the legend as set forth under "*Transfer Restrictions*."

Lost, Stolen and Mutilated Notes. In case any Note becomes mutilated, defaced, destroyed, lost or stolen, the Indenture Trustee will authenticate, register and deliver a new definitive Note of like tenor (including the same date of issuance) and equal principal amount registered in the same manner, dated the date of its authentication and bearing interest from the date to which interest has been paid on such Note, in exchange and substitution for such Note (upon surrender and cancellation thereof) or in lieu of and in substitution for such Note. In case a Note is destroyed, lost or stolen, the applicant for a substitute Note will furnish the Indenture Trustee: (i) such security or indemnity as may be required by and satisfactory to them to save each of them harmless and (ii) satisfactory evidence of the destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substituted Note, the Indenture Trustee may require the payment by the registered holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any fees and expenses (including those of the Indenture Trustee and its counsel) connected therewith.

Notwithstanding any statement herein, the Indenture Trustee reserves the right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends on Notes, as they may determine are necessary to ensure compliance with the securities laws of the U.S. and the states therein and any other applicable laws.

Payments; Registration of Transfer. The Indenture Trustee will be responsible for (among other things): (i) maintaining a record of the aggregate holdings of Notes represented by the Global Notes and accepting Notes for exchange and registration of transfer, (ii) ensuring that payments in respect of the Notes are duly paid to the Noteholders to the extent funds are available therefor and (iii) transmitting notices to Noteholders and from Noteholders to the Indenture Trustee and ENA Norte Trust (in each case as contemplated by the Indenture).

The Indenture Trustee will keep at its office a register in which, subject to such reasonable regulations as it may prescribe, the Indenture Trustee will provide for the registration of the Notes and registration of transfers and exchanges of the Notes. In the event of a partial transfer of a definitive Note, new Notes will be obtainable at the office of the Indenture Trustee in connection with such transfer.

Payments. Amounts on deposit in the Concentration Account will be applied on the applicable Business Day by the Indenture Trustee in the order of priority set forth in “*Summary of Terms - Allocations of Collections and Payments - Concentration Account.*”

Payments on the Notes will be made by the Indenture Trustee directly to the registered Noteholders in accordance with the procedures set forth in the Indenture. Payments of interest and principal (pursuant to the Concentration Account Waterfall) will be made on each Payment Date to the Noteholders in whose names the Notes were registered as of the preceding Record Date. Payments will be made by electronic funds transfer to an account maintained by such Noteholder with a bank having electronic funds transfer capability. Unless such designation for payment by electronic funds transfer is revoked, any such designation made by such Noteholder with respect to such Note will remain in effect with respect to any future payments in respect of such Note. ENA Norte Trust will pay any administrative costs that are imposed in connection with making payments by wire transfer. The final payment on any Note (including any Global Note registered in the name of the nominee of DTC), however, will be made only upon presentation and surrender of such Note at the Corporate Trust Office, or such other office as the Indenture Trustee may from time to time designate in writing to ENA Norte Trust.

On or before January 31 of each year, beginning on January 31, 2013, the Indenture Trustee will furnish or make available to DTC and any other registered Noteholder who so requests, information requested by it and legally required with respect to such Noteholder’s federal income tax reporting obligations to enable

such persons to prepare their tax returns, provided that such information is in possession of the Indenture Trustee.

Notices; Meetings of Noteholders. All notices to Noteholders will be deemed to have been duly given upon the mailing of such notices to Noteholders at their registered addresses as recorded in the register of Noteholders maintained by the Indenture Trustee.

Meetings of Noteholders may be held at any time and from time to time in the City of New York to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Indenture to be made, given or taken by Noteholders. The Indenture Trustee may at any time call a meeting of Noteholders for any such purpose and ENA Norte Trust and the Noteholders holding at least 10% of the Voting Obligations of the Notes can, by written request setting forth in reasonable detail the action proposed to be taken at such meeting, require the Indenture Trustee to call a meeting for such a purpose.

Any monies deposited with or paid to the Indenture Trustee for the payment of the principal, premium (if any), interest or any other amount due with respect to the Notes and not applied but remaining unclaimed for two years after the date upon which such principal, premium, interest or other amount shall have become due and payable, shall (to the extent not required to escheat to any governmental authority) be repaid by the Indenture Trustee to or for the account of ENA Norte Trust upon written request therefor, and, to the extent permitted by applicable law. The Noteholder shall thereafter look only to ENA Norte Trust for any related payment that it may be entitled to receive, and all liability of the Indenture Trustee with respect to such monies shall thereupon cease.

The Indenture

Representations and Warranties of ENA Norte Trust. As of the Settlement Date, ENA Norte Trust represents and warrants to the Indenture Trustee for the benefit of the Secured Parties that:

- it has been duly formed and has full power and authority, and all governmental licenses, authorizations, consents and approvals, to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder, in each case except where any failure thereof could not, alone or in the aggregate, have a Material Adverse Effect;
- the execution and delivery by ENA Norte Trust of the Transaction Documents to which it is a party, and its performance thereunder: (i) has been duly authorized by all necessary action by ENA Norte Trust, (ii) requires no additional action on the part of ENA Norte Trust by or in respect of, or filing with, any Governmental Authority, except (A) such as have been taken or made on or before the Settlement Date and remain in full force and effect and (B) for those described under the definition of Conditions Precedent, (iii) will not contravene any Applicable Law, (iv) will not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon ENA Norte Trust or its properties and (v) except pursuant to the Transaction Documents, will not result in the creation or imposition of any lien on any of its properties, except in each clause above where such failure to authorize, such required action or filing, default or lien would not result in a Material Adverse Effect;
- each of the Transaction Documents to which ENA Norte Trust is a party has been duly executed and delivered by it and (with respect to any Note, upon its authentication and delivery by the Indenture Trustee) constitutes its legal, valid and binding obligation enforceable against it in accordance with

its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

- the Notes when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Joint Lead Managers of the Notes will be valid and binding obligations of ENA Norte Trust and enforceable against ENA Norte Trust in accordance with their terms;
- ENA Norte Trust will, as of the Closing Date, own and have title in trust to the Assigned Rights free and clear of any liens (other than the lien created under the Transaction Documents or created by operation of law). ENA Norte Trust has received all consents and approvals which are necessary and required to have been obtained for its entry into and performance of the Transaction Documents and the transactions contemplated thereby, including, without limitation, to the granting of a security interest in the Collateral. In accordance with the Support Agreement, the Transaction Accounts, including any subaccounts thereof, are in the name of the Indenture Trustee, except the Panamanian Concentration Account, which is in the name of ENA Norte Trust;
- in accordance with the terms of the Assignment Agreement, effective as of the Closing Date, (i) ENA Norte Trust will have validly acquired all right, title and interest in the Assigned Rights from ENA Norte, (ii) ENA Norte Trust will have validly acquired all right, title and interest in all of the issued and outstanding shares of ENA Norte, (iii) the assignment thereof to ENA Norte Trust will not be capable of being set aside by it, any of its creditors (including any liquidator, trustee, receiver or similar official with respect to it) or any other Person, and (iv) no consent of, notice to, or filing with any beneficiary, Governmental Authority or other Person is required in connection therewith or to protect ENA Norte Trust's right, title and interest in the related Collateral against it, except such as have been received, delivered or filed on or before the Closing Date;
- ENA Norte Trust has no indebtedness, other than the Notes;
- ENA Norte Trust is in compliance with all Applicable Laws;
- there exists (i) no Event of Default and (ii) no event the existence of which would be an Event of Default with the expiration of any applicable grace period, the delivery of notice or both;
- the obligations of ENA Norte Trust under the Notes constitute direct, unconditional and general obligations of ENA Norte Trust and will rank in right of payment at least *pari passu* with all other unsecured indebtedness of ENA Norte Trust, except as may otherwise be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws relating to or affecting enforcement of creditors' rights generally, or subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law);
- (i) ENA Norte Trust, will, as of the Closing Date, have title to the Assigned Rights and to the Share Collateral, subject to the pledge and encumbrances given to the Indenture Trustee under the Indenture for the benefit of the Secured Parties, as primary beneficiaries; and (ii) once all amounts

due under the Notes and the Transaction Documents have been fully paid ENA Norte Trust shall distribute any remainder amount and/or assets to ENA and ENA Norte as secondary beneficiaries pursuant to the Trust Agreement;

- (i) ENA Norte Trust has filed or caused to be filed all tax returns that are required to be filed by it and has paid all taxes shown to be due and payable on such returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed upon it or any of its property by any Governmental Authority except where the failure to file such tax returns or pay such taxes could not, alone or in the aggregate, have a Material Adverse Effect; and (ii) no claim against ENA Norte Trust is being asserted with respect to any such tax, fee or other charge except for such claim as could not, alone or in the aggregate, have a Material Adverse Effect;
- each of the Transaction Documents to which ENA Norte Trust is a party is in proper form under the laws of Panama for enforcement against it (to the extent such Transaction Documents are not subject to the exclusive jurisdiction of courts outside of Panama), and to ensure the legality, validity, enforceability or admissibility into evidence of any of the Transaction Documents it is not necessary that any such document be filed or recorded with any court or other authority in Panama, or that any stamp duty or similar tax not already paid in Panama on or in respect of such Transaction Documents; provided that for the purpose of enforceability and admissibility in evidence in the courts of Panama, the Transaction Documents and any other documents or instruments should be translated into the Spanish language by a certified public translator licensed to act as such in Panama and the signature of the parties to the Transaction Documents should be notarized by a notary public licensed to act as such under the law of the place of signing, which signature should be authenticated by a consular office of Panama or through the Apostille Seal in accordance with the 1961 Hague Convention Abolishing the Requirement of Legalization of Foreign Public Documents if such Transaction Documents have been executed outside of Panama;
- except as described in this Offering Memorandum, payments to the Noteholders in respect of the Finance Documents are not subject under the laws of Panama or any political subdivision thereof or therein to any withholdings or similar charges for or on account of taxation or otherwise by reason of the registration of the Notes with the SCM and the listing of the Notes with the PSE;
- an Investor, not domiciled in Panama, will not be deemed resident, domiciled, carrying on business or subject to taxation in Panama solely by reason of its execution, delivery, performance or enforcement of each of the Transaction Documents;
- (i) ENA Norte Trust is subject to civil and commercial law with respect to its obligations under the Transaction Documents, and its execution, delivery and performance of and under the Transaction Documents constitute private and commercial acts rather than public or governmental acts, (ii) ENA Norte Trust does not have any immunity from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment, set-off, execution of a judgment or from any other legal process with respect to any obligations under the Transaction Documents to which it is a party and (iii) ENA Norte Trust has made in the Transaction Documents to which it is a party a valid waiver of any right it may have to sovereign immunity;
- ENA Norte Trust is not an “investment company” within the meaning of the Investment Company Act;

- the trust created pursuant to the terms of the Trust Agreement has no offices or agencies in the U.S.;
- ENA Norte Trust has obtained all Governmental Approvals which are necessary and required to have been obtained for its entry into and performance of the Transaction Documents and the transactions contemplated thereby; and
- ENA Norte Trust is solvent, will not be rendered insolvent under Panamanian law by virtue of the transactions effected by the Transaction Documents, is not entering into the Finance Documents with the actual intent to hinder, delay or defraud its present or future creditors and is receiving reasonably equivalent value for the transfer, pledge or assignment, as applicable, of the Collateral.

Affirmative Covenants of ENA Norte Trust. As long as the Notes remain outstanding, ENA Norte Trust covenants to the Indenture Trustee for the benefit of the Secured Parties that it shall:

- only make payments and/or grant facilities to ENA and/or ENA Norte to the extent contemplated and permitted in the Transaction Documents;
- maintain an accounting system in respect of ENA Norte Trust and engage Deloitte Inc. as independent auditors (or another equivalent internationally recognized firm of independent public accountants) as ENA Norte Trust's independent accountants;
- starting in November 2012, by no later than the tenth Business Day following the last day of the preceding calendar month, direct the Servicer to provide to the Indenture Trustee and the Rating Agencies a copy of the Servicing Report in accordance with the Servicing Agreement;
- permit, at all times when an Event of Default has occurred and is continuing, and otherwise, upon reasonable notice, during normal business hours, a representative or agent of the Indenture Trustee to have access to ENA Norte Trust's books of account and records and shall permit representatives or agents of the Indenture Trustee which may include Noteholders provided that the Indenture Trustee provides prior written notification to ENA Norte Trust of the same, to visit and inspect any of ENA Norte Trust's properties or offices related to ENA Norte Trust, to examine and make abstracts from any of ENA Norte Trust's books and records, to request copies of such books, accounts and/or records and to discuss its affairs, finances and accounts with its officers, employees and independent public accountants, if any, all at such reasonable times and as often as may be reasonably desired;
- promptly notify the Indenture Trustee in writing of any event or condition of which it has actual knowledge, including without limitation any litigation, dispute or administrative proceeding, that might reasonably be expected to materially and adversely affect its financial condition, the Concession, the ability of the Concessionaire to perform and observe their respective obligations under the Concession Agreement or any Transaction Document to which any of them is a party or the ability of ENA Norte Trust to perform and observe its respective obligations under the Transaction Documents or any other event that may constitute a Material Adverse Effect;
- obtain and maintain in force (or where appropriate, promptly renew) all material authorizations necessary for carrying out its business and operations generally;

- promptly provide (and in any event, within five (5) Business Days after receipt thereof) the Indenture Trustee with a copy of any communication received by ENA Norte Trust from, or sent by ENA Norte Trust to MOP in connection with any possible or threatened early termination, claim, suit or procedure arguing the invalidity of the Concession Agreement;
- promptly notify (and in any event, within five (5) Business Days after knowledge thereof) the Indenture Trustee of any default or material non-compliance with any obligation of ENA, ENA Norte or MOP under the Concession Agreement of which it has actual knowledge;
- comply at all times in all respects with all laws, rules, regulations and orders of the Republic of Panama and all other jurisdictions that apply to or in any way affect the obligations of ENA Norte Trust pursuant to the Transaction Documents;
- within five Business Days of any written request, so long as permitted by Applicable Law, provide to the Servicer and the Indenture Trustee, an Officer's Certificate that contains such information about the Collateral and/or ENA Norte Trust, as the Servicer and/or the Indenture Trustee may reasonably request;
- promptly (and in any event within two (2) Business Days) after having actual knowledge, provide the Servicer and the Indenture Trustee and each Rating Agency with written notice of any Default or Event of Default setting forth the details thereof and any actions it is taking to remedy such Default or Event of Default;
- undertake all activities of the trust created pursuant to the terms of the Trust Agreement from outside of the U.S.;
- make all payments with respect to the Notes, or otherwise, in the Transaction Documents, in Dollars free and clear of, and without any deduction or withholding for, or on account of, any Taxes unless such amounts are required by any such taxing authority to be withheld or deducted; ENA Norte Trust (subject to certain customary exceptions and in accordance with the payment priorities set forth in the Indenture) will pay to the Indenture Trustee (for the benefit of the applicable Noteholders) such Additional Amounts as may be necessary in order that the net amounts received by the applicable Noteholders after such deduction or withholding of Taxes will equal the respective amounts that would have been received by the applicable Noteholders in respect of such payment in the absence of such deduction or withholding;
- provide to the Indenture Trustee, within 120 days after the end of each fiscal year of ENA Norte Trust or within 14 days of a written request by the Indenture Trustee, an Officer's Certificate indicating whether the signers thereof know (i) that any Event of Default (or any event that would be an Event of Default with the expiration of any applicable grace period, the delivery of notice or both) has occurred and for which it has actual knowledge, and (ii) if ENA Norte Trust has complied with its obligations under the Indenture and the other Transaction Documents to which it is a party, during such fiscal year;
- subject to the receipt of the relevant information or documents from the Servicer, deliver, pay or notify, as applicable, to the PSE and the SCM the following: (i) within the three months following the closing of each fiscal year, deliver ENA Norte's audited consolidated financial statements

together with its annual report (*informe anual de actualización del emisor*), for the previous fiscal year; (ii) within two months following the closing of each quarter, deliver ENA Norte's unaudited quarterly financial statements together with its quarterly report (*informe de actualización trimestral*), for the previous fiscal quarter; (iii) notify of any material events of importance to shareholders (*hechos de importancia*); (iv) pay the annual supervision fee and any applicable fees and expenses; and (v) pay any applicable fees and expenses to LatinClear; and

- for so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, ENA Norte Trust shall furnish, upon the request of any Noteholder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Noteholder, (ii) to a prospective purchaser of such Note (or beneficial interests therein) that is a QIB and designated by such Noteholder and (iii) any applicable Noteholders or such prospective purchaser so designated, in each case in order to permit compliance by such Noteholder with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A unless, at the time of such request, ENA Norte Trust is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or is included in the list of foreign private issuers that claim exemption from the registration requirements of Section 12(g) of the Exchange Act (and therefore is required to furnish the SEC certain information pursuant to Rule 12(g)3-2(b) thereunder). All such information shall be in the English language. The receipt of such information by the Indenture Trustee shall not constitute constructive notice thereof, nor shall the Indenture Trustee be charged with determining anything, from information contained therein including ENA Norte Trust's compliance with any of its covenants hereunder. Notwithstanding anything herein to the contrary, all transfers of a Note (or beneficial interests therein) to a QIB must be to a QIB that is also a Qualified Purchaser.

Negative Covenants of ENA Norte Trust. As long as the Notes remain outstanding, ENA Norte Trust covenants to the Indenture Trustee for the benefit of the Secured Parties that it shall not:

- engage in any business other than as provided in the Transaction Documents;
- incur or maintain any indebtedness other than the Notes and indebtedness incurred in the refinancing in full of the indebtedness represented by the Notes;
- guarantee the debt of others;
- create or permit to exist any liens or charges on any Collateral other than: (i) the security interest to be granted under the Transaction Documents, (ii) liens incurred in the ordinary course of business not to exceed in the aggregate U.S.\$100,000 and (iii) any tax or other statutory liens, including any judicial liens or other liens arising by operation of law payable by ENA Norte Trust and not yet due and payable;
- enter into any transaction other than on an arm's-length basis;
- transfer or assign, or purport to transfer or assign, all or any part of the Assigned Rights or the Collateral except as permitted under the Transaction Documents;
- enter into any agreement whereby its assets are shared with any other party except as permitted under the Transaction Documents;

- take, or knowingly permit to be taken, any action that would terminate, discharge or prejudice the validity or effectiveness of, any of the Transaction Documents or ENA Norte Trust's constitutional documents or the validity, effectiveness or priority of the liens created therein;
- permit the trust created pursuant to the Trust Agreement, to open any agency or representative office in the U.S.;
- permit the trust created pursuant to the Trust Agreement to consolidate or merge into any other entity or convey, transfer or lease all or substantially all of its assets as an entirety, whether in a single transaction or a series of related transactions, to any other person, other than as contemplated under the Transaction Documents;
- petition any court to place itself into bankruptcy, receivership or similar status during the period in which the Notes are outstanding and for a year and a day thereafter;
- suffer at any time that ENA Norte Trust causes, or consents to, a Prohibited Toll Rate Reduction (unless acting at the written direction of the Indenture Trustee acting at the direction of the Majority Controlling Party);
- pay or be obligated in any manner with respect to any costs or expenses in connection with the extension or widening of the Toll Road; or
- permit or suffer at any time that any Collateral or Collections which secure the Notes to be used or applied in any manner with respect to any costs or expenses in connection with the extension or widening of the Toll Road.

Amendments without Consent of the Secured Parties. ENA Norte Trust and the Indenture Trustee (with the written consent of ENA and ENA Norte) may from time to time and at any time without the consent of the Noteholders, any other Secured Party or any Rating Agency enter into a Supplemental Indenture or a written amendment, or consent to or instruct any party to enter into any Supplemental Indenture or any amendment to any of the Transaction Documents for one or more of the following purposes:

- to cure any ambiguity herein or therein;
- to correct any provisions herein or therein that may be inconsistent with any other provisions herein or to correct any error;
- to convey, transfer, assign, mortgage or pledge any property or assets to the Indenture Trustee as additional Collateral for the Secured Parties, to add to the covenants of ENA Norte Trust for the benefit of the Secured Parties or to surrender any right or power herein conferred upon ENA Norte Trust, and
- to make such other provisions in regard to matters or questions arising under the Indenture or the Notes as ENA Norte Trust and the Indenture Trustee may deem necessary or desirable that shall not be inconsistent with the provisions hereof and thereof and that shall not adversely affect the interests of any of the Secured Parties.

According to the Indenture, the Indenture Trustee is authorized to join in the execution of any such amendment to the Transaction Documents, to make any further appropriate agreements and stipulations that may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder.

Amendments with Consent of the Majority Controlling Party. Only with the written consent of the Majority Controlling Party, ENA Norte Trust and the Indenture Trustee may from time to time and at any time, enter into a written amendment for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture, any Note or any Supplemental Indenture or of modifying in any manner the rights of the Secured Parties in respect thereof; *provided* that, in the following cases the consent of all affected Voting Parties is required: (i) to amend the required percentage defining the Majority Controlling Party to take any action under the Transaction Documents, (ii) except as expressly contemplated by the Transaction Documents, to dispose of any Collateral, (iii) to reduce in any manner the amount of, or alter the priority of, or delay the timing of, any payment or distributions of principal of, or interest on, any Notes or any fees or other amounts payable to the Voting Parties that are required to be made herein on any Note or change any date of such payment or distributions on any Note, or change the place of such payment or distributions where, or the coin or currency in which, any Note is payable, or impair the Indenture Trustee's right to institute suit for the enforcement of any such payment or distribution, or (iv) to postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable to the Voting Parties.

Governing Law and Consent to Jurisdiction. The Indenture is governed by the laws of the State of New York. ENA Norte Trust will consent to the jurisdiction of the U.S. District Court for the Southern District of New York and any New York State court sitting in the County of New York, and will agree that all disputes under the Transaction Documents may be submitted to the jurisdiction of such courts.

The Support Agreement

Representations and Warranties of ENA and ENA Norte. The Support Agreement includes certain representations and warranties as set forth below:

As of the Settlement Date, each of ENA (as to its own and ENA Norte's representations and warranties) and ENA Norte (solely as to its own representations), make the following representations and warranties to ENA Norte Trust and the Indenture Trustee for the benefit of the Secured Parties:

- Each of ENA and ENA Norte has been duly formed and has full power and authority, and all governmental licenses, authorizations, consents and approvals, to own its properties and to conduct its business as such properties are currently owned and as such business is presently conducted and to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder, in each case except where any failure thereof could not, alone or in the aggregate, have a Material Adverse Effect.
- The execution and delivery by each of ENA and ENA Norte of the Transaction Documents to which each of them is a party, and its performance thereunder: (i) have been duly authorized by all necessary action, (ii) require no additional action by or in respect of, or filing with, any Governmental Authority, except such as have been taken or made on or before the Closing Date and remain in full force and effect, (iii) will not contravene any Applicable Law, (iv) will not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or its properties and (v) except pursuant to the Transaction Documents, will not

result in the creation or imposition of any lien on any of its properties, except in each clause above where such failure to authorize, such required action or filing, default or lien would not result in a Material Adverse Effect.

- Each of the Transaction Documents to which each of ENA Norte Trust, ENA and ENA Norte is a party has been duly executed and delivered by each of ENA and ENA Norte and (with respect to any Note, upon its authentication and delivery by the Indenture Trustee) constitutes its legal, valid and binding obligation enforceable against each of them in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).
- ENA Norte Trust, on the Closing Date, will own and will have title in trust to the Assigned Rights and free and clear of any liens (other than the lien created under the Transaction Documents or created by operation of law). Neither the Transaction Accounts nor any subaccounts thereof are in the name of any person other than the Indenture Trustee except the Panamanian Concentration Account, which is in the name of ENA Norte Trust.
- Pursuant to the Assignment Agreement and the Share Transfer Instrument, (i) as of the Closing Date, each of ENA and ENA Norte will have validly assigned all of its right, title and interest in the Assigned Rights to ENA Norte Trust, (ii) as of the Settlement Date, ENA will have transferred all of its right, title and interest in the Share Collateral to ENA Norte Trust, (iii) the assignment thereof to ENA Norte Trust will not be capable of being set aside by it, any of its creditors (including any liquidator, trustee, receiver or similar official with respect to it) or any other Person, and (iv) no consent of, notice to, or filing with any beneficiary, Governmental Authority or other Person will be required in connection therewith or to protect ENA Norte Trust's right, title and interest in the related Collateral against it, except such as have been received, delivered or filed on or before the Closing Date.
- (i) As of the Closing Date, ENA Norte will have good and acceptable title and will hold a valid administrative concession referred to herein as the Concession granted by MOP acting on behalf of the Republic of Panama pursuant to the terms and conditions of the Concession Agreement, to construct, manage and operate Corredor Norte, as described in this Offering Memorandum; (ii) pursuant to the terms of the Concession Agreement, the Concession will expire on the earlier of (A) the date ENA Norte has recovered the *Monto Total Recuperable* under the Concession as set forth in the Concession Agreement and (B) thirty years starting from the date MOP has authorized the beginning of operations of the applicable Segment, unless expired or terminated earlier in accordance with its terms; (iii) the Concession is currently, and has at all times since its granting been, in full force and effect and, to the best of ENA's and ENA Norte's knowledge, no proceeding to revoke, suspend or cause the effectiveness of the Concession to lapse is pending before, or threatened by, any Governmental Authority against ENA Norte or the Concession that could lead to the suspension, termination, revocation, rescission or declaration of illegality of the Concession or any of its clauses; (iv) the Concession and ENA Norte's rights deriving thereunder are free and clear of any liens and encumbrances, other than the security interests created by or permitted under the Transaction Documents; and (v) the transfer of the Concession and the Concession Agreement to

ENA Norte on or prior to the Closing Date will be valid and effective to cause the title to the Concession to reside with ENA Norte.

- (i) ENA Norte has delivered to the Joint Lead Managers the combined audited financial statements of the Former Concessionaire and Autovías, as of December 31 of 2011, 2010 and 2009, and the related combined statements of comprehensive income, changes in (position) equity and cash flows for the fiscal year ended on such date, audited by Deloitte Inc., and the combined unaudited financial statements of the Former Concessionaire, Autovías and Autopista Norte as of and for the six-month periods ended June 30, 2012 and 2011 (neither ENA nor ENA Norte has been involved in the preparation of such combined financial statements); (ii) to the best of ENA's and ENA Norte's knowledge, such combined financial statements present fairly in all material respects the financial condition of the Former Concessionaire, Autovías and Autopista Norte, as the case may be, at such dates and the results of its operations for the periods ended on such dates; (iii) to the best of ENA's and ENA Norte's knowledge, such financial statements have been prepared in accordance with IFRS consistently applied; (iv) to the best of ENA's and ENA Norte's knowledge, since June 30, 2012, no event or circumstance has occurred that has, or could reasonably be expected to have, a Material Adverse Effect; and (v) to the best of ENA's and ENA Norte's knowledge, the Former Concessionaire had no outstanding obligations or liabilities, fixed or contingent that were required to be shown on the combined financial statements described above as of the date of such combined financial statements, except as disclosed in such combined financial statements, and after such date the Former Concessionaire has no such other material outstanding obligations or liabilities except as disclosed in such combined financial statements or as permitted by the terms of the Transaction Documents.
- Each of ENA Norte Trust, ENA and ENA Norte is in compliance with all Applicable Laws.
- There exists (i) no Event of Default and (ii) no event the existence of which would be an Event of Default with the expiration of any applicable grace period, the delivery of notice or both.
- (i) As of the Closing Date, ENA Norte Trust will own and have title in trust to the Assigned Rights and the Share Collateral, subject to the pledge of such Assigned Rights and Share Collateral by ENA Norte Trust to the Indenture Trustee under the Indenture for the benefit of the Secured Parties, as primary beneficiaries; and (ii) once all amounts due under the Notes and the Transaction Documents have been fully paid ENA Norte Trust may distribute any remainder amount and/or assets to ENA and ENA Norte as second beneficiaries pursuant to the Trust Agreement.
- Except as described in this Offering Memorandum, there is no litigation, arbitration, tax or labor claim or other similar action or proceeding of or before any arbitrator or Governmental Authority pending or (to its knowledge) threatened against any of ENA, ENA Norte or ENA Norte Trust or any of its properties that has or is likely to have a Material Adverse Effect.
- (i) Except as described in this Offering Memorandum, each of ENA and ENA Norte, if applicable, has filed or caused to be filed all tax returns that are required to be filed by it and has paid all taxes shown to be due and payable on such returns or on any assessments made against it or any of its properties and all other taxes, fees or other charges imposed upon it or any of its property by any Governmental Authority except where the failure to file such tax returns or pay such taxes could not, alone or in the aggregate, have a Material Adverse Effect; and (ii) no claim is being asserted with

respect to any such tax, fee or other charge except for such claim as could not, alone or in the aggregate, have a Material Adverse Effect.

- Except as described in this Offering Memorandum, each of the Transaction Documents is in proper form under the laws of Panama for enforcement against ENA and ENA Norte, as the case may be, in the courts of Panama, and to ensure the legality, validity, enforceability or admissibility into evidence of any of the Transaction Documents it is not necessary that any such document be filed or recorded with any court or other authority in Panama, or that any stamp duty or similar tax not already been paid in Panama on or in respect of such Transaction Documents.
- Except as described in this Offering Memorandum, payments to the Noteholders in respect of the Finance Documents are not subject under the laws of Panama or any political subdivision thereof or therein to any withholdings or similar charges for or on account of taxation or otherwise by reason of the registration of the transaction with the SCM and the listing of the Notes with the PSE.
- An Investor, not domiciled in Panama, will not be deemed resident, domiciled, carrying on business or subject to taxation in Panama solely by reason of its execution, delivery, performance or enforcement of each of the Transaction Documents.
- (i) Each of ENA and ENA Norte is subject to civil and commercial law with respect to its obligations under the Transaction Documents, and its execution, delivery and performance of and under the Transaction Documents constitute private and commercial acts rather than public or governmental acts, (ii) ENA Norte Trust's properties do not have any immunity from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment, set-off, execution of a judgment or from any other legal process with respect to any obligations under the Transaction Documents and (iii) each of ENA and ENA Norte has made in the Transaction Documents to which it is a party a valid waiver of any right it may have to sovereign immunity.
- Neither the execution and delivery of the Transaction Documents to which it is a party nor the enforcement thereof (except, with regard to the Operations and Maintenance Agreement, any original counterparts held by parties other than ENA Norte) are subject to any registration or transfer tax, stamp duty, mortgage recordation tax or similar levy imposed by or within Panama or any political subdivision or taxing authority thereof or therein other than those that have been or will be paid on or before the Closing Date.
- Each of ENA and ENA Norte has obtained all Governmental Approvals which are necessary and required to have been obtained for its entry into and performance of the Transaction Documents and the transactions contemplated thereby.
- As of the Closing Date, ENA Norte shall have obtained and maintained, or caused to be obtained and maintained, in full force and effect all insurance policies and coverage required pursuant to the Concession and Maintenance Agreements.
- With respect to the Concession contemplated by the Concession Agreement, there exists no current factual circumstance under which the Republic of Panama or any sub-division or agency thereof may terminate the Concession.

- The shares of ENA Norte are validly issued and no other party can call for the issuance or transfer of such shares, except pursuant to the Trust Agreement.
- Each of ENA and ENA Norte is solvent, will not be rendered insolvent under Panamanian law by virtue of the transactions effected by the Transaction Documents, is not entering into the Finance Documents with the actual intent to hinder, delay or defraud its present or future creditors and is receiving reasonably equivalent value for the transfer or assignment, as applicable, of the Collateral.
- (i) Each of ENA and ENA Norte is in compliance in all material respects with all Environmental Laws; (ii) there are no material facts, circumstances, conditions or occurrences regarding the Concession that could reasonably be anticipated to form the basis of any claim under any applicable Environmental Laws; (iii) there are no past, pending or , to the best of ENA's and ENA Norte's knowledge, threatened environmental claims against (a) ENA Norte, or (b) that individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; and (iv) to its knowledge Hazardous Materials have not at any time been generated, used, treated, recycled, stored on, or transported to or from, or released, deposited or disposed of on all or any portion of the Toll Road other than in compliance at all times with all applicable Environmental Laws in all material respects.
- As of the Applicable Time and as of the Settlement Time, neither (x) this Offering Memorandum as of the Applicable Time as supplemented by the Terms Agreement, has been prepared and delivered by ENA, ENA Norte and ENA Norte Trust to the Joint Lead Managers in connection with their solicitation of offers to purchase Notes, all considered together, nor (y) any individual Supplemental Offering Materials (the items described above in clauses (x) and (y), when considered together, the "Disclosure Package"), included any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. "Applicable Time" shall mean 9:00 am on the date of the Terms Agreement or such other time as agreed among ENA, ENA Norte, ENA Norte Trust and the Joint Lead Managers. "Supplemental Offering Materials" shall mean any "written communication" (within the meaning of the regulations under the Securities Act) prepared by or on behalf of ENA, ENA Norte and ENA Norte Trust, or used or referred to by ENA, ENA Norte or ENA Norte Trust, that constitutes an offer to sell or a solicitation of an offer to buy the Notes other than this Offering Memorandum or amendments or supplements thereto (including the Terms Agreement) including, without limitation, any written road show materials relating to the Notes that constitutes such a written communication.

Principal Covenants of ENA and ENA Norte. The Support Agreement will include certain affirmative covenants of ENA and ENA Norte as set forth below:

For so long as the Notes are outstanding, each of ENA and ENA Norte, as applicable, agree that:

- each of ENA and ENA Norte shall maintain books of account and other records adequate to present fairly and accurately, in all material respects, its financial condition and results of operations in conformity with IFRS;
- each of ENA and ENA Norte as soon as available, but in any event within two months after the end of each of its fiscal quarters, shall provide to the Indenture Trustee, ENA Norte Trust and the Rating

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Agencies a copy of its respective unaudited interim financial statements for such quarter (prepared in accordance with IFRS);

- each of ENA and ENA Norte as soon as available, but in any event within three months after the end of each of its fiscal years, shall provide to the Indenture Trustee, ENA Norte Trust and the Rating Agencies a copy of its respective audited financial statements for such fiscal year (prepared in accordance with IFRS); an accompanying auditors' report; an officers' "no default" certificate; and such other information regarding ENA and/or ENA Norte as the Indenture Trustee may reasonably request;
- ENA Norte shall (and ENA shall cause ENA Norte to) comply with all of its material obligations assumed under the Concession Agreement;
- each of ENA and ENA Norte shall provide such information as the Indenture Trustee and/or ENA Norte Trust may reasonably request at any time regarding its accounts and operations (and in the case of ENA, only such accounts and operations relating to ENA Norte or the Transaction Documents related to the issuance of the Notes), and shall furnish to the Indenture Trustee and ENA Norte Trust a copy of such information upon request;
- each of ENA and ENA Norte shall promptly notify the Indenture Trustee and ENA Norte Trust of any proposed change in the nature or scope of ENA, ENA Norte or Corredor Norte's business or operations and of any event or condition, including without limitation any litigation, dispute or administrative proceeding, that might reasonably be expected to materially and adversely affect ENA's, ENA Norte's financial condition, the Concession, or the ability of ENA and/or ENA Norte to comply with its obligations under the Transaction Documents;
- ENA Norte shall (and ENA shall cause ENA Norte to) design, construct, operate, maintain and monitor all of its sites, plants, equipment and facilities related to Corredor Norte, in accordance with any applicable environmental and safety laws (including international treaty obligations, if any, and *Environmental Laws*) of Panama and any Governmental Authorities thereof;
- each of ENA and ENA Norte shall, upon the prior reasonable request from the Indenture Trustee (acting at the written direction of the Majority Controlling Party), ENA Norte Trust or the Majority Controlling Party (such request to be made with reasonable prior written notice to ENA or ENA Norte, as applicable, unless an Event of Default or an unmatured Event of Default is continuing or if special circumstances so require), permit representatives or agents of the Indenture Trustee and ENA Norte Trust, during normal office hours (once per year at the expense of ENA or ENA Norte, as applicable, except during an Event of Default, when all such visits shall be at the expense of ENA), to: (i) visit Corredor Norte and any other site where it or any affiliate conducts activities relating to Corredor Norte pursuant to the Concession Agreement, and any of the premises where its business or the business of any affiliate relating to such site is conducted, (ii) inspect all facilities, plants and equipment comprising Corredor Norte and any other site where it or an affiliate conducts activities with respect to Corredor Norte pursuant to the Concession Agreement and (iii) have access to the books of account and records of it or any such affiliate, including all environmental and social information and maintenance records relevant to Corredor Norte or any other site where any such entity conducts activities pursuant to the Concession Agreement;

- each of ENA and ENA Norte shall, if its independent auditor ceases in its functions, appoint as soon as practicable and maintain as its auditors an equivalent internationally recognized firm of independent public accountants, and, within 30 days after each such appointment, deliver to such auditors, with a copy to the Indenture Trustee and ENA Norte Trust, a written authorization to provide information to the Indenture Trustee and ENA Norte Trust in the form prescribed by the Transaction Documents;
- each of ENA and ENA Norte shall obtain and maintain in force, or where appropriate, promptly renew, all material authorizations necessary for operating and maintaining Corredor Norte and its business and operations generally, including those authorizations required under the Concession Agreement or the taking of any action or refraining from action in respect of any possible or threatened claim, suit or procedure arguing the invalidity or involvement of the transfer of the Concession Agreement to ENA Norte;
- each of ENA and ENA Norte shall promptly provide (and in any event, within five (5) Business Days after receipt thereof) the Indenture Trustee and ENA Norte Trust with a copy of any communication received from or sent to MOP in connection with any possible or threatened early termination, claim, suit or procedure arguing the invalidity of the Concession Agreement;
- each of ENA and ENA Norte shall promptly notify (and in any event, within five (5) Business Days after knowledge thereof) the Indenture Trustee and ENA Norte Trust in writing of any default (or any event that would constitute a default with the passage of time, the notice of both) or material non-compliance in respect of any of ENA Norte's obligations or those of MOP under the Concession Agreement;
- each of ENA and ENA Norte shall maintain, or cause to be maintained, with financially sound and recognized insurance companies licensed in Panama, insurance for Corredor Norte including coverages and risks substantially similar to those included in the insurance maintained by the Former Concessionaire on the Settlement Date and cause all such insurance that comprises part of the Assigned Rights to name the Indenture Trustee as an additional insured and loss payee of any amounts payable under such insurance (provided that disbursements actually received by the Indenture Trustee in the Insurance Account in respect of proceeds of such insurance policies shall be made by the Indenture Trustee in accordance with the terms of the Indenture) and maintain, with financially sound and recognized insurance companies, insurance with respect to its other properties and business against loss or damage of the kind customarily insured against by persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other persons;
- each of ENA and ENA Norte shall ensure that no insurance policy related to the Concession can be terminated by the relevant insurer for any reason (including failure to pay the premium) unless the Indenture Trustee and ENA Norte Trust receive written notice at least 30 days prior to the effective date of termination;
- each of ENA and ENA Norte shall, within 30 days after the effective date of any new, renewed or modified insurance policy, and within 90 days after the end of each of its fiscal years, submit to the Indenture Trustee and ENA Norte Trust, a certificate from the ENA's and ENA Norte's insurers or insurance brokers or agents, indicating the properties insured, amounts and risks covered, names of

the loss payees, beneficiaries, assignees and additional insured, the names of the insurers, the period of validity and effectiveness of each policy, and any other special features of the insurance policies in effect on the date of the relevant certificate;

- ENA shall cause, by no later than June 30, 2013, and thereafter, by no later than the second anniversary date of the date of the immediately preceding Independent Engineering Report, the Independent Engineer to review Corredor Norte and assess and report its actual and forecasted *physical condition and its required level of major maintenance* and to promptly deliver the related Independent Engineering Report to the Indenture Trustee and ENA Norte Trust;
- ENA shall cause, by no later than June 30, 2014, and thereafter, by no later than the third anniversary date of the date of the immediately preceding Independent Traffic Report, the Independent Traffic Consultant to review Corredor Norte, and report and assess its actual and projected levels of traffic and revenue and to promptly deliver the related Independent Traffic Report to the Indenture Trustee and ENA Norte Trust;
- ENA shall, on a monthly basis pursuant to the Servicing Agreement, provide to the Indenture Trustee, ENA Norte Trust and the Rating Agencies the current Servicing Report;
- every two years, starting on September 30, 2012, and no later than September 30 of each such applicable second year thereafter, ENA shall cause to be provided to the Indenture Trustee, ENA Norte Trust and each Rating Agency the Expense Budget and the Major Maintenance Budget for each of ENA and ENA Norte for at least the following three years;
- except to the extent provided in the Transaction Documents, neither ENA nor ENA Norte shall assign the Concession or any rights or obligations related thereto, other than the Excluded Rights;
- ENA Norte shall maintain separate accounting for income, costs and expenses associated with the Concession and with any other activities carried out by ENA Norte so that the Expense Budget of ENA Norte only covers that portion of the income, costs and expenses associated with or related to the Concession;
- ENA shall provide an officer's certificate to ENA Norte Trust and the Indenture Trustee, annually not later than January 31 of each year, starting on January 31, 2013: (i) stating that it is in compliance with all of its covenants under the Transaction Documents (or, if not, specifying the relevant facts and what actions have been taken and will be taken with respect thereto) and (ii) including such other information as the Indenture Trustee, ENA Norte Trust and/or any Rating Agency may reasonably request;
- ENA shall, with respect to Notes offered to Investors pursuant to Rule 144A, during any period in which it is neither subject to Section 13 or 15(d) under the Exchange Act nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any Investor, or to a prospective Investor that is a QIB and a Qualified Purchaser, in connection with any sale of a Note, in each case at such Investor's or potential Investor's written request to the Indenture Trustee or ENA, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act;

- each of ENA and ENA Norte will fully exercise all rights and prerogatives under the Concession and Maintenance Agreements relating to the Assigned Rights to the fullest extent for the benefit of the Indenture Trustee on behalf of the Noteholders and the Secured Parties;
- each of ENA and ENA Norte will continue in all respects to service and administer the Assigned Rights and operate under the Concession and Maintenance Agreements as in effect on the Closing Date except to the extent that any variation therefrom would not reasonably be expected to have a Material Adverse Effect;
- ENA will: (i) to the extent not paid under the Concentration Account Waterfall, pay any monitoring fees of the Rating Agencies and (ii) at its own expense, to the extent not paid under the Concentration Account Waterfall, provide each Rating Agency with such reports, records and documents as each shall reasonably request to monitor or affirm the ratings assigned by it to the Notes, it being understood that neither it nor ENA Norte Trust will request that any Rating Agency cease rating the Notes rated by such Rating Agency without the prior written consent of the Indenture Trustee acting at the direction of the Majority Controlling Party;
- each of ENA and ENA Norte will: (i) include in its financial statements (including the notes thereto) a statement that the related Assigned Rights or the receivables therefrom have been assigned to ENA Norte Trust and are subject to a lien of the Indenture Trustee, and (ii) take such further actions, at its own expense, as ENA Norte Trust and the Indenture Trustee (acting at the written direction of the Majority Controlling Party) may reasonably request to protect ENA Norte Trust's and/or the Indenture Trustee's interest as applicable in the Assigned Rights or the receivables therefrom;
- each of ENA and ENA Norte will comply at all times in all respects with all Applicable Laws in any way affecting the generation and/or servicing of the Assigned Rights other than non-compliance which would not be reasonably expected to have a Material Adverse Effect;
- each of ENA and ENA Norte will promptly provide ENA Norte Trust, the Indenture Trustee (for delivery to each Noteholder) and each Rating Agency (i) written notification within five Business Days of an Event of Default, an event that would be an Event of Default with the expiration of any applicable grace period, the delivery of notice or both, (ii) if one or more of the events described in clause (i) have actually occurred (including events that have since been cured), written notice within five Business Days specifying all such events and what actions have been taken and/or will be taken with respect to such events, (iii) details of any litigation, arbitration or other similar action or proceeding pending or (to its knowledge) threatened against ENA or ENA Norte that would have a Material Adverse Effect, and (iv) written notice within five Business Days of any lien asserted or claim made against any Collateral or the receivables therefrom (other than under the Transaction Documents) of which it obtains knowledge;
- ENA will timely pay the annual supervision fee to the SCM and any applicable fees and expenses payable to the PSE and/or LatinClear, to the extent not paid under the Concentration Account Waterfall;
- if the Conditions Precedent are not satisfied on the Business Day immediately following the Settlement Date, ENA and ENA Norte shall perform all acts necessary to ensure that the Conditions Precedent are fulfilled immediately thereafter, and shall ensure that any Collections received

between the Settlement Date and such actual date the Conditions Precedent are satisfied are deposited and held in the Share Trust for the benefit of ENA to be further transferred on the Closing Date to the Panamanian Concentration Account of ENA Norte Trust;

- each of ENA and ENA Norte shall promptly provide ENA Norte Trust with the funds and/or the information so that it may deliver, pay or notify, as applicable, to the PSE and the SCM the following: (i) within the three months following the closing of each fiscal year, deliver ENA Norte Trust's audited consolidated financial statements together with its annual report (*informe anual de actualización del emisor*), for the previous fiscal year; (ii) within two months following the closing of each quarter, deliver ENA Norte Trust's unaudited quarterly financial statements together with its quarterly report (*informe de actualización trimestral*), for the previous fiscal quarter; (iii) notify of any material events of importance to shareholders (*hechos de importancia*); and (iv) pay the annual supervision fee and any applicable fees and expenses, to the extent not paid under the Concentration Account Waterfall; and
- ENA and ENA Norte shall (i) cooperate with the Rating Agencies to provide the information reasonably requested by the Rating Agencies in order to maintain the rating of the Notes and (ii) if, for any reason, any of the Rating Agencies no longer rates the Notes, ensure that the Notes are rated by at least one Nationally Recognized Statistical Rating Organization.

The Support Agreement will include certain negative covenants of ENA and ENA Norte, including those set forth below:

For so long as the Notes are outstanding, ENA and/or ENA Norte will not, as applicable:

- enter into any transaction except in the ordinary course of business on the basis of arm's-length arrangements; it being understood that ENA shall be authorized to engage in all the activities contemplated in Law N°76 of April 15, 2010, including any amendments thereto, any successor legislation thereto, any regulations or decrees issued under any of them and any additional laws or regulations relating to the scope of the permitted business activities of ENA (the "ENA Legislation") in a manner that is consistent with the Transaction Documents;
- engage in any business other than the construction, operation and maintenance of roads, services or any other business or activity that is not contemplated in the Concession Agreement; provided, however, that this restriction shall not apply to ENA, which shall be authorized to engage in all the activities contemplated in the ENA Legislation in a manner that is consistent with the Transaction Documents;
- change its Articles of Incorporation (*Pacto Social*) or By-Laws (*Estatutos*) if such change would have a Material Adverse Effect on Corredor Norte, or ENA or on the rights of the Indenture Trustee, ENA Norte Trust or the Secured Parties under the Transaction Documents;
- in the case of ENA Norte, change its fiscal year;
- change the nature of its present and contemplated business or operations or change the nature or scope of the Concession Agreement, it being understood that ENA shall be authorized to engage in all the activities contemplated in the ENA Legislation in a manner that is consistent with the Transaction Documents;

- merge, consolidate, reorganize, liquidate or wind up its affairs;
- (i) except with respect to the Excluded Rights or the assignments contemplated in the Assignment Agreement and the Trust Agreement, assign, sell, pledge, or convey or purport to assign, sell, pledge or convey, in whole or in part (a) its rights and/or obligations under the Concession Agreement or (b) any authorizations associated with Corredor Norte or (ii) other than to increase the Secured Parties' rights, modify, amend, waive, voluntarily withdraw from, unilaterally terminate or mutually agree with MOP to the termination of the Concession Agreement except with the prior written consent of the Majority Controlling Party;
- suffer or permit ENA Norte to incur or maintain any indebtedness (including guarantees) other than (i) indebtedness for products and services provided in the ordinary course of the operation and maintenance of Corredor Norte consistent with past practices or (ii) indebtedness incurred by ENA Norte secured solely with respect to the Excluded Rights;
- in respect of any of the property related to ENA Norte and/or Corredor Norte, as applicable, sell, pledge, assign or transfer to any Person, or grant, create, incur, assume, suffer or permit to exist any liens or charges on such property, other than: (i) liens constituted pursuant to the Transaction Documents; (ii) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like liens arising in the ordinary course of business that are not overdue for a period of more than 60 days or that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on its books, (iii) liens in existence on the date of the issuance of the Notes, (iv) liens incurred without recourse to ENA Norte on its assets or revenues on any of the Excluded Rights and (v) any tax or other statutory liens, including any judicial liens or other liens arising by operation of law payable by ENA Norte Trust but that are not yet due and payable;
- except as provided in the Trust Agreement, take any action to change the Operator except with the prior written consent of the Indenture Trustee acting at the direction of the Majority Controlling Party; and provided that (i) any Substitute Operator shall meet the criteria and qualifications to be set forth in the Transaction Documents and (ii) the change of the Operator does not cause any of the Notes to suffer a rating downgrade or, other adverse change of status in the then applicable rating classification;
- sell or otherwise dispose of its assets, except for (i) sales and transfers made in the ordinary course of business; (ii) sales or transfers contemplated in the biennial budget of ENA Norte approved in accordance with the Transaction Documents; (iii) sales that in the aggregate do not exceed U.S.\$100,000 in any given fiscal year; (iv) sales to replace obsolete or impaired assets and (v) sales related to any and all Excluded Rights; provided, however, that this restriction shall not apply to ENA with respect to assets unrelated to the Collateral, ENA Norte or Corredor Norte;
- petition any court to place ENA Norte Trust into bankruptcy, receivership, or similar status during the period in which the Notes are outstanding and for a year and a day thereafter;
- take any action that would impair in any respect the rights and interests of ENA Norte Trust, the Indenture Trustee and/or any Investor under the Transactions Documents;

- (i) permit ENA to own less than a majority interest in the shares of ENA Norte and (ii) permit the ownership of fifty percent or greater interest of the shares of each of ENA and ENA Norte by entities other than those controlled by the Republic of Panama; or
- suffer at any time that any of ENA, ENA Norte, the Servicer, the Operator or any Panamanian Governmental Authority causes, or consents to, a Prohibited Toll Rate Reduction (unless approved by ENA Norte Trust acting at the written direction of the Indenture Trustee (acting at the written direction of the Majority Controlling Party)).

Amendments. All modifications, consents, amendments or waivers of any provision of the Support Agreement shall be effective only if the same shall be approved in writing by the parties thereto (and acknowledged and agreed by the Indenture Trustee with the consent of the Majority Controlling Party) and then shall be effective only in the specific instance and for the specific purpose for which given. Any modification, consent, amendment or waiver without such acknowledgment and agreement of the Indenture Trustee acting at the consent of the Majority Controlling Party shall be null and void ab initio. A copy of any such amendment shall be delivered by the Servicer to each Rating Agency.

Governing Law and Consent to Jurisdiction. The Support Agreement will be governed by the laws of the State of New York. ENA Norte Trust will consent to the jurisdiction of the U.S. District Court for the Southern District of New York, any New York State court sitting in the County of New York and the Panamanian courts and will agree that all disputes under the Support Agreement, the Assignment Agreement or the transactions contemplated thereby may be submitted to the jurisdiction of such courts.

The Servicing Agreement

Pursuant to the Servicing Agreement, the Servicer agrees to collect and transfer all Concession Collections, as described in “*Summary of Terms - Principal Transaction Documents - Servicing Agreement*” above.

Obligations of the Servicer. ENA, as Servicer, will administer the Assigned Rights in accordance with Applicable Law and its customary servicing procedures, including approval authorizations, accounting and recording of Concession Collections, cause the Operator to collect the Tolls on a daily basis (received manually by the Operator from each toll booth or electronically through debit cards or any other electronic collection system in existence or that may be implemented in the future) and deposit the same in the Panamanian Concentration Account or as otherwise contemplated in the Operations and Maintenance Agreement and the Finance Documents, and use reasonable care, applying its customary standards, policies and procedures, in administering the Assigned Rights and preparing the Servicing Reports. The Servicer shall use commercially reasonable efforts to immediately segregate any Concession Collections from any other payments or similar items received by it.

Among other obligations assumed pursuant to the Servicing Agreement for the benefit of the Indenture Trustee for the benefit of the Secured Parties, ENA will comply and will cause ENA Norte to comply with its organizational documents and all Applicable Laws, will file all tax returns and reports in accordance with requirements of law to be filed by it and pay all taxes, assessments and governmental charges shown to be owing by it and ENA Norte and will furnish to ENA Norte Trust, the Independent Engineer, each Rating Agency and the Indenture Trustee promptly, from time to time, such other information, documents, records or reports with respect to the Assigned Rights or the condition or operations, financial or otherwise, of the Servicer (if not

ENA), ENA and ENA Norte, required under the Transaction Documents and/or as any such Person may from time to time reasonably request in writing.

Except when any Event of Default or Servicer Transfer Event (as defined below) is continuing, the Servicer (on behalf of ENA Norte Trust) shall instruct the Indenture Trustee in writing with respect to Eligible Investments of funds held in any Eligible Account, in accordance with, and pursuant to the terms of, the Indenture. The Servicer shall instruct the Indenture Trustee in writing to distribute the payments required under the Indenture, including, without limitation, the allocation of payments under the Concentration Account Waterfall. See "*Summary of Terms - Principal Transaction Documents - Servicing Agreement.*" The Servicer shall also appoint any replacement Independent Engineer or replacement Independent Traffic Consultant in the event any of them ceases to act as such under the terms of the Financing Documents.

Subcontracting; Delegation. The Servicer is allowed to subcontract or appoint a sub-servicer through a third party or an affiliate with respect to any or all of its responsibilities under the Servicing Agreement so long as it shall: (i) retain supervisory control of any such subcontractor or sub-servicer; (ii) remain obligated and liable to ENA Norte Trust and the Indenture Trustee for the benefit of the Secured Parties for the servicing and administering of the Assigned Rights in accordance with the obligations of the Servicing Agreement without diminution of such obligation or liability by virtue of such subcontracting or subservicing agreements or arrangements, and to the same terms and conditions as if the Servicer alone were servicing and administering the Assigned Rights; and (iii) provide written notice to ENA Norte Trust, the Indenture Trustee and the Rating Agencies of such subcontracting or subservicing.

The Servicer will not assign or transfer all or any portion of its rights under the Servicing Agreement or assign or transfer any of its obligations under the Servicing Agreement (including to an Affiliate) without: (i) the prior written consent of ENA Norte Trust and the Indenture Trustee acting at the written direction of the Majority Controlling Party and (ii) receipt by ENA Norte Trust and the Indenture Trustee from each Rating Agency of written confirmation that such assignment or delegation shall not result in such Rating Agency withdrawing or reducing its rating on the Notes below the initial rating from such Rating Agency.

Resignation by the Servicer. The Servicer shall not resign from its obligations under the Servicing Agreement except upon its reasonable determination that: (i) the performance of such obligations is no longer permissible under Applicable Law and (ii) there is no reasonable action that it could take to make such performance permissible under Applicable Law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) by an opinion of counsel to the Servicer to such effect and as to clause (ii) by an officer's certificate of the Servicer, in each case addressed to ENA Norte Trust, the Indenture Trustee and each Rating Agency. No such resignation shall become effective until a Replacement Servicer (as defined below) shall have assumed in writing the responsibilities and obligations of the resigning Servicer.

Servicing Fee. As consideration for the servicing and other obligations to be performed by the Servicer as per the terms of this Servicing Agreement, the Servicer shall be entitled to compensation in the amount of U.S.\$750,000 plus applicable value added taxes per year paid in four quarterly payments (the "*Servicing Fee*"). The Servicing Fee shall be paid in advance on every Payment Date in such proportional amount calculated over the number of days that the Servicer has effectively rendered services pursuant to the Servicing Agreement for such Quarterly Reporting Period as set forth in the Servicing Report. The first payment of the Servicing Fee shall be made on the January 2013 Payment Date. The Servicing Fee shall be paid with funds deposited in the Concentration Account under the Indenture and paid in accordance with the priorities set forth in the Concentration Account Waterfall. The payment of the Servicing Fee has a priority

over payment of interest of the Notes if ENA is not the Servicer. If ENA is the Servicer, the payment of the Servicing Fee has priority over the payment of principal of the Notes.

If ENA is the Servicer, the Servicing Fee shall be adjusted upwards to U.S.\$1,500,000 per year, plus applicable taxes as described in the paragraph above, if the Debt Service Coverage Ratio for each of the four most recently reported Quarterly Reporting Periods as reported by the Servicer is above 2.50x. In the event the Servicing Fee is adjusted as described in the previous sentence, the Servicing Fee will be adjusted downwards to U.S.\$750,000 per year if the Debt Service Coverage Ratio for each of the two most recently reported Quarterly Reporting Periods as reported by the Servicer is 2.50x or lower.

Servicer Transfer Event. The sale, transfer or Grant of ENA Norte's shares by ENA Norte Trust (as instructed by the Indenture Trustee acting at the direction of the Majority Controlling Party) to a third party shall constitute a "*Servicer Transfer Event.*"

Upon the occurrence of a Servicer Transfer Event, the acquirer or transferee of ENA Norte's shares (the "*Controller*") will provide notice in writing to ENA, ENA Norte, ENA Norte Trust and the Indenture Trustee (with a copy to each Noteholder and each Rating Agency rating the Notes) of the termination of any or all of the rights and obligations of ENA, as Servicer, under the Servicing Agreement (a "*Servicer Termination*"). Such termination shall only be effective upon the appointment of a Replacement Servicer (the "*Replacement Servicer*") from a list of at least three (3) reputable business entities in the Panamanian market qualified to act as Replacement Servicer provided by ENA, and if such list is not made available to the Controller within five (5) Business Days from the day of the written termination notice set forth above is received by ENA, the Controller shall proceed to appoint an entity that in its judgment is qualified to act as Replacement Servicer.

The Replacement Servicer then appointed shall assume the rights and obligations under the Servicing Agreement pursuant to an assumption agreement in form and substance satisfactory to ENA Norte Trust and the Indenture Trustee. Upon such assumption, all duties, obligations, authority and power of the Servicer replaced upon a Servicer Termination (the "*Replaced Servicer*") shall terminate immediately and pass to and be vested in such Replacement Servicer.

Amendments. All modifications, consents, amendments or waivers of any provision of the Servicing Agreement shall be effective only if the same shall be approved in writing by the parties thereto (and acknowledged and agreed by the Indenture Trustee with the consent of the Majority Controlling Party) and then shall be effective only in the specific instance and for the specific purpose for which given. Any modification, consent, amendment or waiver without such acknowledgment and agreement of the Indenture Trustee acting at the consent of the Majority Controlling Party shall be null and void *ab initio*. A copy of any such amendment shall be delivered by the Servicer to each Rating Agency.

Governing Law and Consent to Jurisdiction. The Servicing Agreement is governed by the laws of the State of New York. ENA Norte Trust has consented to the jurisdiction of the U.S. District Court for the Southern District of New York, any New York State court sitting in the County of New York and the Panamanian courts.

All amendments to the terms and conditions of the Notes are subject to Acuerdo 4-2003 of April 11, 2003 and must be performed in compliance with the provisions thereof.

THE CLEARING SYSTEMS

The Depository Trust Company

DTC is a limited-purpose trust company organized under the New York Banking Law; a “banking organization” under the New York Banking Law; a member of the Federal Reserve System; a “clearing corporation” under the New York Uniform Commercial Code; and a “clearing agency” registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between its participants. It does this through electronic book-entry settlement in the accounts of its direct participants, eliminating the need for physical movement of securities certificates. DTC is owned by a number of its direct participants and by the NYSE Euronext, the American Stock Exchange, Inc. and the Financial Industry Regulatory Authority, Inc. (successor to the National Association of Securities Dealers, Inc.).

DTC can act only on behalf of its direct participants, who in turn act on behalf of indirect participants and certain banks. In addition, unless a global security is exchanged in whole or in part for a definitive security, it may not be physically transferred, except as a whole among DTC, its nominees and their successors. Therefore, your ability to pledge a beneficial interest in the global security to persons that do not participate in the DTC system, and to take other actions, may be limited because you will not possess a physical certificate that represents your interest.

Euroclear

Euroclear was created as a cooperative in 1968 to hold securities for Euroclear Participants, as defined below, and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of securities and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. All operations are conducted by the Euroclear Bank, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Bank, not the cooperative. The cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Joint Lead Managers (“Euroclear Participants”). Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with Euroclear Participants, either directly or indirectly. Euroclear is located at 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Securities clearance accounts and cash accounts with Euroclear Bank are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “Euroclear Terms and Conditions”). The Euroclear Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payment with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. Euroclear Bank acts under the Euroclear Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

The ability of an owner of a beneficial interest in the Regulation S Notes to pledge such interest to persons or entities that do not participate in the Euroclear system, or otherwise take actions in respect of such

interest, may be limited by the lack of a definitive note for such interest because Euroclear can act only on behalf of Euroclear Participants, who in turn act on behalf of indirect Euroclear Participants and certain banks.

Distributions with respect to the Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear Bank and by Euroclear.

Clearstream

Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for Clearstream Participants, as defined below, and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of securities. Clearstream provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Joint Lead Managers ("*Clearstream Participants*"). Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly. Clearstream is located at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

The ability of an owner of a beneficial interest in the Regulation S Notes to pledge such interest to persons or entities that do not participate in the Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive note for such interest because Clearstream can act only on behalf of Clearstream Participants, who in turn act on behalf of indirect Clearstream Participants and certain banks.

Distributions with respect to the Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by Clearstream.

Latinclear

Latinclear is incorporated under the laws of Panama as a corporation. Latinclear holds securities deposited with it by its participants and facilitates the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. Latinclear's participants include securities brokers-dealers and banks. Access to Latinclear's book-entry system is also available to others, such as banks, brokers, dealers, trust companies and individual investors that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Latinclear's book-entry system is also used by other organizations such as securities brokers and dealers, banks and trust companies that work through a direct participant. The rules that apply to Latinclear and its participants are on file with the SCM. Latinclear is owned by a number of its Panamanian direct participants and by the PSE.

Latinclear is the clearinghouse in Panama for the Notes. Latinclear may be contacted at P.O. Box 87-4009, Panama 7, Republic of Panama or by telephone at +(507) 214-6105 or by fax at +(507) 214-8175. Latinclear is a Clearstream Participant.

TAXATION

United States

U.S. TREASURY CIRCULAR 230 NOTICE

THE TAX DISCUSSION CONTAINED IN THIS OFFERING MEMORANDUM WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY PERSON, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES. THIS DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS OFFERING MEMORANDUM. YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Generally

The following is a general summary of certain material U.S. federal income tax consequences of the acquisition, ownership, disposition and retirement of Notes by initial purchasers of the Notes. This summary is based on the Internal Revenue Code of 1986, as amended ("*Code*"), its legislative history, existing and proposed Treasury Regulations thereunder, published administrative pronouncements and judicial decisions, all as available and in effect on the date of this Offering Memorandum. All of these laws and authorities are subject to change at any time, perhaps with retroactive effect. No assurances can be given that any changes in these laws or authorities will not affect the accuracy of the discussions set forth in this summary. This summary does not cover any state, local, non-U.S. or other tax issues, nor does it cover issues under the U.S. federal estate or gift tax laws.

This summary only applies to Notes held as capital assets and does not address aspects of U.S. federal income taxation that may be applicable to holders that are subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax-exempt organizations, dealers or traders in securities or currencies, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, or to holders that will hold a Note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes or that have a functional currency other than the U.S. dollar. Moreover, this summary does not address the U.S. federal alternative minimum tax consequences of the acquisition, ownership, disposition or retirement of the Notes and does not address the U.S. federal income tax treatment of Investors that do not acquire the Notes as part of the initial distribution at their initial issue price.

Prospective purchasers of the Notes should consult their own tax advisors concerning the consequences, in their particular circumstances, under the Code and the laws of any other taxing jurisdiction, of the purchase, ownership and disposition of the Notes, including the application to their particular circumstances of the tax considerations discussed below and of any relevant state, local, non-U.S. or other tax laws.

Definition of a "U.S. Holder" and a "Non-U.S. Holder"

For purposes of this description, a U.S. Holder is a beneficial owner of a Note who or that for U.S. federal income tax purposes is (i) a citizen or individual resident of the United States; (ii) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any State thereof, or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (a) that was in existence on August 20, 1996 and that validly elects to be treated as a "United States person" for U.S. federal income tax purposes or (b)(1) the

administration over which a U.S. court can exercise primary supervision and (2) all of the substantial decisions of which one or more United States persons have the authority to control.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds a Note, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership.

A Non-U.S. Holder is a beneficial owner of a Note other than a U.S. Holder. Together with U.S. Holders, Non-U.S. Holders are referred to herein as “*Holder*s.”

Characterization of the Notes

Whether a Note is treated as debt (and not equity) for U.S. federal income tax purposes is an inherently factual question and no single factor is determinative. In the opinion of Arnold & Porter LLP, assuming that at least two of the following ratings shall have been received: (i) at least “BBB” and “AAA (Pan)” by Fitch; (ii) at least “BBB” by S&P; and (iii) at least “Baa3” by Moody’s, although no transaction closely comparable to the transactions contemplated by the Indenture, the Notes and the other Finance Documents has been the subject of any U.S. Treasury Regulation, revenue ruling, revenue procedure, current administrative position of the U.S. Internal Revenue Service (“*IRS*”) or judicial decision and therefore such conclusion is not free from doubt, the Notes will be characterized as debt for U.S. federal income tax purposes. Based on the foregoing, ENA Norte Trust intends to treat the Notes as indebtedness for U.S. federal income tax purposes. The following discussion assumes that such treatment will be respected. If the treatment of the Notes as indebtedness is not upheld, the Notes may be treated as equity for U.S. federal income tax purposes, in which case a U.S. Holder of a Note would be subject to different U.S. federal tax consequences than those described in this summary. Prospective purchasers of Notes should consult their own tax advisors concerning the U.S. federal income tax characterization of the Notes and the consequences thereof.

U.S. Holders

Payments of Interest on a Note

We expect, and the remainder of this summary assumes, that the Notes will be issued at par or at a discount that is de minimus for U.S. federal income tax purposes. Except as set forth below, interest paid on a Note, and additional amounts, will be includible in a U.S. Holder’s gross income as ordinary income in accordance with the U.S. Holder’s usual method of tax accounting. In addition, interest on the Notes generally will constitute income from sources outside the United States and, under the foreign tax credit rules, that interest will, depending on a U.S. Holder’s circumstances, be “passive” or “general” category income which, in either case, is treated separately from some other types of income for purposes of computing the foreign tax credit allowable to a U.S. Holder under the U.S. federal income tax laws.

Effect of Any Panamanian Withholding Taxes

As discussed in “*Taxation - Panama*,” under current Panamanian tax law payments of interest in respect of the Notes should not be subject to Panamanian withholding taxes. Notwithstanding the foregoing, as discussed under “*Summary of Terms - The Offering - Additional Amounts*,” ENA Norte Trust may become liable for the payment of additional amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no Panamanian withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders would be treated as having actually received the amount of any Panamanian taxes withheld by ENA Norte Trust with respect to a Note, and as then having actually paid over the withheld taxes to the Panamanian taxing authorities. As a result of this rule, the amount of income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the



amount of cash actually received (or receivable) by the U.S. Holder from ENA Norte Trust with respect to the payment.

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for any Panamanian income taxes withheld by ENA Norte Trust. As noted above, for purposes of the foreign tax credit limitation, income from sources outside the United States is classified in one of two "baskets," and the credit for foreign taxes on income in either basket is limited to U.S. federal income tax allocable to that income. Interest should generally constitute "passive category income," or in the case of certain U.S. Holders, "general category income." In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (and may instead be allowed deductions) for Panamanian taxes imposed on a payment of interest if the U.S. Holder has not held the Notes for at least 16 days during the 31 day period beginning on the date that is 15 days before the date on which the right to receive the payment arises.

Sale, Exchange, Retirement or Other Taxable Disposition of a Note

A U.S. Holder's adjusted "tax basis" in a Note will generally equal its cost to the U.S. Holder, reduced by any cash payments of principal that the U.S. Holder has received with respect to the Note. A U.S. Holder generally will recognize capital gain or loss on the sale, exchange, retirement or other taxable disposition of a Note equal to the difference between the amount realized on the sale, exchange, retirement or other taxable disposition (not including any amounts attributable to accrued but unpaid interest, which will be taxable as such) and the U.S. Holder's adjusted tax basis in the Note. Such capital gain or loss will be long-term capital gain or loss if the Note was held for more than one year. The capital gain or loss will be short-term capital gain or loss if the U.S. Holder held the Note for one year or less. Under current law, net capital gains of individuals may be taxed at lower rates than items of ordinary income. A U.S. Holder's ability to offset capital losses against ordinary income is limited. Any gain or loss a U.S. Holder recognizes on the sale, exchange, retirement or other taxable disposition of a Note generally will be treated as income from sources within the United States or loss allocable to income from sources within the United States for foreign tax credit limitation purposes.

Medicare Tax

For taxable years beginning after December 31, 2012, a U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's "net investment income" for the relevant taxable year (undistributed net investment income in the case of an estate or trust) and (ii) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between U.S.\$125,000 and U.S.\$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income generally will include its interest income and its net gains from the disposition of the Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

Information with Respect to Foreign Financial Assets

Owners of "specified foreign financial assets" with an aggregate value in excess of U.S.\$50,000 on the last day of the taxable year, or U.S.\$75,000 at any time during the taxable year (and in some circumstances, higher thresholds) generally will be required to file information reports with respect to such assets with their U.S. federal income tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in non-U.S. entities. The Notes may be treated as specified foreign financial assets and U.S. Holders may be subject to this information reporting regime. Failure to file information reports may subject U.S. Holders to penalties.

U.S. Holders should consult their own tax advisors regarding their obligation to file information reports with respect to the Notes.

Non-U.S. Holders

Payments of Interest on a Note

Under U.S. federal income tax law as currently in effect, subject to the discussion below under the caption “*U.S. Backup Withholding and Information Reporting*,” payments of interest on a Note to a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless the income is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States. If a Non-U.S. Holder is engaged in a U.S. trade or business and the interest is deemed to be effectively connected to such trade or business, the Non-U.S. Holder generally will be subject to U.S. federal income tax on such interest in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a non-U.S. corporation may also be subject to the U.S. branch profits tax.

Sale, Exchange, Retirement or Other Taxable Disposition of a Note

Subject to the discussion below under the caption “*U.S. Backup Withholding and Information Reporting*,” any gain realized by a Non-U.S. Holder upon the sale, exchange, retirement or other taxable disposition of a Note generally will not be subject to U.S. federal income tax, unless (i) the gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other taxable disposition of the Note and certain other conditions are met.

U.S. Backup Withholding and Information Reporting

In general, if a Holder is not a corporation or otherwise exempt, information reporting requirements will apply to payments of principal and interest to such Holder if such payments are made within the United States or by or through a custodian or nominee that is a U.S. Controlled Person, as defined below. “Backup withholding” will apply to such payments of principal and interest if the Holder fails to provide an accurate taxpayer identification number, certify that it is not subject to backup withholding, report all interest and dividend income required to be shown on its U.S. federal income tax returns or demonstrate its eligibility for an exemption.

A Holder that is a Non-U.S. Holder is generally exempt from these withholding and reporting requirements (assuming that the gain or income is otherwise exempt from U.S. federal income tax), but such Non-U.S. Holder may be required to comply with certification and identification procedures in order to prove its exemption. If a Non-U.S. Holder holds a Note through a non-U.S. partnership, these certification procedures would generally be applied to the Non-U.S. Holder as a partner in that partnership.

If a Holder is paid the proceeds of a sale or redemption of a Note effected at the U.S. office of a broker, it will generally be subject to the information reporting and backup withholding rules described above. In addition, the information reporting rules will apply to payments of proceeds of a sale or redemption effected at a non-U.S. office of a broker that is a “U.S. Controlled Person,” as defined below, unless the broker has documentary evidence that the Holder or beneficial owner is not a U.S. Holder or the Holder or beneficial owner otherwise establishes an exemption.

A “*U.S. Controlled Person*” is:

- a U.S. Person;

- a controlled foreign corporation for U.S. federal tax purposes;
- a foreign person 50% or more of whose gross income is effectively connected with a U.S. trade or business for tax purposes for a specified three-year period; or
- a foreign partnership in which U.S. Persons hold more than 50% of the income or capital interests or which is engaged in a U.S. trade or business.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Holder will generally be allowed as a refund or a credit against the Holder's U.S. federal income tax liability as long as it provides the required information to the IRS. U.S. Holders may be subject to additional filing or reporting requirements as a result of purchasing, owning or disposing of a Note.

Reportable Transaction Reporting

Applicable U.S. Treasury Regulations require taxpayers that participate in certain "reportable transactions" to disclose their participation to the IRS by attaching Form 8886 to their tax returns and to retain a copy of all documents and records related to the transaction. In addition, organizers and sellers of such transactions are required to maintain records, including lists identifying investors in the transaction, and must furnish those records to the IRS upon demand. A transaction may be a "reportable transaction" based on any of several criteria. Whether an investment in a Note constitutes a "reportable transaction" for any holder depends on the holder's particular circumstances. Investors should be aware that ENA Norte Trust (or other participants in the transaction) may determine that the investor list maintenance requirement applies to the transaction and comply accordingly with this requirement.

Panama

Interest payable on the Notes will be exempt from income tax or withholding requirements in Panama, provided that the Notes are registered with the SCM and are initially placed on the PSE for exchange or through an organized market. A filing has been made to register the Notes with the SCM and to list the Notes on the PSE. Accordingly, interest payments made on the Notes will be exempt from income tax or withholding requirements in Panama; provided, however, that there can be no assurance that these tax benefits will not be changed or revoked by the Government in the future. Should the Notes not be initially placed on the PSE, interest payments will be subject to income taxes at the regularly applicable rates, which would have to be withheld by ENA Norte Trust.

Taxation of Interest

Interest payable on the Notes will be exempt from income tax or withholding requirements in Panama, provided that the Notes are registered with the SCM and are initially placed on the PSE for exchange or through an organized market. A filing has been made to register the Notes with the SCM and to list the Notes on the PSE. Accordingly, interest payments made on the Notes will be exempt from income tax or withholding requirements in Panama; provided, however, that there can be no assurance that these tax benefits will not be changed or revoked by the Government in the future. Should the Notes not be initially placed on the PSE, interest payments will be subject to a 5% income tax, which would have to be withheld by ENA Norte Trust.

Taxation of Dispositions

Upon registration of the Notes with the SCM, any capital gains realized by a Noteholder on the sale or other disposition of Notes will be exempt from income tax in Panama, provided that the sale or disposition of the Notes is made through an exchange or other organized market in Panama or outside of Panama. A filing has been made to register the Notes with the SCM and to list the Notes on the PSE. Thus, any gains realized on the

sale of the Notes through this exchange will be exempt from income tax in Panama. In addition, the Office of the General Revenue Director (Dirección General de Ingresos) has held in a non-binding opinion that any capital gains realized by a Noteholder who is not resident in Panama on the sale or other disposition of Notes that is executed and effected outside of Panama, subject to the laws of a jurisdiction other than Panama and for which payment is made outside of Panama, by a purchaser who is not resident in Panama, will not be deemed Panama source income and therefore will not be subject to income tax on capital gains in Panama. Losses recognized on the sale or disposition of Notes will likewise be disallowed as a deduction for income tax purposes in Panama.

Stamp and Other Taxes

Upon registration of the Notes with the SCM, the Notes will not be subject to stamp, registration or similar taxes. There are no sales, transfer or inheritance taxes applicable to the sale or disposition of the Notes.

Foreign Investors

A person domiciled outside of Panama is not required to file a tax return in Panama, solely by reason of his or her investment in the Notes if gains realized on the sale and disposition of the Notes are exempt from income tax as indicated above.

CERTAIN BENEFIT PLAN CONSIDERATIONS

ERISA and the Code impose certain restrictions on (i) employee benefit plans (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, (ii) plans, accounts and other arrangements subject to Section 4975 of the Code, including individual retirement accounts and "Keogh plans," (iii) entities whose underlying assets are considered to include plan assets of such plans, accounts and arrangements (each of (i), (ii) and (iii) a "Benefit Plan") and (iv) persons who have certain specified relationships to a Benefit Plan ("parties in interest" under ERISA and "disqualified persons" under the Code; hereinafter collectively a "Party in Interest"). Moreover, based on the reasoning of the United States Supreme Court in *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, 114 S. Ct. 517 (1993), the general account of an insurance company may be deemed to include assets of Benefit Plans investing in its general account (e.g., through the purchase of an annuity contract), and the insurance company might be treated as a Party in Interest with respect to a Benefit Plan by virtue of such an investment.

Certain employee benefit plans, such as plans maintained by a non-U.S. employer, governmental plans (as defined in Section 3(32) of ERISA) and church plans (as defined in Section 3(33) of ERISA) (if no election has been made under Code Section 410(d) by the church plan), while not subject to the fiduciary responsibility and prohibited transaction provisions of ERISA or Section 4975 of the Code (discussed below), may be subject to federal, state, local, non-U.S. or other laws or regulations that contain provisions that are similar to the fiduciary responsibility and prohibited transaction provisions of ERISA or Section 4975 of the Code ("*Similar Laws*"). For example, governmental or certain church plans that are qualified under Code Section 401(a) and exempt from taxation under Code Section 501(a) are subject to certain prohibited transaction rules set forth in Code Section 503. Fiduciaries of any such non-U.S., governmental or church plan should consult with their counsel before purchasing the Notes.

In considering an investment in the Notes of a portion of the assets of any plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the plan and the applicable provisions of ERISA, the Code or any Similar Laws relating to a fiduciary's duties to the plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. Furthermore, prior to investing in the Notes, each fiduciary of a Benefit Plan or other employee benefit plan subject to Similar Laws should take into account, among other considerations, whether the fiduciary has the authority to make the investment; the composition of the plan's portfolio with respect to diversification by type of asset; the plan's funding objectives; and whether under ERISA's general fiduciary standards of investment prudence and diversification or applicable standards under Similar Laws, an investment in the Notes is appropriate for the plan, taking into account the overall investment policy of the plan and the composition of the plan's investment portfolio.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions between a Benefit Plan and Parties in Interest with respect to such Benefit Plan, unless an exemption is available. In particular, a sale or exchange of property or an extension of credit between a Benefit Plan and a Party in Interest are among the transactions that may constitute a prohibited transaction. In the case of indebtedness, the prohibited transaction provisions apply throughout the term of such indebtedness (and not only the initial borrowing). A violation of the "prohibited transaction" rules may result in the imposition of an excise tax or other penalties and liabilities under ERISA and/or the Code for such Parties in Interest and the fiduciaries of the Benefit Plan.

Under a United States Department of Labor (the "DOL") regulation codified at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "*Plan Assets Regulation*"), if a Benefit Plan invests in an equity interest of an entity that is neither a "publicly-offered security" nor a security issued by an investment

company under the Investment Company Act, the Benefit Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets unless it is established either that equity participation in the entity by "benefit plan investors" is not significant or that the entity is an "operating company," in each case as defined in the Plan Assets Regulation. It is anticipated that (i) the Notes will not constitute "publicly-offered securities" for purposes of the Plan Assets Regulation and (ii) ENA Norte Trust will not be an investment company registered under the Investment Company Act. Under the Plan Assets Regulation, equity participation by benefit plan investors is "significant" on any date if immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interest in the entity, calculated in accordance with rules specified in the Plan Assets Regulation, is held by benefit plan investors (the "25% threshold"). Purchases by benefit plan investors will not be monitored for compliance with the 25% threshold, and therefore, no assurance can be given with respect to the applicability of such exception. Additionally, it is unclear whether ENA Norte Trust could qualify as an operating company within the meaning of the Plan Assets Regulation. Thus if the Notes are equity interests of ENA Norte Trust, the 25% threshold is exceeded, and ENA Norte Trust does not qualify as an operating company, ENA Norte Trust's assets would be deemed to be assets of each Benefit Plan investor that holds an equity interest in ENA Norte Trust. In such case, (i) certain transactions involving ENA Norte Trust might be deemed to constitute direct or indirect prohibited transactions under ERISA and Section 4975 of the Code with respect to such Benefit Plan investor, (ii) ENA Norte Trust and other persons, in providing services with respect to ENA Norte Trust's assets, may become fiduciaries or other Parties in Interest with respect to such an investing Benefit Plan, and (iii) the fiduciary making the investment in the Notes on the Benefit Plan's behalf may be deemed to have improperly delegated its asset management responsibility to the persons having authority and control over ENA Norte Trust's assets.

The Plan Assets Regulation defines an equity interest as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Although the Plan Assets Regulation is silent with respect to the question of which law constitutes applicable local law for this purpose, the preamble to the Plan Assets Regulation provides that these determinations should be made under the state law governing questions regarding interpretation of the instrument in question. In the preamble to the Plan Assets Regulation, the DOL declined to provide a precise definition of what features are equity features or the circumstances under which such features would be considered "substantial," noting that the question of whether a Benefit Plan's interest has substantial equity features is an inherently factual one, but that in making a determination it would be appropriate to take into account whether the equity features are such that a Benefit Plan's investment would be a practical vehicle for the indirect provision of investment management services. ENA believes that, at the time of their issuance, the Notes should be treated as indebtedness under local law and should be treated as not having any substantial equity features for purposes of the Plan Assets Regulation (assuming that at least two of the following ratings shall have been received: (i) at least "BBB" and "AAA (Pan)" by Fitch; (ii) at least "BBB" by S&P; and (iii) at least "Baa3" by Moody's). However, there can be no assurance that the Notes would be characterized by the DOL or others as indebtedness on the date of issuance or at any given time thereafter. In addition, it is possible that the status of the Notes as indebtedness could be affected, subsequent to their issuance, by certain changes in the structure or financial condition of ENA Norte Trust.

Without regard to whether the Notes are treated as equity interests of ENA Norte Trust, the acquisition, holding or disposition of the Notes by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction under ERISA or Section 4975 of the Code if, for example, ENA Norte Trust, the Joint Lead Managers, or any of their respective affiliates, is or becomes a Party in Interest with respect to such Benefit Plan. Certain exemptions from the prohibited transaction rules could, however, be applicable to the purchase, holding or disposition of the Notes by a Benefit Plan depending on the type and circumstances of the Benefit

Plan fiduciary making the decision to acquire such Notes. Included among these exemptions, each of which contains conditions which must be satisfied in order for the exemption to apply, are: Prohibited Transaction Class Exemption (“PTCE”) 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38 (as amended), regarding investments by bank collective investment funds; PTCE 84-14 (as amended), regarding transactions effected by “qualified professional asset managers”; PTCE 95-60 (as amended), regarding investments by insurance company general accounts; and PTCE 96-23 (as amended), regarding transactions effected by certain “in-house asset managers.” In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide a statutory prohibited transaction exemption for some transactions between Benefit Plans and service providers (other than certain plan fiduciaries) who are Parties in Interest if specified conditions are satisfied. It should be noted, however, that even if the conditions specified in one or more of these exemptions are met, the scope of relief provided by such exemptions may not necessarily cover all acts relating to the acquisition, holding or disposition of the Notes by a Benefit Plan that might be construed as prohibited transactions under ERISA or Section 4975 of the Code.

Because of the foregoing, the Notes, and any interest therein, may not be purchased or held or disposed of by any Benefit Plan or any employee benefit plan subject to Similar Laws or any person investing assets of any Benefit Plan or such an employee benefit plan unless such purchase, holding and disposition will not constitute a non-exempt prohibited transaction under ERISA or the Code or a violation of any applicable Similar Law.

Each purchaser or holder of the Notes or any interest therein will be deemed to have represented and agreed by its purchase and holding thereof that (i) either (a) it is not, and is not acting on behalf of, a Benefit Plan or a governmental, church or non-U.S. plan that is subject to Similar Laws, and no part of the assets to be used by it to purchase or hold such Notes or any interest therein constitute the assets of any Benefit Plan or such a governmental, church or non-U.S. plan, or (b) its purchase, holding and disposition of such Notes does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or a violation of any applicable Similar Laws; and (ii) it will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to represent and agree with respect to its purchase, holding and disposition of such Notes to the same effect as the purchaser’s representation and agreement set forth in this sentence.

Prospective investors that are insurance companies should also consult with their legal advisors prior to investment of their general account assets in the Notes concerning the impact of the decision in *John Hancock Mutual Life Insurance Co. v. Harris Trust & Savings Bank* and Section 401(c) of ERISA (including the DOL regulations thereunder), and the extent to which exemptive relief under PTCE 95-60 will apply, with respect to any such investment.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions or violations of ERISA, the Code, or Similar Laws, prior to making an investment in the Notes, prospective Benefit Plan and other employee benefit plan investors should consult with their legal advisors concerning the impact of ERISA, the Code and applicable Similar Laws and the potential consequences of such investment with respect to their specific circumstances, including whether any prohibited transactions under ERISA or the Code or a violation of any Similar Laws may result from such investment and whether any exemption would be applicable, and determine on their own whether all conditions of any prohibited transaction exemption or exemptions have been satisfied such that the acquisition and holding of the Notes by such investor are entitled to full exemptive relief thereunder.

U.S. Treasury Circular 230 Notice

Any U.S. federal tax advice included in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal tax-related penalties. Unless otherwise specifically indicated above, you should assume that any statement in this communication (including any attachments) relating to any U.S. federal tax issue was written to support the promotion or marketing by another person of the transaction(s) or matter(s) addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.



PLAN OF DISTRIBUTION

Under the terms and subject to the conditions set forth in a purchase agreement among ENA Norte Trust, ENA, ENA Norte and the Joint Lead Managers dated September 20, 2012 (the “*Purchase Agreement*”) and a terms agreement dated September 26, 2012 (the “*Terms Agreement*”), ENA Norte Trust has agreed to sell to each Joint Lead Manager named below and each of the Joint Lead Managers, acting severally and not jointly, has agreed to purchase, the respective principal amounts of Notes set forth opposite its name below.

	Principal Amount
HSBC Securities (USA) Inc.	U.S.\$[]
Global Bank Corporation	U.S.\$[]
Total:	<u>U.S.\$[]</u>

If the Joint Lead Managers default, the Purchase Agreement may be terminated. The Purchase Agreement provides that ENA and ENA Norte will indemnify the Joint Lead Managers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments the Joint Lead Managers may be required to make in respect thereof.

The Joint Lead Managers are offering the Notes (or beneficial interests therein) subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the Purchase Agreement, such as the receipt by the Joint Lead Managers of officers’ certificates and legal opinions. The Joint Lead Managers reserve the right to withdraw, cancel or modify offers and to reject orders in whole or in part.

The Joint Lead Managers have advised ENA Norte Trust that they propose initially to offer the Notes (or beneficial interests therein) at the price listed on the cover page of this Offering Memorandum. After the initial offering, the offering price to Investors may be changed. Each of ENA and ENA Norte has agreed to reimburse the Joint Lead Managers on behalf of ENA Norte Trust for certain expenses incurred in connection with the offering of the Notes.

The Notes have not been registered under the Securities Act and may not be offered, transferred or sold in the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except under an exemption from the registration requirements of the U.S. Securities Act or under a registration statement declared effective under the U.S. Securities Act and in accordance with the restrictions under “*Transfer Restrictions.*”

The Joint Lead Managers propose to offer the Notes (or beneficial interests therein) in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S under the Securities Act. The Joint Lead Managers will not offer or sell the Notes (or beneficial interest therein) except:

- within the U.S. in reliance on Rule 144A to persons they reasonably believe to be both QIBs and QPs, or
- outside the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. persons (as defined in Regulation S).

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Investors in the Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price of the Notes (or beneficial interests therein) so purchased.

Prior to this offering, there has been no established market for the Notes. The Joint Lead Managers are not obligated to make a market or otherwise facilitate trading in the Notes (or beneficial interests therein) and any such activities, if commenced, may be discontinued at any time, for any reason, without notice. If the Joint Lead Managers do not facilitate trading in the Notes (or beneficial interests therein) for any reason, there can be no assurance that another firm or person will do so.

In connection with this Offering Memorandum, the Joint Lead Managers may, but are not obligated to, engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for either Joint Lead Manager. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Joint Lead Managers to reclaim a selling concession from a broker/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes might be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

In the ordinary course of their businesses, the Joint Lead Managers and their Affiliates in the future may engage in commercial and investment banking or other business with ENA, ENA Norte and their Affiliates, including the extension of credit facilities.

ENA Norte Trust expects that delivery of the Notes will be made to Investors on or about October 3, 2012, which will be the fifth business day following the date of this Offering Memorandum (such settlement being referred to as "T+5"). Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder may be required, by virtue of the fact that the Notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

Offering Fees and Expenses

The Offering has the following fees and expenses:

	Price for each Investor	Approximate fees and expenses	Net Amount to the ENA Norte Trust
Per Note	U.S.\$1,000.00	U.S.\$6.85	U.S.\$993.15
Total Offering	U.S.\$600,000,000.00	U.S.\$9,902,274.41	U.S.\$590,097,725.59

In addition, the ENA Norte Trust will incur in the following approximate expenses. These expenses represent % of the aggregate principal amount of the Notes:

Fees or expenses	Frequency	Amount	Percentage
Registration fee of the Notes before the SMV	One time fee	U.S.\$50,000.00	0.01%
Negotiation fee on the PSE	One time fee	U.S.\$202,812.50	0.03%
Fees or expenses	Frequency	Amount	Percentage
Registration of the Notes in LatinClear	One time fee	U.S.\$51,360.00	0.01%
Registration of the Notes before the PSE	One time fee	U.S.\$325.00	0.00%
Public offering oversight fee – SMV	Anually	U.S.\$15,000.00	0.0025%
Other fees and expenses (arranging, structuring, legal, marketing, printing, other expenses (approximate))	One time fee	U.S.\$5,186,243.91	0.78%
Total		U.S.\$5,490,741.41	0.83%

In the event all the Notes are sold to Investors, the approximate amount that the ENA Norte Trust will receive after fees and expenses will be U.S.\$594,509,258.59.

Related Parties

Global Bank has a wholly owned subsidiary named Global Valores, S.A. This subsidiary is one of the stockholders of the PSE and Latinclear.

HSBC Bank (Panama) S.A. has a wholly owned subsidiary named HSBC Securities (Panama) S.A. who is one of the stockholders of the PSE and Latinclear.

Deloitte is the independent auditor of Pycsa Panamá, Autovías and Autopista Norte. See "Independent Auditors."

Impact of the Offering

The following chart shows the balance sheet of ENA Norte Trust prior to the offering:

Assets Cash US\$73,200,000.00] Total Assets US\$73,200,000.00]	Liabilities Equity Equity Contribution US\$73,200,000.00 Total Liabilities and Equity US\$73,200,000.00
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The following chart shows the balance sheet of ENA Norte Trust immediately following the acquisition of the Assigned Rights and the Share Collateral and following the offering:

Assets Cash US\$ 47,258.59.00 Working Capital Allocation to Ena Norte US\$ 3,000,000.00 Debt Service Reserve Account US\$ 17,250,000.00 Major Maintenance Reserve Account US\$ 1,250,000.00 ENA Norte Concession US\$647,000,000.00 Total Assets US\$666,297,258.59	Liabilities Bonds Payable US\$600,000,000.00 Equity Equity Contribution US\$76,200,000.00 Accumulated Profit (Loss) US\$9,902,741.41 Total Liabilities and Equity US\$666,297,258.59
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TRANSFER RESTRICTIONS

This offering is being made in accordance with Rule 144A and Regulation S under the Securities Act. The Notes have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction. Unless they are registered, the Notes may be offered and sold only: (i) outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act and (ii) within the United States in reliance on Rule 144A under the Securities Act to persons that are QIBs that are also Qualified Purchasers. Prospective purchasers that are QIBs are hereby notified that ENA and ENA Norte Trust will be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from the provisions of the Investment Company Act provided by Section 3(c)(7) of the Investment Company Act. As used herein, the terms “*offshore transactions*,” “*United States*” and “*U.S. person*” have the respective meanings given to them in Regulation S.

Each purchaser and transferee of Notes will be deemed to have represented and agreed with ENA, ENA Norte Trust and the Joint Lead Managers as follows:

- it understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act, and that the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- with respect to the U.S. Offering, such investor (or if it is acting for the account of another person, such investor has had confirmed to it in writing that such other person) is not an “affiliate” (as defined in Rule 144 under the Securities Act) of ENA Norte Trust, and (i) is a QIB within the meaning of Rule 144A who is purchasing such Notes (or beneficial interests therein) for its own account or for the account of a QIB with respect to which the transferee exercises sole investment discretion, in each case in a transaction meeting the requirements of Rule 144A; (ii) is a QP within the meaning of Section 2(a)(51) of the Investment Company Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; (iii) is purchasing such Notes (or beneficial interests therein) for its own account or for the account of a QIB that is also a QP; (iv) is not a dealer of the type described in paragraph (a)(1)(ii) of Rule 144A unless it owns and invests on a discretionary basis not less than U.S.\$25,000,000 in securities of issuers that are not affiliated to it; (v) is not a participant-directed employee plan, such as a 401(k) plan, or any other type of plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan; (vi) was not formed for the purpose of investing in ENA Norte Trust (except where each beneficial owner of the holder is a QP); (vii) will (or if it is acting for the account of another person, such person’s account will) hold and transfer the Notes in a minimum denomination of U.S.\$250,000; and (viii) understands that ENA Norte Trust may receive a list of persons holding Notes through DTC.
- with respect to the U.S. Offering, such investor agrees on its own behalf and on behalf of any investor account for which it is investing in the Notes (or beneficial interests therein), and each subsequent investor by its purchase or other acquisition of a Note (or of beneficial interests therein), will be deemed to have agreed to offer, sell or otherwise transfer such Notes (or beneficial interests therein) before the date that is one year after the later of the date of last issue (i.e., the Closing Date) and the last date that ENA Norte Trust or any affiliate thereof was the owner of such Notes (or beneficial interests therein or any predecessor thereto) (the “*Resale Restriction Termination Date*”) only: (i) to ENA Norte Trust or any Affiliate thereof, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes (or beneficial interests therein) are eligible for resale

pursuant to Rule 144A, to a person who is a QP whom the seller reasonably believes (a) is a QIB within the meaning of Rule 144A who is purchasing such Notes (or beneficial interests therein) for its own account or for the account of a QIB with respect to which the transferee exercises sole investment discretion, in each case in a transaction meeting the requirements of Rule 144A; (b) is a QP within the meaning of Section 2(a)(51) of the Investment Company Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; (c) is purchasing such Notes (or beneficial interests therein) for its own account or for the account of a QIB that is also a QP; (d) is not a dealer of the type described in paragraph (a)(1)(ii) of Rule 144A unless it owns and invests on a discretionary basis not less than U.S.\$25,000,000 in securities of issuers that are not affiliated to it; (e) is not a participant-directed employee plan, such as a 401(k) plan, or any other type of plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan; (f) was not formed for the purpose of investing in ENA Norte Trust (except where each beneficial owner of the holder is a QP); (g) will (or if it is acting for the account of another person, such person's account will) hold and transfer the Notes in a minimum denomination of U.S.\$250,000; and (h) understands that ENA Norte Trust may receive a list of persons holding Notes through DTC, (iv) pursuant to Rule 903 or 904 of Regulation S for offers and sales that occur outside the United States or (v) pursuant to another available exemption from the registration requirements of the Securities Act and other applicable securities laws. Each investor acknowledges that ENA Norte Trust and the Indenture Trustee reserve the right, before any offer, sale or other transfer of the Notes (or beneficial interests therein) pursuant to clause (v) before the Resale Restriction Termination Date, to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to ENA Norte Trust and the Indenture Trustee. Such investor acknowledges that the Note held by it (or with respect to which it has a beneficial interest) will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA, OR ANY OTHER JURISDICTION OTHER THAN WITH THE PANAMANIAN SUPERINTENDENCY OF CAPITAL MARKETS. THE HOLDER HEREOF (OR OF A BENEFICIAL INTEREST HEREIN) BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) AGREES NOT TO OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) EXCEPT: (i) TO ENA NORTE TRUST OR ANY AFFILIATE THEREOF, (ii) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (iii) FOR SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A ("RULE 144A") UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES (a) IS A "QUALIFIED INSTITUTIONAL BUYER" ("QIB") WITHIN THE MEANING OF RULE 144A WHO IS PURCHASING SUCH NOTES (OR BENEFICIAL INTERESTS THEREIN) FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB WITH RESPECT TO WHICH THE TRANSFEREE EXERCISES SOLE INVESTMENT DISCRETION, IN EACH CASE IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; (b) IS A "QUALIFIED PURCHASER" ("QP") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION; (c) IS

PURCHASING SUCH NOTES (OR BENEFICIAL INTERESTS THEREIN) FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP; (d) IS NOT A DEALER OF THE TYPE DESCRIBED IN PARAGRAPH (A)(1)(II) OF RULE 144A UNLESS IT OWNS AND INVESTS ON A DISCRETIONARY BASIS NOT LESS THAN U.S.\$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED TO IT; (e) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN, OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (A)(1)(I)(D) OR (A)(1)(I)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN; (f) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN ENA NORTE TRUST (EXCEPT WHERE EACH BENEFICIAL OWNER OF THE HOLDER IS A QP); (g) WILL (OR IF IT IS ACTING FOR THE ACCOUNT OF ANOTHER PERSON, SUCH PERSON'S ACCOUNT WILL) HOLD AND TRANSFER THE NOTES IN A MINIMUM DENOMINATION OF U.S.\$250,000; AND (h) UNDERSTANDS THAT ENA NORTE TRUST MAY RECEIVE A LIST OF PERSONS HOLDING THE NOTES THROUGH DTC (iv) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT FOR OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES OR (v) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS, SUBJECT TO THE RIGHT OF ENA NORTE TRUST AND THE BANK OF NEW YORK MELLON, AS INDENTURE TRUSTEE (THE "INDENTURE TRUSTEE"), BEFORE ANY OFFER, SALE OR OTHER TRANSFER PURSUANT TO CLAUSE (v), TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO ENA NORTE TRUST AND THE INDENTURE TRUSTEE. THE HOLDER HEREOF AGREES THAT IT SHALL GIVE NOTICE OF ANY RESTRICTIONS ON TRANSFER OF THE NOTES TO EACH PERSON WHOM IT TRANSFERS THE NOTES. ENA NORTE TRUST RESERVES THE RIGHT TO (I) REFUSE TO HONOR A TRANSFER OF NOTES TO A PERSON THAT IS NOT A QIB AND A QP, AND (II) COMPEL ANY HOLDER OF NOTES THAT IS NOT A QIB AND A QP TO TRANSFER THE NOTES TO A PERSON THAT IS A QIB AND A QP.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE INDENTURE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. (OR SUCH OTHER ENTITY), HAS AN INTEREST HEREIN.

- with respect to an International Offering, such investor agrees on its own behalf and on behalf of any investor account for which it is investing in the Notes (or beneficial interests therein) that the Notes (or beneficial interests therein) have not been registered under the Securities Act and if, such investor decides to re-offer, resell, pledge or otherwise transfer such Notes (or beneficial interests therein), then such Notes (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only: (i) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, or (iii) to a person whom the seller reasonably believes is both (a) a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance upon Rule 144A and (b) a QP under the Investment Company Act and that each Regulation S Global Note will contain a legend to substantially the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OF AMERICA, OR ANY OTHER JURISDICTION OTHER THAN THE PANAMANIAN SUPERINTENDENCY OF CAPITAL MARKETS. THE HOLDER HEREOF (OR OF A BENEFICIAL INTEREST HEREIN), BY PURCHASING OR OTHERWISE ACQUIRING THIS NOTE (OR A BENEFICIAL INTEREST HEREIN), ACKNOWLEDGES THAT THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND AGREES THAT THIS NOTE (OR A BENEFICIAL INTEREST HEREIN) MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS OF THE STATES, TERRITORIES AND POSSESSIONS OF THE UNITED STATES OF AMERICA GOVERNING THE OFFER AND SALE OF SECURITIES, AND, BEFORE THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, ONLY: (i) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (ii) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, OR (iii) TO A PERSON THAT THE SELLER REASONABLY BELIEVES IS BOTH (a) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A (A "QIB") THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE UPON RULE 144A AND (b) A QUALIFIED PURCHASER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE INDENTURE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS

WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. (OR SUCH OTHER ENTITY), HAS AN INTEREST HEREIN.

- it agrees that it will give notice of any restrictions on transfer of such Notes to each person to whom it transfers the Notes;
- it acknowledges that (i) either (a) it is not, and is not acting on behalf of, a Benefit Plan or a governmental, church or non-U.S. plan that is subject to Similar Laws, and no part of the assets to be used by it to purchase or hold such Notes or any interest therein constitutes the assets of any Benefit Plan or such a governmental, church or non-U.S. plan, or (b) its purchase, holding and disposition of such Notes does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or a violation of any applicable Similar Laws; and (ii) it will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to represent and agree with respect to its purchase, holding and disposition of such Notes to the same effect as the purchaser's representation and agreement set forth in this sentence;
- it acknowledges that the foregoing restrictions apply to Beneficial Owners, as well as Noteholders;
- it acknowledges that the Indenture Trustee will not be required to accept for registration of transfer any Notes acquired by it, except upon presentation of evidence satisfactory to ENA Norte Trust that the restrictions set forth herein have been complied with;
- it acknowledges that ENA Norte Trust, the Indenture Trustee, the Joint Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify ENA Norte Trust, the Indenture Trustee and the Joint Lead Managers. If it is acquiring the Notes as a fiduciary or agent for one or more Investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and
- it acknowledges that ENA Norte Trust reserves the right to (i) refuse to honor a transfer of Notes to a person that is not a QIB and a QP, and (ii) compel any holder of Notes that is not a QIB and a QP to transfer the Notes to a person that is a QIB and a QP.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Notes will be passed upon for the Company by Arnold & Porter LLP with respect to matters of United States federal and New York state law and by Morgan & Morgan with respect to matters of Panamanian law.

Certain legal matters in connection with the offering of the Notes will be passed upon for the Joint Lead Managers by Hogan Lovells US LLP with respect to matters of United States federal and New York state law and by Arias, Fábrega & Fábrega with respect to matters of Panamanian law.

Certain legal matters in connection with the constitution of ENA Norte Trust pursuant to the Trust Agreement will be passed upon for ENA Norte Trust by Arias, Fábrega & Fábrega with respect to matters of Panamanian law.

INDEPENDENT AUDITORS

The audited combined financial statements of Pycsa Panamá and Autovías as of and for the years ended December 31, 2011, 2010 and 2009 have been audited by Deloitte.

INDEPENDENT TRAFFIC CONSULTANT

Halcrow Group Limited has prepared the Independent Traffic Consultant's Report dated September 14, 2012, included in this Offering Memorandum as Annex I, upon the authority of such firm as traffic consultant. The Independent Traffic Consultant's Report should be read in its entirety by prospective Investors for the information contained therein with respect to the Toll Road and other related matters.

GENERAL INFORMATION

The Notes are expected to be accepted for clearance through DTC, Euroclear, Clearstream and LatinClear with the following security codes:

	<u>CUSIP</u>	<u>ISIN</u>	<u>Common Code</u>
Rule 144A Global Notes.....	29248D AA0	US29248DAA00	
Regulation S Global Notes.....	P3716X AA7	USP3716XAA74	

All consents, approvals, authorizations or other orders of all regulatory authorities required by ENA Norte Trust have been given for the creation and issue of the Notes and for ENA Norte Trust to undertake and perform its obligations under the Notes and the other Finance Documents. All consents, approvals, authorizations or other orders of all regulatory authorities required by ENA have been given, or will be given on or prior to the Closing Date, in connection with entering into the Finance Documents and for ENA to undertake and perform its obligations under the Finance Documents.

ENA Norte Trust will comply with the reporting and other requirements of the Panamanian securities law applicable to companies who have registered their securities with the SCM, as well as the requirements of the PSE.

Except as disclosed herein, there has been no material adverse change in the financial position of ENA Norte Trust since its date of formation.

Except as disclosed herein, ENA Norte Trust is not involved in any litigation, arbitration or administrative proceedings which are material in the context of the issue of the Notes or the outcome of which would have a material adverse effect on ENA Norte Trust's operations, and ENA Norte Trust is not aware of any pending or threatened litigation or arbitration.

So long as any of the Notes remain outstanding, Noteholders may obtain at the expense of ENA Norte Trust copies of the Transaction Documents at the Corporate Trust Office of the Indenture Trustee in New York or at the offices of the SCM during normal business hours.

This Offering Memorandum has been translated into Spanish. For all purposes, the version in English of this Offering Memorandum will be considered the original version and, in case of conflict between the version in English and the version in Spanish, the English version will prevail.

INDEX OF DEFINED TERMS

The following list of certain terms used in this Offering Memorandum is intended for Investors' convenience only and is not exhaustive. For an explanation of certain terms of the Offering, please refer to the section entitled "Certain Defined Terms and Conventions" in this Offering Memorandum.

25% threshold	134	Corredor Norte.....	v, 37
Additional Amounts.....	16	Corredor Sur	2
Affiliate.....	34	CTRP	92
Applicable Law.....	35	Current Capitalized Interest.....	35, 37
Applicable Time	114	Current Interest Due	37
Asset Purchase Agreement	35	Debt Service Coverage Ratio.....	37
Autopista Norte.....	iv, 1, 35	Debt Service Reserve Account	24
Autovías	vi	Debt Service Reserve Account Balance.....	37
B/.....	iv	Debt Service Reserve Account Required Amount.....	37
Balboa	iv	Debt Service Reserve Account Transfer Amount.....	37
Beneficial Owner	iv	Deloitte	vi
Benefit Plan	33, 133	Determination Date.....	37
Business Day	35	Disclosure Package	114
Calculation Date	35	DOL	133
CapEx Expenses	35	Dollar	37
CapEx Reserve Account	26	DTC	37
CapEx Reserve Account Balance	35	Early Amortization Payment Date	15
CapEx Reserve Account Required Amount.....	35	Early Amortization Period	32
CapEx Reserve Account Transfer Amount.....	35	Eligible Account	37
Capitalization Agreement	iv, 1, 35	Eligible Investments	38
Capitalized Interest	35	ENA	v, 38
Class Interest Rate	15	ENA Legislation	119
Clearing Systems	35	ENA Norte.....	v, 38
Clearstream	ii	ENA Norte Trust.....	iii, 11
Clearstream Participants	126	ENA Sur	38
Closing.....	35	Environmental Laws	38
Code.....	33	ERISA.....	33
Collections	36	Euroclear.....	ii
Company.....	iv	Euroclear Participants	125
Comparable Treasury Issue.....	36	Euroclear Terms and Conditions	125
Comparable Treasury Price.....	36	Events of Default	28
Concentration Account	21	Excess Cash Flow Account.....	27
Concentration Account Balance	36	Excess Cash Flow Waterfall	27
Concentration Account Waterfall	22	Exchange Act.....	102
Concession.....	2, 36	Expense Budget	39
Concession Agreement	v	Finance Documents	18
Concession and Management Agreements	36	Financial Reporting Date	39
Concession Collections.....	36	Fitch	39
Concession Law.....	54	FITIM	92
Concessionaire.....	v, 1, 36	Former Concessionaire	i, v, 39
Conditions Precedent.....	36	Forward-Looking Debt Service Coverage Ratio	39
Control	34	FSMA	iii
Controlled	35	Global Notes	33
Controller	123	Government	v
Controlling.....	35	Governmental Approval	39
Corporate Trust Office.....	99	Governmental Authority	39

Grant	39	Offer of Notes to the Public	iv
Guarantee Trust	39	Offering	ii
Halcrow	vi, 40	Operating Account	23
Hazardous Materials	39	Operating Account Balance	42
Holders	128	Operating Account Required Amount	42
IFRS	vi	Operating Account Transfer Amount	42
Indenture	18, 40	Operations and Maintenance Agreement	2, 42
Indenture Trustee	142	Operations and Maintenance Expenses	23, 42
Independent Engineer	40	Operator	v
Independent Engineering Report	40	Optional Redemption	15
Independent Investment Banker	40	Overdue Capitalized Interest	43
Independent Traffic Consultant	vi, 40	Overdue Interest	43
Independent Traffic Consultant's Report	viii	Panama	v
Independent Traffic Report	40	Panama-Madden Segment	43
Inglewood	40	Panamanian Concentration Account	21
Initial Concession Agreement	1, 36	Party in Interest	133
Initial Principal Balance	41	Payment Date	43
Insurance Account	27	Person	35
Interest Amount	15	Phase I	43
Interest Period	41	Phase IIA	43
International Offering	ii	Phase IIB	43
International Rating Agencies	44	Plan Assets Regulation	133
Investment Company Act	41, 100	Primary Payment Account	24
Investor	v, 41	Primary Payment Account Balance	43
IRS	128	Primary Payment Account Required Amount	43
Issuer	11, 63	Primary Payment Account Transfer Amount	43
LatinClear	ii	Primary Treasury Dealer	44
Major Maintenance Budget	41	Principal Balance	43
Major Maintenance Expenses	41	Prohibited Toll Rate Reduction	13
Major Maintenance Reserve Account	25	Prospectus Directive	iv
Major Maintenance Reserve Account Balance	41	PSE	iii
Major Maintenance Reserve Account Required Amount	41	PTCE	4134
Major Maintenance Reserve Account Transfer Amount	41	Purchase Agreement	43, 136
Majority Controlling Party	20	PYCSA Panama	i, v
Mandatory Redemption	16	PYCSA Panama Combined Financial Statements	vi
Mandatory Redemption Event	18	QIB	44
Material Adverse Effect	41	QP	44
Maxipista	v	Qualified Institutional Buyer	44
MEF	v	Qualified LC Bank	44
Melgarejo Claim	52	Qualified Purchasers	44
Monthly Operator Fee	41	Quarterly Debt Service	44
Monthly Report	42	Quarterly Report	44
Monthly Reporting Period	42	Quarterly Reporting Period	44
Monto Total Recuperable	2, 12	Rating Agency	40
Monto Total Recuperable Trigger	42	Record Date	44
Moody's	42	Redemption Date	44
MOP	v, 42	Redemption Price	44
New Claims	82	Reference Treasury Dealer	44
Non-U.S. Holder	127	Reference Treasury Dealer Quotation	44
Noteholder	v, 42	Regulation S Global Notes	33
Noteowner	42	Relevant Implementation Date	iii
Notes	11	Relevant Member State	iii
Notice of Dissolution	42	Replaced Servicer	123
		Replacement Servicer	123

Reporting Period	44	Tax Event.....	15
Repurchase Price.....	44	Terms Agreement	45, 136
Required Transfer Amount	44	Toll Rates.....	45
Resale Restriction Termination Date	140	Toll Road.....	v, 45
Reserve LC	24	Tolls.....	45
Restriction Conditions	13	Transaction Accounts	21
Risk Factors	viii	Transaction Documents	18
Rule 144A Global Notes.....	33	Transaction Obligations	45
S&P.....	45	Transfer Agreement	18
Scheduled Payment Date	15, 37	Transfer Amount.....	45
SCM.....	ii	Transfer Date	46
SEC.....	ii	Treasury Rate.....	46
Secured Party	45	Trust Agreement	11, 18
Securities Act.....	45, 141, 143	Trustee	11
Segment	45	U.S.	46
Servicer Termination.....	123	U.S. Controlled Person	130
Servicer Transfer Event	123	U.S. Dollar.....	v
Servicing Agreement	19	U.S. GAAP	ix
Servicing Fee.....	122	U.S. Holder.....	127
Servicing Report	19	U.S. Offering	ii
Settlement Time.....	45	U.S.\$	v, 37
Share Collateral.....	45	Vehicle Class	v, 46
Share Purchase Agreement	45	Vehicle Class A	v
Share Transfer Agreement	19	Vehicle Class B.....	v
Share Trust.....	45	Vehicle Class C.....	v
Share Trust Agreement	45	Vehicle Class D	v
Similar Laws.....	33, 133	Voting Obligations.....	46
Substitute Operator	50	Voting Parties	46
Supplemental Offering Materials.....	114	You	v
Support Agreement.....	20	Your.....	v

ANNEX I - INDEPENDENT TRAFFIC CONSULTANT'S REPORT

8

Final Report

Document: 1 Version: 3

Corredor Norte

Traffic & Revenue Forecasts

HSBC Securities (USA) Inc

Global Bank Corporation

11 September 2012

Halcrow



Final Report

Corredor Norte

Traffic & Revenue Forecasts

HSBC Securities (USA) Inc

Global Bank Corporation

11 September 2012

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Halcrow Group Limited has prepared this report in accordance with the instructions of clients HSBC Panama and Global Bank for the client's sole and separate use. Any other persons who use any information contained herein do so at their own risk.

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Document history

Final Report

Corridor Norte

Traffic & Revenue Forecasts

HSBC Securities (USA) Inc ("HSBC")

Global Bank Corporation ("Global Bank")

This document has been issued and amended as follows:

Version	Date	Description	Created by	Verified by	Approved by
1.0	02/3/2012	First Draft – Base Case Only	Rob Godley	John Gregory	Rob Godley
2.0	26/3/2012	Final Draft – includes results of alternative cases & HSBC comments	Rob Godley	John Gregory	Rob Godley
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3.3	10/9/2012	With updated transaction data to July 2012 & adjustments for construction works	Rob Godley	John Gregory	Rob Godley
3.4	11/9/2012	With HSBC comments	Rob Godley	John Gregory	Rob Godley

Contents

1	Introduction	1
1.1	Background	1
1.2	Report Structure	1
2	Existing Situation	2
2.1	Socio-Economic Background	2
2.2	Transport Context	8
2.3	Corredor Norte & Madden Segment	10
3	Methodology Overview	16
3.1	Previous Studies	16
3.2	Modelling Approach	16
3.3	Traffic Surveys (2010)	17
4	Base Year Traffic Model	22
4.1	Base Year Network	22
4.2	Base Year Matrices	22
4.3	Model Calibration	23
4.4	Annualisation	29
5	Demand Forecasting	30
5.1	Introduction	30
5.2	Economic Forecasts	30
5.3	Population Forecasts	31
5.4	Employment Forecasts	37
5.5	Background Traffic Forecasts	38
6	Future Year Models	40
6.1	Future Year Networks	40
6.2	Future Year Trip Matrices	48
6.3	Route Choice Parameters	48
6.4	Suppressed and Generated Traffic	48
7	Base Case Forecasts	50
7.1	Base Case Assumptions	50
7.2	Base Case Forecasts	51
7.3	Commentary on the Forecasts	58
8	Alternative Cases	62
8.1	Introduction	62

8.2 Alternative Case Results

62

Appendices

- A.1 Base Case Traffic & Revenue Forecasts
- A.2 Do-Nothing Case Traffic & Revenue Forecasts
- A.3 Low Case Traffic & Revenue Forecasts
- A.4 High Case Traffic & Revenue Forecasts
- A.5 Low GDP Case Traffic & Revenue Forecasts

1 Introduction

1.1 Background

HSBC and Global Bank have been mandated by Empresa Nacional de Autopista, S.A. (ENSA) to arrange financing of the purchase of the Corredor Norte toll road in Panamá City.

In this respect, HSBC and Global Bank have engaged Halcrow to produce updated traffic and revenue forecasts for Corredor Norte to support the financing effort.

This document describes the methodology adopted and the resulting traffic and revenues forecasts.

1.2 Report Structure

Following this introduction section:

- Chapter 2 provides an overview of the existing situation
- Chapter 3 provides an overview of the methodology adopted
- Chapter 4 describes the construction of the base year traffic model
- Chapter 5 describes the demand forecasting procedure
- Chapter 6 describes the development of the future year traffic models
- Chapter 7 describes the base case forecasts
- Chapter 8 describes the alternative case forecasts

2 Existing Situation

2.1 Socio-Economic Background

Overview

The population of the country of Panamá is currently 3.4 million (2010 census), of which around 1.6 million live in the Panamá City metropolitan area¹. The population of the city has been growing at around 2% per annum over recent years.

Panamá's dollarized economy rests primarily on a well-developed services sector that accounts for three quarters of GDP². Services include operating the Panamá Canal, banking, the Colon Free Zone, insurance, container ports, flagship registry, and tourism. The economy has shown very high growth in recent years, ranging from 7.5% to 12% per annum since 2004, apart from 2009, when GDP growth slowed to 3.9% during the global recession. Real annual GDP growth over the last eight years is displayed in Table 2.1.

As a result of the economic boom, unemployment levels fell from 14% in 2003 to 4.5% in 2011. National GDP per capita meanwhile has risen to \$8,900 (2011)³, placing Panamá in the middle-income bracket of countries internationally. Wealth is unevenly distributed however - the GINI index for Panamá in 2010 was 51, similar to most countries in Latin America⁴. Incomes are generally higher in the city than in other regions, but there are also wide variations in income levels within the city itself (see section 2.1.3).

Inflation is currently running at 5.9% per annum, which is higher than the 2002-2010 average of 3% per annum.

¹ Districts of Panamá City, San Miguelito, Arraiján and La Chorrera

² From INEC statistics for actual GDP 2011 (March 2012) and population forecast for 2011

³ By comparison Denmark =25 (most even), South Africa =69 (least even)

Year	Real GDP Growth
2004	7.5%
2005	7.2%
2006	8.5%
2007	12.1%
2008	10.1%
2009	3.9%
2010	7.6%
2011	10.6%

Table 2.1 Recent Economic Growth (source: INEC)

Study Area Population

Total population in the study area in 2010 was 1.57 million people, with 880 000 people living in the district of Panamá, 315 000 in San Miguelito, 220 000 in Arraiján and 189 000 in La Chorrera district. Population and other socio-economic indicators by district and corregimiento are shown in Table 2.2 below.

District	Corregimiento		Population (2010)	Population Density (Pop/km ²)	Population Growth 2000-2010 (CAGR) ¹	Median Household Income (\$, 2010)	Cars per 1000 pop (2010)
	ID	Name					
Panama	16*	24 De Diciembre	85 464	830	4.9%	859	81
	32	Alcalde Diaz	41 282	800	3.0%	825	128
	17	Ancón	29 761	150	10.3%	2 633	398
	8	Bella Vista	30 136	8 230	0.6%	2 433	38.3
	9	Betania	46 116	5 560	0.4%	1 948	38.6
	14**	Chilibre	53 855	60	2.6%	642	0.5
	5	Corumbá	18 381	14 470	-1.5%	513	-3.6
	3	El Chorrillo	18 302	29 360	-2.1%	543	4.5
	31	Ernesto Córdoba Campos	55 784	1 830	3.5%	856	149
	12	Juan Díaz	100 836	2 960	1.3%	1 335	23.8
	6	La Exposición o Caldería	19 105	12 000	-0.3%	868	10.7
	15	Las Cumbres	32 867	1 180	3.5%	747	11.6
	15	Las Mañanitas	39 473	1 600	1.6%	773	10.5
	16*	Pacora	52 484	130	9.6%	568	7.0
10	Parque Lebrero	36 997	5 410	0.0%	1 369	29.1	
13	Pedregal	51 641	1 830	1.2%	703	10.0	
8	Pueblo Nuevo	18 984	8 630	0.4%	1 618	34.8	
11	Río Abajo	26 807	8 890	-0.8%	974	17.8	
1	San Felipe	3 767	11 010	-7.3%	651	8.5	
7	San Francisco	43 838	8 860	2.1%	2 330	41.2	
18*	San Martín	4 410	30	2.1%	514	11.6	
3	Santa Ana	18 210	21 730	-1.5%	667	6.6	
14	Tobumén	74 952	1 170	-4.0%	773	10.5	
San Miguelito	21	Amelia Denis De loaza	38 387	10 100	0.0%	959	16.9
	23	Arnulfo Arias	31 850	4 360	0.4%	656	6.0
	30	Belisario Frías	44 571	10 360	-0.5%	768	7.7
	22	Belisario Porras	46 367	12 290	-0.1%	896	8.6
	20	Jose Domingo Espinar	44 471	8 270	2.3%	1 694	29.7
	29	Maleo Iturzaide	11 496	11 570	-0.9%	674	32.7
	25	Omar Torrijos	36 452	3 360	-0.3%	952	12.5
24	Rufina Alfaro	42 742	4 470	5.4%	2 234	38.4	
19	Victoriano Lorenzo	15 873	7 920	-0.9%	879	14.9	
Arraiján	26	Veracruz	220 779	528	3.6%	722	11.7
	27	Rest of Arraiján				558	
La Chorrera	28	La Chorrera District	161 470	210	2.6%	712	11.5
Area Total / Average			1 577 859	484	2.1%	835	16.2

* 24 De Diciembre, Pacora & San Martín grouped together in Figure 2.1.2.4.

** Districts in italics in the original are not included in 2.1.2.4.

¹ CAGR is Compound Average Growth Rate.

Table 2.4: *Área, Población, Densidad (2010) y Crecimiento por Corregimiento*

Population density is highest in the poorer old town areas of Panamá City. Santa Ana corregimiento has a population density of around 22 000 persons per square kilometre, whilst El Chorrillo has just under 30 000 persons per square kilometre. Generally population densities decrease the further one travels from the central area, although parts of San Miguelito district are also very densely populated with densities in excess of 10 000 persons per square kilometre at the corregimiento level. Figure 2.1 shows population density in the study area by corregimiento.



Figure 2.1 Population Density by Corregimiento (source: INEC)

Population growth over the last ten years has averaged 2.1% per annum across the study area. The highest growth rates have been observed in the Arraiján and La Chorrera districts, and the outer corregimientos of Panamá district. By contrast, many parts of central Panamá City have seen small population decreases over the same period. The population changes 2000-2010 by corregimiento are shown in Figure 2.2.

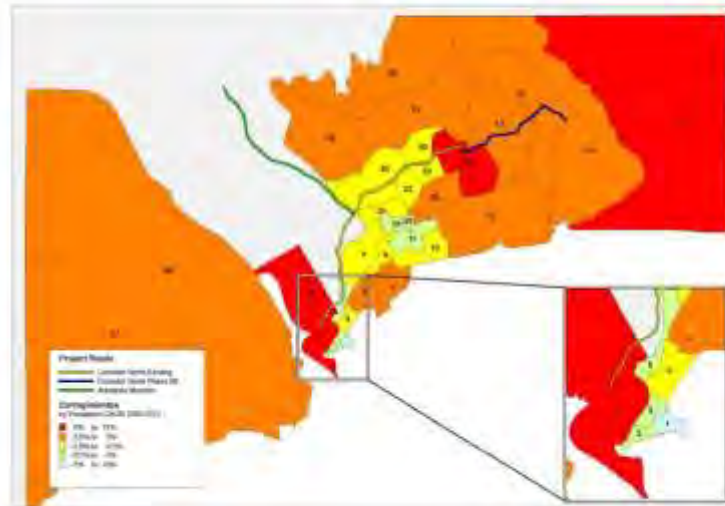


Figure 2.2: Population Growth Rate by Corregimientos CAGR 2000-2010 (source: INEC)

Household Income & Car Ownership

As shown in Figure 2.3 overlaid, the poorest parts of the study area in terms of median household income can be found in the old town core (eg Curundú and El Chorrillo). The wealthiest parts of the study area meanwhile are found very close by in the modern downtown area (Bella Vista and San Francisco) and in Ancon. Income levels tend to decrease the further one travels from the downtown area (old town core apart), although modern, upmarket developments (such as Brisas del Golf) raise the average incomes of more distant corregimientos such as Rufina Alfaro in San Miguelito.



Figure 2.3: Median Household Income by Corregimientos by (\$), (average (NEC))

Car ownership levels in the city⁴ are relatively high for a developing country at around 240 cars per thousand head of population (2010), but still some way behind those observed in developed economies, with plenty of room for growth⁵. However, this average figure hides a huge gap between the richest and poorest corregimientos. The highest value can be found in San Francisco corregimiento – 412, whilst the lowest can be found in Curundu-36. Car ownership levels are also high in areas with upmarket residential developments such as Brisas del Golf. The average value across the study area is 161 cars per thousand head of population. Figure 24 displays car ownership by corregimiento.

⁴ Defined as Corregimiento 1-13 of the District of Panamá

⁵ The saturation level is normally considered to be in the order of 600 cars per thousand head of population

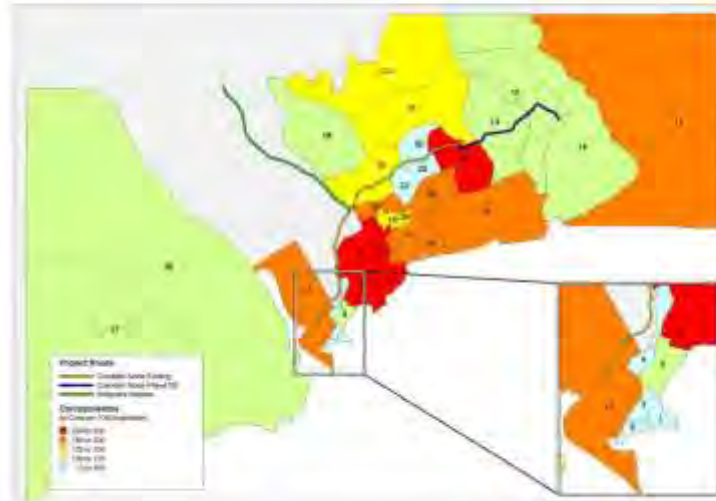


Figure 2.3 - Congestion by Car Ownership: Cars per 1000 population (source INEC)

2.2 Transport Context

The city's old town, port and central business district (CBD) lie in the extreme southwestern corner of the metropolitan area. Due to physical constraints, the city and its highway network have developed primarily along one main east-west corridor running parallel to the coast (via Domingo-Díaz/Ricardo Alfaro, Jose Arango/via Espana), with a second branch corridor heading north alongside the Transistmica highway. The "channelled" development of the city in one main corridor and the concentration of employment and commercial activity in the CBD have resulted in severe traffic congestion in the city, especially at peak times. The complex public transport system based on largely unregulated "diablo rojo" buses adds further to the congestion, although this system has now, to a large extent, been replaced by the government sponsored and operated Metrobus system.

The two toll corridors were designed to provide a congestion-free alternative to the crowded city streets. Corredor Sur connects the CBD to the international airport at Tocumen, running mainly along the coast. Corredor Norte meanwhile connects Albrook domestic airport, which lies just to the west of the CBD, to northern areas of the metro region, running along the western and northern fringes of the built-up area. On completion of Phase II, Corredor Norte will also connect to the Tocumen area. The location of the project road and other main roads are shown in Figure 2.5.



Figure 2.5. Location of Project Road (source: PYCSA)

Note: Mercedes Mallén is actually located at the intersection of Corredor Norte and Albrook, and not where it is shown on the map.

In the early years of operation, traffic volumes on both corridors were relatively low, but rapid traffic growth in recent years has resulted in both toll roads now suffering from congestion themselves, especially in the morning peak period.

The Autopista Madden or "Madden segment" is the first 13.4 km section of the Panamá-Colón toll road, and is part of the Corredor Norte concession. The Colón toll road currently extends a further 34km to Quebrada Lopez, under a separate concession. The final section from Quebrada Lopez to Colón is currently under construction. The other significant highway infrastructure that has been built in recent years is the Puente Centenario over the Panamá Canal close to the Pedro Miguel locks and to the north of the metropolitan area. The bridge was opened to traffic in September 2005. Once Phase II of Corredor Norte is completed, travellers from west of the Panamá Canal and the Colón area will be able to travel to the international airport and points east, avoiding the city altogether.

A major re-organisation of the city's public transport system has recently commenced. The backbone of the public transport system will be a Metro system, the first line of which is due to open in 2014. Line 1 will run from Albrook to Los Andes in the north via the CBD, Via España and Simón Bolívar as shown in Figure 2.6. The line will be part underground and part elevated. The bus network will be re-organised in advance of the Metro opening and will feature a cohesive network of planned routes, with modern buses. The system re-organisation should help to reduce congestion in the city to some extent (although experience tells us that any freed road space in congested cities is most often rapidly filled up with new traffic) or at least provide a viable alternative to the car for some journeys. The negative impact on Corredor Norte volumes of the public transport system re-organisation has been taken into account in the traffic forecasts for Corredor Norte. There may be a short-

term positive impact on Corredor Norte traffic volumes during the Metro construction stage, which could worsen traffic conditions in the city in the short-term. These positive impacts have not been explicitly included in the forecasts.



Figure 2.1: Route of Proposed Metro Line 1 (source: Metro de Panamá)

2.3 Corredor Norte & Madden Segment

Corredor Description

Phase I of Corredor Norte is a 13.2 km dual 2-lane highway running in a north east / south west direction between Albrook and the highway's interchange with the Transistmica highway, located to the north of Panama City and its principal highways. The Transistmica highway connects Panama City on the Pacific side of the Isthmus with the city of Colon on the Caribbean or Atlantic side. The Madden Segment is a 13.4 km dual 2-lane highway running in a north west / south east direction, intersecting with Phase I approximately 4 km from its north east end. The Madden Segment parallels the Panamá-Colon road and represents the first phase of a new highway between these cities, which currently extends as far as Quebrada Lopez. Phase I of Corredor Norte began toll operations in March 1998. The Madden Segment opened in May 1999 and was tolled from the outset.

Phase II A of Corredor Norte, which starts at the terminus of Phase I at the Transistmica interchange (km 13.2) and extending to Brisas del Golf (km 19.4 approximately), opened in April 2009. Construction of Phase II B has now commenced, with completion expected in the fourth quarter of 2013. Phase II B is the final 9.8 km segment of the Corredor Norte's original design, which will stretch from Brisas del Golf to Tocumen.

Along Phase I of Corredor Norte, there are eight interchanges with toll plazas and mainline plazas at Tinajitas near its north-eastern end, and at Martin Sosa and Ascario Villalaz at its southern end. One of these junctions includes a plaza at the southern end for all vehicles using the Madden Segment. The Madden Segment has no intermediate junctions and no other toll plazas.

Not all entrances and exits of Corredor Norte are tolled, but the system requires that most users will drive through two plazas. There are four interchanges on Phase II A, with ramp toll plazas at Transistmica (east facing) and mainline toll plazas on the Villa Lucre and the Brisas del Golf links.

A schematic diagram of the existing toll system is shown in Figure 2.7. The figure shows the allowable movements at each interchange, and the tolled links are highlighted in red. Mainline toll plazas are shown as red bars across the road, whilst ramp toll plazas are shown as red lines along the ramp itself.

The system was initially operated as a "closed" system¹⁰, although owing to operational difficulties, this was changed to an "open" system in December 2001. Current toll charges on Corredor Norte are summarised in Table 2.3. Currently a car trip for the entire length of Phase I of Corredor Norte costs \$2.40, and saves anywhere between 10 minute and 45 minutes compared to the same journey via the un-tolled highway network. The additional charge for using Phase II A is \$1.25.

¹⁰ In a "closed" toll system, drivers take a ticket on entry to the system, and pay once on exit. The toll tariff is usually calculated on the basis of distance travelled. This system is the fairest to the user and usually maximises revenue. It is very costly however in terms of the large number of toll plazas required (at every entry and exit), and in terms of operational costs (every exit must have toll collectors).

In an open system by contrast, drivers simply pay a fixed amount at a toll plaza, regardless of how far they have travelled, and may pay at more than one plaza, as is the case here.

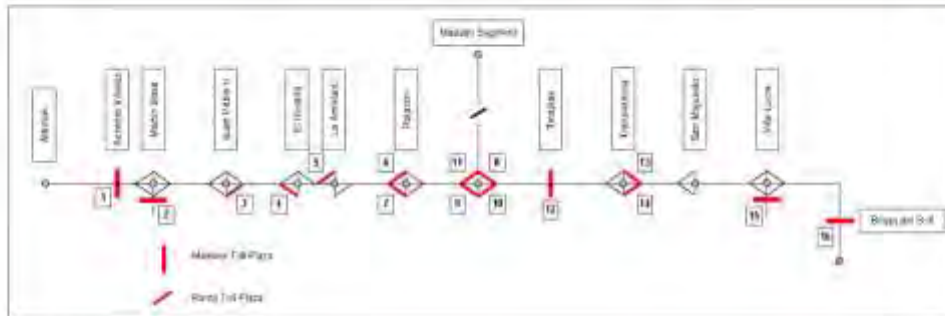


Figura 2.7 Corredor Norte Schematic

Toll Plaza	Fig 2.7 Ref	CLASS A Car & Motorbikes	CLASS B Buses and Light Trucks	CLASS C 3-axle Trucks	CLASS D 4+axle Trucks
ASCANIO entrance	1	\$0.90	\$2.00	\$2.00	\$2.00
ASCANIO exit		\$1.90	\$1.75	\$1.75	\$1.75
MARTIN SOSA entrance	2	\$0.90	\$1.75	\$1.75	\$1.75
MARTIN SOSA exit		\$0.90	\$1.75	\$1.75	\$1.75
JUAN PABLO entrance	3	\$0.50	\$1.75	\$1.75	\$1.75
EL DORADO exit	4	\$0.25	\$0.75	\$0.75	\$0.75
LA AMISTAD entrance	5	\$0.25	\$1.00	\$1.00	\$1.00
PATACON entrance	6	\$0.75	\$2.00	\$2.00	\$2.00
PATACON exit	7	\$0.75	\$2.00	\$2.00	\$2.00
MADDEN entrance from TINAJITAS	8	\$2.00	\$3.00	\$3.00	\$3.00
MADDEN entrance from rest of corridor	9	\$2.50	\$4.50	\$4.50	\$4.50
MADDEN exit towards TINAJITAS	10	\$2.00	\$3.00	\$3.00	\$3.00
MADDEN exit towards rest of corridor	11	\$2.50	\$4.50	\$4.50	\$4.50
TINAJITAS entrance	12	\$1.50	\$3.00	\$3.00	\$3.00
TINAJITAS exit		\$1.50	\$3.00	\$3.00	\$3.00
TRANSISTMICA entrance	13	\$0.50	\$1.00	\$2.00	\$3.00
TRANSISTMICA exit	14	\$0.50	\$1.00	\$2.00	\$3.00
VILLA LUCRE entrance	15	\$1.25	\$2.50	\$4.50	\$6.00
VILLA LUCRE exit		\$1.25	\$2.50	\$4.50	\$6.00
BRISAS DEL GOLF entrance	16	\$1.25	\$2.50	\$4.50	\$5.00
BRISAS DEL GOLF exit		\$1.25	\$2.50	\$4.50	\$5.00

Table 2.8 Current Corredor Norte Toll Rates (quinto PYDIA)

Current and historic traffic volumes

Traffic growth on Phase I, Phase II A of Corredor Norte and the Madden Segment are shown in Figure 2.8. The graph shows monthly average daily total transactions, seasonally adjusted, with a 6-point moving mean line superimposed to identify the underlying trends.

The graphs show several distinct phases in traffic development:

- Following an initial ramp-up period which lasted until after the opening of the Madden Segment (on May 30th, 1999), traffic levels stabilised between 0.8 and 1.0 million transactions per month, and stayed at that level until June 2001.
- Tolls for trucks and buses were increased on July 1st 2001 by around 21.7% (on average), ranging from 16.7% to 50%; tolls for autos remained at the same level except for trips between Martín Sosa and Ascanio Villalaz for which tolls were increased by 43%. Traffic declined over the following six months by around 20%.
- From December 15th 2001, the closed toll system was abandoned and an open toll system was introduced. This had the effect of increasing the average tolls paid by 7.1% for autos and 1.8% for buses and trucks, but for some key movements prices were reduced, and traffic increased sharply in January 2002.
- From January 2002 traffic fell gradually before returning to growth in April 2003. By May 2004 Corredor Norte traffic volumes were almost the same as they had been in January 2002.
- Some toll rates were again changed as of May 15th 2004, with an average increase for auto users of 21.0% and no change for bus or truck tolls. Following this toll increase, traffic declined by 2.7% over the following 12 month although it picked up in the middle part of 2005.
- From January 2006 until March 2009 there was a period of explosive traffic growth. During this period traffic levels on CN Phase I more than doubled, despite an increase in tolls of around 15% for cars in January 2007. This was the last toll increase. Growth rates over this period were around 960 vehicles per month, or 11,500 vehicles per year. This represents an annualised percentage growth rate of 35% per annum at the beginning of the period, reducing to 15% per annum by the end of the period.
- Daily transactions jumped in May 2009 following the opening of Phase II A. Traffic has continued to grow strongly since, albeit at a slightly lower rate of around 920 vehicles per month. At current transaction levels, this equates to an annualised rate of around 9% per annum.

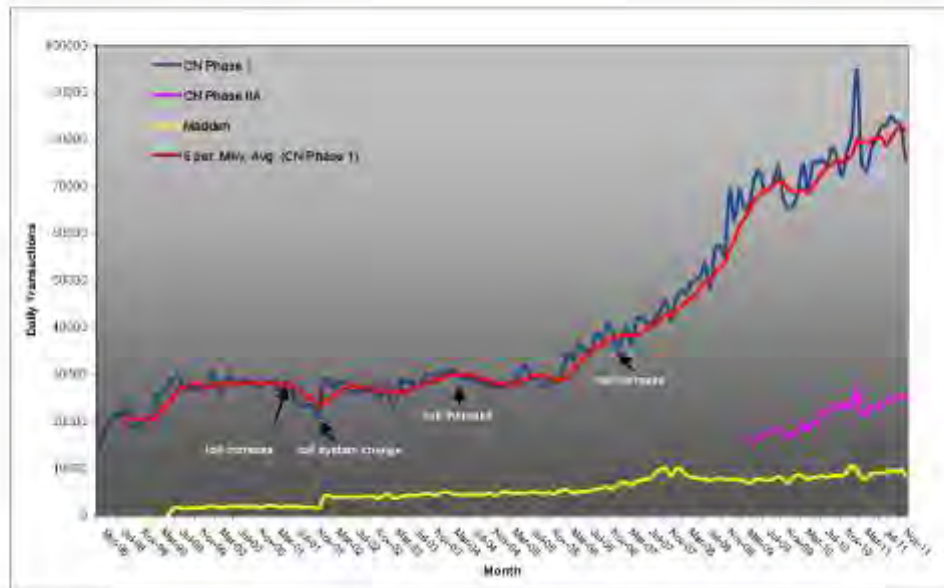


Figure 2.8. Historic Traffic (Slowly Corredor Norte)

Toll increases in the early years had a large and long lasting impact (e.g. December 2001 increase), but more recent toll increases (e.g. January 2007) had a smaller and only short-lived impact. An elasticity calculation is difficult for the 2001 increase since this involved a conversion from a closed to an open system. The 2007 toll impact analysis suggests a short-term elasticity of -0.5, reducing to zero after three months.

Average daily transactions totalled across all plazas (CNI, CNIIA and Madden) in 2011 was around 114,000, with around 35,000 transactions per day at the Tinajitas mainline toll plaza, 17,700 transactions per day at the Ascario Villalaz toll plaza, 14,900 at Brisas del Golf toll plaza, and around 11,500 transactions per day at the Martin Sosa and Patacon toll plazas. Looking at total system transactions in 2011, around 93% of traffic on Corredor Norte was cars, with 2% buses and 5% trucks.

The average midweek two-way daily traffic profile at Tinajitas in 2005 and 2011 is compared in Figure 2.9 overleaf. The figure shows that peak period traffic has grown more than inter-peak traffic over that period, and there has been a very large increase in evening traffic.

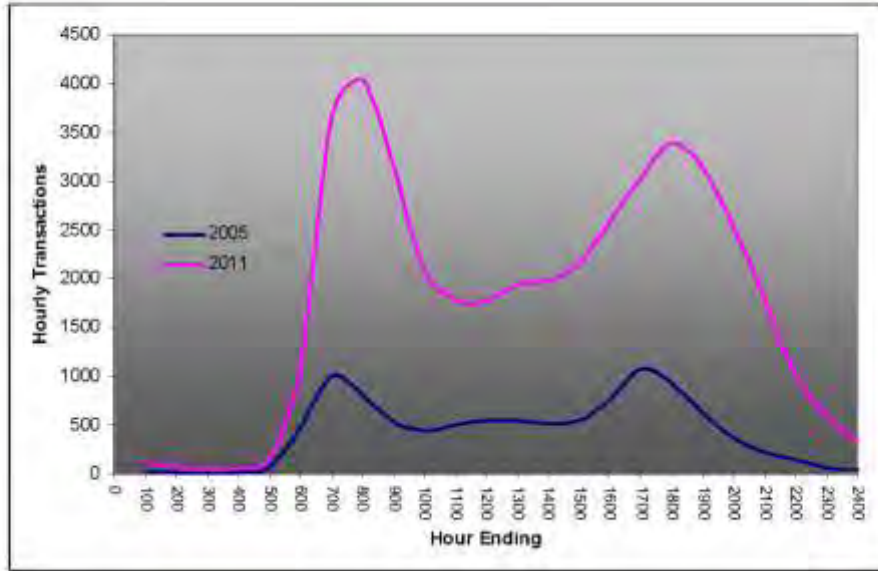


Figure 2.9. Typical weekday hourly traffic profile at Timmins - 2005 and 2011

3 Methodology Overview

3.1 Previous Studies

Halcrow has been undertaking regular traffic studies for Corredor Norte since 2005. Over that time we have built up an excellent level of knowledge of the project road and the traffic situation in the city overall. Each study has involved some data collection in the form of origin-destination surveys, and/or traffic counts and travel time surveys. We have used that information to develop a strategic traffic model of the city, and to update it over time.

3.2 Modelling Approach

As described in the previous section, we have developed and updated over time a strategic highway model of the city, using the EMME3 suite of programs. The model has 63 internal zones and 10 external zones, and represents a typical midweek AM peak hour and a typical inter-peak hour. The results of these two modelled hours are then expanded to represent annual average daily traffic (AADT) volumes (see section 4.4). Given the relatively small number of buses and trucks on the two project roads, only a single vehicle class (all vehicles) is modelled. The last major update to the model was undertaken in 2010. This study involved an extensive survey programme which was used to calibrate the model to 2010 conditions. For this current study we updated the model in the following manner:

- Re-calibrated the base year model to 2011 volumes
 - The two traffic models have been updated and enhanced to replicate the observed traffic conditions in 2011 in terms of hourly traffic volumes at toll plazas on Corredor Norte. Note that the model was calibrated in 2010 to match travel times and toll road capture rates in that year.
- Updated traffic forecasting procedure
 - To take into account the latest socio-economic conditions, including results from the 2010 census, revised future year development assumptions and the latest GDP forecasts
- Option and scenario testing
 - To incorporate into the forecasts the latest knowledge concerning:
 - completion plans for Corredor Norte Phase IIB
 - expansion plans for Corredor Sur
 - toll plaza capacity and constraints
 - the impact of city network improvements
 - the impact of the Metro
 - the impact of different economic growth scenarios
 - alternative tolling strategies

3.3 Traffic Surveys (2010)

Traffic surveys were undertaken in 2010 for a previous study. The results of those surveys are shown here for information.

To assist in the model re-calibration process, traffic surveys in the form of a program of traffic counts and travel time surveys were performed. Traffic counts were undertaken at seven locations, five across an inner screenline (A) and two across an outer screenline (B). Transaction data from the relevant toll plazas was used to complete the screenline information (giving 7 points in total on Screenline A, and 4 points on Screenline B). The location of the screenlines is shown in Figure 3.1. Traffic counts were undertaken during two consecutive midweek days, during the week commencing Monday 6th September 2010. Counts were undertaken during the periods 6am – 12pm and 2pm-8pm. Travel time surveys were undertaken in the same week along the five routes shown in Figure 3.2. Three observations were collected for each route, in each direction in each time period.



Figure 3.1 Traffic Count Screenlines



Figure 3.2. Travel Time Survey Routes

The results of the traffic counts are summarised in Table 3.1 and shown graphically in Figures 3.3 to 3.6. The results of the travel time surveys are summarised in Table 3.2.

Site	Average Hourly Flow					
	Inbound (towards Panama)			Outbound (towards Tocumen)		
	AM Peak	Inter-Peak	PM Peak	AM Peak	Inter-Peak	PM Peak
A1 Ave Ricardo J Alfaro	1,400	1,200	1,300	1,100	1,200	1,200
A2 Ave Simon Bolivar	1,400	1,100	1,100	1,400	1,100	1,000
A3 Ave España	3,200	2,500	1,900			
A4 Ave Nicanor Obarrio				1,800	2,400	3,300
A5 Ave Israel	2,400	1,900	1,700	1,200	1,900	2,200
Total Screenline A	8,400	6,700	6,000	5,500	6,600	7,700
B1 Ave Domingo Diaz	2,500	2,700	2,500	2,100	2,700	2,900
B2 Ave Jose Agustin Arango	1,800	900	600	600	900	1,400
Total Screenline B	4,300	3,600	3,100	2,700	3,600	4,300

Table 3.1. Summary of Traffic Count Results.

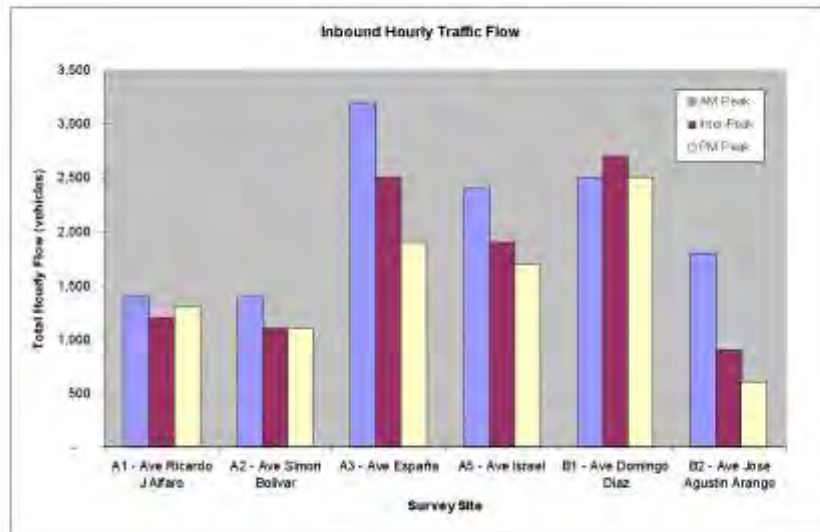


Figure 3.3: Hourly Inbound Traffic Volumes on Non-Toll Roads

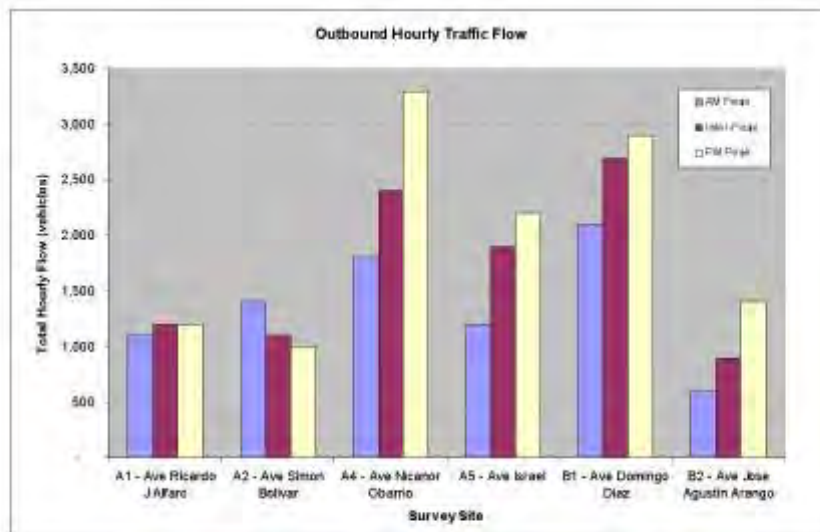


Figure 3.4: Hourly Outbound Traffic Volumes on Non-Toll Roads

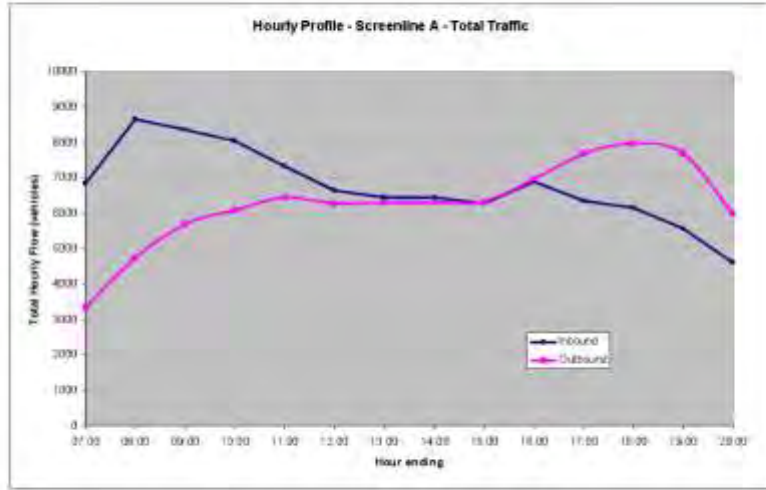


Figure 3.5: Hourly Traffic Profile Screenline A Total Traffic (Non-Toll Traffic)

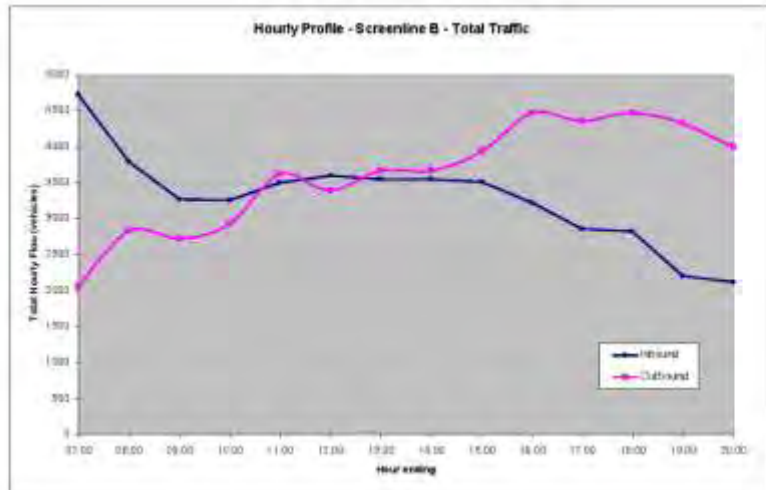


Figure 3.6: Hourly Traffic Profile Screenline B Total Traffic (Non-Toll Traffic)

Ruta	Median Journey Time (minutes)			
	Inbound (towards Panama)		Outbound (towards Tocumen)	
	AM	IP	AM	IP
1 - Corredor Norte	25	22	20	20
2 - Ave Domingo Diaz / Ave Ricardo J Alfaro	105	40	29	39
3 - Via Simon Bolivar	54	27	19	27
4 - Ave Jose Arango / Via Espana	78	42	46	53
5 - Corredor Sur	49	19	19	18

Table 3.2: Summary of Journey Time Survey Results

The resulting average (median) time savings offered by the toll roads for key journeys in different time periods are summarised in Table 3.3.

From	To	Inbound		Outbound	
		AM	IP	AM	IP
Tinajas	Downtown	35	10	5	10
Brisas del Golf	Downtown	40	10	5	5
Hipodromo	Downtown	25	25	15	30
Tocumen	Downtown	45	30	30	30

Table 3.3: Toll Road Journey Time Saving Summary

4 Base Year Traffic Model

4.1 Base Year Network

The existing base year traffic model network has been updated for this study with the relevant network changes and toll rates in order to accurately represent the 2011 network.

Figure 4.1 shows a plot of the updated 2011 base year traffic model network. The notional centre point of each traffic zone (zone centroid) is shown as a blue triangle. Corredor Norte links are shown in red and Corredor Sur links in green. Other highway network links are shown in grey. Notional links connecting the zone centroid to the highway network are shown as grey dotted lines.

Separate networks were developed for the AM peak and inter-peak periods, incorporating the differences between the two periods, such as toll plaza configuration (i.e. reversible toll lanes).



Figure 4.1 | 2011 Base Year Network

4.2 Base Year Matrices

Base Year Matrices were derived from the matrices used in the previous Halcruw study. The original matrices were developed using a two-stage approach. Stage one involved applying real-world origin-destination data which was acquired from roadside interviews in order to develop an initial matrix.

Stage two filled any gaps in the initial matrix by utilising the Fratar ('furnessing') method, which derives trips based on the available socio-economic data. Zonal trip

productions were based on population data, with the assumed trip-rate per capita dependent on income levels within the zone.

For this study, these original matrices were uplifted to represent one year of traffic growth, and redistributed in line with the most up-to-date socio-economic and population distribution data available from the 2010 census results.

4.3 Model Calibration

The calibration process ensures that the base year model represents the existing traffic conditions as closely as possible in terms of traffic volumes on links, travel times and toll road capture rates. This entails comparing model outputs with observed data, and making small adjustments to the road network, the trip matrix and/or assignment procedure.

Model calibration is a detailed and time-consuming process, as making small changes to improve the model in some areas often has the effect of making things worse in other areas. The model was last calibrated to 2010 volumes, across two major screenlines and all toll plazas for Corredor Norte and Corredor Sur. Tables 4.1 and 4.2 show the calibration results for 2010 for the AM peak period and inter-peak period respectively.

For this study, 2011 was adopted as the new base year. Demand was increased by an average of 9.5% to reflect demand growth due to GDP. The subsequent model calibration focused on 2011 transaction data for Corredor Norte. The results for this round of calibrations are shown in Table 4.3.

The target was to match modelled to observed volumes to within 5% or 200 vehicles at individual sites, which was achieved at the vast majority of locations. Figures 4.2 and 4.3 meanwhile show bandwidth plots of the modelled AM peak and inter-peak volumes. The width of the bands is directly related to the traffic volume on that link. The two toll roads are coloured in blue for identification purposes.

Screenline / Toll Road	Count Site / Toll Plaza	Inbound (towards Panama)				Outbound (towards Tocumen)			
		Observed	Modelled	Diff	% Diff	Observed	Modelled	Diff	% Diff
A	Corredor Norte	3000	3007	7	0%	900	986	86	7%
	1 - Ave Ricardo J. Alfaro	1450	1341	-89	-4%	1100	1157	57	5%
	2 - Via Simon Bolivar	1400	1388	-88	-1%	1400	1463	63	4%
	3 - Via Hepana	520	523	3	0%				
	4 - Calle 50 este					1800	1792	-8	0%
	5 - Via Israel	2400	2219	-181	-8%	1200	1266	66	6%
	Corredor Sur	3753	3647	-106	-3%	1006	925	-81	-8%
Screenline Total	11123	10945	-178	-1%	7426	7578	152	2%	
B	Corredor Norte	1231	1149	-82	-4%	277	371	94	34%
	6 - Ave Domingo Diaz	2850	2672	-178	-3%	3500	3690	190	5%
	7 - Ave Ines A. Arango	1950	1839	-89	-3%	900	952	52	7%
	Corredor Sur	2977	2758	-219	-7%	911	924	13	1%
	Screenline Total	8478	8019	-459	-3%	4738	4846	108	1%
Corredor Norte	Ascarito Villalobos	1219	1189	-11	-1%	344	297	-47	-14%
	Martin Sosa	1186	1147	-39	-3%	335	363	28	8%
	Ines Pablo II					448	326	-122	-27%
	El Dorado					93	128	35	32%
	La Amistad	107	220	117	114%				
	Patacon	1219	1083	-136	-11%	262	159	-103	-39%
	Madden	415	507	92	22%	209	369	160	77%
	Tropitas	2835	2780	-55	-2%	623	598	-24	-4%
	Villa Lucre	182	294	109	60%	40	91	51	125%
Brazos del Galo	1251	1149	-102	-4%	264	248	-16	-6%	
Corredor Sur	Atlapa (west facing ramp)	966	923	-43	-5%	67	0	-67	-100%
	Atlapa (mainline toll plaza)	2888	2824	-64	-2%	1006	925	-81	-8%
	Atlapa (east facing ramp)	751	709	-42	-6%	542	342	-200	-37%
	Costa del Este	283	348	65	23%	45	24	-21	-47%
	Hippodromo	824	862	38	5%	239	195	-44	-19%
	Ciudad Radial (west facing ramp)	1252	1135	-117	-9%	142	128	-14	-10%
	Ciudad Radial (mainline toll plaza)	1772	1622	-150	-8%	242	425	183	76%
	Ciudad Radial (east facing ramp)	43	4	-39	-91%	19	4	-14	-74%

Table 4 / Previous Study Validation to 2016 Volume AM Peak Model

Screenline / Toll Road	Count Site / Toll Plaza	Inbound				Outbound			
		Observed	Modelled	Diff	% Diff	Observed	Modelled	Diff	% Diff
A	Corredor Norte	1000	1028	28	3%	1000	949	-51	-5%
	1 - Ave Ricardo I. Alfaro	1220	1161	-59	-5%	1200	1220	20	2%
	2 - Via Suroeste Bolivar	1230	1063	-167	-14%	1200	1064	-136	-11%
	3 - Via Reparo	2430	2312	-118	-5%				
	4 - Calle 50 este					2430	2157	-273	-11%
	5 - Via Israel	1730	1792	62	4%	1680	1682	2	0%
	Corredor Sur	1926	1923	-3	0%	1105	1273	168	15%
Total	9428	9276	-152	-2%	8405	8330	-75	-1%	
E	Corredor Norte	277	371	94	34%	277	443	166	60%
	6 - Ave Domingo Díaz	3700	2889	-811	-22%	3700	3611	-89	-2%
	7 - Ave José A. Arango	950	963	13	1%	950	982	32	3%
	Corredor Sur	911	807	-104	-11%	911	824	-87	-9%
Total	4738	4930	192	4%	4738	4840	102	2%	
Corredor Norte	Ascario Villalobos	464	406	-58	-13%	464	467	3	1%
	Martin Sosa	220	225	5	2%	220	258	38	17%
	Juan Pablo II					151	126	-25	-16%
	El Donado					167	329	162	97%
	La Amistad	43	62	19	44%				
	Patacon	262	371	109	41%	262	206	-56	-21%
	Madden	211	242	31	15%	211	279	68	32%
	Tropitas	717	843	126	18%	717	790	73	10%
	Villa Luz	49	54	5	11%	49	112	63	128%
Bosque del Golf	277	442	165	60%	277	442	165	60%	
Corredor Sur	Atlapa (west facing ramps)	606	718	110	18%	606	0	-606	-100%
	Atlapa (mainline toll plaza)	1271	1207	-64	-5%	1271	1275	4	0%
	Atlapa (east facing ramps)	459	479	20	4%	459	417	-42	-9%
	Costa del Este	101	75	-26	-26%	101	78	-23	-23%
	Hippodromo	317	260	-57	-18%	317	214	-103	-32%
	Ciudad Radial (west facing ramps)	307	346	39	13%	307	317	10	3%
	Ciudad Radial (mainline toll plaza)	190	162	-28	-15%	190	200	10	5%
Ciudad Radial (east facing ramps)	38	0	-38	-100%	38	0	-38	-100%	

Table 4.2 Previous Study Calibration to 2010 Volumes (Invi-Peak Model)

Screenline / Toll Road	Period	Count Site / Toll Plaza	Observed	Modelled	Diff	% Diff
Corredor Norte	AM Peak	Ascario Villalaz	1557	1635	77	5%
		Martin Sosa	1553	1556	3	0%
		Juan Pablo II	114	202	88	78%
		El Dorado	105	102	-2	-2%
		La Amistad	98	78	-20	-21%
		Patacon	1495	1505	10	1%
		Madden	821	881	60	7%
		Tunajtas	3553	3803	250	7%
		Transistmica	443	460	17	4%
		Villa Lucre	373	503	130	35%
	Brisas del Golf	1428	1340	-88	-6%	
	Inter-Peak	Ascario Villalaz	1087	1232	145	13%
		Martin Sosa	675	599	-76	-11%
		Juan Pablo II	172	104	-68	-39%
		El Dorado	182	191	9	5%
		La Amistad	50	57	7	14%
		Patacon	794	784	-9	-1%
		Madden	515	520	6	1%
		Tunajtas	1858	1970	112	6%
Transistmica		258	327	69	27%	
Villa Lucre	185	224	39	21%		
Brisas del Golf	659	713	55	8%		

Tabla 4.3 Comparación de los datos observados (2011) con los datos modelados (inter-peak)



Figure 4.2: Base Year AM Peak Hour Traffic Volumes



Figure 4.3: Base Year Inter-Peak Hour Traffic Volumes

As part of the calibration process, the assumed values of time (VOT) of drivers were adjusted to match observed toll road capture rates. We split car drivers into 12 groups, with a different VOT attached to each group. This is a methodology developed by Halcrow over several years and dozens of studies, and is designed to produce a more realistic demand curve than would result from using a single average value. The range of values reflects different levels of willingness-to-pay amongst different income groups, and different levels of willingness-to-pay amongst individuals within the same income group.

To develop the VOT range, income groups are used as a starting point, but it is recognised that a) income amongst car drivers is much higher than the general population at large; and b) there is a wide range of different willingness-to-pay even amongst individuals in the same income bracket. Experience from elsewhere, and previous studies in Panamá, suggests that the best range (in terms of replicating real life toll-paying behaviour) is $\pm 75\%$ from the mean, with a great proportion of users allocated to the lower VOT groups. The range of VOT giving the best fit to reality in this case is shown in Table 4.4 below. It was also found that allocating 50% of demand to groups 1 and 2, with the remaining demand spread evenly across VOT groups gave the best calibration results.

VOT Group	VOT: AM Peak (\$ per hour)	VOT: Inter-Peak (\$ per hour)
1	3.42	3.85
2	6.84	7.69
3	8.55	9.61
4	9.23	10.38
5	9.91	11.15
6	10.60	11.92
7	11.28	12.69
8	11.96	13.46
9	12.65	14.23
10	13.33	15.00
11	14.02	15.77
12	14.70	16.54
Weighted Average	8.20	9.23

TABLE 4.4: BROAD VALUE RANGE OF VOT (2011 DOLLARS)

Average inter-peak values of time are slightly higher than AM peak values, as the traffic mix in these time periods features a higher proportion of "business" users, and infrequent users, who are generally more willing to pay tolls.

4.4 Annualisation

Analysis of current hourly transaction data for Corredor Norte allowed us to develop factors to convert output from the AM Peak and Inter-Peak models into Annual Average Daily Traffic (AADT). At most toll plaza locations there are around four to five hours in each day equivalent to the AM peak hour volumes. The necessary factors to apply to the inter-peak modelled hour volumes were then calculated to achieve the necessary AADT. This exercise was performed for each toll plaza. A final manual edit was performed to ensure that the inter-peak hour factor was never more than four times the AM peak factor, and that the AM peak factor was never greater than the inter-peak factor. The resulting annualisation factors for each toll plaza are shown in Table 4.5.

Toll Plaza	AADT	AM Peak	Inter Peak	Peak Factor	Inter Peak Factor	Check
Alicante Villavic	17,700	3,655	1,232	5.0	8.0	18,020
Martin Sosa	11,200	3,536	599	4.0	8.0	11,200
Juan Pablo II	2,900	202	104	5.0	17.3	2,900
Eldorado	2,100	102	191	3.0	9.4	2,100
La Amistad	600	78	37	2.0	7.9	600
Patacon	11,700	3,503	794	4.0	7.2	11,700
Mediter	9,100	881	520	5.0	9.0	9,100
Tinajas	34,900	3,903	1,970	3.0	8.1	36,900
Transistonia	5,900	480	483	5.0	7.4	5,900
Villa Luz	3,200	603	234	4.0	6.0	3,200
Brisas del Gobi	14,900	3,340	710	4.0	13.0	14,900
Total Corredor	114,100					114,400

Table 4.5: Annualisation Factors

5 Demand Forecasting

5.1 Introduction

Traffic forecasts using the model have been prepared for the base year (2011) for calibration and validation purposes, and for the following future years: 2012, 2013, 2014, 2015, 2020 and 2030. This chapter describes the methodology used to forecast the growth in traffic demand in the corridor and the assumptions underpinning those forecasts.

The forecasting methodology assumes that the growth in trip making, and thus traffic, is closely linked to growth in population and employment. The distribution of trips and thus traffic is linked to the spatial distribution of future population and employment. In the AM peak, trip origins are linked primarily to the distribution of population, and trip destinations are linked primarily to the distribution of employment. In the inter-peak period, trip patterns are more balanced and both trip origins and destinations are derived from an average of population and employment.

Overall growth in traffic demand has been linked to growth in the national economy, but the growth in actual trips has been constrained by the impact of increasing congestion. The limited spare capacity on Panama City roads will result in a substantial degree of feedback between road network supply and traffic demand. Increasing congestion and lengthening travel times will result in actual traffic volumes growing at a slower rate than the theoretical demand growth rate.

The growth forecasting variables discussed in this section refer only to "background" traffic growth. All other things being equal, toll road traffic growth should be higher than background traffic growth rate as values of time increase over time leading to increased capture rates. In Panama, increasing congestion on the free alternative routes further uplifts the rate of growth on the toll road. As the toll road will be operated with an open toll system, the growth rates on individual sections of road will be very much influenced by the location of toll plazas, the toll rates charged at those plazas and the quality of the alternative route. Finally, the capacity of the toll road itself may restrict traffic growth in the future, particularly the capacity of the toll plazas, where congestion is already observed in peak periods.

5.2 Economic Forecasts

Economic growth in Panama has been very strong in recent years, and is predicted to continue at 5-7% per annum over the coming five years by the IMF. Historic and projected economic growth rates are summarised in Table 5.1. Halcrow has adapted a rounded version of the IMF forecasts for the central case. The overall background traffic growth in the study area is linked to the Halcrow GDP forecasts.

Year	Historic GDP Growth	IMF Forecast (October 2011)	Halcrow Forecast
2004	7.5%		
2005	7.2%		
2006	8.5%		
2007	12.1%		
2008	10.1%		
2009	3.9%		
2010	7.6%		
2011	10.6%		
2012		7.2%	7.0%
2013		4.6%	6.5%
2014		5.8%	6.0%
2015		5.4%	5.5%
2016		5.0%	5.0%
2017			4.5%
2018			4.0%
2019			4.0%
2020			4.0%
2021 - 2030			3.0%

Table 5.1: Historic and Projected Economic Growth Rates

5.3 Population Forecasts

Official population projections are available only at the national level. Halcrow developed its own forecasts for the study area taking into account recent trends, population densities and the availability of land for development. The methodology is summarised in the following steps. In all the tables, forecasts are highlighted in yellow. Historic population information in all tables was sourced from INEC.

STEP 1 – allocate national growth between Panamá Province and the rest of the country.

This was based on trend growth observed between 1990 and 2000, and 2000 and 2010. We assumed that the share of national population growth captured by Panamá province would increase over time, but at a slower rate than observed over previous decades.

	1990	2000	2010	2020	2030
National Population¹	2 329 329	2 839 177	3 405 813	3 931 227	4 390 472
Panamá Province Share	46.0%	48.9%	50.2%	51.5%	52.5%
Panamá Share of Growth		2.9%	1.4%	1.2%	1.0%
Panamá Province population	1 072 127	1 388 357	1 713 070	2 024 520	2 304 928
Rest of Country population	1 257 202	1 450 820	1 692 743	1 906 707	2 085 544

¹Source = INEC.

Table 6.2 Allocation of national population growth

STEP 2 – allocate Panamá Province population growth between districts.

This was based on trend growth observed between 1990 and 2000, and 2000 and 2010. The highest growth is projected for Arraiján District followed by La Chorrera District, where population growth has been highest over the preceding twenty years. Future growth in San Miguelito is limited by the amount of land available for expansion, and thus growth is lower than the provincial average. Growth rates in other districts, including Panamá District are expected to follow the provincial average, thus maintaining their share of provincial population observed in 2010.

	1990	2000	2010	2020	2030
Panamá Province Total	1 072 127	1 388 357	1 713 070	2 024 520	2 304 928
Share of provincial total					
Arraiján	5.8%	10.8%	12.9%	14.2%	15.2%
Balboa	0.3%	0.2%	0.2%	0.2%	0.2%
Capira	2.6%	2.4%	2.2%	2.2%	2.2%
Chame	1.4%	1.4%	1.4%	1.4%	1.4%
Chepo	2.7%	2.6%	2.7%	2.7%	2.7%
Chimán	0.3%	0.3%	0.2%	0.2%	0.2%
La Chorrera	8.4%	9.0%	9.4%	9.8%	10.3%
Panamá District	54.5%	51.0%	51.4%	51.4%	51.4%
San Carlos	1.2%	1.1%	1.1%	1.1%	1.1%
San Miguelito	22.7%	21.2%	18.4%	16.7%	15.2%
Taboga	0.2%	0.1%	0.1%	0.1%	0.1%
Population by district					
Arraiján	61 849	149 918	220 779	287 642	350 071
Balboa	2 751	2 336	2 721	3 216	3 661
Capira	28 303	33 110	38 396	45 379	51 664
Chame	15 152	19 625	24 471	28 930	32 926
Chepo	29 145	35 500	46 139	54 527	61 080
Chimán	3 066	4 086	3 343	3 951	4 498
La Chorrera	89 780	124 656	161 470	198 403	238 081
Panamá District	584 803	708 438	880 691	1 040 868	1 184 966
San Carlos	12 443	15 541	18 920	22 360	25 457
San Miguelito	243 025	293 745	315 019	337 974	350 119
Taboga	1 810	1 402	1 119	1 322	1 506

Table 6.3 Allocation of Panamá Province population growth

STEP 3 - allocate Panamá District population growth between the city itself and the rest of the district.

At this stage we assumed a slight increase in city population growth from 3% per decade to 4% per decade, largely to accommodate expected growth in Juan Díaz and Pedregal corregimientos (see STEP 4). The vast majority of Panamá District growth is expected to occur in outer corregimientos, where there is much more land available for expansion. The percentage of total Panamá District population living in outer corregimientos is expected to rise from 51% in 2010 to 61% by 2030.

	1990	2000	2010	2020	2030
Panamá District Total	584 803	708 438	880 691	1 040 808	1 184 966
City growth		1%	3%	4%	4%
Rest of district growth		71%	54%	31%	21%
City share of total	71%	59%	49%	43%	39%
Rest of district share of total	29%	41%	51%	57%	61%
City of Panamá Population	413 585	415 964	430 299	449 232	467 202
Rest of District Population	171 298	292 474	450 392	591 575	717 764

TABLE S.4 - Allocation of Panamá District population growth

STEP 4 - allocate Panamá City population growth between individual corregimientos.

Over the period 1990-2010, most central corregimientos have shown population declines or only small increases. It is likely that this decline will cease in the future as people move back to the city. The population is not likely to increase however since population densities are already very high in the central area. Looking at population density by corregimiento, only Juan Díaz and Pedregal have room for significant growth. Growth in Juan Díaz can be accommodated in the areas close to Corredor Sur, such as Costa del Este and Costa Sur. There is a lot of land available for development in the north of Pedregal corregimiento meanwhile, and this land has been identified for development in the 1997 master plan and current land-use planning zone systems. Access to this area will be much improved with the extension of Corredor Norte (Phase IIB).

	1990	2000	2010	2020	2030
Panamá City Total	413 505	415 964	430 299	449 232	467 201
Population growth by decade					
San Felipe		-33%	-53%	0%	0%
El Chorrillo		10%	-19%	0%	0%
Santa Ana		-24%	-14%	0%	0%
La Exposición o Calidonia		-18%	-3%	0%	0%
Curundú		6%	-14%	0%	0%
Betania		-5%	4%	0%	0%
Bella Vista		14%	6%	0%	0%
Pueblo Nuevo		-15%	5%	0%	0%
San Francisco		4%	23%	0%	0%
Parque Lefevre		-3%	0%	0%	0%
Río Abajo		-13%	-7%	0%	0%
Juan Díaz		19%	14%	9%	5%
Pedregal		12%	13%	20%	20%
City Total		1%	3%	4%	4%
Population by corregimiento					
San Felipe	10 282	6 928	3 262	3 262	3 262
El Chorrillo	20 488	22 632	18 302	18 302	18 302
Santa Ana	27 657	21 098	18 210	18 210	18 210
La Exposición o Calidonia	23 974	19 729	19 108	19 108	19 108
Curundú	17 933	19 019	16 361	16 361	16 361
Betania	46 611	44 409	46 116	46 116	46 116
Bella Vista	24 986	28 421	30 136	30 136	30 136
Pueblo Nuevo	21 289	18 161	18 984	18 984	18 984
San Francisco	34 262	35 751	43 939	43 939	43 939
Parque Lefevre	38 163	37 136	36 997	36 997	36 997
Río Abajo	33 155	28 714	26 607	26 607	26 607
Juan Díaz	73 809	88 163	100 636	109 190	114 927
Pedregal	40 896	45 801	51 641	61 969	74 363
Population Density*					
San Felipe	34680	23374	11005	11005	11005
El Chorrillo	32870	36310	29363	29363	29363
Santa Ana	33000	25174	21728	21728	21728
La Exposición o Calidonia	15057	12391	12001	12001	12001
Curundú	15856	16816	14466	14466	14466
Betania	5619	5354	5559	5559	5559
Bella Vista	5164	5874	6229	6229	6229
Pueblo Nuevo	7430	6339	6626	6626	6626
San Francisco	5346	5578	6856	6856	6856
Parque Lefevre	5578	5428	5408	5408	5408
Río Abajo	8589	7438	6892	6892	6892
Juan Díaz	2171	2593	2960	3211	3382
Pedregal	1447	1621	1828	2193	2632

* Persons per square km

Table 5.3 Allocation of residents, City population (growth)

STEP 5 – allocate rest of Panamá District population growth between individual corregimientos.

There is plenty of spare development land available for expansion of all outer Panamá district corregimientos. In this stage therefore we assumed that current trend growth across corregimientos would continue, but we constrained total growth in the area to the control totals derived in STEP 3.

	1990	2000	2010	2020	2030
Rest of District Total	171 298	292 474	450 392	591 575	717 764
Ancon	11 518	13 169	29 761	46 383	61 239
Chilibre	27 135	40 475	53 955	66 007	76 775
Las Cumbres	56 547	23 401	32 867	41 330	48 894
Pacora	26 587	20 995	52 494	80 655	105 825
San Martín	2 479	3 575	4 410	5 157	5 824
Tocumen	47 032	50 453	74 952	96 855	116 432
Las Mañanitas		32 743	39 473	45 490	50 867
24 de Diciembre		40 545	65 404	87 628	107 493
Alcalde Díaz		29 400	41 292	51 924	61 427
Ernesto Córdoba Campos		39 718	55 784	70 147	82 985

Table 3.6 Allocation of Rest of Panamá District population growth

STEP 6 – allocate San Miguelito District population growth amongst individual corregimientos.

Looking at the population densities of each corregimiento in San Miguelito, it is clear that most are already densely populated (by suburban standards). The two corregimientos with the most potential for population growth are Rufina Alfaro and Omar Tortijos. The spare development land in Rufina Alfaro is situated to the west and north of the existing Brisas del Golf development, and thus well served by Corredor Norte (especially if a link north from the Brisas del Golf interchange on Corredor Norte is provided). The development areas of Omar Tortijos lie mainly to the west of the Transistmica highway.

	1990	2000	2010	2020	2030
San Miguelito Total	243 025	293 745	315 019	337 974	350 119
Population change by decade					
Amelia Denis de Icaza			- 125	0	0
Belisarius Porrás			- 435	0	0
José Domingo Espinar			9 170	0	0
Mateo Iturralde			-1 111	0	0
Victoriano Lorenzo			-1 455	0	0
Arnulfo Arias			1 148	0	0
Belisario Frías			-2 223	0	0
Omar Torrijos			-1 198	5 400	5 000
Rufina Alfaro			17 503	17 503	7 000
Population by corregimiento					
Amelia Denis de Icaza	33 901	38 522	38 397	38 397	38 397
Belisario Porrás	119 400	49 802	49 367	49 367	49 367
José Domingo Espinar	58 745	35 301	44 471	44 471	44 471
Mateo Iturralde	13 662	12 607	11 496	11 496	11 496
Victoriano Lorenzo	17 317	17 328	15 873	15 873	15 873
Arnulfo Arias		30 502	31 650	31 650	31 650
Belisario Frías		46 794	44 571	44 571	44 571
Omar Torrijos		37 650	36 452	41 852	46 852
Rufina Alfaro		25 239	42 742	60 245	67 245
Population Density					
Amelia Denis de Icaza	8 915	10 130	10 097	10 097	10 097
Belisario Porrás	29 735	12 402	12 294	12 294	12 294
José Domingo Espinar	8 276	4 973	6 265	6 265	6 265
Mateo Iturralde	13 744	12 683	11 565	11 565	11 565
Victoriano Lorenzo	8 645	8 651	7 924	7 924	7 924
Arnulfo Arias		4 198	4 356	4 356	4 356
Belisario Frías		10 876	10 359	10 359	10 359
Omar Torrijos		3 406	3 298	3 786	4 239
Rufina Alfaro		2 639	4 469	6 298	7 030

Table 5.7 Allocation of San Miguelito population growth

5.4 Employment Forecasts

Future employment projections have been developed by allocating the largest growth to development areas. Growth in other areas has been linked to the growth in local population. The employment assumed for the traffic forecasting is shown in Table 5.8.

District	Year			
	2005	2010	2015	2020
District of Panama	492,771	542,362	596,019	649,675
San Miguelito	30,955	34,216	38,427	42,638
Arraiján	13,433	16,591	19,199	21,807
La Chorrera	20,942	24,773	28,464	32,155

Table 5.8: Employment Projections (2005+M20)

For further information, a summary of recent building permits is shown in Table 5.9, and the location of those permits graphically in Figure 5.1.

Corregimiento	2008	2009	2010
24 de diciembre	4182	0	0
Amelia Denis de Ycaza	101	495	0
Ancon	635	594	2
Belisario Porra	78	0	0
Calidonia	0	16	0
Chilibre	3302	179	223
Curundú	0	520	13
Juan Diaz	1421	413	259
Las Cumbres	2531	1907	1357
Las Mañanitas	30	0	0
Pacora	1702	2065	3054
Parque Lefebre	8	0	0
Pedregal	906	123	425
Rio Abajo	87	0	0
San Francisco	120	178	0
San Martín	0	362	0
Tocumen	6771	423	88
Total	21874	7275	5421

Table 5.9: Building Permits 2008-2010 (Source: MVI)



Figure 5.1 Distribution of Building Permits 2006-2011 (per 1000 inhabitants)

5.5 Background Traffic Forecasts

In stable economies, there is normally a close relationship between economic growth and traffic growth (i.e. 1% economic growth leads to around 1% traffic growth). This value has been used as a conservative estimate for traffic growth in Panamá, although traffic growth often exceeds economic growth in those countries where car ownership is relatively low, and this has been the case in Panamá in the recent past. The historic relationship between traffic and GDP on Corredor Norte and Corredor Sur is shown in Figure 5.2 (all values indexed to 2001=100). The graph shows that in the period 2001-2005, toll road traffic growth generally lagged GDP growth. From 2005 to 2009 however, traffic growth far exceeded GDP growth, but has slowed recently.

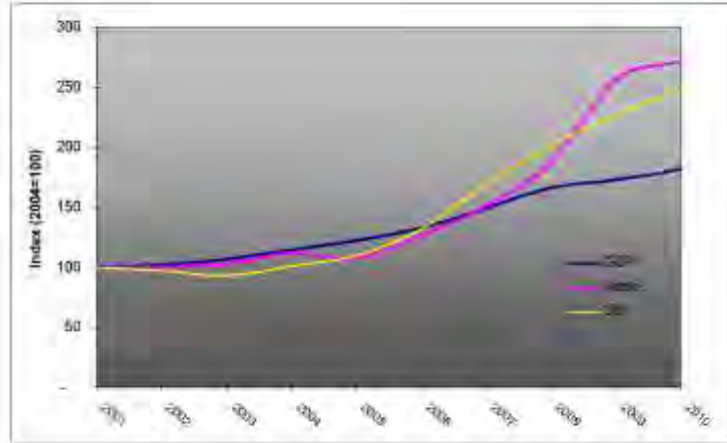


Figure 4-2: Forecast, Employment and Corredor Norte - Home Growth Index (2004=100)

Economic growth has been used to determine the overall growth in trips, but the future distribution in traffic has been forecast using a Fratar-style process (whereby base year trips are increased to the appropriate future year zonal origin totals and then destination totals in an iterative manner). For the morning peak hour, the growth in trip origins is largely related to the change in population, with 80% of the change in trips assumed to be due to the change in population and the remainder due to the change in employment. Conversely, the change in morning trip destinations is largely due to the change in employment, with 80% due of the change in trips due to the change in employment. Since the population of the modelled area is approximately 2.6 times the employment in the area, this scaling factor has been applied to the absolute employment figures.

During the inter-peak period, traffic flows are more balanced between origins and destinations. When forecasting trip ends for this period, it is assumed that population and employment affect trip origins and destinations equally, and consequently 50% of the growth in trip ends is assumed to be due to both population and employment.

6 Future Year Models

6.1 Future Year Networks

A number of key schemes and assumptions were considered in the future year networks. These are discussed in the following sections.

Corredor Norte Phase IIB

Corredor Norte Phase IIB will extend eastwards from the current terminus of Phase IIA at Las Lajas (Brisas del Golf) to a new intersection with 24 de Diciembre near Tocumen. Intermediate intersections will be provided at Villalobos and Rana de Oro⁷. The current toll plaza on the Brisas del Golf link will be relocated to a mainline location just west of Las Lajas interchange. A second Phase IIB mainline plaza will be located between the eastern terminus and the Rana de Oro interchange.

Construction of Phase IIB is anticipated to be completed towards the end of 2013.

It is assumed in the Base Case that Phase IIB will open on January 1st 2014. The location of Phase IIB is shown in Figure 6.1, whilst the revised tolling system is illustrated in Figure 6.2. The toll charges for Phase II will be \$1.25 (for cars, assuming 0% inflation) at Las Lajas mainline toll plaza (formerly Brisas del golf), and \$1.25 at the Mañanitas toll plaza.



Figure 6.1 Plan of Corredor Norte Phase IIB

⁷ This is the base case assumption. An interchange at Mañanitas will also be built, either as an additional interchange or replacing either Rana de Oro or Villalobos.

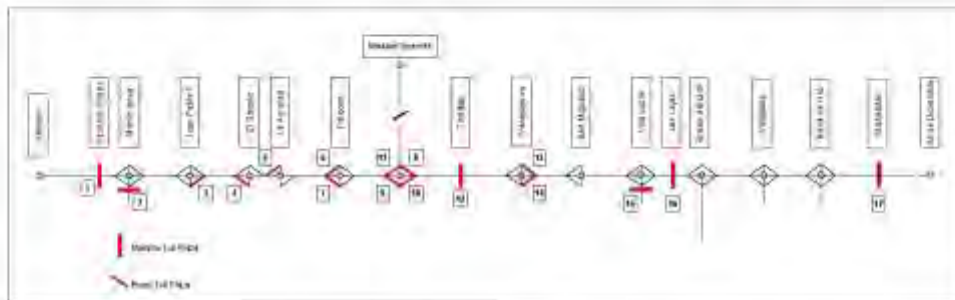


Figure 6.2: Proposed 4th Lanes System

Corredor Sur Expansion

The planned expansion of Corredor Sur will see the main 2-lane sections of Corredor Sur expanded to 3-lanes by January 1st 2015. In addition the current 3-lane section (viaduct westbound) will be expanded from 3 to 4 lanes. In addition, there will be an expansion of the toll plazas such that there will be an additional 4 toll booths at Atlapa, and an additional 2 mainline toll booths at Ciudad Radial. There are also some changes to the Atlapa interchange planned, such that the under-utilised movement from Paitilla to Via Israel will be removed, and the movement from Cincuentenario to Paitilla will be carried over the link from Cincuentenario to Via Israel with a new flyover.

Toll Plaza Capacity

Toll plaza capacity on Corredor Norte has become an increasingly important issue, especially at Tirahtas toll plaza. Traffic congestion is already serious in the morning peak period, and is most likely dampening demand. Part of the problem is the lack of electronic toll collection (ETC). Currently on Corredor Norte (May-July 2012) 38% of users pay by proximity card (PYCSA card) and 62% by cash. ENA has a strategy in place however to solve this problem, hopefully by the first quarter of 2013.

The **Metrobus** system, in a recent and highly successful campaign, in less than two weeks eliminated the use of cash on all of its buses via the introduction of pre-paid proximity cards, now of obligatory use for all Metrobus clients. The cards, in turn, can only be recharged at POS-equipped locations, currently numbering some 700, distributed throughout the city. ENA management, conscious of the significant toll plaza capacity constraints under which both corredores are currently operating and encouraged by the Metrobus's experience, has set itself a target of September 2012 to accomplish essentially the same objective: to eliminate, to the furthest extent possible, the use of cash on the Tollways. Cash-paying users, on Corredor Sur as well as on Corredor Norte, would be obliged to migrate to either proximity cards or to ETC (by ETC we mean 'Surexpress' in the Corredor Sur and a similar option to be introduced within a year for the Corredor Norte.)

The aforementioned strategy assumes:

- (i) The establishment of a network of POS-equipped locations throughout the city for the charge / recharge of the cards (or using all or part of the existing network of POS-equipped locations set up for the Metrobus), and
- (ii) only a highly limited (and expensive and/or penalized) options to re-charge the cards once in the tollways.

Further, in addition to the current, credit-card based post-payment methodology in place for the Surexpress product, ENA is working on a pre-paid ETC option based on the use of the CLAVE system's debit cards; i.e., CLAVE cardholders would be able to recharge their ETC accounts for one or both corredores at any ATM operated by the CLAVE system.

Assuming the technological, legal and cost hurdles can be successfully addressed, ENA estimates that the approximate toll-payment mix, in percentage terms, by the second quarter of 2013 would be the following:

• Cash	5.0% or less
• Proximity Cards	60 to 70%
• ETC	25 to 35%

These levels of electronic payment would represent an effective plaza capacity increase of around 50% over the existing situation, and existing capacity problems at Corredor Norte toll plazas would be reduced significantly, especially during the critical morning and early evening peak periods. Further migration to full ETC over time should further mitigate or even eliminate future toll plaza capacity issues as traffic on the Corredor Norte continues to grow and Phase IIB begins to operate.

Toll Tariffs

In all cases it has been assumed that toll tariffs will remain constant, and we have assumed zero inflation. The assumed tariffs for Corredor Norte Phase IIB have been described previously.

Albrook Mall – La Amistad Link

In January 2012 a new route was opened linking La Amistad/El Dorado junctions on Corredor Norte with Albrook Mall and destinations south. This is a direct competitor to Corredor Norte for these trip movements. The new route is comprised of existing roads, a new link, and grade separation of two key interchanges. Due to the opening coinciding with our traffic forecasts, it was too early to understand the impact of this route. It is likely to take six months for the new trip patterns to settle down; however the transaction data from January to July 2012 suggests that average daily volumes at Ascario have stabilised at around 15,000 per day. We have taken this as our forecasting assumption for 2012 therefore.



Figure 6.3 - Albrook Link. Created January 2012.

City Network Improvements

There are planned improvements to the non-tolled city highway network, particularly the grade-separation of a number of important intersections along Via Brasil and Simon Bolivar, as shown in Figure 6.4. These improvements will increase the capacity of these main routes, improve traffic flow and increase speeds (at least in the short term before the extra capacity is swallowed up by the release of suppressed traffic). This could have a significant negative impact on toll road volumes. We have been advised that these improvements are due to be completed between 2013 and 2015, and have incorporated this into the model accordingly. There is also a major improvement to Domingo Diaz planned, involving widening to 3 lanes in each direction and intersection improvements - which is due to open in 2014.

There is likely to be a positive impact on Corredor Norte traffic volumes during the construction period, as traffic restrictions on the city network worsen conditions in the short term and make Corredor Norte more attractive. Due to the difficulties in estimating and replicating these impacts, it was initially decided (conservatively) not

to include them in the traffic forecasts. Transaction data from the period May-July however indicated that the widening works on Domingo Diaz in particular are having a major (positive) impact on Corredor Norte traffic volumes. Information from the MOP estimates that this major disruption will last until late 2013, by when most of the bridge construction work will be completed. In addition, Metro construction works in the Cururú area, at the Western terminus of Corredor Norte, and on Corredor Norte Phase IIB, have led to a significant increase in truck volumes on Corredor Norte. For these reasons, the traffic forecasts for 2012 and 2013 have been adjusted upwards, based on the most recent observed CN transaction data (to end July 2012).



Figure E-4 Proposed City Highway Network (Intersections) Instrumented (Source: MOP)



Gonzalillo Link

We are advised that a state funded connection road is planned from the Brisas del Golf interchange on Corredor Norte to the Gonzalillo Highway to the north. This short link will provide direct access to a large development zone, which includes Brisas del Golf Norte, and development sites in northern Pedregal and Ernesto Cordoba. We have assumed that this link will be in place by January 1st 2014.



Figure 5-5: Gonzalillo Link Location

Panamá Metro System

It has been assumed in the Base Case that Metro Line 1 will open on January 1st 2014. Metro Line 1 will run North-South, roughly parallel to Corredor Norte as shown in Figure 2.6. Consequently the greatest impact of Metro line 1 will be felt on Corredor Norte traffic volumes. It has been assumed that Metro Line 2 (running east-west in the Via Espana/ Jose Arango corridor) will open in 2020. The impact of the Metro line(s) will be felt in two ways:

- Firstly, some people will be attracted out of their cars to use the Metro. The impact on Corredor Norte is more likely to be indirect – car drivers on the city network transferring to the Metro, thus attracting more toll road traffic onto the city network as a result of the freed space.
- Secondly, the Metro system and corresponding bus re-organisation should reduce the number of buses operating along the main routes such as Via Simon Bolivar and Via Espana, thus improving traffic conditions for other users.

The model does not directly incorporate the public transport network, so the impact of the Metro has been estimated based on similar experience elsewhere. For Metro Line 1, it has been assumed that demand for car traffic is reduced by 10% in the immediate Line 1 corridor, as a result of the two effects described above. By 2020 the 10% reduction is applied city-wide. This is an estimate of the "spot" impact on overall car traffic demand - the impact on the toll road corridors however will be diluted, as the impact is more likely to be indirect, rather than direct. Furthermore, the impact will reduce rapidly over time, as any freed road space will be consumed by the release of previously suppressed traffic.

Summary

The future year base case network assumptions are summarised in Table 6.1.

Issue	Assumption
Corredor Norte Phase IB	Opens Jan 1st, 2014
Corredor Sur Expansion	Opens Jan 1st, 2015
Toll Plaza Capacity	Tinajitas improvements in 2013 and migration to ETC as described in section 6.4 Corredor Sur plazas expanded in 2015
Toll Tariffs (existing sections)	No change
Toll Tariffs - CN Phase IB	\$1.25 at Las Lajas, \$1.25 at Manantitas
Inflation	0%
González Line	Opens Jan 1st, 2014
City Intersection Improvements	Intersection improvements 1,2,5,6,7,8,9 operational Jan 1 st 2013 Domingo Díaz widening opens Jan 1 st 2014 Remainder operational from Jan 1 st 2015
Metro Line 1	Opens 2014
Metro Line 2	Opens 2020

Table 6.1 Base Case Network Assumptions

6.2 Future Year Trip Matrices

Future year trips matrices were developed for forecast years 2012, 2013, 2014, 2015, 2020 and 2030, using the methodology described in Section 5. Traffic forecasts for interim years were derived through direct interpolation.

6.3 Route Choice Parameters

Route choice is determined in the model by combining time and cost for each potential route into a "generalized time" using the value of time to convert monetary costs into time. The toll, the operating costs and the travel time are included in the generalized time in the Panamá model, and as is common in congested networks, several routes between particular origins and destinations may have identical generalized costs. Note the operating cost for the toll road is lower than the free roads to represent the additional comfort and safety drivers derive from this type of high quality facility.

For future years most of the route choice parameters are assumed to remain constant. The exception is the value of time, which is projected to increase. As incomes rise, individuals become more willing to pay tolls in order to save time, effectively resulting in an increasing value of time over time. GDP/capita is typically used as a proxy for incomes. A value of time elasticity to GDP/capita of 0.50 has been assumed. The elasticity of value of time to income has been typically reported as lying somewhere between 0.3 and 1.0, and so 0.5 is considered a reasonable assumption, albeit on the conservative side. With population growth of approximately 2% per annum, and GDP growth of 3% to 6% per annum over the remainder of the forecast period, the value of time is projected to increase 1% to 4% per annum depending on the time period in question.

6.4 Suppressed and Generated Traffic

The high level of congestion and associated delays are thought to have constrained the historic growth in traffic in Panamá. As incomes rise, car ownership becomes possible for more of the population; although this has been constrained in Panamá as congestion limits the benefits of driving. Without new road infrastructure, this situation is expected to continue with traffic slowly growing, and the growth rate remaining constrained by the increasing traffic congestion. This constraint on traffic, known as trip suppression, is commonly observed when traffic congestion is severe.

The converse of trip suppression is traffic generation. Where new infrastructure results in a substantial reduction in travel times, trip making in the corridor increases. Drivers are able to take advantage of the new facility by changing their trip patterns and making new or longer trips that could not be made before the improvement to the highway network. Traffic generation is particularly marked where the new road results in a significant improvement in accessibility, such as will be provided by the extension to Corredor Norte. The opening of the extension is likely to result in both traffic generation and a release of suppressed demand.

Both the suppression and generation impacts on traffic are modelled using elasticities of demand to travel time. Research into traffic demand to travel time elasticities world-wide suggest a range of values between -0.2 and -1.0. The figure of -0.5 is often

used as a rule-of-thumb, and this is the value we have taken for this study. An elasticity of demand value of -0.5 means that if travel times across the network increase by an average of say 10% over the long-term, traffic demand will reduce by 5%. Conversely, a 10% reduction in travel times would result in a 5% increase in traffic demand. An elasticity value of -0.5 was used in the initial years of the forecast period, rising to -1.0 by the 2030.

The high elasticity value of -1.0 in 2030 is used for technical reasons. Within the network model, traffic volumes are not actually capped to the physical capacity of the highway network. If demand exceeds the capacity of any link, this traffic is still "allowed" on to this link, but with an unreasonably high travel time. A high elasticity value is used when the network reaches saturation point therefore to skim off excess demand and ensure that link capacities are not exceeded, and that predicted travel times remain reasonable.

7 Base Case Forecasts

The Base Case traffic forecasting assumptions are summarised in Section 7.1. The traffic and revenue forecasts themselves are summarised in Section 7.2. Commentary on the forecast is provided in Section 7.3.

7.1 Base Case Assumptions

The base case assumptions are summarised below in Table 7.1.

Variable		Assumption
Corredor Norte Phase IIB		Opens Jan 1st, 2014
Corredor Sur Expansion		Opens Jan 1st, 2015
Toll Plaza Capacity		Tinajitas improved in 2013, no constraints thereafter
ETC Assumptions		Migration to ETC as per section 6.1
Toll Tariffs (existing CN sections)		No change
Toll Tariffs - CN Phase IIB		\$1.25 at Las Lajas, \$1.25 at Maravillas
Inflation		0%
Gonzalillo Link		Opens Jan 1st, 2014
City Intersection Improvements		Open between Jan 1 st 2013 and Jan 1 st 2015, Domingo Diaz Widening Jan 1st 2014
Metro Line 1		Opens Jan 1 st 2014
Metro Line 2		Opens Jan 1 st 2020
Population Growth	2012-2020	1.9% per annum
	2020-2030	1.3% per annum
GDP Growth	2012	7.0%
	2013	6.5%
	2014	6.0%
	2015	5.5%
	2016	5.0%
	2017	4.5%
	2017-2020	4.0%
	2020-2030	3.0%
Elasticity VOT to GDP/capita		0.5

Table 7.1 Base Case Assumptions Summary

7.2 Base Case Forecasts

The base case traffic forecasts for key years are summarised in Table 7.3. The full forecasts can be found in Appendix A. Historic and projected total transactions are shown in Figure 7.1.

If required, the annual average daily traffic (AADT) forecasts may be converted to monthly average daily traffic (MADT) forecasts using the factors presented in Table 7.2.

Month	Factor
January	0.91
February	0.90
March	0.98
April	1.00
May	0.99
June	1.01
July	0.97
August	1.00
September	1.00
October	1.04
November	0.99
December	1.20

Table 7.2: AADT to MADT Conversion Factors

Toll Plaza	2012	2013	2014	2019	2020	2030
Acceso Villalae	15,200	18,200	18,100	21,000	30,400	46,100
Martin Sosa	13,500	12,300	11,100	11,700	14,600	18,900
Juan Pablo II	2,700	3,800	4,800	4,200	8,000	13,500
Urdaneta	1,500	1,100	1,000	800	800	2,000
Tg. Amistad	300	300	300	300	400	500
Patacón	17,000	14,000	18,400	15,300	18,100	22,100
Malden (to and from Panama)	8,800	10,000	9,800	10,900	13,600	25,000
Malden (to and from Tinajas)	1,600	1,900	1,600	1,800	2,000	6,000
Tinajas	42,900	31,500	33,300	34,900	72,700	90,000
Transmérica	7,600	8,700	8,100	5,000	9,100	16,100
Villa Luján	4,700	5,900	3,000	2,200	5,000	8,400
Las Lajas (Brisas del Golf)	18,300	22,900	27,400	30,700	32,000	75,300
Mazorotas		8,700	11,300	11,300	23,800	51,000
Total Average Daily Transactions	131,100	152,700	157,600	177,600	251,600	378,300

2012-2015	CAGR*	
	2015-2020	2020-2030
8%	8%	4%
-4%	5%	3%
12%	14%	5%
-13%	0%	10%
0%	6%	2%
3%	3%	2%
3%	7%	5%
3%	11%	2%
6%	6%	2%
-10%	13%	6%
4%	9%	6%
13%	11%	4%
	16%	8%
7%	6%	4%

* Compound Annual Growth Rate

Table 7.3. Proposed Annual Average Daily Transactions

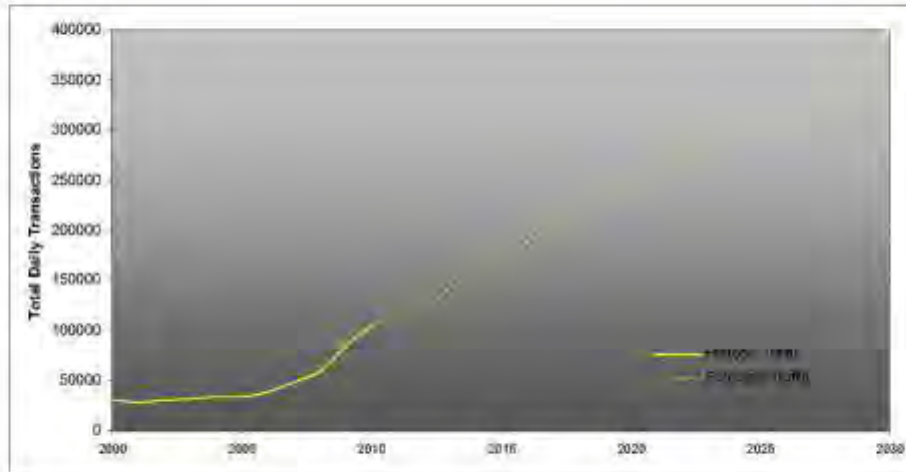


Figure 7.4 Historical and Projected (2011) Road Traffic Volumes

Forecasted annual revenues were calculated by multiplying the annual average daily traffic at each toll plaza by the weighted average toll by 365 (days).

Due to the relatively small number of buses and trucks on the two project roads, only a single vehicle class (all vehicles) was modelled. Therefore, weighted average toll rates were applied to the model outputs to derive the forecast revenues.

The weighted average tolls were calculated using the latest transaction data, and include the impact of varying proportions of different toll class vehicles at each plaza.

It has been assumed that the mix of vehicle classes at each plaza does not change over time, and that toll rates remain constant in real terms. The long term weighted average toll rates are shown in Table 7.4, and the projected annual revenues in Table 7.5. To account for the higher than normal construction related truck traffic in 2012 and 2013 (Metro and CN Phase IIB), higher average toll values have been applied in those years based on the actual observed weighted average tolls in July 2012.

Total revenue is forecasted to almost double between 2012 and 2020, reaching around \$125M in that year and \$184M by 2030 (all in 2011 prices).

Toll Plaza	Weighted Average Toll (2011 prices)
Azcario Villalaz	\$0.98
Martin Sosa	\$0.99
Juan Pablo II	\$0.51
Eldorado	\$0.25
La Amistad	\$0.25
Patacon	\$0.79
Madden (to and from Parana)	\$2.89
Madden (to and from Tirajitas)	\$2.20
Tirajitas	\$1.60
Transistmica	\$0.59
Villa Luzer	\$1.30
Las Lajas (Mainline)	\$1.31
Manaritas (Mainline)	\$1.30

Table 1-4. Long-Term Weighted Average Toll Rates (2011 Prices)

Toll Plaza	2012	2013	2014	2015	2016	2017
Azcenas Villalaz	\$3,680	\$7,170	\$6,591	\$7,340	\$10,950	\$16,760
Martin Sosa	\$4,950	\$4,670	\$4,010	\$4,220	\$5,280	\$6,620
Juan Pablo II	\$520	\$730	\$880	\$790	\$1,510	\$2,530
Eldorado	\$140	\$100	\$90	\$70	\$70	\$190
La Amistad	\$30	\$30	\$30	\$30	\$40	\$50
Pylarcon	\$4,150	\$4,250	\$4,160	\$4,420	\$5,240	\$6,260
Maldoy (to and from Panama)	\$9,320	\$10,960	\$10,350	\$13,310	\$16,520	\$26,400
Maldoy (to and from Trinidad)	\$1,260	\$1,520	\$1,260	\$1,440	\$2,410	\$4,610
Trinidad	\$25,260	\$20,240	\$21,060	\$31,900	\$42,460	\$52,440
Transistonia	\$1,590	\$1,620	\$880	\$1,080	\$1,960	\$3,490
Villa Leticia	\$2,270	\$2,790	\$1,430	\$1,320	\$2,380	\$4,090
Las Lajas	\$9,140	\$11,300	\$15,060	\$14,650	\$24,940	\$26,080
Marantitas			\$4,130	\$5,360	\$11,720	\$24,200
Total Annual Revenue	\$64,530	\$75,890	\$77,910	\$84,620	\$125,120	\$184,000

CAGR [†]		
2012-2015	2015-2020	2020-2030
7%	8%	4%
-4%	8%	8%
11%	14%	5%
-16%	0%	11%
0%	2%	2%
-2%	3%	2%
3%	7%	3%
3%	11%	7%
8%	8%	2%
-9%	10%	6%
-10%	9%	6%
12%	11%	4%
	16%	8%
7%	2%	4%

† Compound Annual Growth Rate

Table 4-3: Estimated Annual Revenue (2012-2030) (USD)

7.3 Commentary on the Forecasts

Table 7.3 shows that continued robust traffic growth, of 7%⁹ per annum on average, is expected on Corredor Norte in the period 2012-2015. This is a result of predicted strong economic growth, leading to healthy growth in traffic demand, which in turn is channelled on to the toll road network due to lack of capacity on the non-toll road network.

Looking at individual years, 2012 growth in transactions is affected by the impact of the El Dorado – Albrook Link, which is predicted to have a significant negative impact on volumes at Ascario Villalaz. This is illustrated by the “difference plot” shown in Figure 7.2. This plot shows the predicted change in AM peak traffic volumes on each link from 2011-2012. Red bars depict an increase in traffic, whilst green bars depict a reduction in traffic, and the width of the bars is directly related to the change in traffic volumes. Since there is one year of traffic growth between 2011 and 2012, we would normally expect narrow red bars on most links. The impact of network changes is shown clearly in terms of wide red and green bars.

⁹ This figure would be around 11% if the short-term impacts of Domingo Díaz construction works are removed.



Figure 7.2: Predicted change in traffic volumes 2011-2012

In 2013, the impact of capacity improvements at Tinajitas and the opening of the via Brasil corridor improvements are clear to see in Figure 7.3. The combination of these two, plus normal background traffic growth is estimated to boost total Norte transactions by around 18% in this year⁹.



Figure 7.3 Predicted change in traffic volumes 2012-2013

⁹ Excluding short-term construction work impacts

2014 is a very busy year in terms of assumed network changes. The opening of Phase IIB (and the Gonzalillo link) obviously has a positive impact on total Norte transactions, but the opening of Metro Line 1 and the widening of Domingo Díaz have negative impacts, as shown in Figure 7.4.



Figure 7.4 Predicted change in traffic volumes 2013-2014

The major network changes assumed in 2015 are the opening of the city network improvements in the Martín Sosa-Calle 43 Corridor, the Fernández de Córdoba-La Paz corridor and Avenue 12 October corridors and the expansion of Corredor Sur. The impact of these changes is shown clearly in Figure 7.5.



Figure 7.5 Predicted change in traffic volumes 2014-2015

Beyond 2015, there are no assumed network changes other than the opening of Line 2 of the Metro in 2020, which is predicted to have limited impact on highway volumes. The main feature of this period is the concentration of traffic growth in the toll road corridors, which is where most of the spare capacity is available. This is illustrated in Figure 7.6, which shows the predicted change in traffic volumes across the network between 2015 and 2020.

Capacity limitations on the network overall reduce average traffic growth rates on Norte in this period to around 8% per annum, and further to 4% per annum in the period 2020 to 2030. Spare capacity is a critical issue on Corredor Norte south of

Patacon Intersection where volumes are already approaching capacity in the base year AM Peak period. Widening the section between Patacon and Juan Pablo II or Martin Sosa would boost future year growth, and tie in with the Via Brasil city centre network improvement.



Figure 7.6 Predicted change in traffic volumes 2015-2020

8 Alternative Cases

8.1 Introduction

As well as the base case, a number of alternative cases have been tested in the traffic model, and forecasts of traffic and revenue developed for each case. These include a do-nothing case, a low case with more pessimistic assumptions, high case with more optimistic assumptions and a low GDP growth case. The low GDP case assumes GDP growth at 70% of the assumed base case growth rate (rounded to the nearest half percent). The assumptions in each case are compared to the base case in Table 8.1. Differences from the base case are highlighted in yellow.

Variable	Base Case	Do-Nothing	Low Case	High Case	Low GDP Case	
Corredor Norte Phase IB	Opens Jan 1st, 2014	not built	not built	as base case	as base case	
Corredor Sur Expansion	Opens Jan 1st, 2015	not built	as base case	not built	as base case	
Toll Plaza Capacity	Timetables improved in 2013, no constraints thereafter	no change from today	no change from today	as base case	as base case	
Toll Tariffs (existing sections)	No real increase, zero inflation assumed	as base case	as base case	as base case	as base case	
Toll Tariffs - CN Phase IB	\$1.25 (2011 prices) at Las Vegas, \$1.25 at Miraflores	n/a	n/a	as base case	as base case	
González Link	Opens Jan 1st, 2014	not built	not built	as base case	as base case	
City Intersection Improvements	Open between Jan 1 st 2013 and Jan. 1 st 2015. Domingo Diaz Widening Jan 1st 2014	no change from today	as base case	as base case	as base case	
Metro Line 1	Opens Jan 1 st 2014	not built	as base case	as base case	as base case	
Metro Line 2	Opens Jan 1 st 2020	not built	as base case	as base case	as base case	
Population Growth	2012-2020	1.9% per annum	as base case	as base case	as base case	
	2010-2030	1.3% per annum	as base case	as base case	as base case	
GDP Growth	2012	7.0%	as base case	as base case	as base case	5.0%
	2013	6.5%				4.5%
	2014	6.0%				4.0%
	2015	5.5%				4.0%
	2016	5.0%				3.5%
	2017	4.5%				3.0%
	2017-2020	4.0%				3.0%
2020-2030	3.0%	2.0%				
Elasticity VOT to GDP/capita	0.5	as base case	as base case	as base case	as base case	

Table 8.1 / Alternative Case Assumptions

8.2 Alternative Case Results

The revenue forecasts for the base case and each alternative case, for a selection of years, are shown in Table 8.2. The same information is shown graphically in Figure 8.1. Revenues are expressed in US\$ thousands, 2011 prices. The full traffic and revenue forecasts for each case can be found in Appendices A2 to A5.

Case	2012	2013	2014	2015	2020	2030
Base Case	\$64 370	\$75 380	\$77 910	\$84 620	\$125 120	\$184 000
Do-Nothing	\$58 190	\$66 410	\$72 520	\$79 800	\$107 970	\$140 480
Low	\$64 370	\$72 450	\$69 720	\$74 420	\$98 390	\$133 140
High	\$64 370	\$75 380	\$77 910	\$84 630	\$125 420	\$185 110
Low GDP	\$62 470	\$70 330	\$69 680	\$74 440	\$104 150	\$149 270
Difference from Base	2012	2013	2014	2015	2020	2030
Do-Nothing	-10%	-12%	-7%	-6%	-14%	-24%
Low	0%	-4%	-11%	-12%	-21%	-28%
High	0%	0%	0%	0%	0%	1%
Low GDP	-3%	-7%	-11%	-12%	-17%	-19%

Table B.2. Alternative Case Revenue Forecasts

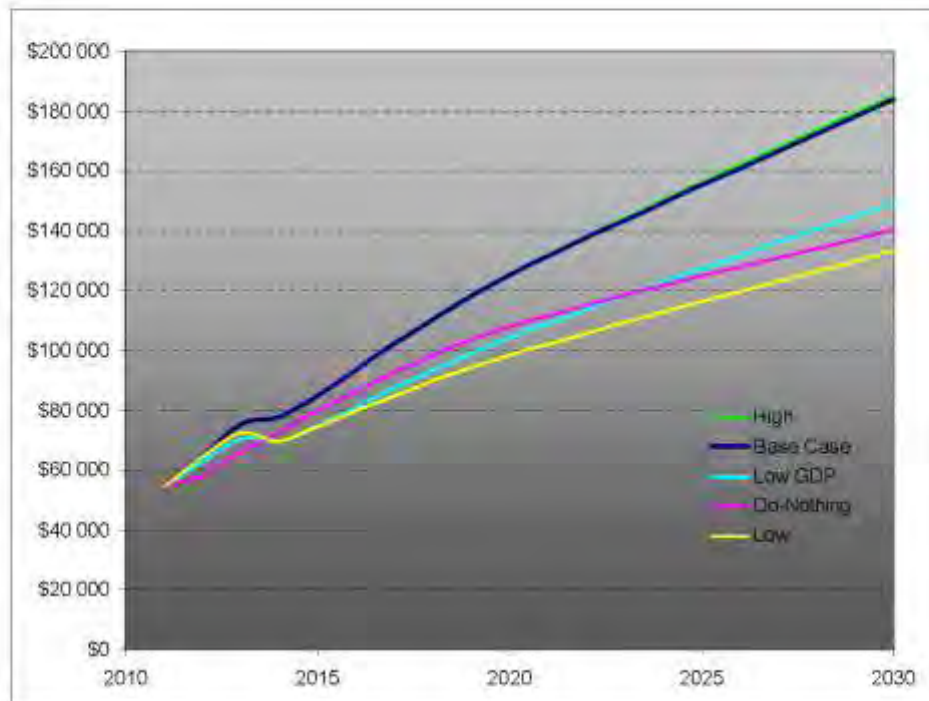


Figure B.1. Alternative Case Revenue Forecasts

The results show that in the low case, revenues are around 12% below the base case in 2015, falling to 28% below the base case by 2030. The corresponding figures for the do-nothing case are -6% and -24% respectively. The high case meanwhile is only marginally higher than the base case, only reaching +1% by 2030. The low GDP case sees revenues 12% below the base case in 2015, 17% below the base case in 2020 and 19% below the base case in 2030.

Appendix A

Traffic & Revenue Forecasts

A.3 Low Case Traffic & Revenue Forecasts

Annual Revenue Data Projections

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Admission	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Concessions	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Merchandise	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000

Weekly Revenue Data Projections

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Admission	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312
Concessions	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238
Merchandise	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238
Other	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238
Total	806	806	806	806	806	806	806	806	806	806	806	806	806	806	806	806	806	806	806	806	806

Annual Revenue @ 80% & 90% Levels

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Admission	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400
Concessions	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900
Merchandise	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900
Other	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900
Total	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100	13,100

A.4 High Case Traffic & Revenue Forecasts

Annual Revenue Daily Transactions

Year/Period	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Academy Admissions	11,529	12,391	13,253	14,115	14,977	15,839	16,701	17,563	18,425	19,287	20,149	21,011	21,873	22,735	23,597	24,459	25,321	26,183	27,045
Academy Fees	12,288	13,150	14,012	14,874	15,736	16,598	17,460	18,322	19,184	20,046	20,908	21,770	22,632	23,494	24,356	25,218	26,080	26,942	27,804
Academy-2	1,788	1,840	1,892	1,944	1,996	2,048	2,100	2,152	2,204	2,256	2,308	2,360	2,412	2,464	2,516	2,568	2,620	2,672	2,724
Admissions	1,188	1,240	1,292	1,344	1,396	1,448	1,500	1,552	1,604	1,656	1,708	1,760	1,812	1,864	1,916	1,968	2,020	2,072	2,124
La. Academy	324	336	348	360	372	384	396	408	420	432	444	456	468	480	492	504	516	528	540
Admissions	11,844	12,706	13,568	14,430	15,292	16,154	17,016	17,878	18,740	19,602	20,464	21,326	22,188	23,050	23,912	24,774	25,636	26,498	27,360
Admissions (Academy-2)	1,464	1,516	1,568	1,620	1,672	1,724	1,776	1,828	1,880	1,932	1,984	2,036	2,088	2,140	2,192	2,244	2,296	2,348	2,400
Admissions	6,738	7,104	7,470	7,836	8,202	8,568	8,934	9,300	9,666	10,032	10,398	10,764	11,130	11,496	11,862	12,228	12,594	12,960	13,326
Admissions	4,788	5,016	5,244	5,472	5,700	5,928	6,156	6,384	6,612	6,840	7,068	7,296	7,524	7,752	7,980	8,208	8,436	8,664	8,892
La. Acad	11,529	12,391	13,253	14,115	14,977	15,839	16,701	17,563	18,425	19,287	20,149	21,011	21,873	22,735	23,597	24,459	25,321	26,183	27,045
Admissions	11,529	12,391	13,253	14,115	14,977	15,839	16,701	17,563	18,425	19,287	20,149	21,011	21,873	22,735	23,597	24,459	25,321	26,183	27,045

Weekly Annual Daily Revenue (USD)

Year/Period	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Academy Admissions	\$1,152.9	\$1,239.1	\$1,325.3	\$1,411.5	\$1,497.7	\$1,583.9	\$1,670.1	\$1,756.3	\$1,842.5	\$1,928.7	\$2,014.9	\$2,101.1	\$2,187.3	\$2,273.5	\$2,359.7	\$2,445.9	\$2,532.1	\$2,618.3	\$2,704.5
Academy Fees	\$1,228.8	\$1,315.0	\$1,401.2	\$1,487.4	\$1,573.6	\$1,659.8	\$1,746.0	\$1,832.2	\$1,918.4	\$2,004.6	\$2,090.8	\$2,177.0	\$2,263.2	\$2,349.4	\$2,435.6	\$2,521.8	\$2,608.0	\$2,694.2	\$2,780.4
Academy-2	\$178.8	\$1,840.0	\$1,892.0	\$1,944.0	\$1,996.0	\$2,048.0	\$2,100.0	\$2,152.0	\$2,204.0	\$2,256.0	\$2,308.0	\$2,360.0	\$2,412.0	\$2,464.0	\$2,516.0	\$2,568.0	\$2,620.0	\$2,672.0	\$2,724.0
Admissions	\$118.8	\$1,240.0	\$1,292.0	\$1,344.0	\$1,396.0	\$1,448.0	\$1,500.0	\$1,552.0	\$1,604.0	\$1,656.0	\$1,708.0	\$1,760.0	\$1,812.0	\$1,864.0	\$1,916.0	\$1,968.0	\$2,020.0	\$2,072.0	\$2,124.0
La. Academy	\$324.0	\$336.0	\$348.0	\$360.0	\$372.0	\$384.0	\$396.0	\$408.0	\$420.0	\$432.0	\$444.0	\$456.0	\$468.0	\$480.0	\$492.0	\$504.0	\$516.0	\$528.0	\$540.0
Admissions	\$1,184.4	\$1,270.6	\$1,356.8	\$1,443.0	\$1,529.2	\$1,615.4	\$1,701.6	\$1,787.8	\$1,874.0	\$1,960.2	\$2,046.4	\$2,132.6	\$2,218.8	\$2,305.0	\$2,391.2	\$2,477.4	\$2,563.6	\$2,649.8	\$2,736.0
Admissions (Academy-2)	\$146.4	\$1,516.0	\$1,568.0	\$1,620.0	\$1,672.0	\$1,724.0	\$1,776.0	\$1,828.0	\$1,880.0	\$1,932.0	\$1,984.0	\$2,036.0	\$2,088.0	\$2,140.0	\$2,192.0	\$2,244.0	\$2,296.0	\$2,348.0	\$2,400.0
Admissions	\$673.8	\$7,104.0	\$7,470.0	\$7,836.0	\$8,202.0	\$8,568.0	\$8,934.0	\$9,300.0	\$9,666.0	\$10,032.0	\$10,398.0	\$10,764.0	\$11,130.0	\$11,496.0	\$11,862.0	\$12,228.0	\$12,594.0	\$12,960.0	\$13,326.0
Admissions	\$478.8	\$5,016.0	\$5,244.0	\$5,472.0	\$5,700.0	\$5,928.0	\$6,156.0	\$6,384.0	\$6,612.0	\$6,840.0	\$7,068.0	\$7,296.0	\$7,524.0	\$7,752.0	\$7,980.0	\$8,208.0	\$8,436.0	\$8,664.0	\$8,892.0
La. Acad	\$1,152.9	\$1,239.1	\$1,325.3	\$1,411.5	\$1,497.7	\$1,583.9	\$1,670.1	\$1,756.3	\$1,842.5	\$1,928.7	\$2,014.9	\$2,101.1	\$2,187.3	\$2,273.5	\$2,359.7	\$2,445.9	\$2,532.1	\$2,618.3	\$2,704.5
Admissions	\$1,152.9	\$1,239.1	\$1,325.3	\$1,411.5	\$1,497.7	\$1,583.9	\$1,670.1	\$1,756.3	\$1,842.5	\$1,928.7	\$2,014.9	\$2,101.1	\$2,187.3	\$2,273.5	\$2,359.7	\$2,445.9	\$2,532.1	\$2,618.3	\$2,704.5

Annual Revenue (USD, 2012-2030)

Year/Period	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Academy Admissions	\$11,529,000	\$12,391,000	\$13,253,000	\$14,115,000	\$14,977,000	\$15,839,000	\$16,701,000	\$17,563,000	\$18,425,000	\$19,287,000	\$20,149,000	\$21,011,000	\$21,873,000	\$22,735,000	\$23,597,000	\$24,459,000	\$25,321,000	\$26,183,000	\$27,045,000
Academy Fees	\$12,288,000	\$13,150,000	\$14,012,000	\$14,874,000	\$15,736,000	\$16,598,000	\$17,460,000	\$18,322,000	\$19,184,000	\$20,046,000	\$20,908,000	\$21,770,000	\$22,632,000	\$23,494,000	\$24,356,000	\$25,218,000	\$26,080,000	\$26,942,000	\$27,804,000
Academy-2	\$1,788,000	\$1,840,000	\$1,892,000	\$1,944,000	\$1,996,000	\$2,048,000	\$2,100,000	\$2,152,000	\$2,204,000	\$2,256,000	\$2,308,000	\$2,360,000	\$2,412,000	\$2,464,000	\$2,516,000	\$2,568,000	\$2,620,000	\$2,672,000	\$2,724,000
Admissions	\$1,188,000	\$1,240,000	\$1,292,000	\$1,344,000	\$1,396,000	\$1,448,000	\$1,500,000	\$1,552,000	\$1,604,000	\$1,656,000	\$1,708,000	\$1,760,000	\$1,812,000	\$1,864,000	\$1,916,000	\$1,968,000	\$2,020,000	\$2,072,000	\$2,124,000
La. Academy	\$324,000	\$336,000	\$348,000	\$360,000	\$372,000	\$384,000	\$396,000	\$408,000	\$420,000	\$432,000	\$444,000	\$456,000	\$468,000	\$480,000	\$492,000	\$504,000	\$516,000	\$528,000	\$540,000
Admissions	\$11,844,000	\$12,706,000	\$13,568,000	\$14,430,000	\$15,292,000	\$16,154,000	\$17,016,000	\$17,878,000	\$18,740,000	\$19,602,000	\$20,464,000	\$21,326,000	\$22,188,000	\$23,050,000	\$23,912,000	\$24,774,000	\$25,636,000	\$26,498,000	\$27,360,000
Admissions (Academy-2)	\$1,464,000	\$1,516,000	\$1,568,000	\$1,620,000	\$1,672,000	\$1,724,000	\$1,776,000	\$1,828,000	\$1,880,000	\$1,932,000	\$1,984,000	\$2,036,000	\$2,088,000	\$2,140,000	\$2,192,000	\$2,244,000	\$2,296,000	\$2,348,000	\$2,400,000
Admissions	\$6,738,000	\$7,104,000	\$7,470,000	\$7,836,000	\$8,202,000	\$8,568,000	\$8,934,000	\$9,300,000	\$9,666,000	\$10,032,000	\$10,398,000	\$10,764,000	\$11,130,000	\$11,496,000	\$11,862,000	\$12,228,000	\$12,594,000	\$12,960,000	\$13,326,000
Admissions	\$4,788,000	\$5,016,000	\$5,244,000	\$5,472,000	\$5,700,000	\$5,928,000	\$6,156,000	\$6,384,000	\$6,612,000	\$6,840,000	\$7,068,000	\$7,296,000	\$7,524,000	\$7,752,000	\$7,980,000	\$8,208,000	\$8,436,000	\$8,664,000	\$8,892,000
La. Acad	\$11,529,000	\$12,391,000	\$13,253,000	\$14,115,000	\$14,977,000	\$15,839,000	\$16,701,000	\$17,563,000	\$18,425,000	\$19,287,000	\$20,149,000	\$21,011,000	\$21,873,000	\$22,735,000	\$23,597,000	\$24,459,000	\$25,321,000	\$26,183,000	\$27,045,000
Admissions	\$11,529,000	\$12,391,000	\$13,253,000	\$14,115,000	\$14,977,000	\$15,839,000	\$16,701,000	\$17,563,000	\$18,425,000	\$19,287,000	\$20,149,000	\$21,011,000	\$21,873,000	\$22,735,000	\$23,597,000	\$24,459,000	\$25,321,000	\$26,183,000	\$27,045,000

A.5 Low GDP Case Traffic & Revenue Forecasts

Annual Revenue from Ticket Sales

Tail Piece	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Academy Awards	14,500	17,200	17,400	17,600	17,800	18,000	18,200	18,400	18,600	18,800	19,000	19,200	19,400	19,600	19,800	20,000	20,200	20,400
Golden Globes	11,500	13,200	13,400	13,600	13,800	14,000	14,200	14,400	14,600	14,800	15,000	15,200	15,400	15,600	15,800	16,000	16,200	16,400
Satellite Awards	1,500	1,800	1,850	1,900	1,950	2,000	2,050	2,100	2,150	2,200	2,250	2,300	2,350	2,400	2,450	2,500	2,550	2,600
BAFTA Awards	300	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510
Critics' Choice	10,000	11,500	11,700	11,900	12,100	12,300	12,500	12,700	12,900	13,100	13,300	13,500	13,700	13,900	14,100	14,300	14,500	14,700
Independent Spirit Awards	4,500	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800
MTV Movie Awards	1,000	1,200	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600	1,650	1,700	1,750	1,800	1,850	1,900	1,950	2,000
Screen Actors Guild	17,000	19,500	19,800	20,100	20,400	20,700	21,000	21,300	21,600	21,900	22,200	22,500	22,800	23,100	23,400	23,700	24,000	24,300
Teen Choice Awards	7,500	8,800	9,000	9,200	9,400	9,600	9,800	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600	11,800	12,000
WGA Awards	4,500	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800
Los Angeles	17,000	19,500	19,800	20,100	20,400	20,700	21,000	21,300	21,600	21,900	22,200	22,500	22,800	23,100	23,400	23,700	24,000	24,300
Memphis	1,000	1,200	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600	1,650	1,700	1,750	1,800	1,850	1,900	1,950	2,000
Total Total	117,000	137,700	139,000	140,300	141,600	142,900	144,200	145,500	146,800	148,100	149,400	150,700	152,000	153,300	154,600	155,900	157,200	158,500

Special Events Total Revenue (2011 - 2026)

Tail Piece	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Academy Awards	14,500	17,200	17,400	17,600	17,800	18,000	18,200	18,400	18,600	18,800	19,000	19,200	19,400	19,600	19,800	20,000
Golden Globes	11,500	13,200	13,400	13,600	13,800	14,000	14,200	14,400	14,600	14,800	15,000	15,200	15,400	15,600	15,800	16,000
Satellite Awards	1,500	1,800	1,850	1,900	1,950	2,000	2,050	2,100	2,150	2,200	2,250	2,300	2,350	2,400	2,450	2,500
BAFTA Awards	300	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490
Critics' Choice	10,000	11,500	11,700	11,900	12,100	12,300	12,500	12,700	12,900	13,100	13,300	13,500	13,700	13,900	14,100	14,300
Independent Spirit Awards	4,500	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600
MTV Movie Awards	1,000	1,200	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600	1,650	1,700	1,750	1,800	1,850	1,900
Screen Actors Guild	17,000	19,500	19,800	20,100	20,400	20,700	21,000	21,300	21,600	21,900	22,200	22,500	22,800	23,100	23,400	23,700
Teen Choice Awards	7,500	8,800	9,000	9,200	9,400	9,600	9,800	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600
WGA Awards	4,500	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600
Los Angeles	17,000	19,500	19,800	20,100	20,400	20,700	21,000	21,300	21,600	21,900	22,200	22,500	22,800	23,100	23,400	23,700
Memphis	1,000	1,200	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600	1,650	1,700	1,750	1,800	1,850	1,900
Total Total	117,000	137,700	139,000	140,300	141,600	142,900	144,200	145,500	146,800	148,100	149,400	150,700	152,000	153,300	154,600	155,900

Annual Revenue (\$'000, 2011 - 2026)

Tail Piece	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Academy Awards	14,500	17,200	17,400	17,600	17,800	18,000	18,200	18,400	18,600	18,800	19,000	19,200	19,400	19,600	19,800	20,000
Golden Globes	11,500	13,200	13,400	13,600	13,800	14,000	14,200	14,400	14,600	14,800	15,000	15,200	15,400	15,600	15,800	16,000
Satellite Awards	1,500	1,800	1,850	1,900	1,950	2,000	2,050	2,100	2,150	2,200	2,250	2,300	2,350	2,400	2,450	2,500
BAFTA Awards	300	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490
Critics' Choice	10,000	11,500	11,700	11,900	12,100	12,300	12,500	12,700	12,900	13,100	13,300	13,500	13,700	13,900	14,100	14,300
Independent Spirit Awards	4,500	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600
MTV Movie Awards	1,000	1,200	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600	1,650	1,700	1,750	1,800	1,850	1,900
Screen Actors Guild	17,000	19,500	19,800	20,100	20,400	20,700	21,000	21,300	21,600	21,900	22,200	22,500	22,800	23,100	23,400	23,700
Teen Choice Awards	7,500	8,800	9,000	9,200	9,400	9,600	9,800	10,000	10,200	10,400	10,600	10,800	11,000	11,200	11,400	11,600
WGA Awards	4,500	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600
Los Angeles	17,000	19,500	19,800	20,100	20,400	20,700	21,000	21,300	21,600	21,900	22,200	22,500	22,800	23,100	23,400	23,700
Memphis	1,000	1,200	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600	1,650	1,700	1,750	1,800	1,850	1,900
Total Total	117,000	137,700	139,000	140,300	141,600	142,900	144,200	145,500	146,800	148,100	149,400	150,700	152,000	153,300	154,600	155,900

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ANNEX II – INDEX TO COMBINED FINANCIAL STATEMENTS

	PAGE
Unaudited Combined Financial Statements of PYCSA Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.	
Combined statements of financial position as of June 30, 2012 and 2011	F-3
Combined statements of comprehensive income for the six months ended in June 30, 2012 and 2011	F-4
Combined statements of changes in equity for the six months ended June 30, 2012 and 2011	F-5
Combined statements of cash flows for the six months ended June 30, 2012 and 2011	F-6
Notes to Combined Financial Statements.....	F-7
Audited Combined Financial Statements of PYCSA Panamá, S.A. and Autovías, S.A.	
Independent Auditors' Report	F-24
Combined statements of financial position as of December 31, 2011, 2010 and 2009.....	F-26
Combined statements of comprehensive income for the years ended December 31, 2011, 2010 and 2009 ..	F-27
Combined statements of changes in equity for the years ended December 31, 2011, 2010 and 2009	F-28
Combined statements of cash flows for the years ended December31, 2011, 2010 and 2009	F-29
Notes to Combined Financial Statements.....	F-30

**Pycsa Panamá, S.A.,
Autovías, S.A. and Autopista
Norte, S.A.**

Unaudited Combined Financial Statements as at
June 30, 2012, and for the period of six months
then ended

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Combined statement of financial position

June 30, 2012

(Expressed in U.S. Dollars)

Assets	Notes	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Current assets:			
Cash	4	30,558,816	11,166,681
Trust funds for a specific use	8	4,110,128	12,518,543
Accounts receivable	5	3,963,574	4,094,029
Prepaid expenses and taxes		<u>58,763</u>	<u>102,821</u>
Total current assets		<u>38,691,281</u>	<u>27,882,074</u>
Non current assets:			
Concession intangible asset, net	6	330,650,512	328,962,435
Furniture, equipment and leasehold improvements, net		380,400	438,914
Accounts receivable from related parties	7	380,520	380,520
Prepaid tax		-	32,972
Other assets		<u>121,386</u>	<u>16,906</u>
Total non-current assets		<u>331,532,818</u>	<u>329,831,747</u>
Total assets		<u>370,224,099</u>	<u>357,713,821</u>
Liabilities and equity (position)			
Current liabilities:			
Borrowed funds	11	6,907	28,005,901
Accounts payable	9	6,673,066	10,330,711
Provision	10	2,851,851	-
Accounts payable to related parties	7	1,651,662	2,834,843
Accrued expenses payable		<u>1,374,287</u>	<u>201,012</u>
Total current liabilities		<u>12,557,773</u>	<u>41,372,467</u>
Non-current liabilities:			
Borrowed funds	11	-	314,416,938
Accrued interest payable	11	-	9,203,419
Provision for employee benefits		158,232	137,771
Total non-current liabilities		<u>158,232</u>	<u>323,758,128</u>
Total liabilities		<u>12,716,005</u>	<u>365,130,595</u>
(Position) Equity:			
Share capital	12	33,505,000	33,505,000
Capital contribution	13	348,047,770	-
Accumulated deficit		<u>(24,044,676)</u>	<u>(40,921,774)</u>
Total equity (position)		<u>357,508,094</u>	<u>(7,416,774)</u>
Total liabilities and equity (position)		<u>370,224,099</u>	<u>357,713,821</u>

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

**Combined statement of comprehensive income
For the six-months period ended June 30, 2012**

(Expressed in U.S. Dollars)

	Notes	Six months ended on June 30,	
		2012 (Unaudited)	2011 (Unaudited)
Toll revenues		28,530,414	25,905,186
Interest earned		102,149	29,843
Other income		100,568	112,077
Amortization of concession intangible asset	6	(4,884,067)	(4,173,903)
Operation and maintenance	7, 14	(2,703,520)	(2,547,302)
Other expenses	15	(499,837)	(590,931)
Financial expenses		<u>(2,427,284)</u>	<u>(8,770,926)</u>
Profit before tax		18,218,423	9,964,044
Income tax	16	<u>(1,341,325)</u>	<u>(2,138,733)</u>
Net profit		<u>16,877,098</u>	<u>7,825,311</u>

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Combined statement of changes in shareholders' equity (position)

For the six-months period ended June 30, 2012

(Expressed in U.S. Dollars)

	Notes	Share capital	Capital contribution	Accumulated deficit	Total
Balance at December 31, 2010 (Audited)	12	33,505,000	-	(23,059,138)	10,445,862
Net profit		-	-	7,825,311	7,825,311
Balance at June 30, 2011 (Unaudited)	12	33,505,000	-	(15,233,827)	18,271,173
Balance at December 31, 2011 (Audited)	12	33,505,000	-	(40,921,774)	(7,416,774)
Capital contribution	13	-	348,047,770	-	348,047,770
Net profit		-	-	16,877,098	16,877,098
Balance at June 30, 2012 (Unaudited)	12	33,505,000	348,047,770	(24,044,676)	357,508,094

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Combined statement of cash flows
For the six-months period ended June 30, 2012
(Expressed in U.S. Dollars)

	Notes	Six months ended on	
		June 30,	
		2012	2011
		(Unaudited)	(Unaudited)
Cash flows from operating activities:			
Net profit		16,877,098	7,825,311
Adjustments for:			
Depreciation and amortization		98,196	54,857
Amortization of concession intangible asset	6	4,884,067	4,173,903
Income tax expense		1,341,325	2,138,733
Financial expenses		2,427,284	8,770,926
		<u>25,627,970</u>	<u>22,963,730</u>
Movements in working capital			
Accounts receivable others		130,455	(1,328,267)
Prepaid expenses and taxes and other assets		(27,450)	(4,600,126)
Accrued expenses payable		31,247	(544,041)
Accounts payable		(5,582,106)	184,607
		<u>20,180,116</u>	<u>16,675,903</u>
Cash generated from operating activities		20,180,116	16,675,903
Income tax paid		(1,788,836)	(1,519,540)
Interest paid		(1,379,514)	(8,770,926)
		<u>15,621,766</u>	<u>6,385,437</u>
Net cash provided by operating activities		<u>15,621,766</u>	<u>6,385,437</u>
Cash flows from investing activities:			
Trust funds for a specific use		8,408,415	(6,987,645)
Concession intangible asset		(1,795,832)	(338,049)
Acquisition of furniture, equipment and leasehold improvements		(39,682)	(10,308)
Accounts receivable from related parties		-	1,356,829
		<u>6,572,901</u>	<u>(5,979,173)</u>
Net cash provided by (used in) investing activities		<u>6,572,901</u>	<u>(5,979,173)</u>
Cash flows from financing activities:			
Loans and overdraft with financial institutions		6,907	(793,479)
Borrowed funds		(1,626,258)	542,369
Accounts payable related parties		(1,183,181)	(42,092)
		<u>(2,802,532)</u>	<u>(293,202)</u>
Net cash used in financing activities		<u>(2,802,532)</u>	<u>(293,202)</u>
Net increase in cash		19,392,135	113,062
Cash at beginning of period		11,166,681	7,311,783
Cash at end of period	4	<u>30,558,816</u>	<u>7,424,845</u>
Additional disclosures of information about non-cash financing activities:			
Increase in capital contribution through decrease in borrowed funds	13	348,047,770	-
Increase in concession intangible asset and provision		2,851,851	-
Increase in concession intangible asset and accounts payable		1,924,641	-

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

1. General information

Pycsa Panamá, S.A. (Pycsa Panamá) is incorporated and operates in the Republic of Panama. Pycsa Panamá was organized with the main purpose of conducting the study, design, construction, maintenance and operation of the North Corridor and the Panama-Colón Highway under the terms of Concession Agreement No. 98 of December 29, 1994 (the "Concession Agreement") executed between the Republic of Panama and Pycsa Panamá. Pycsa Panamá was incorporated through Public Deed No. 8,246 of November 21, 1994. Pycsa Panamá is a wholly-owned subsidiary of Pycsa International, Ltd., which is incorporated and organized according to the laws of the Grand Cayman Islands.

Autovías, S.A. ("Autovías") is incorporated and operates in the Republic of Panama. Autovías was established with the main objective of carrying out the Administration of the North Corridor and the Panama-Colón Highway under the Administration and Operation Contract with Pycsa Panamá, S.A. of October 6, 1997. Autovías was incorporated through Public Deed No. 6,917 of October 1, 1996. Autovías is a wholly-owned subsidiary of Pycsa International, Ltd., which is constituted and organized under the laws of the Grand Cayman Islands.

Autopista Norte, S.A. ("Autopista Norte", together with Autovías and Pycsa Panamá, the "Company") is incorporated in the Republic of Panama and its objective is to receive certain assets in transfer from Pycsa Panamá, including the administrative concession granted by the Government of Panama to Pycsa Panamá in accordance with the Administrative Concession Contract No. 98 of December 29, 1994 and its respective addendums. See more details in the "Negotiation with the Panamanian Government" in this Note 1.

Pycsa Panamá's and Autovías' headquarters are located at Edificio Autovías, Avenida Universidad Tecnológica, Sub-District of Ancon.

The Panama-Colón Highway includes the Panama-Madden and Madden-Colón segments. The rights and obligations of the Concession Agreement, corresponding to the Madden-Colón segment were assigned to third parties through a private contract on June 29, 2006. This assignment was approved by the Ministry of Public Works on January 2, 2007.

The Company's operations are regulated under the Concession Agreement. The provisions on the management, administration and tariffs are established in said Concession Agreement. The Concession was granted under Law No. 5 of April 15, 1988 of the Republic of Panama, which authorized the collection of tolls through a Concession granted for a 30-year period.

The operation and maintenance of the North Corridor and Madden segment are carried out by Autovías, S.A. Autovías holds an Administration and Operating Agreement with Pycsa Panamá, which ends with the expiration of the Concession Agreement. The services provided by Autovías are paid with funds from the trust administered by F.W.L.A.-Financial Warehousing of Latin America, Inc. and trust accounts administered by Assets Trust & Corporate Services, Inc.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

Negotiations with the Panamanian Government:

On March 25, 2010, the Pycsa Group (integrated by Pycsa Panamá, S.A., Autovías, S.A. and Pycsa International, Ltd.) and the Panamanian State (the "State" or "Panamanian State") agreed to initiate the negotiations related to the sale-purchase agreement of all of the shares of Pycsa Panamá, S.A. and Autovías, S.A. As part of this process, on July 29, 2010 a Memorandum of Understanding was signed between Pycsa Group and the Panamanian State in order to formalize the mutual intention to undertake the due diligences and to negotiate the terms and conditions of the agreements and contracts required for the acquisition by the Panamanian State of the totality of shares of Pycsa Panamá, S.A. and Autovías, S.A., related to operation and exploitation activities of the North Corridor and the Panama-Colón Highway, under the terms of Concession Agreement No. 98 of December 29, 1994 and the corresponding amendments.

The most significant topics of the Memorandum of Understanding are summarized as follows:

- It is recognized that Pycsa International, Ltd. is the exclusive and sole owner of the issued and outstanding shares which comprise 100% of the share capital of Pycsa Panamá, S.A. and Autovías, S.A.
- That the Panamanian State has the intention to create an entity named Empresa Nacional de Autopistas ("ENA") that will be in charge by itself or through subsidiaries, of the management, supervision and/or administration of highways under the toll system.
- That the Panamanian State has expressed its intention, and Pycsa International, Ltd. has so accepted, that ENA will acquire the totality of shares of Pycsa Panamá, S.A. and Autovías, S.A.
- That Pycsa Panamá, S.A. has to negotiate with its creditors and perform a restructuring of its payment obligations to redeem the totality of the corporate bonds and/or debt instruments issued, the loan contracts held and their existing financial liabilities, as well as the partial redemption of shares issued by Pycsa Panamá, S.A., and consolidate everything in a single debt with only one creditor of Pycsa Panamá, S.A. for the total amount of \$350,000,000.00 (Three hundred fifty million U.S. dollars), amount that will include all expenses, fees of any kind, additional payments, indemnities, penalties due to anticipated redemption, redemption price, interests, commissions, taxes, rights, rates, accessories and in general, all costs, charges and expenses incurred or that might be incurred due to the anticipated redemption of corporate bonds and/or debt instruments, the restructuring of financial obligations and redemption of shares, as well as all costs, charges and expenses incurred or that might be incurred due to the liberation of liens of any kind on assets (movable or fixed) including any preventive measure, executive or restricting access to the free exercise of ownership, shares, assets, contracts and rights in general of Pycsa Panamá, S.A.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

- That the Memorandum of Understanding became ineffective over time; however, Pycsa Panamá, S.A. and the Panamanian State continued negotiations so that the latter, through Empresa Nacional de Autopista, S.A., would acquire certain assets of Pycsa Panamá, S.A., including the Concession and the Concession Agreement.

As a result of these negotiations, on April 3, 2012, Pycsa Panamá, S.A., Inglewood Financial, Inc. (“Inglewood”), Autopista Norte, S.A. and Empresa Nacional de Autopistas, S.A. signed a Capitalization Agreement with the purpose that Pycsa Panamá, S.A., with Inglewood’s consent as its only creditor, and before certain events had occurred, including the authorization of the Ministry of Public Works and the Cabinet Council, proceeded to contribute, assign and transfer to Autopista Norte, S.A., as a capital contribution to it, the assets listed in the Capitalization Agreement, including the Concession and the Concession Agreement, free of encumbrances, according to its design, status and conditions at the transfer date of the Concession and subject to the provisions of said Agreement. In exchange for the transfer of assets to Autopista Norte, Pycsa Panamá obtains the right to receive shares representing 100% of the authorized capital of Autopista Norte, S.A., comprising 300 Class A common shares and 350 Class B common shares, which are to be received once the conditions set forth in the Capitalization Agreement are complied with. On the date of the Capitalization Agreement, as payment of the debt that Pycsa Panamá had with Inglewood, Pycsa Panamá assigns and transfers its right to receive the 350 Class B shares to Inglewood, and the debt is declared ceased because it was paid.

Through the Capitalization Agreement, Panama Pycsa agrees and Inglewood consents (consent granted in exchange for the assignment of rights of shares on Autopista Norte, S.A.), so that Panama Pycsa proceeds to contribute, assign and transfer to Autopista Norte, S.A., as a capital contribution to it (and in exchange for the right to receive the shares as provided in Section 2.02 of the Capitalization Agreement), the assets listed in Annex A of the Capitalization Agreement, including the Concession and Concession Agreement, free of encumbrances, in accordance to its design, status and conditions on the Transfer Date of the Concession and subject to the provisions of the Capitalization Agreement.

The capital contribution will be completed at the date on which each and every one of the following events (the “Transfer Date of the Concession”) has occurred:

- a) That a notice, according to the model attached to the Capitalization Agreement, has been published in the Official Gazette and in a national newspaper, for three (3) consecutive days, and that forty-five (45) days have passed from the following day after the first publication thereof;
- b) That once the aforementioned publication and the period previously indicated has passed, no lawsuit or claim had been filed against the consideration that Pycsa Panamá would receive from the operations referred to in this agreement, or any lawsuit or claim

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)
For the period of six months ended on June 30, 2012
(Expressed in United States dollars)

with the purpose to oppose, or impede, the operations which are referred to in this agreement.

However, it is agreed and understood that if such lawsuit or claim would have been filed, Pycsa Panamá shall exercise one of the remedies provided under Article 782 of the Commercial Code in order to prevent the action of the creditors.

- a) That Pycsa Panamá and Inglewood have terminated the Pycsa Debt Trusts and instructed the Trustees thereof, under the terms provided in the models attached to the Capitalization Agreement, to transfer the rights assigned on the Concession to the Trustee of the Share Trust.
- d) That all and any necessary government approvals have been obtained for the transfer of the Concession, including without limitation, from the Ministry of Public Works and the Cabinet Council, and the corresponding addendum to the Concession Agreement has been signed and endorsed by which it is evident that the new concessionaire is Autopista Norte.
- e) That the Share Trust has been signed and endorsed by the Office of the Comptroller General of the Republic.
- f) That the Guarantee Trust has been signed and endorsed by the Office of the Comptroller General of the Republic.
- g) That the Stock Purchase-Sale Agreement has been signed and endorsed by the Office of the Comptroller General of the Republic.

On May 9, 2012, Pycsa Panamá, S.A. and Inglewood Financial Inc. as trustors and temporary beneficiaries, Empresa Nacional de Autopistas, S.A. (ENA) as primary beneficiary, and MMG Trust S.A. as trustee, with the participation of Autopista Norte, S.A., signed an irrevocable trust agreement whose main purpose is to guarantee the implementation and perfection of certain transactions to be covered by a Stock Purchase Agreement.

On May 9, 2012, Pycsa Panamá, S.A. and Inglewood Financial, Inc. as vendors, and Empresa Nacional de Autopistas, S.A. (ENA) as purchaser, with the participation of MMG Trust, S.A., acting as trustee, signed a contract for the purchase-sale of shares of Autopista Norte S.A., a contract that is subject to the fulfillment of certain terms and conditions to be realized, including payment of the price thereof.

On June 1, 2012, Pycsa Panamá, S.A. as trustor, Empresa Nacional de Autopistas, S.A. (ENA) as primary beneficiary, and MMG Trust, S.A., as trustee, entered into a Guarantee Trust contract to guarantee the Primary Beneficiaries of certain payment obligations of Pycsa

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited) For the period of six months ended on June 30, 2012 (Expressed in United States dollars)

Panama, S.A. as a consequence of the agreements and conditions set forth in the Stock Purchase-Sale Agreement referred to above.

The agreements referred to in the aforementioned contracts, are awaiting the fulfillment of the events and conditions to which they were subjected to.

Through Cabinet Resolution No. 61 from June 19, 2012, the Panamanian State authorized the Ministry of Public Works to subscribe Addendum No. 7 to the Concession Contract No. 98 of December 29, 1994, by which Pycsa Panamá, S.A. will assign and transfer the Concession to Autopista Norte, S.A., and in turn will assign and transfer in trust to MMG Trust, S.A., in its capacity as trustee, the rights of the Concession. In connection with the above, once all encumbrances over the Concession are cleared, and approval from the Ministry of Public Works is obtained, Pycsa Panamá will transfer all rights over the Concession to MMG Trust, S.A., acting as trustee of the Share Trust.

According to the Capitalization Agreement, Pycsa Panamá and Autovías have agreed that the Autovías Operation and Maintenance Agreement and the Autovías Operation Agreement of the Tinajitas - Brisas del Golf Tranche, will be terminated effective on the date that Autopista Norte, S.A. (or any Affiliate, successor or assignee thereof) formally notifies Autovías of the termination, which shall occur within fifteen (15) days following the Payment Date ("Autovías Termination Date"), thus Autovías shall provide the service to Autopista Norte (or any Affiliate, successor or assignee thereof) between the Transfer Date of the Concession and the Autovías Completion Date under the rights granted to the Share Trust and said termination shall be completed without any responsibility whatsoever to Pycsa Panamá, Empresa Nacional de Autopista, S.A., Autopista Norte, or any Affiliate, successor or assignee thereof, and there are no outstanding payment obligations or of another nature according to said contracts.

2. Standards and interpretations issued but not yet effective

The following standards and interpretations were issued but are not effective:

<u>Standard and interpretation</u>	<u>Effective Date</u>
• IFRS 9 - Financial Instruments	January 1, 2013.
• IFRS 10 - Consolidated Financial Statements	January 1, 2013.
• IFRS 11 – Joint Arrangements	January 1, 2013.
• IFRS 12 – Disclosures of Interest in Other Entities	January 1, 2013.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

- IFRS 13 – Fair Value Measurement January 1, 2015.
- IAS 19 – Employee Benefits (Revised in 2011) January 1, 2015.

Management anticipates that all Standards and Interpretations will be adopted in the financial statements of the next accounting periods. Management has not yet evaluated the potential impact of the adoption of these amendments.

3. Significant accounting policies

The interim combined financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34"), under the historical cost basis. The same accounting policies, presentation and computation methods have been followed in the accompanying combined financial statements as compared to the most recent annual combined interim financial statements. The accompanying interim combined financial statements contain all adjustments, including adjustments of normal and recurring nature, necessary for a fair presentation of the financial position and results of operations. The results for interim periods are not necessarily indicative of annual results. Therefore, the combined financial statements and unaudited notes must be read together with the annual audited combined financial statements of the Company. The significant accounting policies are as follows:

3.1 Basis of presentation

The combined financial statements have been prepared under the historical cost basis. The combined financial statements have been prepared from systematized accounting records maintained by the Company.

3.2 Basis of combination

The combined financial statements include the assets, liabilities, equity and results accounts of the companies mentioned in Note 1. These companies are part of a group of companies that are combined because they keep joint shareholders and management. All balances and transactions between companies have been eliminated for combination purposes.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

3.3 Main sources of estimation and responsibility for the combined financial statements

The preparation of the combined financial statements in accordance to IAS 34 requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Management reviews these estimates on an ongoing basis using currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates.

4. Cash

Cash is detailed as follows:

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Fixed cash fund	18,586	18,586
Current accounts:		
Banco Universal, S.A.	751,647	1,926,065
HSBC Bank (Panamá), S.A.	-	1,904
Merrill Lynch International & Co.	<u>29,788,583</u>	<u>9,220,126</u>
Total	<u>30,558,816</u>	<u>11,166,681</u>

5. Accounts receivable

As at June 30, 2012, accounts receivable include an amount of \$3,816,493 corresponding to toll revenues not collected during the “Decembrino Operation” according to instructions from the Ministry of Public Works.

As at June 30, 2012, through note DM-DIP-046, the Ministry of Public Works requested from the Ministry of Economy and Finance the necessary resources to make the payment in the amount of \$3,816,493.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)
For the period of six months ended on June 30, 2012
(Expressed in United States dollars)

6. Concession intangible asset

Concession intangible asset is detailed as follows:

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Concession intangible asset in use:		
Cost:		
Construction of the North Corridor and Madden segment	261,379,949	259,292,033
Interests and guarantees	47,155,896	47,155,896
Study, technical assistance and design	77,198,336	77,198,336
Toll equipment	939,312	939,312
Total cost	<u>386,673,493</u>	<u>384,585,577</u>
Accumulated amortization:		
Amortization at January 1:		
Corridor North	(34,639,647)	(28,372,759)
Madden segment	(20,983,495)	(18,182,385)
Amortization for the period:		
North Corridor	(3,407,427)	(6,266,897)
Madden segment	(1,476,640)	(2,801,110)
Total accumulated amortization	<u>(60,507,209)</u>	<u>(55,623,142)</u>
Works not available for use	<u>4,484,228</u>	<u>-</u>
Concession intangible asset in use, net	<u>330,650,512</u>	<u>328,962,435</u>

The amortization expense was included in the line item "amortization of concession intangible asset" in the combined statement of comprehensive income.

As at June 30, 2012, the increase in the concession intangible asset corresponds to recorded indemnities due to affectations from land obtained in the amount of \$2,087,916, embankment stabilization works for \$2,851,851, and building of a ramp for \$1,632,377.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

7. Balances and transactions with related parties

The following balances are included in the combined statement of financial position:

Balances between related parties:	Related companies	
	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Assets:		
Accounts receivable:		
Constructora Vial, S.A.	378,520	378,520
Electrovías, S.A.	<u>2,000</u>	<u>2,000</u>
Total	<u>380,520</u>	<u>380,520</u>
Liabilities:		
Accounts payable:		
Pycsa International, Ltd.	1,200,000	1,200,000
Constructora Vial, S.A.	<u>451,662</u>	<u>1,634,843</u>
Total	<u>1,651,662</u>	<u>2,834,843</u>

8. Trust funds for a specific use

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Financial Warehousing of Latin America, Inc.	2,342,800	11,844,275
Assets Trust - Banco Universal, S.A. - Phase II	<u>1,767,328</u>	<u>674,268</u>
Total	<u>4,110,128</u>	<u>12,518,543</u>

9. Accounts payable

As at June 30, 2012, accounts payable include indemnities payable in the amount of \$6,470,297, corresponding to land impacts, on which there are contingencies, and Pycsa Panamá, S. A. has signed resolution agreements with the parties to obtain ownership thereof.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

10. Provision

As at June 30, 2012, the provision for \$2,851,851 corresponds to estimated costs which will be incurred to give the North Corridor the service condition specified by the Panamanian State before being delivered to the latter by the Company, for stabilization works of 3 Embankments of the North Corridor located in El Mirador, Golf Club and Zárate Branch, within the main Phase II.

11. Borrowed funds

A summary of borrowed funds is as follows:

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Banco Universal		
Authorized temporary overdraft	6,907	-
Inglewood Financial, Inc.:		
Loan balance with maturity on July 2021 and fixed annual interest rate of 5%.	-	106,391,245
Loan balance with maturity on July 2021 and fixed annual interest rate of 5%.	-	73,943,503
Commercial loan balance with maturity on January 2018 and fixed annual interest rate of 5%.	-	10,088,091
Loan balance with maturity on July 2020; does not generate interest.	-	152,000,000
	<u>6,907</u>	<u>342,422,839</u>
Total	6,907	342,422,839
Current	<u>(6,907)</u>	<u>(28,005,901)</u>
Long term	<u>-</u>	<u>314,416,938</u>

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

As mentioned in Note 1, on April 3, 2012, Pycsa Panamá, S.A., Inglewood Financial, Inc., Autopista Norte, S.A. and Empresa Nacional de Autovías, S.A. (ENA) entered into a Capitalization Agreement so that Pycsa Panamá, S.A. with Inglewood's consent as the only creditor, and prior to certain events occurring, including the authorization of the Ministry of Public Works and the Cabinet Council, shall proceed to contribute, assign and transfer to Autopista Norte, S.A., as a capital contribution hereto, the assets listed in said Agreement, including the Concession and Concession Agreement, free of encumbrances, according to its design, status and conditions at the date of transfer of the Concession and subject to the provisions of said Agreement. In exchange for the transfer of assets to Autopista Norte, Pycsa Panamá obtains the right to receive shares representing 100% of the authorized capital of Autopista Norte, S.A., comprising 300 Class A common shares and 350 Class B common shares, to be received upon complying with the conditions set forth in the Capitalization Agreement. On the date of said Agreement, as payment to the debt that Pycsa Panamá had with Inglewood, Pycsa Panamá assigns and transfers its right to receive the 350 Class B shares to Inglewood, and the debt is declared ceased, because it was paid, at the date the Capitalization Agreement was signed.

12. Share capital

Share capital is comprised as follows:

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
<u>Pycsa Panamá, S.A.</u>		
Authorized, issued and outstanding 3,350,000 Class B shares with a nominal value of \$10 each.	<u>33,500,000</u>	<u>33,500,000</u>
<u>Autovías, S.A.</u>		
Authorized, issued and outstanding 500 common shares, without nominal value.	<u>5,000</u>	<u>5,000</u>

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

13. Capital contribution

According to the Capitalization Agreement signed on April 3, 2012 between Pycsa Panama, S.A., Inglewood Financial, Inc., Autopista Norte, S.A. and Empresa Nacional de Autopista, S.A. (ENA), Pycsa Panamá pledged to contribute to Autopista Norte, S.A., as a capital contribution, the assets listed in said Agreement, including the Concession and the Concession Agreement, free of Encumbrances, in accordance to its design, status and conditions on the date of transfer of the Concession and subject to the provisions of said Agreement. In exchange for the transfer of assets to Autopista Norte, Pycsa Panamá obtained the right to receive shares representing 100% of the authorized capital of Autopista Norte, S.A., comprising 300 Class A common shares and 350 Class B common shares, to be received upon satisfaction of the conditions set forth in the Capitalization Agreement. At the date of said Agreement, and as detailed in the Capitalization Agreement, as payment to the debt Pycsa Panamá had with Inglewood, Pycsa Panamá assigns and transfers its right to Inglewood to receive the 350 Class B shares, and the debt is declared ceased because of its payment, at the date of signing the Capitalization Agreement. The amount of Pycsa Panamá's debt with Inglewood, as at April 3, 2012, including interest payable, was for \$348,047,770. Capital contributions correspond to the commitment made by Autopista Norte, S.A. to issue 350 Class B common shares to Inglewood, once Pycsa Panamá has made the asset contribution previously mentioned, and has complied with the conditions mentioned in the Capitalization Agreement.

14. Operating and maintenance expenses

Operating and maintenance expenses are detailed below:

	June 30, 2012 (Unaudited)	June 30, 2011 (Unaudited)
Salaries	946,846	825,312
Professional fees	88,377	29,841
Major maintenance	548,931	780,822
General taxes	216,414	191,404
Depreciation and amortization	98,196	54,857
Advertising, courtesies and commitments	249,349	198,218
Other expenses	555,407	466,848
	<u>2,703,520</u>	<u>2,547,302</u>
Total	<u>2,703,520</u>	<u>2,547,302</u>

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)
For the period of six months ended on June 30, 2012
(Expressed in United States dollars)

15. Other expenses:

Other expenses are detailed as follows:

	June 30, 2012 (Unaudited)	June 30, 2011 (Unaudited)
Professional fees	421,765	237,659
General taxes	30,000	33,015
Legal and notarization expenses	3,328	958
Donations	1,597	1,597
Fines and surcharges	8,968	166,979
Other miscellaneous expenses	<u>34,179</u>	<u>150,723</u>
 Total	 <u>499,837</u>	 <u>590,931</u>

16. Income tax

	June 30, 2012 (Unaudited)	June 30, 2011 (Unaudited)
Profit before tax	<u>18,218,423</u>	<u>9,964,044</u>
 Income tax expense calculated at 25%	 2,277,303	 1,079,168
Less: Effect of non-taxable income and other incentives	(939,577)	(459,975)
Plus: Effect of non-deductible expenses	<u>3,599</u>	<u>-</u>
 Income tax expense	 1,341,325	 619,193
Income tax expense for previous periods	<u>-</u>	<u>1,519,540</u>
Total income tax expense	<u>1,341,325</u>	<u>2,138,733</u>

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

17. Commitments and contingencies

Lawsuits

There is a lawsuit of ordinary proceeding of greater amount filed by Jorge Miguel Melgarejo Haddad, Juan Arturo Melgarejo Haddad and Javier Eduardo Melgarejo Haddad against Pycsa Panamá, Autovías and others, process established in the Third District Court of the First Circuit of Panama, Civil Branch. The Companies have contested the lawsuit and have brought by incidents of absolute nullity because of different jurisdiction and incident for lack of competence, accepted by the Trial Judge. A favorable ruling is expected for the Companies.

There is a lawsuit of ordinary proceeding of greater amount at the Seventh Civil District Court between Caja de Ahorros and Pycsa Panamá, S.A. for the amount of \$11,337,830. A legal compromise is waiting to be signed, resulting from reaching a satisfactory agreement between the parties by which the single sum of \$1,626,000 shall be paid in favor of the Caja de Ahorros, of which \$1,426,000 have already been paid. As at June 30, 2012, Pycsa Panamá, S.A. has a provision recorded for \$200,000.

Pycsa Panamá S.A. was sued through an ordinary proceeding of greater amount filed by Cazago, S.A. for \$1,787,500 for affecting a property owned by the plaintiff. The sentence of the first instance ruling is for \$825,000 in compensation, plus \$82,000 in costs, and there is a sequester requested. Allegations on appeals in second instance are pending. Pycsa Panamá, S.A. has recorded a provision for \$1,787,500.

Pycsa Panamá, S.A. was sued by Juan Melgarejo through an ordinary proceeding of greater amount for \$2,400,000. On July 27, 2012, it obtained a favorable ruling passed by the Second Court of the First Circuit of Panama, Civil Branch.

Administrative Law Process 807-09, Third Chamber of the Supreme Court for \$204,369 against Autovías, S.A. Process was completed, pending ruling. The result is likely to be favorable to Autovías, S.A. The contested acts are validated with the certification issued by the Director General of Revenue of the Ministry of Economy and Finance dated March 27, 2000 certifying Autovías, S.A. as a beneficiary of the tax benefits set forth in paragraph 2 of Article 23 of Law No. 5 of 1988 and paragraph 2 of the 5th section of Administrative Concession Contract No.98 of December 29, 1994.

Labor process in Conciliation Board and decision against Autovías, S.A., presented by José Valdés for \$2,060; the worker claims unfair dismissal, pending hearing.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)

For the period of six months ended on June 30, 2012

(Expressed in United States dollars)

Labor processes in Conciliation Board and decision against Autovías, S.A., presented by workers Octavio Aizprúa and Xiomara Araúz claiming \$7,749 and \$5,611, respectively, for unfair dismissal, compensation and back wages. The Board issued the ruling in favor of the workers; an appeal was presented with the Superior Labor Court. Autovías, S.A. has a provision recorded for \$13,360.

Commitments

Panama Pycsa has the obligation to both acquire and transfer to the Panamanian Government at its cost, the property title to all lands affected by the construction of the North Corridor or its easements which it had not acquired and transferred to the Panamanian Government at the date of the Stock Purchase-Sale Agreement. No later than the Transfer Date of the Concession, Pycsa Panamá must have signed with the owners of the affected properties the final and irrevocable agreements for the purchase of the lands. In case the certification and acquisition process of said lands cannot be completed by the Transfer Date of the Concession, Pycsa Panamá is committed to make every effort to complete the above processes, including making payments as agreed in accordance to the provisions in the respective agreements, and if they do not establish the payment date, Pycsa Panamá will have to make them so as not to delay or hinder the titling process. Any dispute relating to lands affected by the North Corridor shall be Pycsa Panamá's responsibility, including all payments to be generated to third parties in connection therewith. With respect to the above mentioned lawsuits, Pycsa Panamá shall make its best efforts to achieve judicial processes that would allow meeting its obligation to transfer the titles to the Panamanian Government of all lands affected by the construction of the North Corridor within thirty (30) days following the Payment Date at the latest. In case of failure to achieve the above, ENA can reach a payment agreement with the owners of the lands affected by Pycsa Panamá and may, at ENA's option, use the amounts deposited in the Guarantee Trust to meet the agreements or directly claim to Pycsa Panamá the amounts agreed to acquire the specific property titles, which must be paid by Pycsa Panamá no later than five (5) business days after such request.

At June 30, 2012, Pycsa Panamá is pending to acquire immovable properties that comprise the North Corridor easement required for its operation, to ensure that the owners of the lands transfer the properties to the Panamanian Government.

Additionally, Pycsa Panamá is required to transfer to the Panamanian Government, at its own cost and free of charge, all immovable properties comprising the North Corridor easement.

Pycsa Panamá, S.A., Autovías, S.A. and Autopista Norte, S.A.

Notes to the combined financial statements (Unaudited)
For the period of six months ended on June 30, 2012
(Expressed in United States dollars)

18. Subsequent Events

Through Cabinet Resolution No. 114 dated August 28, 2012, the Panamanian Government acknowledged account payable in the amount of \$3,816,493 in favor of Pycsa Panamá for uncollected tolls due to the Decembrino Operation, and authorized the Ministry of Public Works to make such payment.

* * * * *



**Pycsa Panamá, S.A. and
Autovías, S.A.**

(Wholly-owned subsidiaries of Pycsa International, Ltd.)

Combined Financial Statements for the years
ended December 31, 2011, 2010 and 2009 and
Independent Auditors' Report

A member firm of
Deloitte Global Network

INDEPENDENT AUDITORS' REPORT

To the Shareholder and Board of Directors of
Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-owned subsidiaries of Pycsa International, Ltd.)

We have audited the accompanying combined financial statements of Pycsa Panamá, S.A. and Autovías, S.A. (together the "Company"), which comprise the combined statement of financial position as of December 31, 2011, 2010 and 2009 and the combined statements of comprehensive income, changes in (position) equity and cash flows for each of the three years then ended, and a summary of significant accounting policies and other explanatory notes. The combined financial statements include the accounts of Pycsa Panamá, S.A. and Autovías, S.A., entities under the control of Pycsa International, S.A. and under joint management.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards, and for the internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the combined financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

Deloitte

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Pycsa Panamá, S.A. and Autovías, S.A. as of December 31, 2011, 2010 and 2009, and of its combined results of operations and cash flows for each of the three years then ended, in accordance with International Financial Reporting Standards.

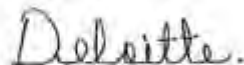
Matters that do not affect our opinion

As at December 31, 2011, there is no auxiliary ledger of fixed assets detailing its location.

As is mentioned in Note 1, on March 25, 2010, Pycsa Group (integrated by Pycsa Panamá, S.A., Autovías, S.A. and Pycsa International, Ltd.) and the Panamanian State (the State) agreed to initiate the negotiations related to the sale-purchase of the totality of shares of Pycsa Panamá, S.A. and Autovías, S.A. As part of this process, on July 29, 2010, a Memo of Understanding was signed between Pycsa Group and the State in order to formalize the mutual intention of continuing with the processes and to negotiate the terms and conditions of the agreements and contracts required for the acquisition of the totality of shares of Pycsa Panamá, S.A. and Autovías, S.A. by the State, related to the operation and exploitation activities of the North Corridor and the Panama-Colon Highway, under the terms of Concession Agreement No. 98 of December 29, 1994 and the corresponding amendments. The Memorandum of Understanding was left without effect over the course of time; however, negotiations continue between the parties with the mutual intention of carrying out the agreements or contracts required so that the State acquires the rights of the Concession Agreement.

As at December 31, 2011, the Company maintains (a) current assets in the amount of \$27,882,074 and current liabilities in the amount of \$41,372,467, (b) accumulated deficit of \$40,921,774 and shareholder's position in the amount of \$7,416,774. Management's plans are indicated in Note 1, under the negotiation section with the Panamanian State.

Pycsa Panamá, S.A. and Autovías, S.A. are members of a group of affiliated companies, and as disclosed in Note 9 to the combined financial statements, have significant transactions and relationships with members of the Group.



June 29, 2012

Panama, Republic of Panama

Pycsa Panamá, S.A. and Autovías, S.A.

(Wholly-owned subsidiaries of Pycsa International, Ltd.)

Combined statement of financial position**December 31, 2011, 2010 and 2009**

(Expressed in U.S. Dollars)

Assets	Notes	2011	2010	2009
Current assets:				
Cash	5	11,166,681	7,311,783	118,781
Time deposit	6	-	-	1,650,969
Trust funds with specific use	10	12,518,543	2,503,475	4,051,561
Accounts receivable	7	4,094,029	107,436	65,390
Prepaid expenses and taxes	11	<u>102,821</u>	<u>5,306,721</u>	<u>84,002</u>
Total current assets		<u>27,882,074</u>	<u>15,229,415</u>	<u>5,970,703</u>
Non-current assets:				
Concession intangible asset	8	328,962,435	327,906,115	316,240,056
Furniture, equipment and leasehold improvements, net		438,914	279,375	90,942
Accounts receivable related parties	9	380,520	1,735,349	6,204,567
Accounts receivable	7	-	2,966,720	1,448,476
Prepaid tax		32,972	32,972	-
Other assets		<u>16,906</u>	<u>15,315</u>	<u>29,460</u>
Total non-current assets		<u>329,831,747</u>	<u>332,935,846</u>	<u>324,013,501</u>
Total assets		<u>357,713,821</u>	<u>348,165,261</u>	<u>329,984,204</u>
Liabilities and equity (position)				
Current liabilities:				
Borrowed funds	13	28,005,901	14,941,189	14,810,435
Accounts payable	12	10,330,711	389,346	881,512
Accounts payable related parties	9	2,834,843	165,957	12,389,703
Provision for more maintenance		-	-	838,171
Accrued interest and expense payable		201,012	717,375	169,577
Total current liabilities		<u>41,372,467</u>	<u>16,213,867</u>	<u>29,089,398</u>
Non-current liabilities:				
Borrowed funds	13	314,416,938	321,391,221	184,332,823
Accrued interest payable	13	9,203,419	-	-
Provision for employee benefits		<u>137,771</u>	<u>114,311</u>	<u>83,839</u>
Total non-current liabilities		<u>323,758,128</u>	<u>321,505,532</u>	<u>184,416,662</u>
Total liabilities		<u>365,130,595</u>	<u>337,719,399</u>	<u>213,506,060</u>
(Position) Equity:				
Share capital	14	33,505,000	33,505,000	155,005,000
Accumulated deficit		<u>(40,921,774)</u>	<u>(23,059,138)</u>	<u>(38,526,856)</u>
Total (position) equity		<u>(7,416,774)</u>	<u>10,445,862</u>	<u>116,478,144</u>
Total liabilities and (position) equity		<u>357,713,821</u>	<u>348,165,261</u>	<u>329,984,204</u>

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A. y Autovías, S.A
(Wholly-owned subsidiaries of Pycsa International, Ltd.)

Combined statement of comprehensive income
For the years ended December 31, 2011, 2010 and 2009
(Expressed in U.S. Dollars)

	Notes	2011	2010	2009
Construction revenues		-	19,673,921	35,374,434
Construction costs		-	(19,673,921)	(35,374,434)
Gross profit		-	-	-
Toll revenues		53,944,238	47,676,285	39,617,456
Interest earned		35,977	211,555	60,953
Other income		284,138	761,974	110,345
Amortization of concession intangible asset	8	(9,068,007)	(8,007,861)	(6,549,928)
Operation and maintenance	9, 16	(6,913,849)	(3,678,009)	(3,887,067)
Other expenses	15	(1,057,476)	(997,254)	(1,096,901)
Financial expenses		(52,259,541)	(16,114,064)	(14,833,856)
(Loss) profit before tax		(15,034,520)	19,852,626	13,421,002
Income tax	17	(1,628,116)	-	-
(Loss) net profit		<u>(16,662,636)</u>	<u>19,852,626</u>	<u>13,421,002</u>

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A. and Autovías, S.A.
 (Wholly-owned subsidiaries of Pycsa International, Ltd.)

Combined statement of changes in (position) equity
For the years ended December 31, 2011, 2010 and 2009
 (Expressed in U.S. Dollars)

	Note	Share capital	Accumulated deficit	Total
Balance at December 31, 2008		155,005,000	(51,947,858)	103,057,142
Net profit		-	13,421,002	13,421,002
Balance at December 31, 2009		155,005,000	(38,526,856)	116,478,144
Debt capitalization with Pycsa International, Ltd.	14	30,500,000	-	30,500,000
Share redemption	14	(152,000,000)	-	(152,000,000)
Dividends paid		-	(4,384,908)	(4,384,908)
Net profit		-	19,852,626	19,852,626
Balance at December 31, 2010	14	33,505,000	(23,059,138)	10,445,862
Net loss		-	(16,662,636)	(16,662,636)
Declared dividends		-	(1,200,000)	(1,200,000)
Balance at December 31, 2011	14	33,505,000	(40,921,774)	(7,416,774)

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-owned subsidiaries of Pycsa International, Ltd.)

Combined statement of cash flows
For the years ended December 31, 2011, 2010 and 2009
(Expressed in U.S. Dollars)

	Notes	2011	2010	2009
Cash flows from operating activities:				
(Loss) Net profit		(16,662,636)	19,852,626	13,421,002
Adjustments for:				
Depreciation and amortization		126,258	114,082	67,122
Amortization of concession intangible asset	8	9,068,007	8,007,861	6,549,928
Provision for major maintenance (reversion)		-	(838,171)	-
Income tax expense		1,628,116	-	-
Financial expenses		52,259,541	16,114,064	14,833,856
		<u>46,419,286</u>	<u>43,250,462</u>	<u>34,871,908</u>
Movements in working capital				
Accounts receivable		(989,557)	(1,560,290)	(26,985)
Prepaid expenses and taxes		34,876	(5,255,691)	10,236
Other assets		(1,591)	14,145	-
Accounts payable		9,928,004	7,834	(698,875)
Provision for major maintenance		-	-	342,821
Accrued interest payable		(519,493)	(1,006,468)	48,204
Cash generated from operating activities		54,871,525	35,449,992	34,547,309
Income tax paid		(1,704,970)	-	-
Interest paid		(31,420,723)	(15,571,695)	(12,576,054)
Net cash provided by operating activities		<u>21,745,832</u>	<u>19,878,297</u>	<u>21,971,255</u>
Cash flows from investing activities:				
Trust funds for a specific use		(10,015,068)	1,548,086	(3,104,935)
Concession intangible asset		(10,124,327)	(19,673,920)	(35,374,434)
Acquisition of furniture, equipment and leasehold improvements		(285,797)	(302,515)	(19,388)
Accounts receivable related parties		1,150,495	4,188,513	(655,690)
Time deposit		-	1,650,969	(1,650,969)
Net cash used in investing activities		<u>(19,274,697)</u>	<u>(12,588,867)</u>	<u>(40,805,416)</u>
Cash flows from financing activities:				
Borrowed funds		(251,110)	(14,268,479)	(20,325,577)
Accounts payable related parties		1,634,873	18,556,959	39,002,703
Dividends paid		-	(4,384,908)	-
Net cash provided by (used in) financing activities		<u>1,383,763</u>	<u>(96,428)</u>	<u>18,677,126</u>
Increase (decrease) in cash		3,854,898	7,193,002	(157,035)
Cash at beginning of year		7,311,783	118,781	275,816
Cash at end of year	5	<u>11,166,681</u>	<u>7,311,783</u>	<u>118,781</u>
Additional disclosures of information about non-cash financing activities:				
Partial redemption of capital	14	-	(152,000,000)	-
Capitalization of debt	14	-	30,500,000	-
Restructuring of debt	14	-	152,000,000	-
Accounts payable Constructora Vial, S.A.	14	-	(30,500,000)	-
Decrease in account payable to related party through increase of financial obligations	13	-	-	76,966,697
Increase in borrowed funds due to refinancing of financial expenses	9	6,341,539	-	2,257,802
Dividends declared	9	1,200,000	-	-

The accompanying notes are an integral part of the combined financial statements.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

1. General information

Pycsa Panamá, S.A. (Pycsa Panamá) is incorporated and operates in the Republic of Panama. Pycsa Panamá was organized with the main purpose of conducting the study, design, construction, maintenance and operation of the North Corridor and the Panama-Colon Highway under the terms of Concession Agreement Number 98 of December 29, 1994 (the "Concession Agreement") executed between the Republic of Panama and Pycsa Panamá. Pycsa Panamá was incorporated through Public Deed Number 8,246 of November 21, 1994. Pycsa Panamá is a wholly-owned subsidiary of Pycsa International, Ltd., which is incorporated and organized according to the laws of the Grand Cayman Islands.

Autovías, S.A. ("Autovías", together with Pycsa Panamá, the "Company") is incorporated and operates in the Republic of Panama. Autovías was established with the main objective of carrying out the Administration of the Corridor North and the Panama - Colon Highway under the Administration Contract and Operation with Pycsa Panamá, S.A. of October 6, 1997. Autovías is organized by Deed No. 6, 917 of October 1, 1996. Autovías is a wholly-owned subsidiary of Pycsa International, Ltd., which is constituted and organized under the laws of the Grand Cayman Islands.

Pycsa Panamá's headquarters are located at Aquilino de la Guardia Avenue and Calle 50, PH Banco General Plaza, Panama City.

The main offices of Autovías are located at Universidad Tecnologica Avenue, Autovías Building, Sub-District of Ancon.

The Panama-Colon Highway includes the Panama-Madden and Madden-Colon segments. The rights and obligations of the Concession Agreement, corresponding to the Madden-Colon segment were assigned to third parties through a private contract on June 29, 2006. This assignment was approved by the Ministry of Public Works on January 2, 2007.

The Company's operations are regulated under the Concession Agreement. The provisions on the management, administration and tariffs are established in said Concession Agreement. The Concession was granted under Law No. 5 of April 15, 1988 of the Republic of Panama, which authorized the collection of tolls through a Concession granted for a 30-year period.

The operation and maintenance of the North Corridor and Madden segment are carried out by Autovías, S.A. Autovías holds an Administration and Operating Agreement with Pycsa Panamá) which ends with the expiration of the Concession Agreement. The services provided by Autovías are paid with funds taken from the trust administered by F.W.L.A.-Financial Warehousing of Latin America, Inc. and trust accounts administered by Assets Trust & Corporate Services, Inc.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

Negotiations with the Panamanian State:

On March 25, 2010, the Pycsa Group (integrated by Pycsa Panamá, S.A., Autovías, S.A. and Pycsa International, Ltd.) and the Panamanian State (the State) agreed to initiate the negotiations related with the sale-purchase agreement of all of the shares of Pycsa Panamá, S.A. and Autovías, S.A. As part of this process, on July 29, 2010 a Memorandum of Understanding was signed between Pycsa Group and the State in order to formalize the mutual intention of continuing with the due diligences and to negotiate the terms and conditions of the agreements and contracts required for the acquisition of all of the shares of Pycsa Panamá, S.A. and Autovías, S.A. by the State, related to operation and exploitation activities of the North Corridor and the Panama-Colon Highway, under the terms of Concession Agreement No. 98 of December 29, 1994 and the corresponding amendments.

The most significant topics of the Memorandum of Understanding are summarized as follows:

- It is recognized that Pycsa International, Ltd. is the exclusive and sole owner of the issued and outstanding shares which comprise 100% of the share capital of Pycsa Panamá, S.A. and Autovías, S.A.
- That the State has the intention to create an entity named Empresa Nacional de Autopistas (ENA) that will be in charge by itself or through subsidiaries, of the management, supervision and/or administration of highways under the toll system.
- That the State has expressed its intention and Pycsa International, Ltd. has so accepted that ENA will acquire the totality of shares of Pycsa Panamá, S.A. and Autovías, S.A.
- That Pycsa Panamá, S.A. has to negotiate with its creditors and perform a restructuring of its payment obligations to redeem the totality of the corporate bonds and/or debt instruments issued, the loan contracts held and their existing financial liabilities, as well as the partial redemption of shares issued by Pycsa Panamá, S.A., and consolidate everything in a single debt with only one creditor of Pycsa Panamá, S.A. for the total amount of \$350,000,000.00 (Three hundred fifty million U.S. dollars), amount that will include all expenses, fees of any kind, additional payments, indemnities, penalties due to anticipated redemption, redemption price, interests, commissions, taxes, rights, rates, accessories and in general, all costs, charges and expenses incurred or that might be incurred due to the anticipated redemption of corporate bonds and/or debt instruments, the restructuring of financial obligations and redemption of shares, as well as all costs, charges and expenses incurred or that might be incurred due to the liberation of liens of any kind on assets (movable or fixed) including any preventive measure, executive or restricting access to the free exercise of ownership, shares, assets, contracts and rights in general of Pycsa Panamá, S.A. See Note 13.
- That the Memorandum of Understanding became ineffective over time; however, Pycsa Panamá, S.A. and the Panamanian State continued negotiations so that the latter, through Empresa Nacional de Autopista, S.A., would acquire certain assets of Pycsa Panamá, S.A., including the Concession and the Concession Agreement.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

At December 31, 2011, the Company maintained (a) current assets in the amount of \$27,882,074 and current liabilities in the amount of \$41,372,467, (b) accumulated deficit of \$40,921,774 and shareholder position in the amount of \$7,416,774. Should the sale not take place, the Administration's plans to cover current liabilities are the following:

1. Renegotiate the terms and conditions of the Financial Obligations.
2. Contribute capital in cash (\$ 5 million) through a share issue.
3. Renegotiate the maturity of the Accounts Payable to Related Parties.
4. Tax planning to optimize the use of carry over tax credit losses.

2. Standards and interpretations issued but not effective yet

At the date of approval of these financial statements the following standards and interpretations were issued but are not effective:

<u>Standard and interpretation</u>	<u>Effective Date</u>
• IFRS 9 - Financial Instruments	January 1, 2013.
• IFRS 10 - Consolidated Financial Statements	January 1, 2013.
• IFRS 11 - Joint Arrangements	January 1, 2013.
• IFRS 12 - Disclosures of Interest in Other Entities	January 1, 2013.
• IFRS 13 - Fair Value Measurement	January 1, 2015.
• IAS 1 - Presentation of Financial Statements (Amendments)	July 1, 2012.
• IAS 12 - Deferred Tax: Recovery of Underlying Assets (Amendments)	January 1, 2012.
• IAS 19 - Employee Benefits (Revised in 2011)	January 1, 2015.

The Board of Directors anticipates that all Standards and Interpretations will be adopted in the financial statements of the next accounting periods. As of the date of these combined financial statements, Management has not yet evaluated the potential impact of the adoption of these amendments.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

3. Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

3.2 Basis of presentation

The combined financial statements have been prepared under the historical cost basis. The combined financial statements have been prepared from systematized accounting records maintained by the Companies.

3.3 Basis of combination

The combined financial statements include the accounts of assets, liabilities, equity and results of the companies mentioned in Note 1. These companies are part of a group of companies that are combined because they keep joint shareholders and Management. All balances and major transactions between companies have been eliminated for combination purposes.

3.4 Main sources used for estimates and responsibility for the combined financial statements

The preparation of the combined financial statements in accordance to IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Management reviews these estimates on an ongoing basis using currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Critical accounting judgments and significant estimates made by Management in the preparation of these combined financial statements refer to:

- The carrying amount and recoverability of the concession intangible asset
- The useful life of furniture, fixtures and leasehold improvements
- More maintenance provision

These estimates were prepared based on the information available at the closing date, and it is probable that future events may require the modification of these estimates (increase or decrease) in subsequent years, which would be done in accordance to International Accounting Standard No. 8 (IAS 8) prospectively, recognizing the estimate change effects in the corresponding combined statement of accounts of comprehensive income.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

3.5 Concession intangible asset

Intangible assets consist of investment in concessions. All costs incurred, including interest on loans to finance the works related to the construction of the Corridor are capitalized within the concession investment and are presented at cost less accumulated amortization.

Amortization is charged in the combined statement of comprehensive income using the method of units in use (based upon estimated vehicular traffic) for the entire duration of the Concession Agreement. The amortization method is reviewed at the end of each reporting period and the effect of any change to the estimate is recognized prospectively.

3.6 Impairment of intangible assets

At the date of each statement of financial position, the Company reviews the carrying amounts of its intangible assets to determine if there is any indication that such assets have experienced an impairment loss. If any such indication is detected, the recoverable amount of the asset is calculated to determine the extent of loss due to impairment (if applicable). The recoverable amount is the higher between the net sale price and the value in use, which is the present value of future net cash flows, using the adequate discount rate.

3.7 Furniture, fixtures and leasehold improvements

Furniture, fixtures and leasehold improvements acquired are presented in the statement of financial position according to their cost acquisition less accumulated depreciation and amortization and impairment losses experienced.

Periodic maintenance, conservation and repair expenses are charged to results following the accrual principle, as cost of the period in which they are incurred.

Depreciation and amortization is charged to be decreased from the cost or valuation of assets, based on their respective estimated useful lives, and according to the straight-line method based on the following depreciation rates determined on the following different elements as an average:

	Annual Percentage	Useful life
Furniture	33%	3 years
Equipment	33%	3 years
Improvement	10%	10 years

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

The gain or loss arising from the disposal or disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the combined results of comprehensive income.

3.8 Provisions

Provisions are recognized when, as the result of a past event, the Company has a present obligation that will probably result in the disbursement of economic resources that can be fairly estimated.

The amount recognized as a provision is the best estimate of the consideration required to establish the present obligation at the date of the combined statement of financial position, taking into account the risks and uncertainties corresponding to the obligation. When a provision is measured using the estimated cash flows to establish the present obligation, its present value is being carried to those cash flows.

3.9 Revenue recognition

Revenues are measured at the fair value of the consideration received or receivable.

Construction revenues and costs

Construction revenue and related costs are determined in accordance with IAS 11 Construction Contracts wherein revenues and costs are recognized according to the completion process of the works.

Toll revenues

Toll revenues are recognized at the moment when the users have completed their travel on the North Corridor Phase 1, Phase II (Brisas del Golf and Ramal Villa Lucre), or the Madden Highway and pay their respective toll.

Interest revenue

Interest revenue is recognized when accrued, according to the principal outstanding and at the applicable effective interest rate.

3.10 Expense recognition

Expenses are recognized in the profit and loss account when a decrease takes place in future economic benefits related to the reduction of an asset, or an increase of a liability that can be measured reliably. This means that expenses are recorded at the same time as the liability increase or asset reduction is recorded. When a disbursement does not generate future

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

economic benefits or does not meet the requirements, it is immediately recognized as an expense to be recorded as an asset.

Similarly, an expense is recognized when incurred in a liability, but an asset is not recorded, as in the case of the liability resulting from a guarantee.

3.11 Operating leases

Rentals paid under operating leases are charged to the combined statement of operations using the straight-line method during the period of each lease.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to be ready for their intended use or sale, are added to the cost of those assets, until they are available for sale. Interest earned on temporary investments pending disbursement on qualified assets is deducted from borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the gain or loss of the period in which they are incurred.

3.13 Income tax

The income tax expense represents the sum of current payable tax and deferred taxes.

Current tax

Current tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax

Deferred tax liabilities are generally recognized for all temporary taxable differences, while deferred tax assets are generally recognized for all deductible temporary differences in the extent it is possible that the taxable benefit will be available against those deductible temporary differences that can be used.

The amount recorded for deferred tax assets is reviewed at the date of each combined statement of financial position and reduced to the point where it may no longer be possible for any taxable income available to enable the recovery of all or part of these assets.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

Deferred tax assets and liabilities are recognized based on the tax rate that will be in effect during the period in which the asset is realized or the liability is liquidated based on applicable rates and tax laws in effect at the date of the combined statement of financial position. The recognition of assets and liabilities for deferred tax reflects the tax consequence that will follow the manner in which the Company intends, at the time of financial reporting, to recover or settle the amount recognized of its assets and liabilities.

Current and deferred tax for the period

Current and deferred taxes are recognized as expense or income in profit or loss.

3.14 Financial instruments

Financial assets and liabilities are recognized in the Company's combined statement of financial position when representing a contractual obligation under the terms of the financial instrument.

Cash

Consists of cash, current accounts and deposits free from encumbrances and which mature within three months or less from the respective date of deposit.

Accounts receivable

Accounts receivable that have fixed or determinable payments and are not quoted in active markets are classified as accounts receivable. Accounts receivable are established at their nominal value and are diminished by adequate allowances for estimated irrecoverable amounts, in case of any.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company does not transfer or retain substantially all the risks and benefits of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and liabilities related to the amounts that it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

Borrowed funds

Borrowed funds are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest rate, with interest expenses recognized on the basis of effective rate.

The effective interest method is the method used to calculate the amortized cost of a debt instruments and for allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the estimated useful life of a financial instrument, or where appropriate, in a shorter period, to the net carrying amount on initial recognition. When calculating the effective interest rate, cash flows are estimated taking into account the contractual terms of the financial instrument; however, it does not consider future losses from credits.

Impairment in financial liability accounts

The Company derecognizes financial liabilities, when and only when the Company's liabilities are settled, cancelled or expired.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Common shares are registered at issuance cost.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

3.15 Functional currency

The combined financial statements are presented in the functional currency of the Company, which is the United States dollar. The Balboa, the currency of the Republic of Panama, is at par value and freely exchangeable with United States dollars. The Republic of Panama does not issue paper money and uses United States dollars as legal tender.

4. Risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks such as: market risk, credit risk and liquidity risk. The global risk management program is focused on the unpredictable of the financial markets and seeks to minimize the possible adverse effects in its financial process. Risk management is carried out by Management following the policies approved by the Board of Directors.

a. Market risk - It is the risk that the value of a financial asset of the Company may be reduced because of changes in interest rates, currency exchange rates, stock prices, and other financial variables, as well as the reaction of market participants to political and economic events.

The Company has not had significant transactions that expose it to risk market during the period. It neither has financial instruments or capital securities that expose it to risk market, nor has significant assets that bear interest, therefore, its operating cash flows are independent of the changes in interest rates of the market.

b. Credit risk - The main financial assets of the Company are bank deposits and accounts receivable representing the Company's maximum exposure to credit risk in relation to financial assets. The credit risk on liquid funds is limited because the funds are deposited in recognized financial institutions.

c. Liquidity risk and financing - Consist of the risk that the Company cannot meet all its obligations due to, among others, quality impairment of the portfolio receivables, excessive concentration of liabilities, lack of asset liquidity or long-term financing of assets with short-term liabilities.

The prudent management of liquidity risk implies maintaining sufficient cash to meet the projected future obligations and investments. These funds come from contributions made by shareholders.

Pycsa Panamá, S.A. and Autovías, S.A.
 (Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
 (Expressed in United States dollars)

5. Cash

Cash is detailed as follows:

	2011	2010	2009
Petty cash fund	18,586	18,585	14,255
Current accounts:			
Banco Universal, S.A.	1,926,065	631,656	29,213
Metrobank, S.A.	-	5,760	49,884
Caja de Ahorros	-	3,804	3,809
HSBC Bank (Panamá), S.A.	1,904	1,904	1,864
Merrill Lynch International & Co.	<u>9,220,126</u>	<u>6,650,074</u>	<u>19,756</u>
Total	<u>11,166,681</u>	<u>7,311,783</u>	<u>118,781</u>

6. Time deposit

At December 31, 2009, the time deposit for \$1,650,969 guaranteed a promise of payment letter to Corindag, S.A. for the purchase of lands used in Phase II segment of Ramal Brisas del Golf.

7. Accounts receivable others

At December 31, 2011, accounts receivable included an amount of \$3,816,493 (2010: \$2,966,720, 2009: \$1,448,476) corresponding to toll revenues not charged during the "Operation Dicembrino" according to instructions by the Ministry of Public Works.

In note DM-DIP-046, the Ministry of Public Works requested the Ministry of Economy and Finance the necessary resources to meet the payment in the amount of \$ 3,816,493.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

8. Concession intangible asset

Concession intangible asset is detailed as follows:

	2011	2010	2009
Concession intangible asset in use:			
Cost			
Construction of the North Corridor and Madden section	259,292,033	249,167,708	195,775,845
Interest and guarantees	47,155,896	47,155,896	43,853,602
Study, technical assistance and design	77,198,336	77,198,336	76,870,977
Toll equipment	939,312	939,312	-
Total of cost	<u>384,585,577</u>	<u>374,461,250</u>	<u>318,500,422</u>
Accumulated amortization:			
Amortization at January 1:			
Corridor North	(28,372,759)	(22,913,484)	(18,612,230)
Madden segment	(18,182,585)	(15,633,790)	(13,385,116)
Amortization for the year:			
North Corridor	(6,266,897)	(5,459,266)	(4,301,254)
Madden segment	(2,801,110)	(2,548,595)	(2,248,674)
Total accumulated amortization	<u>(55,623,142)</u>	<u>(46,555,135)</u>	<u>(38,547,274)</u>
Concession intangible asset in use, net	<u>328,962,435</u>	<u>327,906,115</u>	<u>279,953,148</u>
Concession intangible asset not available for its use - cost from construction of Phase 2 of the North Corridor:			
Study, technical assistance and design	-	-	74,000
Financial costs	-	-	532,064
Payments to construction company for advances in works	-	-	35,680,844
	-	-	36,286,908
Concession intangible asset, net	<u>328,962,435</u>	<u>327,906,115</u>	<u>316,240,056</u>

The amortization expense was included in the line item "amortization of concession intangible asset" in the combined statement of comprehensive income.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

During 2010 and 2009 interest were capitalized for \$770,230 and \$7,603,777, respectively. During 2011, the increase in cost of the concession intangible asset corresponds to the registration of indemnities payable for land encumbrances in the amount of \$10,124,327.

Description of agreement

The Concession was awarded to Pycsa Panamá in 1994, after a competitive bidding process. The terms of the Concession were amended to divide it into two segments: the North Corridor which, in turn, is divided into two segments (Phase 1 and Phase 2), and the Panama - Colon segment, which is divided into two segments (Highway-Madden, Madden-Colon).

Relevant agreement terms

The Concession Agreement was signed on December 29, 1994, and will remain in effect for each segment until either of the following occurs earlier: the 30-year period which started as of the authorization of the operation and administration of its component segments or until the recoverable amount is obtained by Pycsa Panamá. If Pycsa Panamá does not succeed in recovering its investment within a 30-year period, it will be entitled to increase its tariffs, but if this is not possible due to market conditions, the concession period will be extended for the time needed to enable Pycsa Panamá to obtain the agreed return. Following the expiration of the Concession Agreement in respect of each component segment, ownership will revert to the Republic of Panama, free from liens and encumbrances, and except for regular impairment, in good maintenance and operating conditions, to which Pycsa Panamá must adequately give maintenance to the segments during the Concession period.

Nature and scope

Pycsa Panamá must comply with all the laws and regulations of the Republic of Panama, including:

- (i) Concession laws of the Republic of Panama,
- (ii) Labor laws (which establish minimum employee benefits) and
- (iii) Payment of all national and local taxes and duties, except those of which the Company is exempt under the Concession.

Furthermore, the Concessionaire must fulfill the following requirements:

- Protect the environment and ecological conditions at all times.
- Maintain insurance for any damages to users, third parties or their property.
- Implement the measures needed to ensure that the work for which it is responsible receives proper maintenance.
- Propose a tariff review system to the State.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

The Contract can be rescinded for the following reasons:

- When work is not performed according to the terms and conditions established by the Concession.
- When the purpose of the Concession is modified without the authorization of the grantor.
- When the Concession or its goods are transferred, assigned or subject to liens and encumbrances without the authorization of the Cabinet Board or when such goods are used for purposes other than those of the Concession.
- When the Concessionaire declares proven insolvency or financial or technical incapacity to achieve the purpose of the concession, even though the respective bankruptcy declaration is not issued.
- Due to an administrative-law proceeding applied to the Concession, following the payment of the compensation established by the Agreement.

Changes in the Agreement

In November 1999, Pycsa Panamá executed Addendum No. 3 to Concession Agreement No. 98 with the State for construction of Phase 2 of the North Corridor. This Phase has an authorized cost of \$94,327,321 and a fair profit of \$17,827,863.

Phase 2 of the North Corridor is divided into three segments:

- Tinajitas - El Golf
- El Golf - Tocumen (in two lanes)
- El Golf - Tocumen (in four lanes)

According to the program approved by the Ministry of Public Works, Pycsa Panamá began construction of the Tinajitas - El Golf segment with an authorized cost of \$33,688,293 and a fair profit margin of \$6,367,087.

According to Addendum No. 2 of June 18, 1999 to Concession Agreement No. 98 with the State, the Concessionaire must certify the actual amount of paving performed of the developed investment agreed by the parties so that the recoverable amount of Phase 2 of the North Corridor can be increased or decreased according to the total number of square meters of paving actually constructed, calculated at the same investment value of \$250.56 per square meter.

On August 20, 2001, Pycsa Panamá executed Addendum No. 4 to Concession Agreement No. 98 with the State for the construction of additional works for Phase 1 of the North Corridor. These additional works have an authorized cost of \$1,014,547 and an estimated fair profit of \$191,750.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

These additional works are those that the State and Concessionaire mutually recognize as forming part of one or several component segments following the implementation of the particular component segment or segments.

On March 5, 2007, Pycsa Panamá executed Addendum No. 5 to Concession Agreement No. 98 with the State which, through a private agreement of June 29, 2006, Pycsa Panamá, S.A. and Constructora Norberto Odebrecht, S.A. reached an agreement regarding the partial assignment of the design and construction of Segment II of the Panama-Colon Highway.

Through an authorization deed dated April 21, 2009 to begin operations, Pycsa Panamá began the Tinajitas-El Golf segment (Tinajitas-Trancas-Brisas del Golf) of Phase II of the North Corridor and certified the constructed square meters.

Through a "private agreement" dated May 26, 2010, granted with the approval of the Ministry of Public Works through Resolution No. 206-10 of May 27, 2010, Pycsa Panamá, S.A. assigned the rights and obligations of the Concession Contract to Maxipistas de Panama, S.A. for the construction of the El Golf-Tocumen segment of Phase II of North Corridor (Tinajitas-Tocumen), and whose validity and efficiency are subject to the formal approval of the respective Addendum to the Concession Contract.

Through an authorization to begin operations deed dated July 7, 2010, Pycsa Panamá began the construction of the Ramal Villa Lucre correspondent to the Tinajitas- El Golf segment of Phase II of the North Corridor and certified the constructed square meters.

Constructora Vial, S.A., a wholly owned subsidiary of Pycsa International, Ltd., built the North Corridor segment and the Panama - Madden segment of the Panama - Colon Highway.

Pycsa Panamá holds an operating and administration contract for the North Corridor and Madden segments with Autovías, S.A.

The Company will reimburse 120% of the base costs incurred by Autovías (as defined in the operating agreement). According to Addendum No. 2 of the operating agreement, Pycsa Panamá will reimburse 112.5% of the Operator's base costs as of March 1, 2008.

Management reviewed the carrying amounts of the concession intangible asset as of December 31, 2011 and did not identify any signs of impairment.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

9. Balances and transactions with related parties

The following balances are included in the combined statement of financial position at December 31:

	<u>Related companies</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Balances with related parties:			
Assets:			
Accounts receivable:			
27 MH Panamá, S.A.	-	-	918,607
Constructora Vial, S.A.	378,520	1,735,349	-
Electrovías, S.A.	2,000	-	52,177
Pycsa International, Ltd.	-	-	<u>5,233,783</u>
Total	<u>380,520</u>	<u>1,735,349</u>	<u>6,204,567</u>
Liabilities			
Accounts payable:			
Pycsa International, Ltd.	1,200,000	-	11,383,541
Constructora Vial, S.A.	<u>1,634,843</u>	<u>165,957</u>	<u>1,006,162</u>
Total	<u>2,834,843</u>	<u>165,957</u>	<u>12,389,703</u>
Rent expenses - 27 MH Panamá, S.A.	<u>-</u>	<u>42,000</u>	<u>72,000</u>
Late payment interest - Constructora Vial, S.A.	<u>-</u>	<u>-</u>	<u>2,257,802</u>

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

10. Trust funds for a specific use

	2011	2010	2009
Financial Warehousing of Latin America, Inc.	11,844,275	1,783,271	2,704,832
Assets Trust - Banco Universal, S.A. - Fase II	674,268	697,785	-
Assets Trust - Punto de venta	-	22,419	-
Caja de Ahorros	-	-	568
Assets Trust & Corporate Service, Inc.	-	-	1,346,161
	<u>12,518,543</u>	<u>2,503,475</u>	<u>4,051,561</u>
Total			

Trust Fund - F.W.L.A. - Financial Warehousing of Latin America, Inc.

The trust fund was created to manage the revenues obtained by Pycsa Panamá, S.A. through the collection of tolls and expenditures incurred based on the conditions agreed in the trust contract executed between Pycsa Panamá, S.A. and F.W.L.A. - Financial Warehousing of Latin America, Inc. (the "Administrator").

General Terms and Conditions of the Trust

- - The trust contract establishes that Pycsa Panamá, S.A. has decided to assign all its rights and obligations to the Trust under the Concession Agreement.
- Pycsa Panamá, S.A. irrevocably grants, assigns and transfers all rights and ownership of its assets to the Trustee, on which it has and controls and are detailed further on as Assets Held in Trust, in order to: i) constitute a guarantee for the payment or fulfillment of each and all obligations that Pycsa Panamá, S.A. has and may have in the future through the issuance of the Bonds or debt titles with the Trust Beneficiaries, in such a manner that in the event of default as determined by the provisions of the Bonds or of the debt titles the guarantee will be executed; ii) contracting of the collection and administration of the Assets Held in Trust (including cash flows generated by the tolls from the works) in order that these will cover said guaranteed obligations; iii) constitute an efficient and effective mechanism to ensure payment of the Bonds and other obligations arising thereof, to enhance and protect the rights of the Trust Beneficiaries.

According to the Agreements signed with the State, Pycsa Panamá, S.A., with authorization of the beneficiaries and holders of promissory notes or debt titles, will cancel and terminate the trust administered by Financial Warehousing of Latin America, Inc.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

Trust Fund - Assets Trust & Corporate Service, Inc.

The trust fund was established with the purpose of (i) managing the rights and ownership of assets Pycsa Panamá, S.A. has and exercises from the contracts of the studies, design, construction and rehabilitation works of Phase II of the North Corridor, with the purpose to guarantee the loan contracts for \$28,500,000 granted by the Banco Nacional de Panamá, \$10,000,000 granted by the Caja de Ahorros and \$18,500,000 granted by Inglewood Financial, Inc., (ii) managing the revenues received by Pycsa Panamá, S.A. of the credit facilities granted and (iii) once any of the segments that make up Phase II of the North Corridor are put into operation, managing revenue through toll collection and expenditures that would be carried out according to the conditions agreed in the trust agreement between Pycsa Panamá, S.A. and Assets Trust & Corporate Service, Inc. (the "Administrator").

General Terms and Conditions of the Trust

- i) The trust agreement provides that Pycsa Panamá, S.A. has decided to assign to the Trust all rights and obligations under the Concession Agreement in respect of Phase II of the North Corridor.
- ii) Constitute a security for the payment or compliance of each and all the obligations that Pycsa Panamá, S.A. has and will have in the future by virtue of the secured trust loans so that in the event of default it will be determined by the provisions of the secured trust.
- iii) Procurement of collection and administration of the Trust Assets (including the toll flows of the works).
- iv) Establish an efficient and effective mechanism for the payment of the loans and other obligations generated thereof, for the benefit and protection of the rights of the Trustees.

In terms of the agreements signed with the State, Pycsa Panamá, SA, with the authorization of the Trustees, shall cancel and terminate the trust managed by Assets Trust & Corporate Service, Inc.

Trusts detailed above guarantee payment of the obligations to Inglewood Financial, Inc. (see Note 13).

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

11. Prepaid expenses and taxes

As at December 31, 2010, prepaid expenses include \$5,293,860 corresponding to an advance payment made by Pycsa Panamá to cover possible costs it could incur when it redeems in advance the debt held with Inglewood Financial, Inc. according to the Restructuring of Debt Agreement. The original maturity of the debt agreed with Inglewood Financial Inc. is August 31, 2020. This settlement in advance will take place as a result of the negotiation process between Pycsa Group (comprised by Pycsa Panamá, S.A., Autovías, S.A., Pycsa International, Ltd.) and the Panamanian State for the sale-purchase agreement of the totality of shares of Pycsa Panamá, S.A. and Autovías, S.A. More information about this transaction with the Panamanian State can be found in Note 1.

12. Accounts payable

As at December 31, 2011, accounts payable include indemnities in the amount of \$10,150,524, corresponding to land impacts, on which there are contingencies and Pycsa Panamá, S. A. has signed a meeting of the minds agreement with the parties to obtain ownership of them.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

13. Borrowed funds

A. Loans and overdrafts with financial institutions are detailed below:

	2010			2009		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Bank overdraft:						
Banco Universal, S.A.	63,537	-	63,537	51,476	-	51,476
Loans with financial institutions:						
Banco Nacional de Panamá	729,942	-	729,942	535,532	5,229,942	5,765,474
Ingewood Financial, Inc.	-	-	-	1,751,511	9,963,100	11,714,611
	729,942	-	729,942	2,307,043	15,193,042	17,500,085
Total	793,479	-	793,479	2,358,519	15,193,042	17,551,561

Payment maturities are listed below:

	2010	2009
Within one year	793,479	2,358,519
In the second year	-	1,388,045
In the third year	-	1,388,045
In the fourth year	-	1,388,045
In the fifth and subsequent years	-	11,028,907
	793,479	17,551,561

The loans granted to the Company accrued interest ranging from 5.75% to 8% for 2010, and 6% to 8% for 2009.

As at December 31, 2010, Pycsa Panamá made advanced payments to the debt acquired with Banco Nacional de Panamá for \$4,776,883.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

B. A summary of financial obligations with Inglewood Financial, Inc. is detailed below:

	2011	2010	2009
Balance of Series A corporate bonds in custody of Inglewood Financial Inc. with maturity on August 31, 2020, which earn an annual fixed interest rate of 10.28%. The bonds were exchanged for promissory notes in July 2011 with an interest rate of 5%, maturing in 10 years.	106,391,245	100,049,706	104,625,000
Balance of Series B corporate bonds in custody of Inglewood Financial Inc. with maturity on August 31, 2020, which earn an annual fixed interest rate of 8%. The bonds were exchanged for promissory notes in July 2011 with an interest rate of 5%, maturing in 10 years.	73,943,503	73,401,134	76,966,697
Balance of commercial loan with Inglewood Financial, Inc., maturing in January 2018 and fixed annual interest rate of 5%.	10,088,091	10,088,091	-
Balance of partial redemption of shares payable to Pycsa International which in turn assigns to Inglewood Financial, Inc., maturing in July 2020, without generating interest.	152,000,000	152,000,000	-
	<u>342,422,839</u>	<u>335,538,931</u>	<u>181,591,697</u>
Current	<u>28,005,901</u>	<u>14,147,710</u>	<u>12,451,916</u>
Long-term	<u>314,416,938</u>	<u>321,391,221</u>	<u>169,139,781</u>

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

The table of maturities of financial obligations is shown below:

Within one year	28,005,901
In the second year	22,593,393
In the third year	22,593,393
In the fourth year	22,593,393
In the fifth year	22,593,393
Over 5 years	<u>224,043,366</u>
	<u>342,422,839</u>

Inglewood Financial, Inc. ("Inglewood") is entitled to declare the debt due and payable in the event of any of the following cases:

1. If Pycsa Panamá fails to pay any amount to which it is obligated according to the promissory note or exchange offer.
2. If any of the statements made by Pycsa Panamá on the promissory note or exchange offer prove false or substantially inaccurate.
3. If Pycsa Panamá does not provide financial or accounting information to Inglewood that it requested.
4. If the Financial position of Pycsa Panamá would indicate to Inglewood, at its sole discretion, the appropriateness of declaring the obligation as past due.
5. If lawsuits or claims of any kind are filed against Pycsa Panamá that at the sole discretion of Inglewood would affect the guarantees granted or the compliance with the obligations of Pycsa Panamá and in favor of Inglewood according to the promissory note.
6. If Pycsa Panamá sells, alienates, leases, gravels, transfers or in any manner disposes of the concession object of Concession Agreement No. 98 of 1994 held on December 29, 1994 between Pycsa Panamá and the Republic of Panamá, through the Ministry of Public Works, and its amendments (Concession), either by itself or through another person, without the prior written permission of Inglewood.
7. If the concession is rescued or the expiration of the same is decreed.
8. If Pycsa Panamá breaches any of the obligations assumed by it in the exchange offer.

According to the agreement of December 30, 2011, signed by Pycsa Panamá, S.A. and Inglewood Financial, Inc., the parties agreed that Pycsa Panamá, S.A. shall have the right to pay the interest accrued or to be accrued and derived from the notes, in a single payment in a period maturing on December 31, 2014, without the delay in the quarterly payments of said interest to be a reason for the advanced maturity of the Notes.

Pycsa Panamá, S.A. and Autovías, S.A.
 (Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
 (Expressed in United States dollars)

In terms of the Memorandum of Understanding, Pycsa Panamá began the restructuring of bonds and debt securities issued, loan contracts entered into and their existing financial liabilities as well as the partial redemption of the issued shares of Pycsa Panamá and consolidate into a single debt with a single creditor of Pycsa Panamá, S.A., for a total of \$350,000,000.

During 2011, Pycsa Panama made an exchange of Bond Series A and Series B for promissory notes. As a result of this exchange, Pycsa Panama recognized a penalty for early redemption of bonds in the amount of \$43,049,454, which are included as financial expenses.

As at December 31, 2009, the bonds were guaranteed by:

- Tolls and other revenues generated by the project.
- Account management according to the trust agreement.
- The Company's rights under the Concession with regard to the North Corridor and Madden segment.
- Other contracts for the project.
- Insurance coverage and compensations.

14. Share capital

Share capital is composed as follows:

	2011	2010	2009
<u>Pycsa Panamá, S.A.</u>			
Authorized, issued and outstanding 3,350,000 (2009: 15,500,000) Class B shares with a nominal value of \$10 each	<u>33,500,000</u>	<u>33,500,000</u>	<u>155,000,000</u>
<u>Autovías, S.A.</u>			
Authorized, issued and outstanding 500 common shares, without nominal value.	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

On July 26, 2010, the General Shareholders' Assembly agreed an increase of the authorized share capital of \$30,500,000, legal currency of the United States of America, through capitalization of the debt that Pycsa Panamá, S.A. had at that date with its shareholder Pycsa International, Ltd. The modification to the authorized share capital was registered in the Public Registry of Panama on October 19, 2010.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

On July 30, 2010, the General Shareholders' Assembly agreed the partial redemption of capital for \$152,000,000, legal currency of the United States of America. The modification of the authorized share capital was registered in the Public Registry of Panama on November 25, 2010.

15. Other expenses

Other expenses are detailed below:

	2011	2010	2009
La Palmita bridge reconstruction	-	-	180,001
Professional fees	699,184	579,500	664,440
General taxes	72,760	101,826	41,587
Depreciation and amortization	18,496	49,178	53,649
Publicity, entertainment and commitments	-	128,096	93,825
Legal and notarization expenses	2,476	10,031	9,475
Donations	1,597	6,187	-
Fines and surcharges	217,350	-	-
Other expenses	45,613	122,436	53,924
Total	<u>1,057,476</u>	<u>997,254</u>	<u>1,096,901</u>

16. Operating lease contract

	2011	2010	2009
Minimum lease payments under operating lease recognized in the statement of comprehensive income for the year	<u>-</u>	<u>42,000</u>	<u>72,000</u>

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

At the date of the combined statement of financial position, the Company had contingent commitments from non-cancellable operating leases, which mature as shown below:

	2011	2010	2009
Within a year	-	-	72,000
From the 2nd to and including the 5th year	<u>-</u>	<u>-</u>	<u>288,000</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>360,000</u></u>

17. Income tax and tax benefits

As of the adjudication of the concession and during the execution of the works, assets covered by the concession shall be exempt from:

- Tax on transfer of goods and services (“ITBMS”), and import tax into the territory of the Republic of Panama of machinery, equipment, supplies, materials and goods in general destined for the execution of the works subject to the concession or incorporated thereto.
- Re-export tax.
- Tax on transfer of goods.
- Income tax.

During the management of the works or goods, once the construction of all the works is finished, the Concessionaire shall be entitled to the exemption of:

- Income tax as follows: As of the start of operation of one hundred percent (100%) of the last segment during the first five (5) years; seventy-five percent (75%) during the following five (5) years; and fifty percent (50%) during the remaining years of the concession.
- Tax stamp.
- Import tax on maintenance and operation equipment essential in the administration of the concession works.
- Tax on transfer of goods and services (ITBMS).

Before and during the construction and management of the works of the concession, the concessionaire's financial institutions will be exempt from income tax, on the interest charged on loans granted to finance the work.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

The Company's income tax returns, including the one filed for the year ended December 31, 2011, are subject to review by the tax authorities for the last three tax periods according to current regulations.

During 2010, the tax regulations in effect in the Republic of Panama were amended, meaning that the current income tax expense must be recorded by applying a rate of 25% (2010: 27.5%) to the net taxable income based on the higher of the following:

- a. The net taxable income resulting from deducting reductions granted through promotion or production regimes, from the taxpayer's taxable income and legally authorized loss carryforwards; this calculation is known as the traditional method.
- b. The net taxable income resulting from applying 4.67% to the total taxable income (this calculation is known as the alternative income tax calculation).

If, when calculating income tax, the Company determines that it will incur in a loss, it can request authorization from the Directorate General of Revenue to not apply the alternative income tax calculation. Similarly, this request can be filed by the taxpayer when the effective income tax rate exceeds 25% (2010: 27.5%).

	2011
Loss before income tax	<u>(15,034,520)</u>
Income tax expense calculated at 25%	(1,879,315)
Less: Effect of non-taxable income and other incentives	342,656
More: Effect of non-deductible expenses	<u>1,645,235</u>
Current income tax expense	108,576
Income tax expense of previous periods	<u>1,519,540</u>
Total income tax expense	<u><u>1,628,116</u></u>

The Company has financial losses in the amount of \$15,034,520. The Company is currently in the process of rectifying the income tax return with the tax authorities and cannot estimate the future economic benefit to be generated from the potential benefit of carryover loss, due to which a deferred income tax is not recognized.

Results of a tax review by the Directorate General of Revenue, the Company recorded an income tax expense for the period 2011 for \$1,628,116. The tax review resulted from the fact that, according to the tax authorities, the Company must file according to completion of each Phase and not at the end of the total construction works.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

18. Commitments and contingencies

There is a lawsuit of ordinary proceeding of greater amount filed by Distribuidora Xtra, S.A. against Pycsa Panamá, S.A. for the initial amount of \$1,048,889. The Company was ordered to pay the amount of \$599,364 and has filed an appeal against this verdict with the Superior Tribunal. The Court of First Instance ordered the Company to pay \$260,844. Both parties appeal reached an extrajudicial agreement and the docket was ordered to be filed away. As of December 31, 2011, the Company has a provision recorded for \$391,231 due to a meeting of the minds agreement signed between the parties.

There is a lawsuit of ordinary proceeding of greater amount at the Seventh Civil District Court between Caja de Ahorros and Pycsa Panamá, S.A. for the amount of \$11,337,830. A legal compromise is waiting to be signed, resulting from reaching a satisfactory agreement between the parties by which the single sum of \$1,626,000.00 shall be paid in favor of the Caja de Ahorros. Pycsa Panamá, S.A. has a provision recorded for \$1,626,000.

Pycsa Panamá S.A. was sued through an ordinary proceeding of greater amount filed by Cazago, S.A. for US\$1,787,500 for affecting a property owned by the plaintiff. The sentence of the first instance ruling is for \$825,000, in compensation, plus \$82,000 in costs and sequester requested. Allegations on appeals in second instance are pending. Pycsa Panama, S.A. has recorded a provision for \$1,787,500.

Pycsa Panamá, S.A. was sued by Juan Melgarejo through an ordinary proceeding of greater amount for \$2,400,000. It is currently in the last presentations of evidence of objections by the parties against evidence presented. It is expected to have a favorable outcome.

Pycsa Panamá, S.A. was sued by the Municipality of San Miguelito through an ordinary proceeding of greater amount for \$157,103. Both parties signed an extraordinary legal transaction on April 20, 2012 by which the Municipality of San Miguelito is compensated for the sum aspired. Pycsa Panamá, S.A. has a provision recorded for \$157,103.

Administrative Law Process 807-09, Third Chamber of the Supreme Court for \$204,369 against Autovías, S.A. Process was completed, pending ruling. The result is likely to be favorable to Autovías, S.A. The contested acts are validated with the certification issued by the Director General of Revenue of the Ministry of Economy and Finance dated March 27, 2000 certifying Autovías, S.A. as a beneficiary of the tax benefits set forth in paragraph 2 of Article 23 of Law No. 5 of 1988 and paragraph 2 of the 5th section of Administrative Concession Contract No.98 of December 29, 1994.

Labor process in Conciliation Board and decision against Autovías, S.A., presented by José Valdés for \$2,060; the worker claims unfair dismissal, pending hearing.

Labor processes in Conciliation Board and decision against Autovías, S.A., by workers Octavio Aizprúa and Xiomara Araúz, claiming \$7,749 and \$5,611, respectively, for unfair dismissal,

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

compensation and back wages. The Board issued the ruling in favor of the workers; an appeal was presented with the Superior Labor Court. Autovías, S.A. has a provision recorded for \$13,360.

19. Subsequent events

The Memorandum of Understanding was left without effect over the course of time; however, Pycsa Panamá, S.A. and the Panamanian State continued negotiations so that the latter, through Empresa Nacional de Autopista, S.A., acquired certain assets from Pycsa Panamá, S.A., including the Concession and Concession Agreement.

As a result of these negotiations, on April 3, 2012, Pycsa Panamá, S.A., Inglewood Financial, Inc., Autopista Norte, S.A. and the Empresa Nacional de Autopista, S.A. (ENA), signed a capitalization agreement in order that Pycsa Panamá, with the consent from Inglewood Financial, Inc. as the only creditor, consent which was granted in exchange for the transfer of certain rights to receive certain shares in payment of the debt to its favor, and before certain events have occurred, including the authorization of the Ministry of Public Works and the Cabinet Council, to proceed to provide, assign and transfer to Autopista Norte, S.A., as a capital contribution to it (and in exchange of the right to receive shares from this company) the assets listed in said agreement, including the Concession and Concession Agreement, free of encumbrances, according to its design, state and conditions as of the transfer date of the Concession and subject to the provisions in said agreement.

On May 9, 2012, Pycsa Panamá, S.A. and Inglewood Financial, Inc. as transitional trustees and beneficiaries, Empresa Nacional de Autopista, S.A. (ENA), as primary beneficiary, and, with the participation of MMG Trust S.A. acting as trustee, signed an irrevocable trust agreement with Autopista Norte, S.A., of which the main purpose is to ensure the implementation and improvement of certain transactions to be covered by a Stock Purchase Agreement.

On May 9, 2012, Pycsa Panamá, S.A. and Inglewood Financial, Inc., as sellers and the Empresa Nacional de Autopista, S.A. (ENA) as buyer, with the participation of MMG Trust, S.A., acting as trustee, entered into a Stock Purchase Agreement with Autopista Norte S.A., a contract that is subject to compliance with certain terms and conditions to be performed, including payment of the price thereof.

On June 1, 2012, Pycsa Panamá, S.A. as trustee, the Empresa Nacional de Autopista, S.A. (ENA) as primary beneficiary, and MMG Trust, S.A., as trustee, entered into a Guarantee Trust contract to guarantee the primary beneficiaries payment of certain obligations by Pycsa Panamá, S.A. as a consequence of the agreements and conditions set forth in the Stock Purchase Agreement referred to above.

Pycsa Panamá, S.A. and Autovías, S.A.
(Wholly-Owned subsidiaries of Pycsa International, Ltd.)

Notes to the combined financial statements
For the years ended December 31, 2011, 2010 and 2009
(Expressed in United States dollars)

At the date of authorization of these combined financial statements, the agreements referred to in the contracts referred to above, are awaiting the fulfillment of the events and conditions to which they are subject to.

20. Approval of combined financial statements

The combined financial statements were approved by the Shareholder and authorized by the Board of Directors for issuance on June 29, 2012.

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ANNEX III - ALTERNATE SCENARIO PERFORMANCE MODELS

The following tables set forth projections of amortization schedules and resulting debt service coverage ratios for the Notes under the Transaction Documents based on the alternative traffic volumes and rate scenarios (the Do Nothing Case, Low Case, High Case and Low GDP Case) from the Independent Traffic Consultant's Report. They are neither a historical description of operational performance of the Toll Road nor a prediction of anticipated operational performance. Actual performance is likely to differ, perhaps materially, from these models due to inherent uncertainties in the assumptions set out below. All scenarios use the same expense assumptions. This annex contains alternate scenario performance models from the Base Case presented in the Section "Performance Models."

CASHFLOW — HIGH CASE

Payment Date	Beginning Balance	Interest	Principal	Cash Available for Debt Service	DSCR
Jan-13	600,000,000	10,925,000	1,820,148	14,705,420	1.35x
Apr-13	598,179,852	8,598,835	5,444,419	14,335,903	1.67x
Jul-13	592,735,433	8,520,572	6,910,158	15,731,432	1.85x
Oct-13	585,825,275	8,421,238	7,053,582	15,775,612	1.87x
Jan-14	578,771,693	8,319,843	8,595,731	17,225,393	2.07x
Apr-14	570,175,962	8,196,279	5,304,603	14,125,579	1.72x
Jul-14	564,871,360	8,120,026	6,513,905	15,294,702	1.88x
Oct-14	558,357,455	8,026,388	6,644,352	15,331,912	1.91x
Jan-15	551,713,103	7,930,876	8,118,371	16,750,851	2.11x
Apr-15	543,594,732	7,814,174	7,021,813	15,128,766	1.94x
Jul-15	536,572,920	7,713,236	8,440,755	16,452,850	2.13x
Oct-15	528,132,165	7,591,900	8,602,844	16,493,681	2.17x
Jan-16	519,529,321	7,468,234	10,241,478	18,016,438	2.41x
Apr-16	509,287,843	7,321,013	9,011,362	16,661,166	2.28x
Jul-16	500,276,482	7,191,474	10,380,987	17,910,828	2.49x
Oct-16	489,895,494	7,042,248	10,567,354	17,948,075	2.55x
Jan-17	479,328,140	6,890,342	12,361,699	19,601,245	2.84x
Apr-17	466,966,441	6,712,643	10,787,576	17,809,937	2.65x
Jul-17	456,178,865	6,557,571	12,476,993	19,351,658	2.95x
Oct-17	443,701,872	6,378,214	12,476,383	19,395,658	3.04x
Jan-18	431,225,489	6,198,866	14,425,491	21,173,685	3.42x
Apr-18	416,799,998	5,991,500	12,364,806	19,131,702	3.19x
Jul-18	404,435,192	5,813,756	14,160,116	20,776,267	3.57x
Oct-18	390,275,076	5,610,204	14,408,717	20,821,616	3.71x
Jan-19	375,866,359	5,403,079	16,501,427	22,737,461	4.21x
Apr-19	359,364,932	5,165,871	14,343,924	20,433,485	3.96x
Jul-19	345,021,009	4,959,677	16,274,221	22,190,963	4.47x
Oct-19	328,746,788	4,725,735	16,554,495	22,237,719	4.71x
Jan-20	312,192,293	4,487,764	18,796,278	24,284,282	5.41x
Apr-20	293,396,015	4,217,568	17,132,959	21,964,667	5.21x
Jul-20	276,263,056	3,971,281	19,008,551	23,604,701	5.94x
Oct-20	257,254,505	3,698,034	19,323,271	23,646,293	6.39x
Jan-21	237,931,234	3,420,261	21,764,842	25,822,116	7.55x
Apr-21	216,166,392	3,107,392	18,831,312	22,538,858	7.25x
Jul-21	197,335,081	2,836,692	21,019,625	24,464,736	8.62x
Oct-21	176,315,456	2,534,535	21,369,546	24,512,592	9.67x
Jan-22	154,945,909	2,227,347	23,930,177	26,775,299	12.02x
Apr-22	131,015,732	1,883,351	20,684,465	23,326,169	12.39x
Jul-22	110,331,267	1,586,012	22,955,329	25,320,254	15.96x
Oct-22	87,375,938	1,256,029	23,332,730	25,367,900	20.20x
Jan-23	64,043,208	920,621	25,995,303	27,718,109	30.11x
Apr-23	38,047,905	546,939	22,911,904	24,096,155	44.06x
Jul-23	15,136,001	217,580	15,136,001	26,171,581	120.28x
Oct-23	-	-	-	-	-
Expected Weighted Average Life (years)			6.86		

CASHFLOW — LOW CASE

Payment Date	Beginning Balance	Interest	Principal	Cash Available for Debt Service	DSCR
Jan-13	600,000,000	10,925,000	1,889,925	14,775,197	1.35x
Apr-13	598,110,075	8,597,832	4,925,034	13,815,514	1.61x
Jul-13	593,185,041	8,527,035	6,316,488	15,144,225	1.78x
Oct-13	586,868,553	8,436,235	6,449,744	15,186,772	1.80x
Jan-14	580,418,809	8,343,520	7,927,053	16,580,393	1.99x
Apr-14	572,491,756	8,229,569	4,494,391	13,348,657	1.62x
Jul-14	567,997,365	8,164,962	5,619,675	14,445,408	1.77x
Oct-14	562,377,690	8,084,179	5,735,683	14,481,034	1.79x
Jan-15	556,642,007	8,001,729	7,119,669	15,823,003	1.98x
Apr-15	549,522,338	7,899,384	5,987,865	14,180,028	1.80x
Jul-15	543,534,472	7,813,308	7,308,782	15,420,949	1.97x
Oct-15	536,225,691	7,708,244	7,452,881	15,460,062	2.01x
Jan-16	528,772,810	7,601,109	8,982,374	16,890,210	2.22x
Apr-16	519,790,436	7,471,988	7,465,116	15,265,895	2.04x
Jul-16	512,325,320	7,364,676	8,701,654	16,404,697	2.23x
Oct-16	503,623,666	7,239,590	8,861,734	16,439,797	2.27x
Jan-17	494,761,932	7,112,203	10,498,879	17,960,286	2.53x
Apr-17	484,263,053	6,961,281	8,690,157	15,961,157	2.29x
Jul-17	475,572,896	6,836,360	10,187,004	17,340,459	2.54x
Oct-17	465,385,892	6,689,922	10,374,167	17,381,265	2.60x
Jan-18	455,011,724	6,540,794	12,123,523	18,989,759	2.90x
Apr-18	442,888,202	6,366,518	9,950,593	16,861,905	2.65x
Jul-18	432,937,609	6,223,478	11,286,509	18,312,382	2.94x
Oct-18	421,651,100	6,061,235	11,483,589	18,347,519	3.03x
Jan-19	410,167,510	5,896,158	13,319,240	20,048,354	3.40x
Apr-19	396,848,270	5,704,694	11,067,059	17,695,443	3.10x
Jul-19	385,781,211	5,545,605	12,719,212	19,221,882	3.47x
Oct-19	373,061,999	5,362,766	12,944,173	19,264,428	3.59x
Jan-20	360,117,826	5,176,694	14,876,449	21,053,383	4.07x
Apr-20	345,241,377	4,962,845	13,188,197	18,765,183	3.78x
Jul-20	332,053,179	4,773,264	14,776,650	20,174,783	4.23x
Oct-20	317,276,530	4,560,850	15,026,878	20,212,716	4.43x
Jan-21	302,249,652	4,344,839	17,109,218	22,091,069	5.08x
Apr-21	285,140,434	4,098,894	14,456,385	19,155,433	4.67x
Jul-21	270,684,049	3,891,083	16,308,124	20,807,627	5.35x
Oct-21	254,375,924	3,656,654	16,585,889	20,851,054	5.70x
Jan-22	237,790,035	3,418,232	18,759,665	22,795,671	6.67x
Apr-22	219,030,370	3,148,562	15,780,675	19,687,589	6.25x
Jul-22	203,249,695	2,921,714	17,684,986	21,385,613	7.32x
Oct-22	185,564,709	2,667,493	17,982,084	21,428,718	8.03x
Jan-23	167,582,625	2,409,000	20,224,742	23,435,927	9.73x
Apr-23	147,357,883	2,118,270	17,530,323	20,285,905	9.58x
Jul-23	129,827,559	1,866,271	19,542,347	22,053,566	11.82x
Oct-23	110,285,212	1,585,350	19,866,753	22,097,148	13.94x
Jan-24	90,418,459	1,299,765	22,219,569	24,174,161	18.60x
Apr-24	68,198,890	980,359	18,849,731	21,057,684	21.48x
Jul-24	49,349,159	709,394	20,625,424	22,620,578	31.89x
Oct-24	28,723,734	412,904	20,956,765	22,656,074	54.87x
Jan-25	7,766,969	111,650	7,766,969	24,797,425	222.10x
Apr-25	-	-	-	-	-

Expected Weighted Average Life (years)

7.68

CASHFLOW — DO NOTHING CASE

Payment Date	Beginning Balance	Interest	Principal	Cash Available for Debt Service	DSCR
Jan-13	600,000,000	10,925,000	410,607	13,295,879	1.22x
Apr-13	599,589,393	8,619,098	3,631,631	12,543,376	1.46x
Jul-13	595,957,763	8,566,893	4,908,052	13,775,647	1.61x
Oct-13	591,049,711	8,496,340	5,019,129	13,816,260	1.63x
Jan-14	586,030,582	8,424,190	6,361,116	15,095,125	1.79x
Apr-14	579,669,466	8,332,749	4,916,773	13,874,218	1.67x
Jul-14	574,752,694	8,262,070	6,152,985	15,075,826	1.82x
Oct-14	568,599,709	8,173,621	6,279,429	15,114,221	1.85x
Jan-15	562,320,280	8,083,354	7,724,861	16,509,820	2.04x
Apr-15	554,595,419	7,972,309	7,033,772	15,298,860	1.92x
Jul-15	547,561,647	7,871,199	8,473,943	16,644,001	2.11x
Oct-15	539,087,704	7,749,386	8,637,164	16,685,487	2.15x
Jan-16	530,450,540	7,625,227	10,286,822	18,218,775	2.39x
Apr-16	520,163,718	7,477,353	8,766,062	16,572,207	2.22x
Jul-16	511,397,656	7,351,341	10,112,684	17,802,392	2.42x
Oct-16	501,284,972	7,205,971	10,294,868	17,839,313	2.48x
Jan-17	490,990,104	7,057,983	12,070,855	19,478,042	2.76x
Apr-17	478,919,249	6,884,464	10,250,765	17,444,947	2.53x
Jul-17	468,668,484	6,737,109	11,890,511	18,944,715	2.81x
Oct-17	456,777,973	6,566,183	12,104,583	18,987,942	2.89x
Jan-18	444,673,390	6,392,180	13,791,124	20,732,631	3.24x
Apr-18	430,882,266	6,193,933	11,498,942	18,468,271	2.98x
Jul-18	419,383,325	6,028,635	13,216,315	20,047,345	3.33x
Oct-18	406,167,010	5,838,651	13,450,133	20,091,478	3.44x
Jan-19	392,716,877	5,645,305	15,462,673	21,940,934	3.89x
Apr-19	377,254,203	5,423,029	13,148,597	19,495,316	3.59x
Jul-19	364,105,607	5,234,018	14,976,333	21,167,416	4.04x
Oct-19	349,129,273	5,018,733	15,236,412	21,212,634	4.23x
Jan-20	333,892,861	4,799,710	17,367,979	23,167,929	4.83x
Apr-20	316,524,883	4,550,045	15,577,526	20,741,712	4.56x
Jul-20	300,947,356	4,326,118	17,337,448	22,288,435	5.15x
Oct-20	283,609,908	4,076,892	17,626,649	22,328,530	5.48x
Jan-21	265,983,259	3,823,509	19,927,720	24,388,242	6.38x
Apr-21	246,055,539	3,537,048	16,924,905	21,062,107	5.95x
Jul-21	229,130,634	3,293,753	18,959,445	22,861,617	6.94x
Oct-21	210,171,189	3,021,211	19,277,612	22,907,334	7.58x
Jan-22	190,893,577	2,744,095	21,667,772	25,029,642	9.12x
Apr-22	169,225,805	2,432,621	18,358,397	21,549,370	8.86x
Jul-22	150,867,408	2,168,719	20,445,227	23,392,858	10.79x
Oct-22	130,422,182	1,874,819	20,784,064	23,438,024	12.50x
Jan-23	109,638,118	1,576,048	23,242,044	25,620,277	16.26x
Apr-23	86,396,074	1,241,944	20,162,038	22,041,293	17.75x
Jul-23	66,234,036	952,114	22,348,373	23,945,435	25.15x
Oct-23	43,885,663	630,856	22,714,777	23,990,679	38.03x
Jan-24	21,170,886	304,331	21,170,886	26,234,479	86.20x
Apr-24	-	-	-	-	-

Expected Weighted Average Life (years)

7.23

CASHFLOW — LOW GDP CASE

Payment Date	Beginning Balance	Interest	Principal	Cash Available for Debt Service	DSCR
Jan-13	600,000,000	10,925,000	1,529,272	14,414,544	1.32x
Apr-13	598,470,728	8,603,017	4,582,329	13,477,994	1.57x
Jul-13	593,888,398	8,537,146	5,933,784	14,771,632	1.73x
Oct-13	587,954,614	8,451,848	6,060,675	14,813,314	1.75x
Jan-14	581,893,939	8,364,725	7,492,328	16,166,872	1.93x
Apr-14	574,401,611	8,257,023	3,820,307	12,702,027	1.54x
Jul-14	570,581,304	8,202,106	4,871,304	13,734,181	1.67x
Oct-14	565,710,000	8,132,081	4,975,109	13,768,362	1.69x
Jan-15	560,734,890	8,060,564	6,283,132	15,045,300	1.87x
Apr-15	554,451,759	7,970,244	5,061,916	13,324,939	1.67x
Jul-15	549,389,843	7,897,479	6,292,429	14,488,767	1.83x
Oct-15	543,097,414	7,807,025	6,420,298	14,526,260	1.86x
Jan-16	536,677,116	7,714,734	7,850,945	15,872,405	2.06x
Apr-16	528,826,171	7,601,876	6,523,503	14,454,171	1.90x
Jul-16	522,302,668	7,508,101	7,690,388	15,536,856	2.07x
Oct-16	514,612,280	7,397,552	7,834,942	15,570,967	2.10x
Jan-17	506,777,337	7,284,924	9,377,685	17,011,813	2.34x
Apr-17	497,399,653	7,150,120	7,761,699	15,221,537	2.13x
Jul-17	489,637,954	7,038,546	9,184,365	16,540,004	2.35x
Oct-17	480,453,589	6,906,520	9,356,027	16,579,723	2.40x
Jan-18	471,097,562	6,772,027	11,015,864	18,113,334	2.67x
Apr-18	460,081,698	6,613,674	8,989,970	16,148,439	2.44x
Jul-18	451,091,728	6,484,444	10,481,643	17,537,880	2.70x
Oct-18	440,610,086	6,333,770	10,672,333	17,578,196	2.78x
Jan-19	429,937,753	6,180,355	12,422,512	19,205,221	3.11x
Apr-19	417,515,241	6,001,782	10,363,063	17,051,015	2.84x
Jul-19	407,152,178	5,852,813	11,711,653	18,521,531	3.16x
Oct-19	395,440,525	5,684,458	11,914,516	18,556,462	3.26x
Jan-20	383,526,009	5,513,186	13,762,896	20,276,323	3.68x
Apr-20	369,763,113	5,315,345	12,238,470	18,167,955	3.42x
Jul-20	357,524,643	5,139,417	13,768,194	19,532,480	3.80x
Oct-20	343,756,449	4,941,499	14,003,396	19,569,883	3.96x
Jan-21	329,753,053	4,740,200	16,006,471	21,383,684	4.51x
Apr-21	313,746,582	4,510,107	13,478,266	18,588,527	4.12x
Jul-21	300,268,317	4,316,357	15,263,527	20,188,303	4.68x
Oct-21	285,004,790	4,096,944	15,525,600	20,231,055	4.94x
Jan-22	269,479,191	3,873,763	17,620,850	22,112,388	5.71x
Apr-22	251,858,341	3,620,464	14,783,880	19,162,696	5.29x
Jul-22	237,074,461	3,407,945	16,624,590	20,811,448	6.11x
Oct-22	220,449,871	3,168,967	16,905,909	20,854,017	6.58x
Jan-23	203,543,963	2,925,944	19,072,766	22,800,896	7.79x
Apr-23	184,471,196	2,651,773	16,452,080	19,741,165	7.44x
Jul-23	168,019,116	2,415,275	18,394,896	21,455,119	8.88x
Oct-23	149,624,220	2,150,848	18,702,238	21,498,131	10.00x
Jan-24	130,921,982	1,882,003	20,975,172	23,512,002	12.49x
Apr-24	109,946,810	1,580,485	17,725,971	20,534,051	12.99x
Jul-24	92,220,839	1,325,675	19,441,637	22,053,071	16.64x
Oct-24	72,779,201	1,046,201	19,755,736	22,088,342	21.11x
Jan-25	53,023,466	762,212	22,054,315	24,168,126	31.71x
Apr-25	30,969,150	445,182	19,735,234	20,855,473	46.85x
Jul-25	11,233,917	161,488	11,233,917	22,695,879	140.54x
Oct-25	-	-	-	-	-

Expected Weighted Average Life (years)

8.11

Assumptions applicable to Alternate Scenario Performance Models:

1. With respect to the first Payment Date, the beginning balance is the amount of the offered Notes. Such balance is presented for illustration purposes only and the actual amount of the offered Notes may differ from such amount without any change in the table in the final Offering Memorandum. The beginning balance for each subsequent Payment Date is such amount as of the preceding Payment Date minus the amount of principal assumed to have been paid on such date.
2. The amount of interest for each Payment Date is based on the assumptions that (a) the amount of Principal is, for such Quarterly Reporting Period, as set forth in the Beginning Balance, and (b) the Interest Rate is 5.75%. In this Offering Memorandum such amount when actually determined is known as the Quarterly Debt Service. The foregoing Interest Rate is presented for illustrative purposes only and the actual rate is subject to pricing of the Notes. It may therefore differ from such rates without any change in the table in the final Offering Memorandum.
3. Cash Available for Debt Service in the table above is the amount corresponding to clause (A) of the definition of Debt Service Coverage Ratio. It is based on (a) Collections projected to be deposited into the Panamanian Concentration Account in each Quarterly Reporting Period, based on the Independent Traffic Consultant's Report, as described in the introductory paragraph above, minus (b) fees, expenses and indemnities of the Indenture Trustee and the Trustee; insurance coverage expenses; Monthly Operator Fees; and taxes. For purposes of this Performance Model, the foregoing expenses were assumed to be U.S.\$ \$9,595,000 per annum, subject to a 3% growth compounded annually and ENA is assumed to be the servicer.
4. DSCR corresponds to the definition of Debt Service Coverage Ratio used in this Offering Memorandum, and represents, as used in the foregoing table, the ratio of Cash Available for Debt Service to Interest. It does not include Principal.
5. There are no scheduled amounts of Principal payable under the Notes, except that the Principal Balance of the Notes is legally due on the Legal Final Maturity Date. Principal amounts set forth in this table are based on the assumption that (a) there is no Early Amortization event and (b) pursuant to the payment priorities after Interest (and Additional Amounts thereon, assumed to be zero) the amounts due in respect of the following items, as required by the Indenture, to be paid to the following recipients have been: the Debt Service Reserve Account, the Major Maintenance Reserve Account, the CapEx Reserve Account and Servicing Fees of ENA as Servicer. The amounts payable to such accounts or ENA may vary by period.
6. For purposes of this Performance Model, the Settlement Date is assumed to be October 1, 2012. Additionally, tax credit, tax refunds and tax value added taxes are assumed to be zero.

ANNEX IV - MAJOR MAINTENANCE TABLES
(Free Translation into English)

20-YEAR MAJOR MAINTENANCE AND REPAIR EXPENSES BUDGET

CORREDOR NORTE PHASE I - AS CONSTRUCTED

	U.	P. U.S\$	TOTAL PER YEAR	TOTAL IN 20 YEARS	AMOUNT	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
SURFACE																
Micropavement	M2	16.51		33,695.99	556,320.80	79,512.33	27,967.94	224,420.27								
Slab Replacement	M2	130.00	277.07	1,461.89	190,045.44		-	-	-	-	-	-	-	95,022.72		
Slab Fillers	M3	83.13	130.00	2,444.00	203,169.72	20,316.97		20,316.97		20,316.97		20,316.97		20,316.97		
Asphalt Leveling	M2	237.50	106.16	1,995.81	474,004.40	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	
Slab Replacement	M2	22.50	320.17	6,019.20	135,431.91		-	-	-	33,857.98		-	-	-	33,857.98	
Sealing of Cracks and Joints	ML	6.25	2,305.25	46,105.00	288,156.25	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	
Expansion Joints (Repair)	ML	456.25	31.58	631.60	288,167.50	28,816.75		28,816.75		28,816.75		28,816.75		28,816.75		
STRUCTURES (BRIDGES)																
Battery Corrosion Treatment	M2	168.75	192.10	3,842.00	648,337.50			162,084.38		-	-	-	-	162,084.38		
Joint Corrosion Treatment	ML	68.75	52.39	1,047.80	72,036.25	12,006.04		-	-	12,006.04		-	-	12,006.04		
DRAINAGE WORKS																
Troughs	M3	17.19	5,029.65	100,593.00	1,729,193.67	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	
Fencing (Row)	ML	60.00	960.52	19,210.40	1,152,624.00		230,524.80		-	230,524.80		-	-	-	230,524.80	
VERTICAL SIGNAGE																
Signage	PZA	687.50	47.15	943.00	648,312.50	129,662.50		-	-	129,662.50		-	-		129,662.50	
Delineator Posts	PZA	37.50	57.63	1,152.60	43,222.50	8,644.50		-	-	8,644.50		-	-	-	8,644.50	
Kilometer marker posts	PZA	75.00	19.21	384.20	28,815.00		5,763.00		-	5,763.00		-	-	-	5,763.00	
Reflective Signage and Center Divider	PZA	3.75	1,921.05	38,421.00	144,078.75	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	
HORIZONTAL SIGNAGE																
Center Line	ML	4.63	1,168.20	23,364.00	108,175.32	21,635.06		-	-	21,635.06		-	-	-	21,635.06	
Lane Lines	ML	4.63	4,672.81	93,456.20	432,702.21	86,540.44		-	-	86,540.44		-	-	-	86,540.44	
At Toll Booths	PZA	7.19	250.57	5,011.40	36,031.97	7,206.39		-	-	7,206.39		-	-	-	7,206.39	
TOPOGRAPHY	LOTE	4,500.00	1.17	23.40	105,300.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	
SUBTOTAL					7,284,125.68	531,377.65	401,292.39	572,675.02	137,036.65	722,011.09	137,036.65	186,170.38	137,036.65	455,283.51	660,871.33	
Inflation					145,682.51	10,627.55	8,025.85	11,453.50	2,740.73	14,440.22	2,740.73	3,723.41	2,740.73	9,105.67	13,217.43	
Unforseen					364,206.28	26,568.88	20,064.62	28,633.75	6,851.83	36,100.55	6,851.83	9,308.52	6,851.83	22,764.18	33,043.57	
ANNUAL TOTAL					568,574.08	429,382.86	612,762.27	146,629.22	772,551.87	146,629.22	199,202.30	146,629.22	487,153.36	707,132.32		
GRAND TOTAL					7,794,014.48	568,574.08	997,956.94	1,610,719.21	1,757,348.43	2,529,900.30	2,676,529.52	2,875,731.82	3,022,361.04	3,509,514.40	4,216,646.72	

20-YEAR MAJOR MAINTENANCE AND REPAIR EXPENSES BUDGET
CORREDOR NORTE PHASE I - AS CONSTRUCTED

	U.	P. U.\$	TOTAL PER YEAR	TOTAL IN 20 YEARS	AMOUNT	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SURFACE															
Micropavement	M2	16.51		33,695.99	556,320.80			224,420.26							
Slab Replacement	M2	130.00	277.07	1,461.89	190,045.44	-	-	-	-	-	-	95,022.72			
Slab Fillers	M3	83.13	130.00	2,444.00	203,169.72	20,316.97		20,316.97		20,316.97		20,316.97		20,316.97	
Asphalt Leveling	M2	237.50	106.16	1,995.81	474,004.40	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22	23,700.22
Slab Replacement	M2	22.50	320.17	6,019.20	135,431.91		-	-	-	33,857.98					33,857.98
Sealing of Cracks and Joints	ML	6.25	2,305.25	46,105.00	288,156.25	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81	14,407.81
Expansion Joints (Repair)	ML	456.25	31.58	631.60	288,167.50	28,816.75		28,816.75		28,816.75		28,816.75		28,816.75	
STRUCTURES (BRIDGES)															
Battery Corrosion Treatment	M2	168.75	192.10	3,842.00	648,337.50	-	-	-	-	162,084.38		-	-	-	162,084.38
Joint Corrosion Treatment	ML	68.75	52.39	1,047.80	72,036.25	-	-	12,006.04		-	-	12,006.04		-	12,006.04
DRAINAGE WORKS															
Troughs	M3	17.19	5,029.65	100,593.00	1,729,193.67	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68	86,459.68
Fencing (Row)	ML	60.00	960.52	19,210.40	1,152,624.00		-	-	-	230,524.80		-	-	230,524.80	
VERTICAL SIGNAGE															
Signage	PZA	687.50	47.15	943.00	648,312.50		-	-	-	129,662.50		-	-	129,662.50	
Delineator Posts	PZA	37.50	57.63	1,152.60	43,222.50		-	-	-	8,644.50		-	-	8,644.50	
Kilometer marker posts	PZA	75.00	19.21	384.20	28,815.00		-	-	-	5,763.00		-	-	5,763.00	
Reflective Signage and Center Divider	PZA	3.75	1,921.05	38,421.00	144,078.75	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94	7,203.94
HORIZONTAL SIGNAGE															
Center Line	ML	4.63	1,168.20	23,364.00	108,175.32		-	-	-	21,635.06		-	-	-	21,635.06
Lane Lines	ML	4.63	4,672.81	93,456.20	432,702.21		-	-	-	86,540.44		-	-	-	86,540.44
At Toll Booths	PZA	7.19	250.57	5,011.40	36,031.97		-	-	-	7,206.39					7,206.39
TOPOGRAPHY	LOTE	4,500.00	1.17	23.40	105,300.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00	5,265.00
SUBTOTAL					7,284,125.68	186,170.38	137,036.65	422,596.68	137,036.65	872,089.43	137,036.65	293,199.14	137,036.65	560,765.18	460,366.95
Inflation					145,682.51	3,723.41	2,740.73	8,451.93	2,740.73	17,441.79	2,740.73	5,863.98	2,740.73	11,215.30	9,207.34
Unforseen					364,206.28	9,308.52	6,851.83	21,129.83	6,851.83	43,604.47	6,851.83	14,659.96	6,851.83	28,038.26	23,018.35
ANNUAL TOTAL						199,202.30	146,629.22	452,178.44	146,629.22	933,135.69	146,629.22	313,723.08	146,629.22	600,018.74	492,592.63
GRAND TOTAL					7,794,014.48	4,415,849.03	4,562,478.24	5,014,656.69	5,161,285.91	6,094,421.59	6,241,050.81	6,554,773.89	6,701,403.11	7,301,421.85	7,794,014.48

20-YEAR MAJOR MAINTENANCE AND REPAIR EXPENSES BUDGET
CORREDOR NORTE PHASE II - AS CONSTRUCTED

	U.	P. U. US\$	TOTAL IN 20 YEARS	AMOUNT	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SURFACE														
Micropavement	M2	16.51	15,552.00	256,763.53	15,738.16	193,612.77	47,412.60							
Slab Replacement	M2	130.00	1,611.29	209,467.44		-	-	-	-	-	-	-	104,733.72	
Slab Fillers	M3	83.13	756.00	62,846.28	6,284.63		6,284.63		6,284.63		6,284.63		6,284.63	
Asphalt Leveling	M2	237.50	617.40	146,632.50	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63
Slab Replacement	M2	22.50	1,861.90	41,892.80		-	-	-	10,473.20		-	-	-	10,473.20
Sealing of Cracks and Joints	ML	6.25	21,279.20	132,995.00	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75
Expansion Joints (Repair)	ML	456.25	291.40	132,951.25	13,295.13		13,295.13		13,295.13		13,295.13		13,295.13	
STRUCTURES (BRIDGES)														
Battery Corrosion Treatment	M2	168.75	1,773.20	299,227.50			74,806.88		-	-	-	-	74,806.88	
Joint Corrosion Treatment	ML	68.75	483.60	33,247.50	5,541.25		-	-	5,541.25		-	-	5,541.25	
DRAINAGE WORKS														
Troughs	M3	17.19	46,427.40	798,087.01	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35
Fencing (Row)	ML	60.00	8,866.40	531,984.00		106,396.80		-	106,396.80		-	-	-	106,396.80
VERTICAL SIGNAGE														
Signage	PZA	687.50	435.20	299,200.00	59,840.00		-	-	59,840.00		-	-	-	59,840.00
Delineator Posts	PZA	37.50	532.00	19,950.00	3,990.00		-	-	3,990.00		-	-	-	3,990.00
Kilometer marker posts	PZA	75.00	177.40	13,305.00		2,661.00		-	2,661.00		-	-	-	2,661.00
Reflective Signage and Center Divider	PZA	3.75	17,732.80	66,498.00	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90
HORIZONTAL SIGNAGE														
Center Line	ML	4.63	10,783.40	49,927.14	9,985.43		-	-	9,985.43		-	-	-	9,985.43
Lane Lines	ML	4.63	43,133.60	199,708.57	39,941.71		-	-	39,941.71		-	-	-	39,941.71
At Toll Booths	PZA	7.19	2,313.00	16,630.47	3,326.09		-	-	3,326.09		-	-	-	3,326.09
TOPOGRAPHY	LOTE	4,500.00	10.80	48,600.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00
SUBTOTAL				3,359,913.98	217,583.02	362,311.20	201,439.85	59,640.63	321,375.86	59,640.63	79,220.38	59,640.63	264,302.22	296,254.86
Inflation				67,198.28	4,351.66	7,246.22	4,028.80	1,192.81	6,427.52	1,192.81	1,584.41	1,192.81	5,286.04	5,925.10
Unforseen				167,995.70	10,879.15	18,115.56	10,071.99	2,982.03	16,068.79	2,982.03	3,961.02	2,982.03	13,215.11	14,812.74
ANNUAL TOTAL					232,813.84	387,672.98	215,540.64	63,815.47	343,872.17	63,815.47	84,765.80	63,815.47	282,803.38	316,992.70
GRAND TOTAL				3,595,107.96	232,813.84	620,486.81	836,027.46	899,842.93	1,243,715.10	1,307,530.57	1,392,296.37	1,456,111.84	1,738,915.22	2,055,907.92

**20-YEAR MAJOR MAINTENANCE AND REPAIR EXPENSES BUDGET
CORREDOR NORTE PHASE II - AS CONSTRUCTED**

	U.	P. U. US\$	TOTAL IN 20 YEARS	AMOUNT	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SURFACE														
Micropavement	M2	16.51	15,552.00	256,763.53										
Slab Replacement	M2	130.00	1,611.29	209,467.44	-	-	-	-	-	-	104,733.72			
Slab Fillers	M3	83.13	756.00	62,846.28	6,284.63		6,284.63		6,284.63		6,284.63		6,284.63	
Asphalt Leveling	M2	237.50	617.40	146,632.50	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63	7,331.63
Slab Replacement	M2	22.50	1,861.90	41,892.80		-	-	-	10,473.20					10,473.20
Sealing of Cracks and Joints	ML	6.25	21,279.20	132,995.00	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75	6,649.75
Expansion Joints (Repair)	ML	456.25	291.40	132,951.25	13,295.13		13,295.13		13,295.13		13,295.13		13,295.13	
STRUCTURES (BRIDGES)														
Battery Corrosion Treatment	M2	168.75	1,773.20	299,227.50	-	-	-	-	74,806.88		-	-	-	74,806.88
Joint Corrosion Treatment	ML	68.75	483.60	33,247.50	-	-	5,541.25		-	-	5,541.25		-	5,541.25
DRAINAGE WORKS														
Troughs	M3	17.19	46,427.40	798,087.01	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35	39,904.35
Fencing (Row)	ML	60.00	8,866.40	531,984.00		-	-	-	106,396.80		-	-	106,396.80	
VERTICAL SIGNAGE														
Signage	PZA	687.50	435.20	299,200.00		-	-	-	59,840.00		-	-	59,840.00	
Delineator Posts	PZA	37.50	532.00	19,950.00		-	-	-	3,990.00		-	-	3,990.00	
Kilometer marker posts	PZA	75.00	177.40	13,305.00		-	-	-	2,661.00		-	-	2,661.00	
Reflective Signage and Center Divider	PZA	3.75	17,732.80	66,498.00	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90	3,324.90
HORIZONTAL SIGNAGE														
Center Line	ML	4.63	10,783.40	49,927.14		-	-	-	9,985.43		-	-	-	9,985.43
Lane Lines	ML	4.63	43,133.60	199,708.57		-	-	-	39,941.71		-	-	-	39,941.71
At Toll Booths	PZA	7.19	2,313.00	16,630.47		-	-	-	3,326.09					3,326.09
TOPOGRAPHY	LOTE	4,500.00	10.80	48,600.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00	2,430.00
SUBTOTAL				3,359,913.98	79,220.38	59,640.63	84,761.63	59,640.63	390,641.49	59,640.63	189,495.35	59,640.63	252,108.18	203,715.19
Inflation				67,198.28	1,584.41	1,192.81	1,695.23	1,192.81	7,812.83	1,192.81	3,789.91	1,192.81	5,042.16	4,074.30
Unforseen				167,995.70	3,961.02	2,982.03	4,238.08	2,982.03	19,532.07	2,982.03	9,474.77	2,982.03	12,605.41	10,185.76
ANNUAL TOTAL					84,765.80	63,815.47	90,694.94	63,815.47	417,986.39	63,815.47	202,760.02	63,815.47	269,755.75	217,975.25
GRAND TOTAL				3,595,107.96	2,140,673.73	2,204,489.20	2,295,184.14	2,358,999.61	2,776,986.00	2,840,801.47	3,043,561.49	3,107,376.96	3,377,132.71	3,595,107.96

20-YEAR MAJOR MAINTENANCE AND REPAIR EXPENSES BUDGET

CORREDOR NORTE PANAMA - MADDEN SEGMENT - AS CONSTRUCTED

	U.	P. U. US\$	TOTAL IN 20 YEARS	AMOUNT	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SURFACE														
Micropavement	M2	16.51	33,696.00	556,320.96	278,160.48	278,160.48								
Slab Replacement	M2	130.00	2,004.99	260,648.70		-	-	65,162.18		-	-	-	65,162.18	
Slab Fillers	M3	83.13	940.71	78,200.89	7,820.09		7,820.09		7,820.09		7,820.09		7,820.09	
Asphalt Leveling	M2	237.50	768.24	182,457.00	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85
Slab Replacement	M2	22.50	2,316.94	52,131.20		-	-	-	13,032.80		-	-	-	13,032.80
Sealing of Cracks and Joints	ML	6.25	34,395.60	214,972.50	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63
Expansion Joints (Repair)	ML	456.25	471.20	214,985.00	21,498.50		21,498.50		21,498.50		21,498.50		21,498.50	
STRUCTURES (BRIDGES)														
Battery Corrosion Treatment	M2	168.75	2,866.40	483,705.00			120,926.25		-	-	-	-	120,926.25	
Joint Corrosion Treatment	ML	68.75	781.80	53,748.75	8,958.13		-	-	8,958.13		-	-	8,958.13	
DRAINAGE WORKS														
Troughs	M3	17.19	75,045.00	1,290,023.55	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18
Fencing (Row)	ML	60.00	14,331.60	859,896.00		171,979.20		-	171,979.20		-	-	-	171,979.20
VERTICAL SIGNAGE														
Signage	PZA	687.50	703.60	483,725.00	96,745.00		-	-	96,745.00		-	-	-	96,745.00
Delineator Posts	PZA	37.50	859.80	32,242.50	6,448.50		-	-	6,448.50		-	-	-	6,448.50
Kilometer marker posts	PZA	75.00	286.60	21,495.00		4,299.00		-	4,299.00		-	-	-	4,299.00
Reflective Signage and Center Divider	PZA	3.75	28,663.00	107,486.25	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31
HORIZONTAL SIGNAGE														
Center Line	ML	4.63	17,430.20	80,701.83	16,140.37		-	-	16,140.37		-	-	-	16,140.37
Lane Lines	ML	4.63	69,721.00	322,808.23	64,561.65		-	-	64,561.65		-	-	-	64,561.65
At Toll Booths	PZA	7.19	3,738.60	26,880.53	5,376.11		-	-	5,376.11		-	-	-	5,376.11
TOPOGRAPHY														
	LOTE	4,500.00	25.40	114,300.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00
SUBTOTAL				5,436,728.88	601,170.78	549,900.65	245,706.80	160,624.14	512,321.30	95,461.97	124,780.55	95,461.97	319,827.10	474,044.58
Inflation				108,734.58	12,023.42	10,998.01	4,914.14	3,212.48	10,246.43	1,909.24	2,495.61	1,909.24	6,396.54	9,480.89
Unforseen				271,836.44	30,058.54	27,495.03	12,285.34	8,031.21	25,616.06	4,773.10	6,239.03	4,773.10	15,991.36	23,702.23
ANNUAL TOTAL					643,252.73	588,393.69	262,906.28	171,867.83	548,183.79	102,144.30	133,515.19	102,144.30	342,215.00	507,227.70
GRAND TOTAL				5,817,299.91	643,252.73	1,231,646.42	1,494,552.70	1,666,420.53	2,214,604.32	2,316,748.62	2,450,263.81	2,552,408.12	2,894,623.12	3,401,850.82

20-YEAR MAJOR MAINTENANCE AND REPAIR EXPENSES BUDGET														
CORREDOR NORTE PANAMA - MADDEN SEGMENT - AS CONSTRUCTED														
	U.	P. U. US\$	TOTAL IN 20 YEARS	AMOUNT	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SURFACE														
Micropavement	M2	16.51	33,696.00	556,320.96										
Slab Replacement	M2	130.00	2,004.99	260,648.70	-	-	65,162.18			-	65,162.18			
Slab Fillers	M3	83.13	940.71	78,200.89	7,820.09		7,820.09		7,820.09		7,820.09		7,820.09	
Asphalt Leveling	M2	237.50	768.24	182,457.00	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85	9,122.85
Slab Replacement	M2	22.50	2,316.94	52,131.20		-	-	-	13,032.80					13,032.80
Sealing of Cracks and Joints	ML	6.25	34,395.60	214,972.50	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63	10,748.63
Expansion Joints (Repair)	ML	456.25	471.20	214,985.00	21,498.50		21,498.50		21,498.50		21,498.50		21,498.50	
STRUCTURES (BRIDGES)														
Battery Corrosion Treatment	M2	168.75	2,866.40	483,705.00	-	-	-	-	120,926.25		-	-	-	120,926.25
Joint Corrosion Treatment	ML	68.75	781.80	53,748.75	-	-	8,958.13		-	-	8,958.13		-	8,958.13
DRAINAGE WORKS														
Troughs	M3	17.19	75,045.00	1,290,023.55	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18	64,501.18
Fencing (Row)	ML	60.00	14,331.60	859,896.00		-	-	-	171,979.20		-	-	171,979.20	
VERTICAL SIGNAGE														
Signage	PZA	687.50	703.60	483,725.00		-	-	-	96,745.00		-	-	96,745.00	
Delineator Posts	PZA	37.50	859.80	32,242.50		-	-	-	6,448.50		-	-	6,448.50	
Kilometer marker posts	PZA	75.00	286.60	21,495.00		-	-	-	4,299.00		-	-	4,299.00	
Reflective Signage and Center Divider	PZA	3.75	28,663.00	107,486.25	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31	5,374.31
HORIZONTAL SIGNAGE														
Center Line	ML	4.63	17,430.20	80,701.83		-	-	-	16,140.37		-	-	-	16,140.37
Lane Lines	ML	4.63	69,721.00	322,808.23		-	-	-	64,561.65		-	-	-	64,561.65
At Toll Booths	PZA	7.19	3,738.60	26,880.53		-	-	-	5,376.11					5,376.11
TOPOGRAPHY	LOTE	4,500.00	25.40	114,300.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00	5,715.00
SUBTOTAL				5,436,728.88	124,780.55	95,461.97	198,900.85	95,461.97	624,289.42	95,461.97	198,900.85	95,461.97	404,252.25	324,457.26
Inflation				108,734.58	2,495.61	1,909.24	3,978.02	1,909.24	12,485.79	1,909.24	3,978.02	1,909.24	8,085.05	6,489.15
Unforseen				271,836.44	6,239.03	4,773.10	9,945.04	4,773.10	31,214.47	4,773.10	9,945.04	4,773.10	20,212.61	16,222.86
ANNUAL TOTAL					133,515.19	102,144.30	212,823.91	102,144.30	667,989.68	102,144.30	212,823.91	102,144.30	432,549.91	347,169.26
GRAND TOTAL				5,817,299.91	3,535,366.01	3,637,510.31	3,850,334.23	3,952,478.53	4,620,468.21	4,722,612.51	4,935,436.43	5,037,580.73	5,470,130.64	5,817,299.91

ANNEX V - THE CONCESSION AGREEMENT

CONCESSION AGREEMENT (Free English Translation)

The following is a free translation of the Concession Agreement that has been prepared for the convenience of potential Investors. It should not be unduly relied upon in making an investment decision. The terms of the Concession Agreement are contained in the original Spanish language version, which controls.

MINISTRY OF PUBLIC WORKS
CONTRACT No. 98
(of December 29, 1994)

Between the undersigned, namely: **HIS EXCELLENCY LUIS E. BLANCO**, male, Panamanian, of legal age, married, resident of this city, holder of personal identity card No. 8-124-800, MINISTER OF PUBLIC WORKS, in the name and representation of THE STATE, hereinafter THE STATE, party of the first part, **MAXIMO HADDAD ABED**, holder of passport No. **MH17683** and **JUAN ARTURO MELGAREJO HADDAD**, holder of Passport No. **A1907498**, in the name and representation of **PYCSA PANAMA S.A.**, duly registered in the Public Register, Section of Commercial Microfilms on Fiche 294875, Roll 44260, Image 82, with Certificate of Good Standing from the General Department of Income No94-450921 validated until March 31, 1995, (Law 42 of 1976), party of the second part, hereinafter THE CONCESSIONAIRE, for **THE STUDY, DESIGN, CONSTRUCTION, MAINTENANCE, OPERATION AND EXPLOITATION OF THE PANAMA-COLON HIGHWAY AND PHASE I OF THE NORTHERN CORRIDOR (WESTERN SECTION) BY THE SYSTEM OF ADMINISTRATIVE CONCESSION.**

PURPOSE OF THE CONTRACT

ONE:

THE CONCESSIONAIRE formally undertakes to carry out the **STUDY, DESIGN, CONSTRUCTION, MAINTENANCE, OPERATION, EXPLOITATION OF THE PANAMA - COLON HIGHWAY AND OF PHASE I OF THE NORTHERN CORRIDOR (WESTERN SECTION)**, according in all aspects with the Specifications and other documents prepared for this purpose and THE STATE grants THE CONCESSIONAIRE, under Administrative Concession, the exclusive use of this road work.

THE CONCESSIONAIRE undertakes to do at its own cost:

- a. Complete design of the PANAMA-COLON HIGHWAY;
- b. A complete revision of the original designs and proposed changes and/or studies at least of PHASE I OF THE NORTHERN CORRIDOR (WESTERN SECTION);
- c. Construction of the PANAMA-COLON HIGHWAY and of Phase I of the NORTHERN CORRIDOR (WESTERN SECTION);
- d. The complete Designs and Construction of the intersections and exchanges proposed by the CONCESSIONAIRE;
- e. The Work under this Contract, the same as all accessory infrastructures for the good operation thereof with capacity for at least four (4) initial lanes, two (2) in each direction and the necessary expansions according to the traffic increase Plan proposed by the CONCESSIONAIRE;
- f. The administration and maintenance of the Work for the period of the Concession;
- g. The Environment Impact Mitigation Study of the Project prior to the construction of the Work;

The Concession is for a period of THIRTY (30) years, starting to be counted from the date of authorization of the Operation and Administration in any of its component sections; no clause of this document can be interpreted that the STATE waives the rights on the work concerned by this Contract, on the contrary, when the term of the Concession ends, it will revert to the STATE free of costs, liens, in perfect condition and with the same level of service in which it was built, making all the repairs necessary for this purpose.

This means that THE CONCESSIONAIRE declares that it waives the right granted to it by Article 1770 of the Civil Code in concurrence with Article 1468 of the Judicial Code, so that the parties agree that THE CONCESSIONAIRE may not request by ordinary channels a justification of the property title on the improvements or permanent works done in the area given under concession.

SCOPE OF THE CONCESSION

TWO:

THE STATE grants to THE CONCESSIONAIRE by this Contract the development, operation and exploitation of the road project named PANAMA-COLON HIGHWAY AND PHASE I OF THE NORTHERN CORRIDOR (WESTERN SECTION), whose plans and technical specifications, general conditions and special conditions are an integral part of the contract, as well as the modifications and/or technical additions which the parties reach by mutual agreement.

OBLIGATIONS OF THE CONCESSIONAIRE

THREE:

THE CONCESSIONAIRE must comply with the entire legal system of the Republic of Panama and in particular with Law No. 5 of April 15, 1988 of Administrative Concession.

THE CONCESSIONAIRE may not, nor will it have the right, under any circumstance, to request from any court the ATTACHMENT of any part or the entire assets included in the Concession, not only the movable or immovable assets that are an integral part of the Concession, including when such assets have been acquired and financed by said CONCESSIONAIRE.

THE CONCESSIONAIRE is obligated to protect the ecology and the environment at all times.

THE CONCESSIONAIRE will be responsible to the State, to the Municipalities and to the authorities in general for all the obligations, commitments or debts acquired by it during the term of this Contract, as well as for the payment of salaries and labor benefits to its employees and indemnifications to third parties. Therefore, THE STATE will be released of any liability for damage to third parties, debts, obligations, commitments and payments for labor benefits and salaries originated as a consequence of this Contract.

THE CONCESSIONAIRE will comply with all labor laws and will give all the employees, as a minimum, the advantages granted to them by said laws.

At least ninety percent (90%) of the employees will be Panamanian.

THE CONCESSIONAIRE will keep liability insurance policies for damage to the users and other third parties of their property.

THE CONCESSIONAIRE will take the necessary measures to achieve that the work under its liability receive the benefit of proper maintenance. THE STATE through the Ministry of Public Works may, at all times, make the observations it deems convenient to reach an adequate maintenance.

THE CONCESSIONAIRE will allow access to the works to the officers of the Ministry of Public Works or the State, provided they fill the formalities agreed upon in this regard.

Before signing the Contract, THE CONCESSIONAIRE will deliver a Performance Bond in favor of the MINISTRY OF PUBLIC WORKS/GENERAL COMPTROLLER OF THE REPUBLIC for TEN PERCENT (10%) of the value of the investment according to the proposal, which will remain in force throughout the construction period of the work.

If THE CONCESSIONAIRE completes part of the work and it is in a condition to be exploited, and provided that THE MINISTRY authorizes it, the amount of the Performance Bond will be reduced proportionally to the amount of the stage completed and in operation.

If THE CONCESSIONAIRE is not completing the agreement or postpones the performance of the work according to the program prepared by THE CONCESSIONAIRE, which constitutes the basis of this Contract, the procedure will be according to the Special Conditions of the Specifications.

THE CONCESSIONAIRE agrees that THE STATE has full right to inspect the performance of the work to guarantee that, in its construction, the rules and practices accepted in the exercise of the engineering, as well as the technical specifications approved and/or provided by THE STATE, are met.

THE CONCESSIONAIRE must pay all taxes, liens and dues, both National and Municipal, according to the law, except those of which it has been exempted under this Contract, as provided in Law No. 5 of April 15, 1968, and those of which it is additionally exempted by the modifications suffered by said law in the future or any other applicable law.

THE STATE will not offer subsidies or additional income to THE CONCESSIONAIRE during or after the construction of the work for reasons of Force Majeure or Act of God.

THE CONCESSIONAIRE will propose to THE STATE the system of rate revision.

For the purposes of this Contract, force majeure and act of god are understood as the text of Article No. 34d of the Civil Code, which reads verbatim:

ARTICLE No. 34D: "Force majeure is the situation produced by act of man, which could not be resisted, such as public acts, capture by enemies and other similar ones. Act of god is that caused by events of nature which could not be foreseen, such as a shipwreck, earthquake, fire and others of the same or similar kind."

THE CONCESSIONAIRE will collect the toll rates presented in its bid, duly approved by THE STATE, as indicated below:

PANAMA - COLÓN HIGHWAY

No.	CLASS	TYPE	BASIC RATE	RATES BY SECTIONS	
				PANAMA - VIA MADDEN	VIA MADDEN - COLÓN
1-	A	Motorcycles, Automobiles, Pick-Ups	B/ 3.50	B/ 1.50	B/ 2.00
2-	B	Microbuses - Buses	B/ 7.00	B/ 3.00	B/ 4.00
3-	C	Single-Unit Trucks	B/ 10.50	B/ 4.50	B/ 6.00
4-	D	Articulated Trucks (Weighted)	B/ 12.00	B/ 5.00	B/ 7.00

NORTHERN CORRIDOR

No.	CLASS	TYPE	BASIC RATE	RATES BY SECTIONS				
				ALBROOK-MARTIN-SOSA	MARTIN-SOSA-PAICAL	PAICAL-HIGHWAY	HIGHWAY-CERRO-PATACON	CERRO-PATACON-BRANCHES
1-	A	Motorcycles, Automobiles, Pick-Ups	B/ 1.50	B/ 0.25	B/ 0.25	B/ 0.25	B/ 0.25	B/ 0.50
2-	B	Microbuses - Buses	B/ 4.00	B/ 1.00	B/ 1.00	B/ 0.50	B/ 0.50	B/ 1.00
3-	C	Single-Unit Trucks	B/ 7.00	B/ 1.25	B/ 1.25	B/ 0.75	B/ 1.75	B/ 2.00
4-	D	Articulated Trucks (Weighted)	B/ 9.00	B/ 1.50	B/ 1.50	B/ 1.00	B/ 2.00	B/ 3.00

TAX RIGHTS AND ADVANTAGES:

FOUR.

THE CONCESSIONAIRE will have the following special rights:

- 1- To collect from the users the rates resulting from application of the provisions of this contract or otherwise authorized by the Cabinet Council at the request of THE CONCESSIONAIRE;

2. To receive the collaboration so that the asset concerned by the concession is used for the purpose for which it was realized, subject to the rules and regulations approved by the Executive and the preservation and use rules established in each case by THE CONCESSIONAIRE and approved by the granting entity.
3. To receive the collaboration of police agents to preserve the respect of the regulations and maintain public order and the rights of third parties against those who interfere with them in a manner contrary to the law and regulations and the orders or instructions of the police on the matter.
4. To assure that the granting entity grants the necessary easements for the performance of the work and for rendering the service for which it was realized, and to issue through it the corresponding use permits, in coordination with the competent entities.
5. To receive adequate indemnification in the event of administrative recovery.
6. If due to any event not imputable to THE CONCESSIONAIRE, a delay is created in the work program, the expenses originated will be recognized in the total investment to be recovered through the increase in the rates and/or extension of the term of the concession.
7. As of the fourth year of the exploitation period, if within 3 months following each fiscal year, the income from the rates does not reach the total recoverable amount according to the financial program presented, THE CONCESSIONAIRE will have the right to increase the rates. If the market does not permit it, the term of the concession will be extended for the necessary period so that THE CONCESSIONAIRE obtain the established yield.
8. Subject to Article 54 of the Tax Code, THE CONCESSIONAIRE may assign and transfer to third parties the exploitation and all income originated from the concession, including the toll rights.

FIVE)

THE CONCESSIONAIRE will be entitled to the following tax advantages, which it may assign pursuant to the provisions of Article 54 of the Tax Code:

1. From the award of the concession and during the performance of the works, the assets concerned by the concession will be exempt of

- 1.1 Tax on the transfer of Movable Assets (ITBM) and the tax on import to the territory of the Republic of Panama of the machinery, equipment, supplies, materials and assets in general intended for the performance of the work concerned by the concession or incorporated therein, with the understanding that such assets may not be used for different purposes or sold or transferred in the Republic of Panama. Such assets, machinery, equipment, supplies and materials may be at any time sent abroad or re-exported free of any tax. Said system will equally concern the assets acquired by the contractors and subcontractors of the Concessionaire, or which are the object of the Concession, provided that the assets concerned by the import are delivered in the name of the concessionaire.
- 1.2 Re-export tax.
- 1.3 Movable transfer tax.
- 1.4 Income tax.
2. During the administration of the works or assets, THE CONCESSIONAIRE will have the right to be exempt from:
 - 2.1 Income tax, as follows:
 - 2.1.1 One hundred percent (100%) during the first five (5) years.
 - 2.1.2 Seventy-five (75%) during the following five (5) years.
 - 2.1.3 Fifty (50%) during the rest of the years of the concession.
 - 2.2 One hundred percent (100%) exemption of stamp tax.
 - 2.3 One hundred percent (100%) exemption of import tax of the maintenance and operation equipment indispensable in the administration of the concession works.
 - 2.4 One hundred percent (100%) exemption of the movable transfer tax in the import of maintenance and operation equipment indispensable for the administration of the works of the concession.
3. Before and during the construction and administration of the works of the concession, the financial entities of the concessionaire will be exempt of Income Tax on interest collected for the loans granted to finance the work.

The Shareholders, be they individuals or legal persons, who receive dividends because of the activities of the concession, will not be obligated to pay income tax pursuant to article 733 of the Tax Code; However, if such persons declare said dividends in a foreign country, in order to pay income tax there, and request in said foreign country to be recognized a credit for all or part of the tax, they will pay in Panama the taxes established in article 699 or 700 of the Tax Code. If said credit, so requested, is granted to them, said person must present in Panama the proof that finally said credit was recognized to them and the amount thereof, and only in this case will they be obligated to pay a tax in Panama, which will be for an amount equal to the credit granted to them. For these purposes, the procedure will be according to the provisions of the tax code and the respective regulations in the matter.

- 4 THE CONCESSIONAIRE will have first option to engage in activities related to the concession, in which case it may receive the tax incentives granted by the respective laws for the development of industrial and commercial activities; in said cases, the net income obtained by it in these activities will be added to the net income for the purposes of section 2, sub-section 2.1, article 23 of Law No. 5 of 1988, according to the period in question.

OBLIGATIONS AND RIGHTS OF THE STATE

SIX

THE STATE undertakes to allow THE CONCESSIONAIRE to correctly and peacefully use the work granted under concession.

To timely notify in writing to THE CONCESSIONAIRE any noncompliance of the latter with the obligations established in this Contract.

To inspect the construction of the work performed by THE CONCESSIONAIRE to guarantee compliance with the rules and practices usually accepted in the performance of Engineering, as well as the specifications and other documents of the contract, and collaborate with THE CONCESSIONAIRE to achieve a quick and satisfactory solution to problems.

To guarantee the easements, the right of way and the rights of passage and access required by THE CONCESSIONAIRE to perform the established work.

THE STATE undertakes not to build directly or through Administrative Concession any highway representing competition to the project whose concession is granted in this contract.

The current railroad, which may be rehabilitated, is excluded from this obligation.

Equally, it undertakes not to make improvements in the current Panama-Colón highway at levels representing competition to THE CONCESSIONAIRE.

THE STATE undertakes to give incentives to the users to employ the highway concerned by this concession.

BOOKS AND DOCUMENTS

SEVEN

The Accounting Books of THE CONCESSIONAIRE will be kept at all times according to the laws of the Republic of Panama.

LAPSE OF THE CONTRACT

EIGHT

The following are causes for lapse of the contract:

1. When the works under the concession are not carried out in the established form and terms;
2. When the purpose of the concession is changed without authorization from the granting entity;
3. When the concession or its assets are transferred, assigned or encumbered without authorization of the Cabinet Council or when the assets are used for purposes other than the purpose of the concession;
4. In the event of noncompliance with sections 1, 2, 3 and 5 of article 13 of Law No. 5 of April 15, 1988;
5. When the bankruptcy proceedings of THE CONCESSIONAIRE are declared, or due to financial or technical full and proven incapacity to carry out the purpose of the concession, even in the absence of declaration of bankruptcy proceedings;
6. Due to administrative recovery of the concession, after indemnification calculated as determined by the contract.

When the administrative recovery of the Concession takes place for public interest, THE CONCESSIONAIRE will receive, as indemnification, an amount which will be determined as follows:

- 1) If the administrative recovery occurs before the beginning of the operating stage, the sum resulting from adding up the amount invested as of the date of the recovery, plus the amount on said sum represented by the expected yield rate during the entire term of the Concession.

- ii) If the administrative recovery occurs during the exploitation stage, the sum representing the net present value of the amount of the investment made, pending amortization, plus the amount of the yield rate expected from the project, calculated over the entire exploitation period as if the administrative recovery had not occurred.

WAIVER OF DIPLOMATIC CLAIM

NINE.

This contract will be governed and interpreted according to the laws of the Republic of Panama, to the jurisdiction of whose courts the parties hereby expressly submit.

Notwithstanding the above, the parties may agree that the dispute arising between them in connection with the execution, interpretation or performance of this contract that cannot be resolved amicably, will be resolved by arbitration in the terms and conditions permitted by the applicable law.

THE CONCESSIONAIRE waives diplomatic claims concerning the duties and rights arising from this contract, except in the event of denial of justice. It is understood that, if the Concessionaire has prepared without using the recourses and means of action that may be used according to Panamanian law, it will not be considered that a denial of justice has occurred.

PERIOD

TEN.

THE CONCESSIONAIRE undertakes to finish the work within a term of TWENTY-FOUR (24) months counted from the Order to Proceed issued by the Ministry of Public Works.

TOTAL RECOVERABLE AMOUNT

ELEVEN.

It is agreed that the total recoverable amount of THE CONCESSIONAIRE will be as follows:

a. Investment	B/. 328,767,614.00
b. Reasonable Profit	B/. 62,137,079.00
TOTAL	B/. 390,904,693.00

THE CONCESSIONAIRE would have obtained the total recoverable amount on the date when its net income originating from toll rates (after deducting from this income the costs and expenses for maintenance and operation, financial costs and taxes) have reached the total sum indicated in Article Eleven of the Contract.

For the purposes of this contract, all the amounts expressed in balboas will be deemed equivalent to U.S. dollars at the rate of one (1) dollar for each one (1) balboa.

of the amounts so expressed. Consequently, if the Panamanian balboa stops having parity with the U.S. dollar, the amounts expressed in balboas will be adjusted proportionately.

EXPIRATION OF THE CONTRACT

TWELVE:

This contract will enter into effect on December 29, 1994 and will continue in force for thirty (30) years from the completion of the construction of the entire work or until THE CONCESSIONAIRE obtains the total recoverable amount, whichever of these facts occurs first.

In case it is reliably established and proven, before the lapse of THIRTY (30) years, that THE CONCESSIONAIRE will not succeed to obtain the total recoverable amount, both parties will formally start negotiations to expand or extend the concession period.

FISCAL STAMPS

THIRTEEN.

Pursuant to Article 967 Section 2 of the Tax Code, the respective tax codes are adhered on this Contract, based on the total amount of the investment set forth in the bid of THE CONCESSIONAIRE.

In witness whereof, this contract is signed in Panama City on the 29th day of December, 1994.

FOR THE STATE
LUIS E. BLANCO
Minister of Public Works

FOR THE CONCESSIONAIRE
MAXIMO HADDAD ABED **JUAN ARTURO MELGAREJO HADDAD**
PYCSA PANAMA, S.A. PYCSA PANAMA, S.A.

COUNTERSIGNATURE
ARISTIDES ROMERO
GENERAL COMPTROLLER OF THE REPUBLIC

REPUBLIC OF PANAMA NATIONAL EXECUTIVE BODY-MINISTRY OF PUBLIC WORKS
January 4, 1995

ERNEST PEREZ BALLADARES
President of the Republic

APPROVED:

LUIS E. BLANCO
Minister of Public Works

Ministry of Public Works
This is an authentic copy
Panama January 5, 1994.

ERRATA

MINISTRY OF PUBLIC WORKS
DECREE No. 272
(of November 30, 1994)
"MODIFYING EXECUTIVE DECREE
No. 17 OF NOVEMBER 29, 1989" Page No.
BY INVOLUNTARY ERROR, THE MINISTRY OF PUBLIC WORKS OMITTED PAGE No. 2 OF THE EXECUTIVE
DECREE 272 OF NOVEMBER 30, 1994, PUBLISHED IN THE GACETA OFICIAL No. 22674 OF
THURSDAY, DECEMBER 1, 1994.
TO CORRECT SAID ERROR, WE PUBLISH EXECUTIVE
DECREE 272 OF NOVEMBER 30, 1994 IN FULL.

**GACETA OFICIAL
STATE PUBLICATION**

**MINISTRY OF PUBLIC WORKS
ADDENDUM No. 1 TO CONTRACT No. 98
(of December 29, 1996)**

Between the undersigned, namely, **HIS EXCELLENCY LUIS E. BLANCO**, male Panamanian, of legal age, married, resident of this city, holder of personal identity card No. 8-124-300, **MINISTER OF PUBLIC WORKS**, in the name and representation of **THE STATE**, hereinafter **THE STATE**, party of the first part, **JUAN ARTURO MELGAREJO HADDAD**, holder of Passport No. **A1907498**, in the name and representation of **PYCSA PANAMA S.A.**, duly registered in the Public Register, Section of Commercial Macrofilms on Fiche 204875, Roll 44260, Image 82, party of the second part, hereinafter **THE CONCESSIONAIRE**, it has been agreed to execute this addendum No. 1 to Contract No. 98 of December 29, 1994 (the "Contract"), pursuant to the following clauses.

**GACETA OFICIAL
STATE PUBLICATION**

Founded by Cabinet Decree No. 10 of November 11, 1903

**ATTY. JORGE SANIDAS A.
GENERAL DIRECTOR**

**YEXENIA L. RUIZ
ASSISTANT DIRECTOR, a.i**

OFFICE

Avenida Norte (Eloy Alfaro) and Calle 39/ Casa No. 3-12
Edificio Casa Amarilla, San Felipe Panama City,
Telephone 278-8631, 278-9833 P.O. Box 2189
Panama, Republic of Panama

LAWS, NOTICES, EDICTS AND OTHER

PUBLICATIONS

SINGLE ISSUE B/. 2.20

General Department of Income
PRICE OF SUBSCRIPTIONS
Minimum 6 months in the Republic: B/. 18.00
One year in the Republic: B/. 36.00
6 months-abroad: B/. 18.00, plus air freight
One year-abroad: B/. 36.00, plus air freight

All payments to be made in advance.

ONE: Article One of the Contract is amended to read as follows:

"ONE

THE CONCESSIONAIRE formally undertakes to carry out the study, design, construction, maintenance, operation and exploitation of each of the component sections of the PANAMA-COLON HIGHWAY and of PHASE I of the NORTHERN CORRIDOR (WESTERN Section), according in all aspects to the Specifications and other documents prepared for this purpose, and THE STATE grants THE CONCESSIONAIRE, under Administrative Concession, the exclusive use of each of such component sections.

For the purposes of this contract, the following expressions will have the meaning attributed to them below:

"Concession" is understood, concerning each component section, to be the administrative concession granted hereby to THE CONCESSIONAIRE for the study, design, construction, maintenance, operation and exploitation of the respective component section; "Work" means, for each component section, the study, design and construction of the respective component section;

PHASE I of the Northern Corridor (WESTERN Section), means the alignment starting on the track of Albrook field, to the area known as "Tinajitas".

Panamá-Colón Highway means the alignment that starts in the Northern Corridor and ends in Colón.

"Component Sections" are:

PHASE I of the Northern Corridor (WESTERN Section)

Section I of the Highway (Panamá-Madden).

Section II of the Highway (Madden-Colón).

THE CONCESSIONAIRE undertakes to do at its own cost:

- a. The complete design of each component section of the PANAMA-COLON HIGHWAY;

- b. The complete design of each component section of PHASE I OF THE NORTHERN CORRIDOR (WESTERN Section).
- c. The construction of each component section of the PANAMÁ-COLÓN HIGHWAY and of PHASE I of the NORTHERN CORRIDOR (WESTERN Section).
- d. The complete design and construction of the intersections and exchanges proposed by THE CONCESSIONAIRE for each component section.
- e. The Work, concerning each component section, the same as all accessory infrastructures for the good operation thereof with capacity for at least four (4) initial lanes, two (2) in each direction and the necessary expansions according to the traffic increase Plan proposed by THE CONCESSIONAIRE.
- f. The administration and maintenance of each component section given under Concession for its period.
- g. The Environment Impact Mitigation Study of the Project for each component section, prior to the construction of the respective component section.

The Concession granted by this means for each of the component sections is for a period of THIRTY (30) years, starting to be counted from the date of authorization of the Operation and Administration of the respective component section; no clause of this document can be interpreted that THE STATE waives the rights on the work concerned by this Contract, on the contrary, when the term of the Concession ends concerning each component section, it will revert to THE STATE free of costs, liens and, except for normal deterioration, in good preservation and operation condition, THE CONCESSIONAIRE must give it proper maintenance for this purpose.

This means that THE CONCESSIONAIRE declares that it waives the right granted to it by Article 1770 of the Civil Code in concurrence with Article 1468 of the Judicial Code, so that the parties agree that THE CONCESSIONAIRE may not request by ordinary channels a justification of the property title on the improvements or permanent works done in the area given under Concession.

TWO: Article Two of the Contract is amended to read as follows:

"TWO:

THE STATE grants to THE CONCESSIONAIRE by this contract, the right to develop, operate and exploit the road project named PANAMÁ-COLÓN HIGHWAY AND PHASE I OF THE NORTHERN CORRIDOR (WESTERN Section), under administrative Concession, in connection with each of its component sections, which together will make up said

road project, according to the plans and technical specifications, general conditions and special conditions which are an integral part of this contract, as well as the modifications and/or technical additions, extensions or expansions of the Work or any additional works and any other addenda or modifications thereof which the parties reach by mutual agreement pursuant to the law.

The Concession granted hereunder for each of the component sections will be subject to the terms and conditions of this contract.

It is understood that the following are part of the Contract: The Contract, its Addenda and modifications, the Specifications and their Addenda, the Proposal presented by THE CONCESSIONAIRE and the designs, plans, technical specifications and changes or modifications to such designs or technical specifications, proposed by THE CONCESSIONAIRE and approved by the Ministry of Public Works."

THREE: The second paragraph of Article Three is amended to read as follows:

"THE CONCESSIONAIRE may not, nor will it have the right, under any circumstance, to request from any court the attachment of any part or the entire movable or immovable assets that are an integral part of the Concession, including when such assets have been acquired and financed by said CONCESSIONAIRE. However, the above will not be understood as a limitation of the right of THE CONCESSIONAIRE to assign or encumber, in full or in part, the rights arising from the concession of any component sections in favor of third parties, including the third parties who give financing to THE CONCESSIONAIRE, provided that it obtains the prior consent of THE STATE, which consent will recognize the rights of third parties who give financing for any of the component sections to have a reasonable term, from the notice given by THE STATE for this purpose to remedy any possible noncompliance by THE CONCESSIONAIRE in connection with the respective component section for whose performance they gave financing, or to assume its performance and/or exploitation, in order to preserve the rights assigned by THE CONCESSIONAIRE on the respective component section, regardless of any other component section."

FOUR: The eighth paragraph of Article Three of the contract is amended to read as follows:

"THE CONCESSIONAIRE will take the necessary measures to achieve that the Work under its liability receive the benefit of proper maintenance according to the plan presented for this purpose by THE CONCESSIONAIRE, which will comply with all generally accepted standards for highway maintenance. THE STATE, through the Ministry of Public Works, will review and approve said plan and may, at all times, make the observations it deems convenient to reach an adequate maintenance."

FIVE: The eleventh paragraph of Article Three of the contract is amended to read as follows:

"Once the Work is completed concerning any of its component sections and its operation has been authorized by the Ministry of Public Works, THE CONCESSIONAIRE will have, concerning the respective component section, all the obligations as well as all the rights concerning the maintenance, operation and exploitation of the respective component section, totally independent from the concession granted hereunder in connection with each of the other component sections to be completed, without prejudice to the provisions of Article Eleven of the Contract as to reasonable profit. In this case, the amount of the performance bond will be reduced proportionally to the amount corresponding to the Concession of the respective component section in operation and the bond so reduced will continue covering the obligations of THE CONCESSIONAIRE for the component sections that must still be completed."

SIX: The thirteenth paragraph of Article Three of the contract is amended to read as follows:

"THE CONCESSIONAIRE agrees that THE STATE has full right to inspect the performance of the Work to guarantee that, in its construction, the rules and practices accepted in the exercise of the Engineering, as well as the technical plans and specifications provided and/or approved by THE STATE which are part of this Contract are met. THE CONCESSIONAIRE will submit monthly to the Ministry of Public Works reports of the physical progress and of the investment made therein."

SEVEN: Sections 6, 7 and 8 of Article Four of the contract are amended to read as follows:

6. If, due to any event not imputable to THE CONCESSIONAIRE, a delay is created in the Work program, the expenses originated will be recognized in the total investment to be recovered through the increase in the rates and/or extension of the term of the Concession. It is understood that the postponements or delays in the Work caused by the fault, negligence or fraud of THE CONCESSIONAIRE, its subcontractors or assignees, are imputable to THE CONCESSIONAIRE. Consequently, any delays originated by circumstances or reasons of force majeure or act of God, or when it demonstrates that it has acted with the diligence of a good businessman to avoid the delay, will not be deemed imputable to THE CONCESSIONAIRE.
7. During the entire term of the Concession for each of the component sections, THE CONCESSIONAIRE may increase the rates which it has the right to collect as tolls, in order to reflect in said rates the:

increase in the costs of inflation in the Republic of Panama, accrued as of December 1994 in the manner indicated in the system to be approved by the Cabinet Council for rate revision. In addition, if within the first three months of the fourth year of the exploitation period, or within the first three months of any subsequent year, it is determined that sum of net income from the collection of toll in the component sections, at the end of the immediately prior annual period, projected for the term of the Concession of each of the component sections, does not reach the total recoverable amount according to the financial program presented, THE CONCESSIONAIRE will have the right to increase the rates, according to the mechanism provided in the system for rate revision. Any increase additional to that resulting by application of the mechanism provided in said system for rate revision must be approved by the Cabinet Council.

Any such increases will be applied, except if THE STATE, represented by the Ministry of Public Works, and THE CONCESSIONAIRE establish that the market conditions do not allow for the increase, in which case the term of the Concession will be extended for each of the component sections for the necessary period so that THE CONCESSIONAIRE may obtain the yield established.

8. Subject to Article 37 of Executive Decree No. 17 of 1989, as amended by Article 24 of Executive Decree No. 272 of November 30, 1994, THE CONCESSIONAIRE may, with the consent of the Ministry of Public Works, transfer, assign or encumber, in full or in part, to third parties, including third parties who give financing, the rights of any type contemplated in this contract, without distinction of the phases of the Concession, or the component section to which it corresponds (including, without limitation, the income originating from toll collection, in connection with any of its component sections).

THE CONCESSIONAIRE may contract or subcontract with national or foreign companies the performance of the activities necessary to comply with the purpose of this contract, and such contractors or subcontractors will be subject to the provisions of Article 26 of Executive Decree No. 272 of November 30, 1994."

EIGHT. The first paragraph of section 3 of Article Five of the contract is amended to read as follows:

- "3. Pursuant to article 24 of law 5 of 1988, before and during the construction and

administration of the Work, the financial entities of THE CONCESSIONAIRE will be exempt of payment of income tax on the interest collected for the use of money and produced in connection with the loans granted for the financing of the Work, be it that they are granted directly to THE CONCESSIONAIRE, or indirectly through trusts or other financial vehicles used for this purpose. For the effects provided herein, the following expressions will have the meaning attributed to them below:

"Loans" means any contract or agreement whose purpose is to grant the use of money on credit for the financing of the Work.

"Interest" will have the same meaning attributed to said term in singular in article 2(q) of Cabinet Decree No. 238 of July 2, 1970."

NINE: The second paragraph of Article Six of the contract is amended to read as follows:

"To timely notify in writing to THE CONCESSIONAIRE any noncompliance of the latter with any obligations established in this contract, so that it may have the prudential and reasonable term established by THE STATE, counted from said notification, to remedy the causes of noncompliance."

TEN: Article Eight of the contract is amended to read as follows:

"EIGHT:

The following are causes for lapse of the Concession, concerning any of the component sections:

1. When the Work under the Concession is not carried out in the established form and terms;
2. When the purpose of the Concession is changed without authorization from the granting entity;
3. When the Concession or its assets are transferred, assigned or encumbered without authorization of the Cabinet Council or when the assets are used for purposes other than the purpose of the Concession;
4. In the event of noncompliance with sections 1, 2, 3 and 5 of article 13 of Law No. 5 of April 15, 1988;
5. When the bankruptcy proceedings of THE CONCESSIONAIRE are declared, or due to financial or technical full and proven incapacity to carry out the purpose of the Concession, even in the absence of declaration of bankruptcy proceedings;
6. Due to administrative recovery of the Concession, after indemnification calculated as determined by the contract.

When the administrative recovery of the Concession takes place for public interest, THE CONCESSIONAIRE will receive, as indemnification, an amount which will be determined as follows:

1. If the administrative recovery occurs before the beginning of the operating stage, the sum resulting from adding up the amount invested as of the date of the recovery, plus the amount on said sum represented by the expected yield rate during the entire term of the Concession, or
2. If the administrative recovery occurs during the exploitation stage, the sum representing the net present value of the amount of the investment made, pending amortization, plus the amount of the yield rate expected from the Concession, calculated over the entire exploitation period as if the administrative recovery had not occurred.

The indemnification mentioned above will also be paid when, due to any act of authority exercised by the powers of THE STATE, the exploitation of the work by THE CONCESSIONAIRE is prevented with abuse of power or in any other illegal form, or the exercise of its rights under this contract is otherwise severely limited, it is also understood that, in such event, THE STATE will order the payment of such indemnification, subject to the law of the general budget of THE STATE, within the term in which such payment must be made.

It is understood that, if the lapse of the concession is decreed in any of the component sections, the provisions of Article Eleven of the Contract will apply concerning the total recoverable amount. However, said lapse will not affect in any case the Concession granted concerning each of the other component sections, or the rights of THE CONCESSIONAIRE or its assignees (including the third parties who give financing) in connection therewith, except for the reasonable profit.

The right of THE STATE to decree the lapse, according to the provisions above, will be understood without prejudice to the right of the third parties who give financing to assume the execution and/or exploitation of the Concession in the component section for which they gave financing during a prudential term after the notice in this regard given to them by THE STATE and exercise any other right arising from the Concession held by such third parties.

ELEVEN Article Ten of the Contract is amended to read as follows:

"TEN:

THE CONCESSIONAIRE undertakes to finish the Work, concerning each of the component sections, as of the Order to Proceed issued for this purpose by the Ministry of Public Works, within the following terms:

1. PHASE I of the Northern Corridor (WESTERN Section): 24 Months
2. Section I of the Panamá-Colón Highway (Panamá-Madden): 24 Months
3. Section II of the Panamá-Colón Highway (Madden-Colón): 18 Months

TWELVE Article Eleven of the Contract is amended to read as follows:

"ELEVEN.

It is agreed that the total recoverable amount of THE CONCESSIONAIRE will be B/. 390,904,693.00 (THREE HUNDRED NINETY MILLION NINE HUNDRED FOUR THOUSAND SIX HUNDRED NINETY-THREE BALBOAS, 00/100), itemized as follows:

Investment	B/. 328,767,614.00
Reasonable Profit	B/. 62,137,079.00
TOTAL	B/. 390,904,693.00

THE CONCESSIONAIRE would have obtained the total recoverable amount on the date when the sum of its net income (after deducting the costs and expenses for maintenance and operation, financial costs and expenses and taxes), originating from the toll rates of all the corresponding sections, at present value of December 1994, have reached the total sum indicated above. The present values of December 1994 will be obtained deducting the net income at an annual real rate equal to the average cost of capital of the project, plus the inflation rate of the Republic of Panama, as determined by the General Comptroller of the Republic. The minimum discount rate applicable will be the annual real rate of 10.5%. The maximum discount rate applicable will be the annual real rate of 12.5%.

If, for reasons imputable to THE CONCESSIONAIRE, it does not comply with the construction of any of the component sections and the lapse of the Concession is decreed for that component section, an amount equivalent to the investment not executed in the respective component section will be deducted from the total recoverable amount, plus all the reasonable profit of the component sections overall, all without prejudice to the Concession granted concerning each of the other component sections or the rights recognized in their favor to the third parties who give financing in connection therewith.

For the purposes of the lapse referred to in the previous paragraph, the amount of the investment corresponding to each component section is indicated below:

COMPONENT SECTION	INVESTMENT
Albrook - Tinajitas	102,262,247
Panamá - Madden	71,019,539
Madden - Colón	155,485,828

For the purposes of this contract, all the amounts expressed in balboas will be deemed equivalent to U.S. dollars at the rate of one (1) dollar for each one (1) balboa of the amount so expressed. Consequently, if the Panamanian balboa stops having parity with the U.S. dollar, the amounts expressed in balboas will be deemed adjusted automatically in order to maintain the value in dollars of the Contract, taking as rate of exchange the rate at which the balboa is convertible to U.S. dollars in a currency market where there are no restrictions to the free convertibility of balboas to dollars."

THIRTEEN: The first paragraph of Article Twelve of the Contract is amended to read as follows:

"This contract will enter into effect on December twenty-nine (29), 1994 and will continue in force, for each component section, for thirty (30) years from the date when the Ministry of Public Works authorizes the operation of the respective component section, or until THE CONCESSIONAIRE obtains the total recoverable amount, whichever occurs first."

FOURTEEN: Pursuant to Article 19 of law 58 of 1995, the following Article is added to the Contract:

"FOURTEEN:

THE CONCESSIONAIRE is not obligated to assume the losses or deficit produced by extraordinary and unforeseeable situations; this way, in the event of changes in the laws or regulations or other extraordinary and unforeseeable facts or circumstances that cannot be reasonably foreseen by THE CONCESSIONAIRE when executing this Contract, the parties will negotiate in good faith in order to agree and take promptly the measures necessary to reestablish the contractual equilibrium affected by such extraordinary and unforeseeable changes, facts or circumstances. In this sense, the parties may sign the agreements and parts necessary to reestablish and maintain the contractual equilibrium existing at the time of execution of the contract, including amounts, conditions, payment terms of additional expenses, recognition of financial costs and interest, if it occurs in the form provided in the modification of the Contract, whose additional payment, if any, is made in the form established in the modified Contract and in accordance with the disbursement provisions of the general budget of THE STATE, concerning the item when said disbursement must be made.

FIFTEEN: For the purposes of Article Ten of the Contract, THE STATE establishes and THE CONCESSIONAIRE acknowledges that to date only the following have been issued: the Order to Proceed concerning PHASE I of the Northern Corridor (WESTERN Section), by Note

DM 718, dated June 30, 1995, and the Order to Proceed concerning Section I of the Highway (Panamá-Madden) by note DM 503, dated June 18, 1996. The parties agree that the Order to Proceed for section II of the Highway (Madden-Colón) will be given six months after the commissioning of PHASE I of the Northern Corridor (WESTERN Section) or at the latest by November 15, 1997, whichever occurs first.

THE CONCESSIONAIRE will timely present the documentation required by INRENARE for the purposes of approval of the Environmental Impact Mitigation Study of Section II of the Highway (Madden-Colón).

SIXTEEN: The parties agree that for the purposes of revision of the toll rates, the rate revision system described in annex No. 1 of this Addendum will be applied, which has been approved by the Cabinet Council.

SEVENTEEN: THE STATE declares that, subject to the law and according to public interest, it will take the necessary measures to make viable, as soon as possible, the construction of the additional works to those contemplated in the Contract, consisting of the extension and expansion of PHASE I of the Northern Corridor (WESTERN Section) from its Eastern extreme, in the sector known as Timujua, and until the sector known as Mañanitas in the surroundings of the Tocumen airport.

EIGHTEEN: "It is understood between the parties that the Contract will continue in force without change, modification or alteration of any type, except only for the changes, additions or modifications agreed upon by this means."

In witness whereof, this agreement is signed on the 26th day of December, 1996.

The State
LUIS E. BLANCO
Minister of Public Works

The Concessionaire
PVCSA PANAMA, S.A.
JUAN ARTURO
MELGAREJO HADDAD

COUNTERSIGNATURE
GUSTAVO A. PEREZ
General Comptroller Of The Republic

ANNEX I

RATE REVISION SYSTEM

With the approval of Addendum No. 1 to Contract No. 96 of December 29, 1994, and according to the provisions of Clause Three of said Contract, the Cabinet Council approves the following procedure for update.

I. PROCEDURE FOR RATE UPDATE:

- a) Mechanism for Rate Update for Inflation Purposes:

a.1) Rate Update Mechanism for Purposes of Inflation at the Beginning of the Operations

In order to determine the rates at the beginning of the operation of any of the component sections of the concession, the rates established in the concession contract will be used, adjusted by a value equal to the variation incurred by the Consumer Price Index (CPI) determined by the General Comptroller of the Republic from December 1994 to the date of the commissioning.

The maximum rates applicable at the beginning of the operations will be those resulting from the application of the following mechanism:

Rates at the Beginning of the Operation = Contract Rate * (CPI (beginning date of the operations)/CPI (Dec. 1994))

a.2) Rate Update Mechanism for Purposes of Inflation for Subsequent Years

After the beginning of the operation of the concession, the toll rates will be adjusted for inflation: each year from the last adjustment made and throughout the term of the concession, for a value equal to the variation incurred by the Consumer Price Index (CPI) determined by the General Comptroller or earlier if said index incurs an increase higher than 5% (five percent) versus the index used in the last adjustment.

For the subsequent rate increase for inflation purposes, the following mechanism will be applied:

New Rate = Current Rate * (CPI (Date of the request)/CPI prior request)

Where: CPI = Consumer Price Index determined by the General Comptroller of the Republic.

It is understood that the Concessionaire will have the right to collect partial rates for partial routes in Phase I of the Northern Corridor, Western Section, as well as on the Panamá-Colón highway.

b.) Rate Distribution Mechanism for one or several of the segments in any of the component sections in Operation:

THE CONCESSIONAIRE may modify the current rates of one or several segments of any component section, after notice to the MOP (Ministry of Public Works), provided that the current rate for the component section is not changed; for this reason, in case of rate increase in one or several segments, there must be simultaneously a rate reduction in

at least one of the other segments, so that the sum of all partial rates be equal to the current rate for the component sector before applying the rate distribution established herein. Said distribution may be done specifically for one or several types of vehicles.

c.) Rate Adjustments starting in the fourth year:

In addition to the updates and adjustments indicated in the previous paragraphs, with the approval of this addendum by the Cabinet Council, THE CONCESSIONAIRE is authorized to increase annually the current rates from the fourth year to the ninth year, by a percentage of no more than 20% annually. If, after applying all the adjustments indicated, financial projections indicate that THE CONCESSIONAIRE will not be able to obtain the total recoverable amount within the term of the concession, said increase may be applied after the ninth year, until the financial equilibrium of the project is reestablished.

d.) Rate Adjustment Mechanism for Change in the Parity of the Currency versus the U.S. Dollar:

Additionally, THE CONCESSIONAIRE may update the current rates provided there is a change in the parity of the Panamanian official currency versus the U.S. dollar.

For the purpose of this mechanism, all the rates expressed in balboas will be understood equivalent to U.S. dollars at the rate of 1 (one) dollar for every 1 (one) balboa of the rate so expressed. Consequently, if the Panamanian balboa stops having parity with the U.S. dollar, the amounts expressed in balboas will be understood automatically adjusted in order to maintain the value of the rates in U.S. dollars, taking for this purpose as rate of exchange the rate at which the balboa is convertible to U.S. dollars in a market, in or outside of Panama, where there are no restrictions to the free convertibility of balboas to dollars.

For the purposes indicated above, "balboa" means the official currency of the Republic of Panama or any other currency replacing it in the future (if any).

II. General Considerations to apply the rate adjustments approved herein:

THE CONCESSIONAIRE must inform in writing the Ministry of Public Works (hereinafter MOP) of the calculation of any rate adjustment based on this document, depending on the types of vehicle, as well as the rate corresponding to each of them. THE CONCESSIONAIRE will notify within a term of no less than 40 (forty) days prior to the enactment of said update, and MOP must answer to this report by the same means within a term of no more than 20 (twenty) days from the notice.

If it has objections to the calculation presented, based on this document, MOP will indicate clearly in writing the reasons why it is not applicable, so that THE CONCESSIONAIRE may make the adjustments applicable within the following 5 (five) business days. As of the time THE CONCESSIONAIRE delivers the new proposal, MOP will have a term of five (5) business days to answer again, and so successively until finally it considers the calculation presented accepted.

If the terms described above expire without an answer from MOP and THE CONCESSIONAIRE applies the new rates, it will not constitute a reason for lapse of the concession, even if there was an error in the calculation made, in which case the corrections applicable will be made.

The authorized rates will be the maximum that THE CONCESSIONAIRE may collect, so that it may grant discounts or bonuses as part of its marketing strategy, without implying any waiver on its part, concerning the amount of the rates valid or the minimum yield expected from the investment, so that at the end of the promotion, offer or discount, THE CONCESSIONAIRE will once again collect the rate that was valid or that arose pursuant to the Concession Contract. The maximum rates may be revised and/or modified as many times as necessary, provided that they comply with the limits, terms and procedures established herein for each case.

THE STATE authorizes THE CONCESSIONAIRE to round off the result of the application of any of the rate adjustments to the immediately higher $B/0.05$ (five hundredths of a Balboa).

Any additional increase to that resulting from the application of this mechanism approved by the Cabinet Council must have the approval of said entity.

Only the vehicles owned by the State which are rendering an emergency service will be exempt from paying the toll or rates, such as fire trucks, police cars or ambulances, duly identified with license plate and other distinctive signs that prove them as such and the vehicles that transport personnel for inspection and supervision works of the activities of THE CONCESSIONAIRE, duly authorized by the MOP and after notice sent in advance to THE CONCESSIONAIRE.

MINISTRY OF PUBLIC WORKS
ADDENDUM No. 2 TO CONTRACT No. 98
(of December 29, 1994)

Between the undersigned, namely, **HIS EXCELLENCY LUIS E. BLANCO**, male, Panamanian, of legal age, married, resident of this city, holder of personal identity card No. 8-124-800, **MINISTER OF PUBLIC WORKS**, in the name and representation of **THE STATE**, party of the first part, duly authorized by the Resolution of the Cabinet Council No. 49 of June 3, 1999, and the party of the second part, **MÁXIMO HADDAD ABED**, holder of passport No. 96000001834 in the name and representation of **PYCSA**.

PANAMA S.A., duly registered in the Public Register, Section of Commercial Microfilms on Fiche 294875, Roll 44260, Image 82, hereinafter **THE CONCESSIONAIRE**, have agreed to execute, in light of the provisions of article 12-A of Law 1 of January six (6), nineteen ninety-nine (1999), this Addendum No. 2 to Contract No. 98 of December 29, 1994, as it was modified by Addendum No. 1 of December 26, 1996, (hereinafter "the Contract") pursuant to the following clauses:

ONE: The first paragraph of Article One of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"**THE CONCESSIONAIRE** formally undertakes to carry out the study, design, construction, maintenance, operation and exploitation of each of the component sections of the **PANAMA-COLON HIGHWAY** and the **NORTHERN CORRIDOR**, according in all aspects to the Specifications and other documents prepared for this purpose and **THE STATE** grants **THE CONCESSIONAIRE**, under Administrative Concession, the exclusive use of each of such component sections."

TWO: The fifth paragraph of Article One of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"'Northern Corridor' means the alignment starting in the area known as Albrook until the area of Tocumen."

THREE: The sixth paragraph of Article One of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"'Component Sections' are:

- Phase I of the Northern Corridor (Albrook-Tinajas)
- Phase II of the Northern Corridor (Tinajas-Tocumen)
- Section I of the Panama-Colon Highway (Panama-Madden)
- Section II of the Panama-Colon Highway (Madden-Colon)"

FOUR: Items b and c of the seventh paragraph of Article One of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

- "b. Complete design of each component section of the **NORTHERN CORRIDOR**,
- c. Construction of each component section of the **PANAMÁ COLÓN HIGHWAY** and the **NORTHERN CORRIDOR**,"

FIVE: The first paragraph of Article Two of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"**THE STATE** grants to **THE CONCESSIONAIRE** by this Contract, the right to develop, operate and exploit the road project named **PANAMÁ COLÓN HIGHWAY** and **NORTHERN CORRIDOR**, under Administrative Concession, in connection with each of its component sections, which together will make up said road project, according to the plans and technical specifications, general conditions and special conditions which are an integral part of this contract, as well as the modifications and/or technical additions, extensions or expansions of the Work or any additional works and any other addenda or modifications thereof which the parties reach by mutual agreement pursuant to the law."

SIX: The eleventh paragraph of Article Three of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"Once the Work is completed concerning any of its component sections and its operation has been authorized by the Ministry of Public Works, **THE CONCESSIONAIRE** will have, concerning the respective component section, all the obligations as well as all the rights concerning the maintenance, operation and exploitation of the respective component section, totally independent from the Concession granted hereunder in connection with each of the other component sections to be completed, without prejudice to the provisions of Article Eleven of the Contract as to reasonable profit. In this case, the amount of the performance bond will be reduced proportionally to the amount corresponding to the Concession of the respective component section in operation and the bond so reduced will continue covering the obligations of **THE CONCESSIONAIRE** for the component sections that must still be completed. The parties agree that, once **THE CONCESSIONAIRE** completes part of the entire Work, ready to be exploited, and it exceeds

40% of the amount of the original investment, the Ministry of Public Works will authorize the reduction of the amount of the bond delivered to be reduced to 3% of the amount of the investments to be completed, pursuant to article 22 of Executive Decree No. 17 of November 29, 1989, as amended."

SEVEN: The last paragraph of Article Three of the Contract, as well as the rate table of the Northern Corridor, is amended in order to incorporate therein the rates corresponding to Phase II, to read as follows:

"**THE CONCESSIONAIRE** will collect as tolls the rates referred to in values of December 1994 listed below, which will be subject to the revision and adjustment system provided in this contract.

NORTHERN CORRIDOR

No.	Class	Type	Maximum Rates per Sections	
			Allbrook	Tinajitas
			Tucuman	
1	A	Motorcycles, Automobiles, Pick-Ups	B/ 1.50	B/ 1.50
2	B	Microbuses, Buses with 2 and 3 axles	B/ 4.00	B/ 4.00
3	C	Trucks with 2 and 3 axles	B/ 7.00	B/ 7.00
4	D	Trucks with 4 or more axles	B/ 9.00	B/ 9.00

EIGHT: The first paragraph, section 3, Article Five of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"3. Pursuant to article 24 of Law 5 of 1988, before and during the construction and administration of the Work, the financial entities of **THE CONCESSIONAIRE** will be exempt of payment of income tax on the interest collected for the use of money and produced in connection with the loans granted for the financing of the Work, be they granted directly to **THE CONCESSIONAIRE** or indirectly through trusts or other financial vehicles used for this purpose. For the effects provided herein, the expressions "financial entities," "loans" and "interest" will have the meaning attributed to them in Article 38-b of Executive Decree No. 17 of November 29, 1989, plus Executive Decree No. 61 of September 17, 1997."

NINE: The sixth and seventh paragraphs of Article Six of the Contract are amended to read as follows:

"The current railroad is excluded from this obligation.

Equally, it undertakes not to make improvements in the current Panamá-Colón highway at levels representing competition to **THE CONCESSIONAIRE**."

TEN: Article Ten of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"TEN **THE CONCESSIONAIRE** undertakes to finish the Work concerning each of the component sections, as of the Order to Proceed issued for this purpose by the Ministry of Public Works, within the following terms:

1. Phase I of the Northern Corridor (Albrook-Tinajitas): 34 months
2. Phase II of the Northern Corridor (Tinajitas-Tocumen): 48 months

THE CONCESSIONAIRE undertakes to complete the segments making up Phase II of the Northern Corridor (Tinajitas-Tocumen) concerning each of them as of the issuance of the respective Order to Proceed, according to the following terms and conditions:

- a) Tinajitas-Golf Club Segment: 24 months

The first segment of Phase II of the Northern Corridor, which goes from Tinajitas to the Golf Club will be built with four (4) traffic lanes within the aforementioned term, which will start as of the delivery of the corresponding order to proceed.

- b) Golf Club-Tocumen Segment: 24 months

The Golf Club-Tocumen segment will initially have two (2) traffic lanes and will be built in twelve (12) months from the date of commissioning of the works belonging to the Tinajitas-Golf Club segment. The last two (2) lanes included.

in the Golf Club-Tocumen segment will be performed by **THE CONCESSIONAIRE** within a term of twelve (12) months from the commissioning date of the first two (2) lanes of this segment.

3. Section I of the Panamá-Colón Highway (Panamá-Madden): 36 months

4. Section II of the Panamá-Colón Highway (Madden-Colón): 40 months.

THE STATE and **THE CONCESSIONAIRE** agree that the construction of Section II of the Panamá-Colón Highway (Madden-Colón) will be started by **THE CONCESSIONAIRE** at the latest by December 1, 2001, or earlier at the request of **THE CONCESSIONAIRE**. The Madden-Colón Section will be built in a period of forty (40) months. **THE CONCESSIONAIRE** may exploit the road when two (2) traffic lanes are operational and authorized by the Ministry of Public Works.

The beginning of the construction term of each component section will be established by the Order to Proceed corresponding to said section, issued by the Ministry of Public Works for this purpose.

THE STATE and **THE CONCESSIONAIRE** agree that the pending Orders to Proceed for the aforementioned component sections will be issued in the following order:

- a) Phase II of the Northern Corridor (Tinajitas-Tocumen)
- b) Section II of the Panamá-Colón Highway (Madden-Colón)

THE CONCESSIONAIRE will deliver the Environmental Impact Studies corresponding to each segment of Phase II of the Northern Corridor for revision and approval by the Environmental National Authority, six (6) months before the starting date of the construction of each of the segments. It will be understood that the agreement has been breached by **THE CONCESSIONAIRE** if the Environmental Impact Studies are not delivered within the term stipulated in this clause.

If the Order to Proceed for Phase II of the Northern Corridor is not given before December 30, 1999 or if **THE STATE** cannot guarantee the **easement** for any component section within a term of two (2) years from the Order to Proceed issued for this purpose.

by the Ministry of Public Works, the Purpose of the Concession will be reduced to the Component Sections commissioned to date and the Total Recoverable Amount will be adjusted, deducting from it the Investments not performed, as well as their respective Reasonable Profits.”

ELEVEN: The first paragraph of Article Eleven of the Contract, which was amended by Addendum No. 1 is amended and six paragraphs are added below, to read as follows:

“It is agreed that the total recoverable amount of **THE CONCESSIONAIRE** will be B/. 503,059,877.00 (five hundred three million fifty-nine thousand eight hundred seventy-seven balboas and 00/100), itemized as follows:

Investment	B/. 423,064,935.00
Reasonable Profit	B/. 79,964,942.00
Total	<u>B/. 503,059,877.00</u>

For the purposes of the total recoverable amount of Phase II of the Northern Corridor, which includes the completion of the existing exchange in Timajitas, the trunk road with an approximate length of fourteen (14) kilometers and four (4) new exchanges, the parties agree that the investment is B/. 94,327,321.00 (ninety-four million three hundred twenty-seven thousand three hundred twenty-one balboas and 00/100) and the reasonable profit is B/. 17,827,863.00 (seventeen million eight hundred twenty-seven thousand eight hundred sixty-three balboas and 00/100).

The parties also agree that the investment of Phase II of the Northern Corridor will be performed by **THE CONCESSIONAIRE** according to the proposal and the preliminary plans presented by it to the Ministry of Public Works and covers, including the trunk road, bridges and accesses, an approximate total area of 376,466 (three hundred seventy-six thousand, four hundred sixty-six) square meters of pavement, with a unit value of B/. 250.56 (two hundred fifty balboas and 56/100) per square meter of built pavement. This unit value includes all costs of the Work, with its studies, designs, construction and the value of private uses.

After the final plans are approved, if there is a difference between the number of square meters stipulated in the previous paragraph and the total area of the project, the Ministry of Public Works will obtain the corresponding authorizations to adjust the total amount of the investment and the respective reasonable profit, based on the unit value per square meter.

described in this clause. These authorizations must be granted before issuing the respective Order to Proceed.

When the performance of the work is completed, and as part of the final minutes, **THE CONCESSIONAIRE** must certify the real number of square meters of pavement of the investment made, which must be approved by the Ministry of Public Works. The parties agree that the total recoverable amount of Phase II of the Northern Corridor (investment plus its proportional reasonable profit) may increase or be reduced depending on the total square meters of pavement actually built, calculated at the same investment value of B/. 250.56 (two hundred fifty balboas and 56/100) per square meter; **THE STATE** undertakes to recognize to **THE CONCESSIONAIRE**, as part of this recoverable total amount, the value of the square meters of pavement built in excess, plus the corresponding proportional reasonable profit and, if applicable, will deduct from said total recoverable amount the value of the square meters of pavement not built, plus the corresponding proportional reasonable profit. The recognition of any modification of the total recoverable amount must be subject to compliance with the corresponding legal requisites.

If **THE CONCESSIONAIRE** finds it appropriate to make additional investments not contemplated in the proposal referred to in paragraph three of this article, it must have prior express approval from the Ministry of Public Works, and comply with the other legal requisites in order to have the investment recognized.

TWELVE: The third paragraph of Article Eleven of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

"If, for reasons imputable to **THE CONCESSIONAIRE**, it does not comply with the construction of any of the component sections and the lapse of the Concession is decreed for that component section, an amount equivalent to the investment not executed in the respective component section will be deducted from the total recoverable amount, plus the value equivalent to the reasonable profit of the investment not done in the respective component section, all without prejudice to the Concession granted concerning each

of the other component sections or the rights recognized in their favor to the third parties who give financing in connection therewith.”

THIRTEEN: The fourth paragraph of Article Eleven of the Contract, which was amended by Addendum No. 1, is amended to read as follows:

“For the purposes of the lapse referred to in the previous paragraph, the amount of the investment and the reasonable profit corresponding to each component section is indicated below:

COMPONENT SECTION	INVESTMENT	TOTAL REASONABLE PROFIT
Phase I Northern Corridor	B/. 102,262,247.00	B/. 19,327,565.00
Phase II Northern Corridor		
Tinajitas-El Golf segment	B/. 33,688,293.00	B/. 6,367,087.00
El Golf-Tocumen segment (1 st Stage)	B/. 34,323,964.00	B/. 6,487,229.00
El Golf-Tocumen segment (2 nd Stage)	B/. 26,315,064.00	B/. 4,973,547.00
Section I Panamá-Colón Highway	B/. 71,019,539.00	B/. 13,422,693.00
Section II Panamá-Colón Highway (1 st Stage)	B/. 88,004,979.00	B/. 16,632,941.00
Section II Panamá-Colón Highway (2 nd Stage)	B/. 67,480,849.00	B/. 12,753,880.00
TOTAL	<u>B/. 423,094,935.00</u>	<u>B/. 79,964,942.00</u>

FOURTEEN: For the purposes of Article Ten of the Contract **THE STATE** establishes and **THE CONCESSIONAIRE** acknowledges, that to date the Ministry of Public Works has issued: (I) Order to Proceed concerning Phase I of the Northern Corridor (Albrook-Tinajitas), by Note DM-718, dated June thirty (30), 1995; and (II) Order to Proceed concerning Section I of the Highway (Panamá-Madden) by note DM-503, dated June eighteen (18), 1996. The parties agree that the Order to Proceed for Phase II of the Northern Corridor (Tinajitas-Golf Club) will be issued thirty (30) calendar days following the approval of the Environmental Impact Study by the National Environmental Authority and Section II of the Panamá-Colón Highway (Madden-Colón) as described in clause Ten of this Addendum.

FIFTEEN: Clause Sixteen of Addendum No. 1 is modified to read as follows:

"The parties agree that for the purposes of revision of the toll rates, the rate revision system described in Annex No. 1 of Addendum No. 2 will be applied, which has been approved by the Cabinet Council."

SIXTEEN: THE CONCESSIONAIRE has submitted the endorsement corresponding to the Contract Performance Bond pursuant to the final paragraph of Article 12-A of Law No. 1 of January 6, 1999.

SEVENTEEN: THE CONCESSIONAIRE adheres to this contract stamp in the amount of B/. 94,327.40 (ninety-four thousand three hundred twenty-seven balboas and 40/100) pursuant to article 967 of the Tax Code.

EIGHTEEN: It is understood between the parties that Contract No. 98 of December 29, 1994, as amended by Addendum No. 1 of December 26, 1996, will continue in force without change, modification or alteration of any type, except only for the changes, additions or modifications agreed upon in this Addendum.

In witness whereof, this agreement is signed on the 18th day of June, 1999.

THE STATE
[signature]
LUIS E. BLANCO
MINISTER OF PUBLIC WORKS

THE CONCESSIONAIRE
[signature]
MAXIMO HADDAD ABED
PYCSA PANAMA, S.A.

COUNTERSIGNATURE
[signature]
GENERAL COMPTROLLER OF THE REPUBLIC

I. PROCEDURE FOR RATE UPDATE

a) Mechanism for Rate Update for Inflation Purposes

a.1) Rate Update Mechanism for Purposes of Inflation at the Beginning of Operations

In order to determine the rates at the beginning of the operation of any of the component sections of the concession, the rates established in the concession contract will be used, adjusted by a value equal to the variation incurred by the Consumer Price Index (CPI) determined by the General Comptroller of the Republic from December 1994 to the date of the commissioning.

The maximum rates applicable at the beginning of operations will be those resulting from the application of the following mechanism:

Rates at the Beginning of Operations = Contract Rate * (CPI (beginning date of the operations) / CPI (Dec. 1994))

a.2) Rate Update Mechanism for purposes of inflation for subsequent years.

After the beginning of the operation of the concession, the toll rates will be adjusted for inflation, each year from the last adjustment made and throughout the term of the concession, for a value equal to the variation incurred by the Consumer Price Index (CPI) determined by the General Comptroller or earlier if said index incurs an increase higher than 5% (five percent) versus the index used in the last adjustment.

For the subsequent rate increase for inflation purposes, the following mechanism will be applied:

New Rate = Current Rate * (CPI (Date of the request) / CPI (Prior request))

Where CPI = Consumer Price Index determined by the General Comptroller of the Republic.

It is understood that the Concessionaire will have the right to collect partial rates for partial routes of the Northern Corridor (Phase I) and Phase II) as well as in the Panamá Highway – Section I and Section II.

b) Rate Distribution Mechanism for one or several of the Segments in any of the component sections-in Operation

THE CONCESSIONAIRE may modify the current rates of one or several segments of any component section, after notice to the MOP (Ministry of Public Works), provided that the rate applied does not exceed the maximum rate of the component section.

c) Rate adjustments starting in the fourth year

In addition to the updates and adjustments indicated in the previous paragraphs, with the approval of this addendum by the Cabinet Council, THE CONCESSIONAIRE is authorized to increase annually the current rates from the fourth year to the ninth year, by a percentage of no more than 20% annually. If, after applying all the adjustments indicated, financial projections indicate that THE CONCESSIONAIRE will not be able to obtain the total recoverable amount within the term of the concession, said increase may be applied after the ninth year, until the financial equilibrium of the project is reestablished.

d) Rate Adjustment Mechanism for Change in the Parity of the Currency versus the U.S. dollar.

Additionally, THE CONCESSIONAIRE may update the current rates provided there is a change in the parity of the official Panamanian currency versus the U.S. dollar.

For the purpose of this mechanism, all the rates expressed in balboas will be understood to be equivalent to U.S. dollars at the rate of 1 (one) dollar for every 1 (one) balboa of the rate so expressed. Consequently, if the Panamanian balboa stops having parity with the U.S. dollar, the amounts expressed in balboas will be understood automatically adjusted in order to maintain the value of the rates in U.S. dollars, taking for this purpose as rate of exchange the rate at which the balboa is convertible to U.S. dollars in a market, in or outside of Panama, where there are no restrictions to the free convertibility of balboas to dollars.

For the purposes indicated above, "balboa" means the official currency of the Republic of Panama or any other currency replacing it in the future (if any).

II GENERAL CONSIDERATIONS TO APPLY THE RATE ADJUSTMENTS APPROVED HEREIN

THE CONCESSIONAIRE must inform in writing the Ministry of Public Works (hereinafter MOP) of the calculation of any rate adjustment based on this document, depending on the types of vehicle, as well as the rate corresponding to each of them.

THE CONCESSIONAIRE will notify within a term of no less than 40 (forty) days prior to the enactment of said update, and the MOP must answer to this report by the same means within a term of no more than 20 (twenty) days from the notice.

If it has objections to the calculation presented, based on this document, the MOP will indicate clearly in writing the reasons why it is not applicable, so that THE CONCESSIONAIRE may make the adjustments applicable within the following 5 (five) business days. As of the time THE CONCESSIONAIRE delivers the new proposal, the MOP will have a term

of five (5) business days to answer again, and so successively until finally it considers the calculation presented accepted.

If the terms described above expire without an answer from the MOP and THE CONCESSIONAIRE applies the new rates, it will not constitute a reason for lapse of the concession, even if there was an error in the calculation made, in which case the applicable corrections will be made.

The authorized rates will be the maximum that THE CONCESSIONAIRE may collect, so that it may grant discounts or bonuses as part of its marketing strategy, without implying any waiver on its part, concerning the amount of the rates valid or the minimum yield expected from the investment, so that at the end of the promotion, offer or discount, THE CONCESSIONAIRE will once again collect the rate that was valid or that arose pursuant to the Concession Contract. The maximum rates may be revised and/or modified as many times as necessary, provided that they comply with the limits, terms and procedures established herein for each case.

THE STATE authorizes THE CONCESSIONAIRE to round off the result of the application of any of the rate adjustments, to the immediately higher $B/.005$ (five hundredths of a balboa).

Any additional increase to that resulting from the application of this mechanism approved by the Cabinet Council must have the approval of said entity.

Only the vehicles owned by the State which are rendering an emergency service will be exempt from paying the toll or rates, such as fire trucks, police cars or ambulances, duly identified with license plates and other distinctive signs that prove them as such, and the vehicles that transport personnel for inspection and supervision works of the activities of THE CONCESSIONAIRE, duly authorized by the MOP and after notice sent in advance to THE CONCESSIONAIRE.

**MINISTRY OF PUBLIC WORKS
ADDENDUM No. 3 TO CONTRACT No. 98
(OF DECEMBER 29, 1999)**

Between the undersigned, namely: HIS EXCELLENCY LUIS E. BLANCO, male, Panamanian, of legal age, married, resident of this city, holder of personal identity card No. 8-124-800, **MINISTRY OF PUBLIC WORKS**, in the name and representation of **THE STATE**, duly authorized by Resolution of the Cabinet Council No. 89 of August 19, 1999, hereinafter **THE STATE**, party of the first part, and the party of the second part. **MAXIMO HADDAD ABED**, holder of passport No. 96000001834 in the name and representation of **PYCSA PANAMA, S.A.**, duly registered in the Public Register, Section of Commercial Microfilms on Fiche 294875, Roll 44260, Image 82, party of the second part, hereinafter **THE CONCESSIONAIRE**, have agreed to execute this Addendum No. 3 to Contract No. 98 of December 29, 1994, as it was modified by Addendum No. 1 of December 26, 1996 and Addendum No. 2 of June 18, 1999 (hereinafter "the Contract") pursuant to the following Clauses:

ONE: **THE STATE** accepts and recognizes to **THE CONCESSIONAIRE** the amount of **NINETEEN MILLION EIGHT HUNDRED FIFTEEN THOUSAND SEVEN HUNDRED SEVENTY-EIGHT BALBOAS AND 00/100 (B/. 19,815,778.00)**, whose reasonable profit is equivalent to the amount of **THREE MILLION SEVEN HUNDRED FORTY-FIVE THOUSAND ONE HUNDRED EIGHTY-TWO BALBOAS (B/. 3,745,182.00)**, for additional works performed in the Northern Corridor, Phase I, as

detailed in Annex No. 1 of this Addendum to the Contract, containing the details of the works and the itemization of their amount.

TWO: Paragraph one of Article Eleven of the Contract, amended by Addendum No. 1 and Addendum No. 2, is amended to read as follows:

"It is agreed that the total amount recoverable by THE CONCESSIONAIRE will be FIVE HUNDRED TWENTY-SIX MILLION SIX HUNDRED TWENTY THOUSAND EIGHT HUNDRED THIRTY-SEVEN BALBOAS AND 00/100 (B/. 526,620,837.00), itemized as follows:

Investment	B/. 442,910,713.00
Reasonable profit	B/. 83,710,124.00
Total	B/. 526,620,837.00

THREE: The ninth paragraph of Article Eleven of the Contract, which was amended by Addendum No. 1 and Addendum No. 2, is amended to read as follows:

"For the purposes of the lapse referred to in the previous paragraph, the amount of the corresponding investment and reasonable profit for each component section is detailed below:

COMPONENT SECTION	INVESTMENT	REASONABLE PROFIT
Phase I Northern Corridor	B/. 122,078,025.00	B/. 23,072,747.00
Phase II Northern Corridor		
Tinajitas-El Golf Segment	B/. 33,688,293.00	B/. 6,367,087.00
El Golf-Tocumen Segment (1 st Stage)	B/. 34,323,964.00	B/. 6,487,229.00
El Golf-Tocumen Segment (2 nd Stage)	B/. 26,315,064.00	B/. 4,973,547.00
Section I Panamá-Colón Highway	B/. 71,091,539.00	B/. 13,422,693.00
Section II Panamá-Colón Highway (1 st Stage)	B/. 88,004,979.00	B/. 16,632,941.00
Section II Panamá-Colón Highway (2 nd Stage)	B/. 67,480,849.00	B/. 12,753,880.00
TOTAL	B/. 442,910,713.00	B/. 83,710,124.00

FOUR: It is understood between the parties that this Contract No. 98 of December 29, 1994, with the amendments made by Addendum No. 1 of December 26, 1996, as well as Addendum No. 2 of June 18, 1999, will continue in force without change, amendment or alteration of any type, only with the exception of the changes, additions or amendments agreed upon in this Addendum.

In witness whereof, this agreement is signed on August 30, 1999.

THE STATE

LUIS E. BLANCO
Minister of Public Works

THE CONCESSIONAIRE

MAXIMO HADDAD
PICSA [sic: PYCSA] PANAMA, S.A.

COUNTERSIGNATURE

GUSTAVO A. PEREZ
GENERAL COMPTROLLER OF THE REPUBLIC

**ADDENDUM No. 4
TO CONTRACT No. 98
(of December 29, 1994)**

Between the undersigned, namely: **HIS EXCELLENCY VICTOR N. JULIAO G.**, male, Panamanian, of legal age, married, resident of this city, holder of personal identity card No. 8-101-586, **MINISTER OF PUBLIC WORKS**, in the name and representation of **THE STATE**, party of the first part, duly authorized by Resolution of the Cabinet Council No. 13 of March 21, 2001, Gaceta Oficial No. 24,267 and the party of the second part, **MÁXIMO HADDAD ABED**, holder of passport No. P.N. 9600001834 in the name and representation of **PYCSA PANAMÁ S.A.**, duly registered in the Public Register, Section of Commercial Microfilms on Fiche 294875, Roll 44260, Image 82, hereinafter **THE CONCESSIONAIRE**, have agreed to execute, in light of the provisions of article 12-A of Law 5 of 1988, expanded by Law 1 of January six (6), nineteen ninety-nine (1999), this **ADDENDUM No. 4** to Contract No. 98 of December 29, 1994, as it was modified by Addendum No. 1 of December 26, 1996, Addendum 2 of June 18, 1999 and Addendum 3 of August 19, 1999, pursuant to the following terms:

ONE: **THE STATE** accepts and recognizes to **THE CONCESSIONAIRE** the amount of ONE MILLION FOURTEEN THOUSAND FIVE HUNDRED FORTY-SEVEN BALBOAS AND 47/100 (B/. 1,014,547.47), whose reasonable profit is equivalent to the amount of ONE HUNDRED NINETY-ONE THOUSAND SEVEN HUNDRED FORTY-NINE BALBOAS AND 46/100 (B/. 191,749.46), for additional works to be performed at Phase I Northern Corridor, whose amounts are duly itemized and broken down in Annex No. 1 of this Addendum No. 4 to Contract 98 of December 29, 1994.

TWO: The following paragraph is added to Clause One of the Contract, which, from now on, will read as follows, as paragraph seven (7):

“Additional Works” are those works that **THE STATE** and **THE CONCESSIONAIRE** mutually agree to recognize as forming part of one or several component sections, after the commissioning of the respective component section or sections, maintaining for both parties the obligations and rights for each component section.

THREE: Paragraph one of Clause Eleven of the Contract is amended to read as follows:

“The total amount recoverable by **THE CONCESSIONAIRE** is agreed to be FIVE HUNDRED TWENTY-SEVEN MILLION EIGHT HUNDRED TWENTY-SEVEN THOUSAND ONE HUNDRED THIRTY-THREE BALBOAS AND 88/100 (B/. 527,827,133.88), itemized as follows:

Investment	B/. 443,925,260.42
Reasonable profit	B/. 83,901,873.46
	B/. 527,827,133.88

FOUR: Paragraph nine of Clause Eleven of the Contract, amended by Addendum No. 1, Addendum No. 2 and Addendum No. 3, is amended to read as follows:

“For the purposes of the lapse referred to in the previous paragraph, the amount of the corresponding investment and reasonable profit for each component section is detailed below:

COMPONENT SECTION	INVESTMENT	REASONABLE PROFIT
Phase I Northern Corridor	B/. 123,092,572.42	B/. 23,264,496.46
Phase II Northern Corridor		
Tinajitas-El Golf Segment	33,688,293.00	6,367,087.00
El Golf-Tocumen Segment (1 st Stage)	34,323,964.00	6,487,229.00
El Golf-Tocumen Segment (2 nd Stage)	26,315,064.00	4,973,547.00
Section I Panamá-Colón Highway	71,019,539.00	13,422,693.00
Section II Panamá-Colón Highway (1 st Stage)	88,004,979.00	16,632,941.00
Section II Panamá-Colón Highway (2 nd Stage)	67,480,849.00	12,753,880.00
TOTAL	B/. 443,925,260.42	B/. 83,901,873.46

FIVE: It is understood between the parties that this Contract No. ~~98-~~ 94 of December 29, 1994, with the amendments made by Addendum No. 1, Addendum No. 2, Addendum No. 3 and this Addendum No. 4 and their Annexes, will continue in force without change, amendment or alteration of any type that does not arise from the procedure established in this contract and Law 5 of 1988 and its regulations.

Issued in Panama City on August twenty (20), two thousand one (2001):

<p>THE STATE</p> <p>VICTOR N. JULIAO GELONCH Minister of Public Works</p>	<p>FOR THE CONCESSIONAIRE</p> <p>MAXIMO HADDAD ABED PYCSA Panamá, S.A.</p>
<p>COUNTERSIGNATURE</p> <p>ALVIN WEEDEN GAMBOA GENERAL COMPTROLLER OF THE REPUBLIC Panama, September 20, 2001</p>	

ANNEX No. 1

MINISTRY OF PUBLIC WORKS
ADDENDUM No. 4 TO CONTRACT No. 98
of December 29, 1994

THE STATE, through the Ministry of Public Works, acknowledges in this Addendum No. 4 to THE CONCESSIONAIRE as amount of investment and reasonable profit for the additional works described below, whose amount is itemized in clause one of this Addendum No. 4, the sum of ONE MILLION TWO HUNDRED SIX THOUSAND TWO HUNDRED NINETY-SIX AND 88/100 (B/. 1,206,296.88), which THE CONCESSIONAIRE will recover according to the methods agreed upon in this contract.

Said amount is itemized as follows:

1. For the Access to the Northern Corridor at the Exchange on Avenida Juan Pablo II in the direction of Balboa and Albrook, according to the budgets and plans that are part of this Annex No. 1 of this Addendum No. 4, the investment and reasonable profit is the amount of SEVEN HUNDRED TWENTY-FIVE THOUSAND EIGHT HUNDRED SIXTY-FIVE BALBOAS AND 76/100 (B/. 725,865.76) divided as follows:

Investment	B/. 610,484.24
Reasonable profit	<u>B/. 115,381.52</u>
	B/. 725,865.76

2. For the Access to the Northern Corridor at the Exchange on Boulevard El Dorado that allows exiting in the direction of Clayton, according to the budgets and plans that are part of Annex No. 1 of this Addendum No. 4, the investment and reasonable profit is the amount of FOUR HUNDRED EIGHTY THOUSAND FOUR HUNDRED THIRTY-ONE BALBOAS AND 12/100 (B/. 480,431.12) divided as follows:

Investment	B/. 404,063.18
Reasonable profit	<u>B/. 76,367.94</u>
	B/. 480,431.12

Issued in Panama City on August twenty (20), two thousand one (2001).

THE STATE
VICTOR N. JULIAO GELONCH
Minister of Public Works

FOR THE CONCESSIONAIRE
MAXIMO HADDAD ABED
PYCSA Panamá, S.A.

COUNTERSIGNATURE

ALVIN WEEDEN GAMBOA
GENERAL COMPTROLLER OF THE REPUBLIC
Panama, September 20, 2001

REPUBLIC OF PANAMA
MINISTRY OF PUBLIC WORKS
ADDENDUM No. 5 TO
Contract No. 98 of December 29, 1994

Between the undersigned, to wit: BENJAMIN COLAMARCO PATIÑO, male, Panamanian, of legal age, married, residing in this city, with Personal Identity Card No. 8-177-682, Ministry of Public Works, acting on behalf of the State, duly authorized by Cabinet Decree No. 1 of January 12, 2007, hereinafter called MOP; and ANDRÉ LUIZ CAMPOS RABELLO, male, engineer, Brazilian, married, of legal age, holder of Brazilian passport number CO576073, residing in this city, acting on behalf of (i) CONSTRUCTORA NORBERTO ODEBRECHT, S.A., a Brazilian company registered under Record S.E. 1196, Document 693864 of the Commercial Section of the Public Registry, hereinafter called ODEBRECHT, and (ii) CONCESIONARIA MADDEN-COLÓN, S.A., a Panamanian company registered under Record 549472, Digital Registry Document 1059726 of the Commercial Section of the Public Registry, hereinafter called THE CONCESSIONAIRE,

WHEREAS:

The company PYCSA Panamá S.A. ("PYCSA") and the MOP signed Contract No. 98 on December 29, 1994, such as it was amended by virtue of Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1999, Addendum No. 3 of August 30, 1999, and Addendum No. 4 of August 20, 2001, by which PYCSA was obligated to perform the study, design, construction, maintenance, administration, and operation of the Panamá-Colón Highway and the North Corridor (the "CONCESSION");

In a private agreement dated June 29, 2006, PYCSA and ODEBRECHT came to agreement on the partial cession of the CONCESSION by PYCSA to ODEBRECHT with respect to Section II of the Panamá-Colón Highway (hereinafter called "Madden-Colón Section"), hereinafter the "MADDEN-COLÓN CONCESSION";

In said agreement the cession was, for its validity and efficacy, subject to the State having formally approved a legal and financial restructuring of the MADDEN-COLÓN CONCESSION that would make the project feasible;

The CONCESSION, in clause fourteen, contains rules that permit the reestablishment of the contractual balance produced by losses or deficit situations that affect the MADDEN-COLÓN CONCESSION, and dictates that the concessionaire is not obligated to assume the losses or deficits that result from changes, acts, or extraordinary and unforeseen circumstances;

The State recognizes that the cited Madden-Colón Section is not currently financially viable, given that the tolls that would have to be charged to users in order to address the costs of the study, design, construction, operation, and maintenance would be excessively high;

The State considers that it is a public interest priority to build the referred-to Madden-Colón Section as soon as possible in order to meet the social and economic development needs of said area of the country;

For such purposes, the State is willing to cover the Annual Operating Deficit (as the term is defined later in this document) of the MADDEN-COLÓN CONCESSION during the years that traffic would be insufficient, based on the Shadow Toll method (as the term is defined later in this document), by

means of contributions to a trust, in exchange for said trust reimbursing those costs to the State via surpluses from the operation of said concession when the MADDEN-COLON CONCESSION generates surpluses in the future;

By means of Resolution No. 095-06 of September 25, 2006, the MOP authorized the cession of the MADDEN-COLON CONCESSION on behalf of PYCSA to ODEBRECHT, and via Resolution No. 01-07 of January 2, 2007, the MOP approved ODEBRECHT'S cession of the Madden-Colón Concession to CONCESIONARIA MADDEN-COLON, S.A., a subsidiary of Odebrecht Investimentos em Infraestrutura Ltda., a company that within the Odebrecht Group is dedicated to the development and the administration of concessions;

ODEBRECHT and the State have agreed on a new legal and financial restructuring of the MADDEN-COLON CONCESSION, agreeing that CONCESIONARIA MADDEN-COLON, S.A. will act as concessionaire for the MADDEN-COLON CONCESSION, conditional upon putting into effect the various transactions that are described later;

The new legal and financial structure for the Madden-Colón Concession implies (i) the cession of the Madden-Colón Concession by ODEBRECHT to THE CONCESSIONAIRE, (ii) the contracting on behalf of THE CONCESSIONAIRE of Constructor Norberto Odebrecht Panamá, S.A. for the design and construction of the Madden-Colón Section, and (iii) the creation of a trust for the administration, guarantee, and investment necessary in order to obtain financing for the MADDEN-COLON CONCESSION, as well as to administer and guarantee the Obligations Derived from the Madden-Colón Concession (the "Trust");

The new legal and financial structure of the MADDEN-COLON CONCESSION also implies (i) the cession of the Toll income to the Trust by THE CONCESSIONAIRE, (ii) the realization of Shadow Toll contributions to the Trust by the State (represented by the Ministry of Economy and Finance) in order to cover the Annual Operating Deficit, (iii) the granting of a Co-guarantee by the State (represented by the Ministry of Economy and Finance) and (iv) the recovery on behalf of the State of contributions from future surpluses from MADDEN-COLON CONCESSION Tolls;

The Madden-Colón Concession will have two phases of financing:

Phase I, during which:

- (a) Once the agreement is signed by which the Trust is created (the "Trust Agreement"), the Fiduciary, in representation of the Trust, shall contract the Bridge Loan (as the term is defined later in this document). The contract(s) that the Fiduciary must sign in representation of the Trust, in order to specify the contracting terms of the Bridge Loan, shall have the prior approval of the State as represented by the Ministry of Economy and Finance;
- (b) The Fiduciary, in representation of the Trust, will pay THE CONCESSIONAIRE, with the resources coming from the Bridge Loan, the funds necessary to carry out the study, design, and construction of the Madden-Colón Section as specified in the Construction and Payment Conditions that constitute Annex B of this Addendum and the payment procedures included in the Rules;
- (c) The Fiduciary, in representation of the Trust, will pay all the other Obligations Derived from the Madden-Colón Concession (as the term is defined later in this document) that are generated while Phase I is being carried out, from the Trust Fund;

Phase II, during which:

- (a) The Fiduciary, in representation of the Trust, shall contract one or more Long Term Loans (as the term is defined later in this document) and shall sign the financing contract(s) that require the prior approval of the Ministry of Economy and Finance, who will act on behalf of the State (the "Long Term Loan").
- (b) The Fiduciary, in representation of the Trust, shall pay off the Bridge Loan with the funds coming from the Long Term Loan that will be given directly to the Trust. The remainder of the Long Term Loan will be used to comply with the Fiduciary obligations derived from the Trust Agreement, according to that specified in the Construction and Payment Conditions that constitute Annex B of this Addendum and the payment procedures included in the Rules.
- (c) The Trust Agreement may be modified in order to address the terms and conditions that arise out of its negotiation and the negotiation of the Long Term Loans by prior approval of the Fiduciary, the beneficiaries of the Trust, and the Ministry of Economy and Finance, who shall act on behalf of the State.

The new legal and financial structure referred to earlier will make the goal of the MADDEN-COLÓN CONCESSION viable, and will additionally allow the State to receive the surpluses generated by the operation of the MADDEN-COLÓN CONCESSION in the future, which presupposes a structure that is more advantageous to the State;

This Addendum and the creation of the Trust have received the favorable opinion of the National Economic Council and have been approved via Cabinet Resolution No. 3 of January 12, 2007 and by Cabinet Decree No. 1 of January 12, 2007, respectively;

We have convened to celebrate the present Addendum to the CONCESSION, in accordance with the following Clauses:

ONE: For the purposes of the present Addendum, the expressions and terms indicated below will have the following meanings attributed to them by the parties acting herein:

"Bridge Loan Creditor:" refers to the National Bank of Panama, who will grant the Bridge Loan to the Trust.

"Long Term Creditors:" refers to the banks or financial institutions that, with prior approval of the State, as represented by the Ministry of Economy and Finance, will award the Long Term Loan to the Fiduciary in representation of the Trust, that is necessary for repaying the Bridge Loan and paying the CONCESSIONAIRE for the study, design, and construction of the Madden-Colón Section, as well as their successors and transferees.

"Deficit Certificates:" refers to certificates for the deficit in the flow of the toll income for the servicing of the debt, definitively issued as the result of the insufficiency of the anticipated resources, in order to pay the Annual Operating Deficit generated by the Debt Service Deficit.

"Co-guarantee:" refers to the conditional, contingent, and irrevocable obligation of the State, as represented by the Ministry of Economy and Finance, to contribute to the Trust the sums necessary to address the Debt Service Deficit, out of the budgetary expenses of the State.

"Concession:" has the meaning attributed to it in the preamble of the Addendum.

"Trust Agreement:" refers to the agreement by which the Trust is created, which is addressed in the tenth recital of this Addendum, with its addenda, annexes, and Rules.

“Construction and Payment Conditions”: refers to the terms and conditions for carrying out the study, design, and construction of the Madden-Colón Section, as well as the conditions for payment by the Fiduciary to THE CONCESSIONAIRE for the fulfillment of said obligations, which are considered in Annex B of this Addendum.

“Operating and Maintenance Conditions”: refers to the terms and conditions that should be observed by the operator of the Madden-Colón Section and the Fiduciary in representing the Trust, in relation to the operation, maintenance, and exploitation phase of the Madden-Colón Section, that includes but is not limited to payments to THE CONCESSIONAIRE of the Operation and Maintenance Fee or any other form of compensation jointly agreed upon with THE CONCESSIONAIRE, which once agreed upon with the MOP, will be made an integral part of this addendum and the annexed Trust Agreement.

“Annual Operating Deficit”: refers to the insufficiency of funds for the Trust Fund that impedes the Fiduciary from addressing the Obligations Derived from the Madden-Colón Concession. For operational purposes, THE FIDUCIARY shall send the State an annual estimated budget prior to the fund insufficiency, as established in the Trust Agreement.

“Debt Service Deficit”: refers to the situation of insufficiency of funds in the Trust Fund that impedes the making of total or partial payments for servicing Trust debt and that leads as a consequence to the issuance of the Debt Certificate.

“State”: shall identify the Panamanian State, as represented by the Ministry of Economy and Finance, the Ministry of Public Works, or any other public sector entity that appears or participates in one of the acts that is described in this contract.

“Phase I”: means Phase I of the financing as provided for by this Addendum.

“Phase II”: means Phase II of the financing as provided for by this Addendum.

“Trust”: means the trust created by means of the Trust Agreement, formally called the “Madden-Colón Trust for Administration, Guarantee, and Investment.”

“Fiduciary”: means the fiduciary for the Trust Agreement and the possible successors of that responsibility, who shall represent the Trust in his or her capacity as debtor and repayment agent for the Bridge Loan and the Long Term Loan.

“MOP”: means the Ministry of Public Works of the Republic of Panama.

“Tolls”: is defined as the income that is generated by the use of the Madden-Colón Section once it is constructed and operational, which has been ceded to the Trust by THE CONCESSIONAIRE.

“Shadow Toll”: refers to the irrevocable obligation of the State, represented by the Ministry of Economy and Finance, to contribute to the Trust the sums necessary for addressing the Annual Operating Deficit for the Madden-Colón Concession from the current expense budget of the State.

“Obligations Derived from the Madden-Colón Concession”: means all the obligations, liabilities, damages and risks derived from the Madden-Colón Concession, which will be paid by the Fiduciary from the Trust Fund, according to that stipulated by this Addendum, including but not limited to (a) those that arise from the Bridge Loan, (b) those that arise from the Long Term Loan, (c) those that arise from any other obligations, liabilities, damages and risks for deeds, actions, or omissions of the State, in its capacity as grantor of the MADDEN-

COLÓN CONCESSION that occur prior to the signing of this Addendum, including but not limited to the cession of the Madden-Colón Concession to ODEBRECHT, and (d) the fees of the Fiduciary and other costs generated by the Trust, including but not limited to the expenses of creating the Trust.

"Trust Fund": refers to the rights and obligations that form part of the Trust Fund, which are described in the Trust Agreement.

"Long Term Loan": the loan(s) that are granted by the Long Term Creditors of the Trust and its repayment obligations, which include but are not limited to the following list: the obligations to pay the capital, interest, moratory interest, insurance premiums payable to insurers that cover the risks of the Long Term Creditors, and any other payable amount related to such loans.

"Bridge Loan": short term loan granted by the National Bank of Panama to the Trust for up to the sum of One Hundred Million United States Dollars (US\$100,000,000.00) and its repayment obligations, which include but are not limited to the following list: the obligations to pay the capital, interest, moratory interest, commissions, and any other payable amount related to the loan.

"Rules": refers to the operating rules of the Trust Agreement, which will state the manner and the frequency with which the Trust will make payments to the Concessionaire, and some formalities regarding reports that should be presented by the fiduciary and the operational capacity of the Trust accounts, which shall be signed by the Fiduciary and the Trustees.

"Operation and Maintenance Fees": refers to the payment that THE CONCESSIONAIRE has a right to receive for the operation and maintenance of the Madden-Colón Section, which will be agreed upon within twelve (12) months of the signing of this Addendum, once the definitive designs of the Madden-Colón Section have been duly approved by the MOP and the definitive traffic study has been carried out by THE CONCESSIONAIRE and submitted for the approval of the MOP. The maintenance of the Madden-Colón Section will be carried out based on the Highway Maintenance Manual approved by the MOP.

TWO: By means of this Addendum, the cession of the MADDEN-COLON CONCESSION by PYCSA to ODEBRECHT and the cession of ODEBRECHT to THE CONCESSIONAIRE will be simultaneously put into full force and effect.

In the same way, by means of this Addendum the toll revenue generated by the MADDEN-COLON CONCESSION will be ceded to the Trust once the Madden-Colón Section is in operation, so that said revenue may be used by the Trust to address the Obligations Derived from the Madden-Colón Concession.

THREE: The State and THE CONCESSIONAIRE agree to assume the rights and obligations under the MADDEN-COLON CONCESSION following the date that this Addendum is put into full force and effect, subject to the modifications agreed upon in this Addendum, it being understood that the legal and financial structure of the MADDEN-COLON CONCESSION that is being adopted is that which will be implemented via the Trust Agreement, including:

1. A Shadow Toll during the years in which the traffic flow is insufficient for addressing the Annual Operating Deficit, against the annual expense budget of the State.
2. A Co-guarantee from the State.
3. The right of the State to receive surpluses from the operation and exploitation of the MADDEN-COLON CONCESSION in the case that said surpluses are produced in the future.

4. The Fiduciary, in representation of the Trust, will assume the Obligations Derived from the MADDEN-COLON CONCESSION and will pay THE CONCESSIONAIRE the amount corresponding to the study, design, and construction of the Madden-Colón Section subject to the Construction and Payment Conditions contained in Annex B of this Addendum.

Due to the new financial structure for the MADDEN-COLON CONCESSION, the capitalization requirements demanded in the List of Charges for the CONCESSION do not apply.

FOUR: Neither THE CONCESSIONAIRE nor ODEBRECHT will be responsible for the obligations, liabilities, damages, and risks that arise from the deeds, actions, or omissions of the STATE, occurring before the signing of this Addendum, in its capacity as grantee of the MADDEN-COLON CONCESSION, including but not limited to the cession of the Madden-Colón Concession to ODEBRECHT.

THE CONCESSIONAIRE will be liable for any indirect damages (including but not limited to loss of future earnings) derived from the MADDEN-COLON CONCESSION solely in the case of willful misconduct.

None of the Subcontractors, subsidiaries, or affiliates of THE CONCESSIONAIRE will incur any liability for anything resulting from the actions of THE CONCESSIONAIRE.

FIVE: THE CONCESSIONAIRE will be exempted from compliance with the MADDEN-COLON CONCESSION in the following cases: (i) force majeure or unforeseen circumstances, (ii) failure to secure the Long Term Loan and/or the Bridge Loan, (iii) failure to obtain the free right of way necessary for the construction, and (iv) failure of the State to make opportune contributions to the Trust, as long as the grounds in question are not overcome within sixty (60) calendar days of written notification by the State. In the case that the State does not overcome them within the aforementioned period, THE CONCESSIONAIRE may request of the State the termination of the MADDEN-COLON CONCESSION without any liability for THE CONCESSIONAIRE, in which case the State will decree it. The State will not unjustifiably deny a decree of termination in suppositions (i) and (iv). The State will assume all the obligations of the MADDEN-COLON CONCESSION that exist or that arise within thirty (30) days of the date on which the termination of the MADDEN-COLON CONCESSION was requested in the case that the State has not overcome the grounds in question or denied the termination.

The aforementioned is notwithstanding of the obligation of the State to pay THE CONCESSIONAIRE the appropriate sums on the date of the request for termination ("Sums Accrued"), plus the common direct costs such as demobilization, equipment rental, and other common obligations assumed with respect to third parties, such that THE CONCESSIONAIRE will not incur any contractual nonperformance with respect to third parties due to the recovery (the "Common Direct Costs").

SIX: Article eight of the CONCESSION will not apply to the MADDEN-COLON CONCESSION. In its place, the following provision will apply exclusively to the MADDEN-COLON CONCESSION:

"EIGHT:

The grounds for the termination of the MADDEN-COLON CONCESSION, with respect to any of its component sections, are the following:

1. When the Work that is the object of the Concession is not carried out in the terms and manner agreed upon.

2. When the object of the MADDEN-COLÓN CONCESSION changes, without the authorization of the granting entity;
3. When said grantor's property is transferred, ceded, or affected without the authorization of the Cabinet Council, or when the property is used for purposes other than the object of the MADDEN-COLÓN CONCESSION;
4. When numbers 1, 2, 3, and 5 of Article 15 of Law No. 5 of April 15, 1988 are not complied with;
5. When THE CONCESSIONAIRE is declared legally bankrupt, or if for clear and proven financial or technical reasons is incapable of carrying out the object of the MADDEN-COLÓN CONCESSION, even when there is no declaration of legal bankruptcy;
6. Due to administrative recovery of the MADDEN-COLÓN CONCESSION.

In the case of administrative recovery, whether during the study, design, and construction phase or during the operation and maintenance phase of the MADDEN-COLÓN CONCESSION, THE CONCESSIONAIRE will have the right to receive from the State the Sums Accrued and the Common Direct Costs at the time of termination.

The right of the State to decree the termination is understood to be notwithstanding the rights held by third parties who award the financing for the execution of the MADDEN-COLÓN CONCESSION, for assuming the execution and/or exploitation of the MADDEN-COLÓN CONCESSION during the reasonable time following the notice that THE STATE provides them to that effect, and exercises any other right pursuant to the Concession of which such parties are title holders.¹⁹

SEVEN: Within twelve (12) months of this Addendum entering into force, once THE CONCESSIONAIRE has the definitive traffic studies for the project and the definitive designs approved by the MOP, the parties shall negotiate the Operation and Maintenance Conditions.

In the case that the parties do not arrive at an agreement within the aforementioned period of time, the MOP will have the authority to establish a provisional Fee for Operation and Maintenance of 20%, in addition to the direct and indirect costs for the operation and maintenance of the Madden-Colón Section incurred by THE CONCESSIONAIRE that will be in force during the first twelve (12) months of operation of the Madden-Colón Section.

In the case that the parties do not arrive at an agreement on the Operation and Maintenance Conditions that should definitively govern once the twelve (12) months of operation of the Madden-Colón Section are over, the parties agree that the MOP will recover the MADDEN-COLÓN CONCESSION, it being agreed between the parties that THE CONCESSIONAIRE will renounce in this act the indemnity that would otherwise correspond to it for said recovery.

It is understood that, notwithstanding the recovery of the concession, the guarantees against constructional defects for the Madden-Colón Section will persist for the period provided for by Law.

EIGHT: Article one of the CONCESSION shall not apply to the MADDEN-COLÓN CONCESSION, according to how it was modified by Addendum No. 1, Addendum No. 2, and Addendum No. 4. In its place, the following provision shall apply exclusively to the Madden-Colón Section:

ONE.

THE CONCESSIONAIRE is formally obligated to carry out the study, design, construction, maintenance, operation, and exploitation of the Madden-Colón Section, in accordance with the List of Conditions and Annex A of this Addendum (Reference Conditions for the Work), and the Ministry of Public Works, in representation of the STATE, awards THE CONCESSIONAIRE the use of said section in Administrative Concession.

For the purposes of the MADDEN-COLÓN CONCESSION, the following expressions will have the meanings attributed to them below:

“Work” refers to the Madden-Colón Section.

“Additional Works” are those works that are recognized by the STATE and THE CONCESSIONAIRE by mutual accord as forming part of the Madden-Colón Section, subsequent to its being put into operation, which will be stated in an Addendum to this contract.

THE CONCESSIONAIRE is committed to carrying out:

- a. The design and complete construction of the Madden-Quebrada López Section, and the rehabilitation and widening of the Transistmica Avenue from Quebrada López to Cativá (Colón) in order to convert it into an expressway. Tolls will not be charged on the Quebrada López – Cativá section.
- b. The construction of the accompanying infrastructures for the proper functioning of the sections described earlier in paragraph “a.” with an initial capacity of four (4) lanes, two (2) in each direction, including drainage, lighting, signs, and landscaping, according to how they are described in Annex A of this Addendum.
- c. The complete design and construction of the intersections and interchanges proposed by THE CONCESSIONAIRE for the Madden-Colón Section.
- d. The administration and maintenance of the Madden-Colón Section for the duration of the MADDEN-COLÓN CONCESSION.
- e. The environmental impact study for the Madden-Colón Section, with the understanding that the Ministry of Public Works should negotiate, in the allotted time, the approvals of the referred-to environmental impact study with the competent bodies.

The concession awarded here with respect to the Madden-Colón Section is for a period of 30 years, starting on the date that the operation and administration of the Madden-Colón Section is authorized.

No clause of this document may be interpreted in such a way that the STATE renounces their rights over the Work that is the subject of this contract. By contract, once the MADDEN-COLÓN CONCESSION is no longer valid, the Work reverts to the STATE, free of costs and taxes, and except for normal deterioration, in good condition with respect to preservation and functioning. Therefore THE CONCESSIONAIRE should provide adequate maintenance.

By implication, THE CONCESSIONAIRE declares that it renounces the right granted by Article 1770 of the Civil Code and Article 1444 of the Legal Code, the parties therefore agreeing that THE CONCESSIONAIRE may not request, via ordinary channels, the justification of any title that would constitute control over the improvements and permanent works created in the area provided for the concession.

NINE: The second article of the CONCESSION shall not apply to the MADDEN-COLÓN CONCESSION, according to how it was modified by Addendum No. 1, Addendum No. 2, and Addendum No. 4. In its place, the following provision shall apply exclusively to the Madden-Colón Section:

“TWO:

THE STATE awards THE CONCESSIONAIRE, by means of this contract, the right to develop, operate, and exploit the Madden-Colón Section as an administrative concession, in accordance with the technical reference specifications attached as Annex A of this Addendum (Reference Conditions for the Work), and those contained in Concession Contract No. 98 of December 29, 1994, as well as the modifications and/or technical additions, extensions, or prolongations of the Work or other Additional Works and any addenda or modifications to them that are agreed upon by a common accord between THE CONCESSIONAIRE and the STATE, subject to the provisions of the Law.

The MADDEN-COLÓN CONCESSION is subject to the terms and conditions of the present contract.

It is understood that the following form part of this contract: the Concession Contract and its addenda and modifications; the List of Conditions and its addenda, the aspects of the proposal presented by PYCSA that do not contradict Addendum No. 5 of the Concession Contract, the designs, plans, technical specifications, and the changes or modifications to such designs and technical specifications proposed by THE CONCESSIONAIRE and approved by the Minister of Public Works, as well as the Trust Agreement.”

TEN: The eleventh paragraph of the third article of the CONCESSION shall not apply to the MADDEN-COLÓN CONCESSION, according to how it was modified by Addendum No. 1 and Addendum No. 2. In its place, the following provision shall apply exclusively to the MADDEN-COLÓN CONCESSION:

“Once the Work is finished and its operation has been authorized by the Ministry of Public Works, THE CONCESSIONAIRE will have all the obligations, as well as all the rights relating to the maintenance, operation and exploitation of the Madden-Colón Section.

In this case, the obligation to maintain the compliance bond will end.

Notwithstanding the aforementioned, the Compliance Bond will be reduced in proportion to the amount of the investment carried out.”

ELEVEN: The fifteenth paragraph of the third clause shall not apply to the MADDEN-COLÓN CONCESSION.

TWELVE: The ninth article of the CONCESSION shall not apply to the MADDEN-COLÓN CONCESSION. In its place the following provision shall apply exclusively to the Madden-Colón Concession:

“NINE: This contract will be governed and interpreted in accordance with the laws of the Republic of Panama.

Arbitration: The Parties, in accordance with the Arbitration Law, submit to the resolution of all controversies originating from the interpretation, application, and compliance with this Contract to legal arbitration. The arbitration will be carried out at the Center for Arbitration and Reconciliation of the Panamá Chamber of Commerce or the Inter-American Commercial Arbitration Commission (IACAC), with headquarters in the city of Washington D.C., United States of America, at the choice of the claimant. The other party renounces any right to oppose or contest the choice of the claimant. The arbitration will be guided by the rulings of this Contract, the Arbitration Law, and the rules of arbitration of the United Nations Commission on International Trade Law (“UNCITRAL”), which are incorporated into this Contract as an integral part, and in force at the date of the signing of this Contract.

[A] Arbitration in the Republic of Panama - In the case that the claimant decides to resort to arbitration in the Republic of Panama, this arbitration will be carried out in accordance with the UNCITRAL rules for arbitration and the provisions listed below:

1. The proceedings for international arbitration will be those indicated in the UNCITRAL rules, except for the modifications to the proceedings established here, and the rules of the Republic of Panama's Arbitration Law, and those of this Contract will only be used in a supplementary manner.

The Parties shall provide the Arbitration Court with all the information and support they need, as well as allowing them free access to sites under operation, books, and any technical and accounting records that are necessary for resolving the matter of the Controversy. Likewise, the arbiters shall adopt proceedings that make it possible for the Parties to present all the evidence that they believe will assist them.

The award will be executed in accordance with that established in the Arbitration Law and the international treaties in force, and if necessary, the Court will specify in their decision the measures that should be adopted for proper compliance with the arbitration award.

Any Court decision will be made by a majority of votes.

The costs incurred in arbitration will be the responsibility of the Party that the Court resolves the arbitration in favor of, including the Court costs and those corresponding to the use of their headquarters; however, each Party shall pay the fees for the arbiter they designated, or whosoever is designated in their name, whatever the result of the arbitration. The alternate arbiter fees and the fees of the President of the Court will be covered by the Party that is condemned to pay the arbitration costs.

Any arbitration award that demands the payment of money shall be paid in United States Dollars. Additionally, for any award that obligates one of the Parties to pay a sum of money, this party shall recognize any corresponding interest, if the arbitration award determines as much.

If within the arbitration the Parties arrive at a partial or total agreement, it will be subject to the provisions of the rules of the United Nations Commission on International Trade (UNCITRAL.)

2. In addition to the provisions of the Arbitration Law, the arbiters, who shall be three (3) attorneys, will be persons whose suitability, experience, ability, and knowledge of the matter(s) that are the subject of arbitration are recognized. None of them shall be employed or have dependence relationships with any of the Parties or their related companies, or be employed by the State or other public sector entities. The arbiters may be Panamanian or foreigners.

Each party shall select one arbiter and together agree upon the selection of a third; if an agreement is not made, the administering entity shall designate the decisive arbiter.

3. The arbitration shall be legally conducted and will have Panama City as its headquarters, and the court shall be established in the Center for Conciliation and Arbitration of the Panama Chamber of Commerce, notwithstanding the fact that the Arbitration Court can move to any location necessary to carry out their proceedings.

4. This Concession Contract shall be interpreted in accordance with the laws of the Republic of Panama.

5. This arbitration will be conducted in the Spanish language.

[B] Arbitration outside the country: In the event that the claimant decides to resort to international arbitration, this arbitration shall be carried out in accordance with UNCITRAL rules and the provisions mentioned below:

1. The proceedings for international arbitration will be those stated in the UNCITRAL rules, except for the modifications to the procedures established here, and the rules of the Republic of Panama's Arbitration Law, and those of this Contract will only be used in a supplementary manner.

The Concedent shall declare that in order to resort to international arbitration in accordance with this Clause, it is not necessary to first exhaust the administrative or other options available for resolving the controversy.

2. The arbitration panel shall be formed by three (3) arbiters. The procedure for designating the arbiters, all of whom should be attorneys, will be that provided for by the UNCITRAL rules. No arbiter designated in accordance with this clause shall be an employee or a representative, or ex-employee or ex-representative, of said person.

3. The Parties must conduct the arbitration in accordance with the law at the Inter-American Commercial Arbitration Commission, with headquarters in the city of Washington D.C., United States of America, so that the submitted controversies are settled and resolved by the corresponding, agreed-upon court.

4. This Concession Contract shall be interpreted in accordance with the laws of Panama.

5. All the arbitration procedures shall be conducted in Washington, D.C., United States of America in the Spanish Language.

6. The costs incurred in arbitration will be the responsibility of the Party that the Court resolves the arbitration in favor of, including the Court costs and those corresponding to the use of their headquarters, however, each Party shall pay the fees for the arbiter they designated, or whosoever is designated in their name, whatever the results of the arbitration. The alternate arbiter fees and the fees of the President of the Court will be covered by the Party that is condemned to pay the arbitration costs. The fees of the main and alternate arbiters will be established in accordance with the published rates for the court of justice selected by the parties.

The Parties, once having agreed to submit and resolve their controversies in arbitration proceedings, may not, regarding any matter or controversy derived from the application of, interpretation of, or compliance with this Contract, resort to Panamanian Courts, whose jurisdiction expressly renounces it, except for the access to Panamanian courts in order to subject a foreign arbitration award to an exequatur process, or to perform definitive arbitration awards or to exercise the recourse of nullifying something from Arbitration Law.

Whether the arbitration is conducted in Panama or outside the country, THE CONCESSIONAIRE renounces any diplomatic claims relating to the duties and rights that emanate from this contract, except in the case of denial of justice. It remains understood that denial of justice will not be considered to have occurred if THE CONCESSIONAIRE has had access to, without having made use of them, the recourses and possible actions that could be employed in accordance with Panamanian law.

THIRTEEN: The tenth article of the CONCESSION shall not apply to the MADDEN-COLÓN CONCESSION, according to how it was modified by Addendum No. 1 and Addendum No. 2. In its place, the following provision shall apply exclusively to the MADDEN-COLÓN CONCESSION:

THE STATE and THE CONCESSIONAIRE agree that the study, design, and construction of Section II of the Panama-Colón (Madden-Colón) Highway will be initiated by **THE CONCESSIONAIRE** within eight (8) days of the first disbursement from the Bridge Loan for the amount of the initial installment dealt with in article 6.1.1 of Annex B of Addendum No. 5, as long as there is no legal impediment and all of the necessary obligations have been complied with for starting the construction, according to that stipulated in clause 7.2 of the Construction and Payment Conditions.

The Madden-Colón Section will be constructed in a period of 24 months counting from the sixty (60) days following the issuing of a Proceed Order on behalf of the Ministry of Public Works, subject to the extensions provided by the MADDEN-COLÓN CONCESSION and applicable law.

THE CONCESSIONAIRE shall submit the environmental impact study corresponding to the Work to the National Environmental Authority for their approval.

THE CONCESSIONAIRE may operate the highway as soon as two (2) traffic lanes are operational and authorized by the Ministry of Public Works.

FOURTEEN: The eleventh article of the CONCESSION shall not apply to the MADDEN-COLÓN CONCESSION, according to how it was modified by Addendum No. 1, Addendum No. 2, and Addendum No. 3. In its place, the following provision shall apply exclusively to the MADDEN-COLÓN CONCESSION:

"It is agreed that the total recoverable amount, including the investment and reasonable earnings, will be *FIFTY HUNDRED FIFTEEN MILLION, EIGHT HUNDRED FIFTY-NINE THOUSAND, FOUR HUNDRED FORTY-SIX BALBOAS AND FOUR CENTS (B/. 215,859,446.04)* adjustable to the values and times according to that established in the third paragraph of this clause.

The Total Recoverable Amount will be obtained on the date upon which the sum of the net income (after deducting the costs and expenses for maintenance and operation, the financial costs and expenses, and taxes), coming from the toll charges on the Madden-Colón Section, at present value, have reached the sum indicated above.

The Total Recoverable Amount is based on the reference designs, general specifications, and basic assumptions for geological, hydrological, and other characteristics referred to in Annex A of this Addendum (the "Reference Conditions of the Work") and include up to a maximum of Ten Million Balboas for items involving the effects imposed on private properties that are required for the execution of the work (the "Private Effects"). Said sum does not include the costs of environmental mitigation and adaption (the "Environmental Costs"), which shall be calculated based on the environmental impact studies for all the phases of the Work and will be incorporated into the total recoverable amount within twelve (12) months following the entrance of this Addendum into effect. At the request of THE STATE, the Environmental Costs and the increases in the costs due to Geological Events will be validated by independent third party consultants, charged to the Trust Fund.

In the case that the variations occur that are referred to in the Reference Conditions for the Work contained in Annex A and the Construction and Payment Conditions contained in Annex B, that include, among other things, the Environmental Costs and the costs of Private Effects that impact the Total Recoverable Amount, THE CONCESSIONAIRE will have the right to make adjustments to said amount, whether to reduce or increase them (the Adjusted Total Recoverable Amount), and whether the period awarded for the execution of the MADDEN-COLÓN CONCESSION should be modified, as corresponds. The private effects will be paid for with the prior authorization of the Ministry of Public Works in accordance with the valuations made by the Comptroller General of the Republic and the Office of Land Registry of the Ministry of Economy and Finance.

THE CONCESSIONAIRE must complete the studies and the design of the Madden-Colón Section within twelve (12) months following the entrance of this Addendum into effect, in order to submit to THE STATE, within this term, the sum that constitutes the Adjusted Total Recoverable Amount, which shall be the total recoverable amount from the MADDEN-COLÓN CONCESSION with respect to the design of the Madden-Colón Section.

Following review of the figures that are proposed by THE CONCESSIONAIRE, THE STATE must allocate, on the corresponding Addendum, the Adjusted Total Recoverable Amount of the MADDEN-COLÓN CONCESSION, according to the information supplied for this by THE CONCESSIONAIRE.

for the purposes of the present contract, all the sums expressed in balboas are understood to be equivalent to United States of America dollars, at a rate of one (1) dollar for each balboa expressed. Consequently, in the case that the Panamanian balboa stops having parity with the United States dollar, the amounts expressed in balboas will be understood as automatically adjusted for the purposes of maintaining the dollar value of the Contract, taking as an exchange rate for this, the rate by which the balboa would be convertible to United States of America dollars in an currency market in which there are no restrictions to the free convertibility of balboas for dollars."

FIFTEEN: The fourteenth article of Addendum No. 2 shall not apply to the MADDEN-COLÓN CONCESSION.

SIXTEEN: The fifteenth article of Addendum No. 1 shall not apply to the MADDEN-COLÓN CONCESSION.

SEVENTEEN: The seventeenth article of Addendum No. 1 shall not apply to the MADDEN-COLÓN CONCESSION.

EIGHTEEN: The first article of Addendum No. 3 shall not apply to the MADDEN-COLÓN CONCESSION.

NINETEEN: The first article of Addendum No. 4 shall not apply to the MADDEN-COLÓN CONCESSION.

TWENTY: The payment of the Obligations Derived from the MADDEN-COLÓN CONCESSION will be made from the Trust fund account.

The State will contribute to the Trust Fund, in legal currency of the United States of America, the sums of money that are necessary to defray the Annual Operating Deficit.

TWENTY-ONE: The State and THE CONCESSIONAIRE may agree on any improvements, expansions, or additional interconnections to the Madden-Colón Section.

TWENTY-TWO: THE CONCESSIONAIRE attaches to this Addendum No. 5 fiscal stamps for the value of THIRTY THOUSAND NINE HUNDRED EIGHTY-SIX BALBOAS AND 80/100 (B/.30,986.80).

TWENTY-THREE: THE CONCESSIONAIRE shall deliver a Compliance Bond for ten percent (10%) of the investment value to the Ministry of Public Works at the time of signing Addendum No. 5 of the CONCESSION.

TWENTY-FOUR: The terms and conditions of the CONCESSION that would be contrary to or adversely affect the new legal and financial structure of the MADDEN-COLÓN CONCESSION provided by this Addendum do not apply to the MADDEN-COLÓN CONCESSION. Likewise, the terms and conditions of the CONCESSION related to the sections Phase I of the North Corridor (Albrook – Tinajitas), Phase II of the North Corridor (Tinajitas – Tocumen), and Section I of the Panamá – Colón (Panamá – Madden) Highway are not modified by this Addendum.

TWENTY-FIVE: It is understood between the parties that Contract No. 98-94 of December 29, 1994, with modifications made by means of Addendum No. 1, Addendum No. 2, Addendum No. 3, Addendum No. 4, and this Addendum No. 5 and their Annexes, will continue to be in force without any change, modification, or alteration of their other terms and conditions, to the extent that they concern the Madden-Colón Section, unless they are modified according to that established in the MADDEN-COLÓN CONCESSION and Law 5 of 1988 and its regulations, especially, but not limited to, fiscal extensions.

Given in Panama City, on the twenty-sixth (26) day of January of two thousand seven (2007).

FOR THE STATE
BENJAMIN COLAMARCO
FOR CONSTRUCTORA NORBERTO ODEBRECHT, S.A.
ANDRE CAMPOS RABELLO
FOR CONCESIONARIA MADDEN-COLÓN, S.A.
ANDRE CAMPOS RABELLO

COUNTERSIGNED
COMPTROLLER GENERAL OF THE REPUBLIC
Panama, on the 30th of January of two thousand seven (2007)

ANNEX A
REFERENCE DESIGN CRITERIA AND PREMISES

I. SUMMARY OF THE PROJECT

1.1 INTRODUCTION

The purpose of this documentation is to present the criteria and premises adopted for the development of the Reference Design for the Project of the construction of the Madden-Cativá section of the Panama-Colón Highway, which extends from kilometer 013+040, at the junction with the highway under Concession, entering the Transistmica Highway at the intersection with Quebrada López, at kilometer 47+700, ending up at kilometer 55+000 in the town of Cativá.

The Reference Design, besides establishing the main characteristics of the work, created a basis for calculating the preliminary amounts of services. It was put together based on the topographical, geological-geotechnical and hydrological information available during the development phase for the work, data that should be complemented by the research to be carried out during the Detail Engineering stage.

This document also considers the presentation of the premises for planning as well as other general assumptions.

1.2 GENERAL DESCRIPTION OF THE PROJECT

1.2.1 GEOGRAPHIC LOCATION

The new section of the highway is located in the provinces of Panama and Colón, in the central part of the Republic of Panama, with a length of approximately 42 kilometers.

It begins in the town of Madden, at the end of the section already constructed and in operation, and it extends for a length of approximately 35 kilometers as a divided road until it joins the existing Transistmica Highway at Quebrada López. From this point to the town of Cativá, it follows the main route of the Transistmica Highway for approximately 7 kilometers.

1.2.2 CLIMATOLOGICAL CONDITIONS

The low-latitude geographic location gives the climate and vegetation a typically tropical nature. The coastal tropical climate, with the influence of two oceans, is characterized by moderately high and constant temperatures year round, with a slight daily and yearly variation, abundant rain and high relative air humidity. There are two well-defined climatic seasons annually: the dry season and the rainy season. The dry season lasts from the middle of December to April and the rainy season is between May and December.

1.2.3 SCOPE

Design:

Among the studies that were used to make up the Reference Design were the following:

- Hydrological, hydraulic, and drainage design studies;
- Topographical and geometrical design studies;
- Geological and geotechnical studies;
- Design of bridges and other large structures;
- Design of horizontal, vertical, and road safety signs.

Construction:

For an indication of the scope of the work to be performed, the project was divided into three sections containing distinct characteristics, as indicated:

Section #1

Between Madden and Quebrada López – Located between kilometer 13+040 and 47+700

- Concrete slab;
- Asphalt surface on shoulders;
- Central drainage;
- Rigid dividers all along the highway;
- Horizontal and vertical signs;
- Safety provisions;
- Drainage works;
- Bridges, overpasses, and underpasses;

Section #2

Between Quebrada López and Cutivá – Located between kilometer 47+700 and 53+000

In the widened section where there are 2 lanes of the Transistmica Highway, which have a length of approximately 1.3 kilometers, under consideration is the widening of the 2 existing lanes to 4 lanes for the project, applying improvements and replacements for the defective pavement.

In this section we anticipate the execution of works that allow for the improvement of both the existing pavement and the accompanying services, such as:

- The replacement of defective pavement on the existing Transistmica Highway while maintaining the same characteristics for structural capacity and performance on this section;
- Renovation of the existing pavement for better aesthetics;
- The improvement of the existing horizontal and vertical road signage;
- Rigid dividers all along the section;
- The cleaning and substitution where necessary of the existing surface drainage works;
- Installation of new lighting in those places where the existing lights are deteriorated.

Section #3

Between Cutivá and Cuatro Altos – Located between kilometer 53+000 and Cuatro Altos

This section, which is not considered in the budget that was presented, will be defined according to the following procedure:

Taking into account the execution of works that are currently being carried out on this section, in a way that avoids the overlap of activities or services, 12 months after construction started on the Highway, and following

the conclusion of the works currently contracted and being executed by third parties, the existing section of highway between Caticá and Cuatro Altos will be evaluated with the design development being done by Constructora and with direct definitions from the MOP with respect to the services and criteria to be executed. At this time, the design will be presented, with the table of amounts and prices, for the approval of the MOP.

1.3 HYDROLOGICAL STUDY OF THE AREA

1.3.1 AVAILABLE INFORMATION

- Cartography

The watersheds were defined from national maps from the Tommy Guardia National Geographic Institute (IGNIG) on a scale of 1:50,000, covering the section under study between Panama City-Colón.

- Hydrological Information

For the stations located in the hydrological basin of the highway under study, pluviograph rainfall data was collected from the Panama Canal Authority (ACP) and the Electric Transmission Company (ETESA).

Likewise, existing pluviometric data for high water levels was collected from a historic series taken from the limnigraph station on the Gatún River.

Through the analysis of the monthly rainfall distributions for Colón and Panama, it was verified that the pluviometric regime for the Colón region presents high yearly intensity of rains. There are two well-defined annual climatic seasons: the dry season and the rainy season. The dry season lasts from the middle of December to April and the rainy season, from May to December.

Similarly, the maximum and minimum temperatures and humidity levels were analyzed from a historical series developed for the project area.

1.3.2 STATISTICAL ANALYSIS OF THE RAINS

During the studies, the following activities were carried out:

- Analysis of rainfall intensity for each rain gauge posted.
- Analysis of the average number of rainy days from month to month.
- Analysis of the annual rainfall measurements for each season.
- In the study "Analysis of Intensity, Duration, and Frequency— Greatest events of annual rain (1972-1999), Canal - Western Region Watershed" of October 2001, carried out by the Panama Canal Authority (ACP), IDF studies were carried out for various pluviographic stations. For the present analysis, the IDF curves of Station One Hundred were used.
- Based on the 1:50,000 scale maps from the IGNIG, the large and medium-sized watersheds were marked. The smaller watersheds were marked via the use of maps obtained from aerial photographic restitution.
- Calculation of the water levels for the project.

1.3.3 DESIGN METHOD FOR WATER LEVELS AND DESIGN DISCHARGES

For this study, the design discharges were determined for the gullies that cross the highway by applying Precipitation-Runoff procedures.

- Design Recurrence Interval.

The recurrence intervals considered for the project are the following:

- Surface drainage: $T_r = 10$ years;
- Tubular concrete drains: $T_r = 25$ years;
- Drains and non-submergible frames, meaning with $H_w/D \leq 1.20$, where H_w is the hydraulic river water load above and D is the diameter of the tubes or the height of the frame: $T_r = 50$ years, with an H_w that does not reach the gradient level of the highway;
- Bridges and Pontoons: $T_r = 100$ years with minimum freeboard of 1.50 m and $T_r = 500$ years without reaching the lower level of the bridge beams;
- Undermining depth calculation: $T_r = 500$ years.

- Design discharges for Watersheds

For the calculation of the design water levels for bridges and drains, indirect methods were used, which is to say, with the transformation of high precipitation values into surface runoff.

For small watersheds with areas of up to 2.0 km^2 , the water levels were calculated by the Rational Method. For watersheds with areas greater than 2.0 km^2 , the Triangular Hydrograph Method from *U.S. Soil Conservation* was used.

For the Chagres river watershed, data from the Panama Canal Authority (ACP) was used with the water levels from Madden Dam releases. For the Gatun river watershed, the pluviographic data from Station One Hundred were considered, which were used for the determination of design water levels via statistical methods.

- Time of Concentration

For watersheds with drainage areas less than or equal to 2.0 km^2 , the time of concentration was calculated using the Kirpich formula.

For watersheds with drainage areas greater than or equal to 2.0 km^2 (200 hectares), the time of concentration was calculated using the Modified Kirpich formula.

The Rational Method assumes constant and uniformly distributed rainfall throughout the drainage watershed.

For superficial drainage, a minimum "tc" of 10 minutes was considered.

- Runoff Curve Numbers (RCN)

The Runoff Curve Number used is based on the recommendation of the INEC in the paper, "Contribution for the Study of Drainage for Rainwater in Rural Zones" – Lisbon, 1983, Vol. 1, 2, and 3 and the U.S. Soil Conservation Service.

The surface layer of the soil for the region was classified from a hydrological point of view as Type C Soil, which has an infiltration capacity below the median, after pre-saturation, and contains a considerable percentage of clay.

In the following table the RCN values are presented for the Type II antecedent moisture conditions (AMC).

Table 1.
Runoff Curve Number values for (AMC) Type II rural regions

Soil Utilization or Coverage	Surface Conditions	Type of Soil			
		A	B	C	D

Sown Soil	According to greatest slope	77	86	91	94
Forests	According to contour	62	74	82	85
	According to contour and terracing	60	71	79	82
Crop Rotation	According to greatest slope	62	75	83	87
	According to contour	60	72	81	84
	According to contour and terracing	57	70	78	82
Pastures	Poor	68	79	86	89
	Normal	49	69	79	84
	Good	39	61	64	80
	Poor, according to contours	47	67	81	88
	Normal, according to contours	25	59	75	83
Permanent Field	Good, according to contours	6	35	70	79
	Normal	30	58	71	78
Rural Social Zones	Normal	89	74	82	86
Highways	Permeable pavement	72	82	87	89
	Impermeable pavement	74	84	90	92
Jungle	Open or having low transpiration	56	75	86	91
	Open or having low transpiration	46	68	78	84
	Normal	36	60	70	76
	Dense or having high transpiration	26	52	62	69
	Very dense or having high transpiration	15	44	54	61
Impermeable Surface		100	100	100	100

1.3.4 WATER SOURCES AND USES

Along the section are water sources, the use of which is scheduled for construction purposes, such as use in concrete, bases and sub-bases, embankments, etc.

Table 2 – Water Source Studies

Section	Water source
Madden-Colón	Chalibre River
	Chigres River
	Giral River
	Galán River

1.4 TOPOGRAPHICAL WORKS, PRELIMINARY SERVICES AND DESIGN GEOMETRY

1.4.1 TOPOGRAPHICAL LIFTING

The reference system used was in UTM coordinates on the WGS-84 ellipsoid based on the fixed stations at Tommy Guardia National Geographic Institute (IGNIG) points.

The Reference Design was made based on a topographical lifting carried out on the UTM coordinate system (flight scale – 1:8,000 and restitution scale – 1:2,000).

1.4.2 PRELIMINARY SERVICES

It was considered that with the utilization of orthophotos, 60% of the area to be cleared is not forested. For clearing, a maximum tree diameter of 20 cm was considered, and an average height of 6 meters, generating a volume of 2000 m³ of material to be removed and transported per hectare of forested area. The amount of demolition of homes and pavement was evaluated via the use of orthophotos.

1.4.3 DESIGN GEOMETRY

It was considered that the highway could be categorized as a "multilane divided arterial" in accordance with the characteristics defined in Chapter 7 of the publication: "A policy on Geometric Design of Highway and Streets - 2004" of the "American Association of State Highway and Transportation Officials - AASHTO."

- Design Criteria and Parameters

In the execution of the design, criteria and parameters from the following rules were adopted:

- "A policy on Geometric Design of Highway and Streets - 2004" - AASHTO.
- Current Rules and Recommendations of the MOP - Panama

- Environmental Values

The preliminary outline and profile studies seek to reduce the environmental impacts by means of the optimization of cuts and fills.

- Orography

The project region is located in an undulating and mountainous orographic area between the levels of 50 and 200 above sea level, in an area of wet and very wet tropical rainforests, with soils that maintain good internal drainage.

- Design Velocity

For the Madden-Quebrada López section a design velocity of 110 km/h was adopted.

- Transverse Section

For selecting the geometrical characteristics of the transverse section, the defined functional categorization of the highway was taken into account, along with traffic demands, the orography of the area, the design vehicle, and the design velocity.

Width of the Road

The highway is a road with two lanes in each direction, with a divider made up of rigid barriers and a drainage structure. The width of the road was defined as 7.20 m, with two lanes of 3.60 m each.

Width of the Shoulder

The width of the external shoulder was defined as 2.40 m, and 1.20 m for the internal shoulder.

Pumping

For the drainage of runwater falling on the surface of the pavement, on the sections that are aligned straight without banked turns, the pumping is 2.0% (declivity from the internal edge towards the external edge of the road).

Typical Transverse Section

The transverse sections used include side ditches, curbs, and a central ditch located between the two rigid barriers constructed along the highway, with the goal of driving surface and sub-surface runoff coming from the road platform, banks, and adjacent areas for the purpose of protecting the structure of the pavement.

The ditches in the cut have a width of 1.50 m, defining a platform in the cut with a total width of 25.86 m. The shoulder has a transverse declivity of 2% on tangent. On the Madden-Quebrada López section, an 80 m (minimum) right of way was adopted, always keeping a minimum distance of 3 m from the edges of the offsets. The sign plates both for the cut and the fill will be implanted on the side of the shoulders. Taking into consideration that in this phase of the project the minimum geologic studies necessary for defining the stratigraphy of the land on which the project will be placed had not yet been carried out, inclines were adopted with an average ratio for the cut of 0.75 (H) : 1.00 (V). For the fill, inclines were adopted with 1.50 (H) : 1.00 (V).

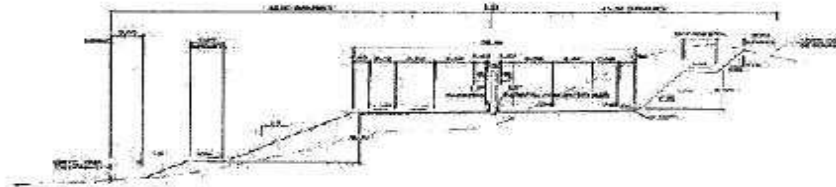


Figure 1 - Typical Section in Half Slope

Embankments

The bulking coefficients used were 1.25 for soil and 1.40 for rock.

The volumes required to be transported that were presented in the list of amounts were determined geometrically in the cut.

The se coefficients should be tested with geotechnical trials during the development of the detail engineering and the execution of the work.

In creating the mass diagram, it was assumed that the geometric volumes of earth for fill come from the application of a reduction coefficient of 0.80 over the geometric volume of the corresponding evacuation. For fill on rock, the application of an increased coefficient of 1.20 was assumed over the volume of the corresponding evacuation.

Stretches with Non-Typical Sections

The Reference Design considers the following stretches to have unusual transverse sections:

- Two intersections, one at the start of the route at the junction with the existing road and the other at the intersection with the Transistmica Highway at Quebrada López.
- Two operational U-Turns in the section between Quebrada López and Cativá on the Transistmica Highway.
- A toll station with 10 toll booths.
- Bridge and Viaducts.
- Horizontal Alignment

The route in question will be designed in a way that allows for continuous vehicle traffic at the speeds indicated in the adopted guidelines. The minimum range for the indicated velocity is defined as:

$$R_{min} = \frac{V_D^2}{127(P_{min} + f_{adh})}$$

Where

V_0 = Design velocity (110 km/h)

P_{max} = Maximum incline (8%)

f_{max} = Transverse friction coefficient (0.11)

Therefore:

$$r_{min} = \frac{110^2}{127(0.08 + 0.11)} = 501.45m$$

Thus, the minimum radius adopted for the design velocity of 110 km/h is 500 m.

The maximum incline is 8% and the turn through the banked portion of the road is made around the axis of the road on the transition curves and on tangent.

Transition curves

The transition curves have the goal of avoiding discontinuities in the curvatures of the route, providing the same conditions of safety, comfort, and aesthetics as the other elements of the route. In processing it the clothoid was used.

The parametric equation of the clothoid is given by:

$$A^2 = R \cdot L$$

Where:

A: Clothoid parameter, a characteristic of the shape. Defines the magnitude of the clothoid.

R: Ratio of the curvature at any point (m).

L: Length of the curve between the inflection point (R = infinity) and the ratio point R.

- Vertical Alignment

The highway crosses an area with an orography predominantly constituted by hills and mountains, which have been taken into account in its profile along the route.

In general, the slope has been adjusted to the inflections of the terrain as much as possible, always taking into account the limitations imposed by AASHTO's "A Policy on Geometric Design of Highway and Streets - 2004," with respect to the proper conditions for operation, visibility, and safety. In accident zones the use of steep gradients has been avoided to the extent possible. All along its length, wide vertical curves have been used, to ensure proper visibility conditions for the design velocity.

- Basic Design Parameters

The definition of the design criteria are correlated with the estimated average daily transit, the design velocity, and the type of terrain. The parameters and elements adopted are presented in the following table:

Table 3 – Basic Design Parameters

Basic Parameters	Values
Design vehicle	WB-20 (AASHTO)
Design velocity (km/h)	110
Width of road (m)	7.20
Width of side shoulder (m)	2.40
Width of internal shoulder (m)	1.20
Length of attentive visibility (m)	220
Pumping of the road (%)	2.0
Extra width to compact with permeable fill material (m)	1.50
Ditch in the cut (m)	1.50
Width of the platform (fill) (m)	25.86

Width of the platform (cut) (m)	25.86
Minimum radius (m)	500
Maximum incline (m)	8.0
Minimum ratio without incline (m)	4.180
Extra width (m)	Variable
Maximum length gradient (%)	6
Clearance lanes	not provided
Minimum gradient along the length of cut (%)	0.5
Min. Convex K (AASHTO 3-76)	74
Max. Concave K (AASHTO 3-79)	55
Fill slope	1.5:1.0 (H:V)
Average slope for the cut	0.75:1.0 (H:V)
Height of sidewalk (m)	8.0
Width of sidewalk (m)	3.0
Transverse Slope of sidewalk (%)	10
Width of right of way (m)	80 m (min.) or 3.0 m from the edge of offset
Vertical clearance (m)	5.50
Coefficient for incrementing cut volumes, necessary for fill on rock	1.20
Coefficient for reducing cut volumes, necessary for fill on soil	0.80

During the Detail Engineering stage and based on the geological uplifts and other related field data, the implementation of adjustments to the horizontal and vertical alignments will be necessary, generating a possible variation in the quantities for the embankment.

1.5 GEOLOGICAL AND GEOTECHNICAL STUDY

1.5.1 GEOLOGY

Regarding the alignment of the new highway, the occurrence or existence of three main kinds of rock are expected: igneous, sedimentary, and chemical sedimentary (organic sedimentary).

The rocks are found in various states of erosion, from soft to extremely weathered.

Weathering of the rock can be high, generating a layer of soil and saprolite (overburden) of up to approximately five (5) meters thick.

In spite of the apparent good stability of the geological bodies, sporadic sectors of limited size are found that present low stability and have a propensity to create small, localized rockslides. In the current Transistmica there are cuts with slopes that have a declivity greater than 45°, most of the cut slopes being vertical with terracing projects carried out in very few of them.

Making an analogy between the existing lithology for the Transistmica Road and the route for the new highway, we can expect a similar geomechanic situation, meaning good to fair stability.

Based on consultations made with local geologists, the hypothesis was adopted that the hard soil is found at an average of 6 meters under the surface of the ground, with a thickness of 2 meters, followed by solid rock.

The following proportions of the materials to be excavated were adopted:

Material	Area (m ²)	Proportion (%)
Vegetative layer	15	3.5
Soil	247	57.2
Hard soil	66	15.2
Rock	104	24.1

For the fill, the presence of mud was considered in approximately 5% of its length, as foreseen in the Reference Design, with the need for removing a thickness of 2 meters.

Finally, it was assumed that the outlines of the slopes and the hydroseeding protections are only going to be employed on the soil and hard soil surfaces, in other words, on 85% of the cut surface.

1.5.2 MOVEMENT OF EARTH

Cut volumes on soil and rock were adopted based on tours of the area where the work is located, as well as the evaluation of data and technical documents available (maps, reports, etc.) The materials resulting from the cuts, whether from soil or rock, were considered as totally reusable for landfill or rock-fill. A vegetative layer of 30 cm was assumed.

1.5.3 QUARRIES

It was assumed that, with respect to the sources for the construction materials, the most common rocks would be sedimentary, occupying approximately 60% of the area of the new route. These sediments appear to be distributed along the highway, each 5 km. Due to unfavorable weather conditions in the work region, it was also assumed that these rocky materials would be wholly used as fill material (rock-fill) and in the improvement layers.

Considering that up to this point it has not been possible to carry out studies to characterize the quarry materials that will be used in the construction of the road, nor to define where they are or their actual capacities, the average distances for transportation of rock and soil was estimated at 5 km.

1.5.4 DUMP SITES

Dump sites were adopted in flat areas along the service area with an average distance of 3 km. For cleared material, a distance of up to 1 km was assumed.

1.5.5 BRIDGE FOUNDATIONS

It was admitted that, for the foundation of bridges and overpasses, piles would have to be built into the rock.

1.6 HYDROLOGICAL AND DRAINAGE STUDIES

1.6.1 FIELD RECONNAISSANCE

A field reconnaissance was carried out with the goal of identifying and characterizing the main waterways, the type of soil, and the characteristics of the vegetation of the region where the work would be conducted.

- Characterization of the main watersheds

The natural vegetative coverage of the region is characterized by the predominance of dense bushes with large trees. The watersheds were characterized based on cartographic maps provided by the Tommy Guardia National Geographic Institute (IGNTG) and by aerial photography restitutions.

- Collection of information

The proposed area for the road crosses rural zones at isolated points, as well as various gullies and rivers, the most significant being the Chagres and the Gatún.

During the tour, in the towns where homes were found, the inhabitants were consulted regarding how well the biggest roads hold up during the rainy season.

This information, referenced by coordinates and levels, will be important for the hydraulic studies for each water crossing, contributing directly to decisions regarding the dimensions of the work, as well as for the height necessary for the slope.

- Existing drainage projects

In the section of the Transistmica Highway from Quebrada López to Cúcuta, it was assumed that the existing work would be sufficient from the point of view of hydraulic and structural capacity, with only routine maintenance services being necessary.

1.6.2 SURFACE DRAINAGE

The surface drainage project was developed based on the geometric projections and embankments. The defined transverse sections, the transverse gradients of the adjacent lands, and the stretches of cut and fill were analyzed. Curbs were designed for embankment areas with heights greater than 3 meters.

The surface drainage devices (ditches, trenches, and tubes) were sized assuming a uniform regimen, for which the Manning formula associated with the continuity equation was used.

The trapezoidal concrete trenches for protection on cut slopes (crowning) and embankments were designed considering the contribution area.

1.6.3 GULLY DRAINAGE

- Drains

Taking into account that the region is characterized by a wet tropical climate with abundant vegetation, concrete drains were used that were sized considering the entrance baseline estimates for the following recurrence intervals:

T = 25 years with $H_w/D \leq 1.20$ for tubular drains

T = 50 years with $H_w/D \leq 1.20$ for non-submergible frame drains

Where

- H_w is the hydraulic load at the entrance
- D is the diameter of the tube or height of the box.

The drains were also verified with entrance control for the water level with a recurrence interval of 50 years; nevertheless the maximum hydraulic load should be a minimum of 1.0 meter within the clearance for the highway. The effects of undermining were not considered.

1.6.4 SUB-DRAINAGE

The subterranean drainage project assumed deep drains along the length of the cuts with the aim of diminishing the impact caused by water table levels and drains along the length of the fill for protecting the pavement structure.

1.6.5 PAVEMENT DRAINAGE

Longitudinal drains were provided in the pavement in both lanes in order to eliminate water that infiltrates the pavement structure.

1.6.6 BRIDGES

The bridges were designed in order to allow the passage of the hundred-year-old avenue such that there would be a minimum freeboard of 1.50 meters with respect to the lower elevation of the longitudinal beam.

As much as possible, the bridges were placed in towns crossing straight stretches of river. The foundations for the bridges and pontoons that crossed smaller waterways shall be located on the edges of the rivers.

Due to the lack of specific technical data, the effects of undermining were not considered in the Reference Design.

1.7 STRUCTURAL BRIDGE DESIGN

Works requiring special consideration for the section in the study are of three types: Bridges, overpasses, and underpasses. All bridges and underpasses are composed of two parallel works in the town in which they are placed; the overpasses are unique works.

The bridges were planned for the projects listed below:

- A Bridge of 40 m.
- A Bridge of 60 m.
- A Bridge of 80 m.
- A Bridge of 140 m.
- A Bridge of 190 m.
- A Bridge of 390 m.
- An underpass of 30 m.
- An underpass of 50 m.
- An underpass of 60 m.
- Eleven overpasses of 50 m each.
- An overpass of 120 m.

All the works having a length greater than 60 m have a superstructure with a consistent cross-section of 10.40 m; the bridges with lengths less than 60 m have a cross-section of 11.60 m. The bridges and underpasses are composed of two lanes of traffic each of 3.60 m, shoulders of 1.20 m or 2.40 m, safety strip of 1.20 m and rigid dividers on both sides. The overpasses are composed of two lanes of traffic of 3.60 m, two internal shoulders of 1.60 m, and rigid dividers on both sides.

The isotatic boards are composed of a reinforced concrete slab and pre-molded beams. For better distribution of forces, the boards have support crossbeams and free crossbeams so as to create a flat mesh.

All the works have an approach slab.

1.7.1 BRIDGES

- 40 m Bridge

For the 40 m bridge, the superstructure has 40 m of clearance. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

- 60 m Bridge

For the 60 m bridges, the superstructure has two 30 m sections. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

- 80 m Bridge

For the 80 m bridge, the superstructure has two 40 m sections. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

- 140 m Bridge

For the 140 m bridge, the superstructure has two sections with 50 m of clearance and one with 40 m of clearance. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

- 190 m Bridge

For the 190 m bridge, the superstructure has 3 sections with 50 m of clearance and one with 40 m of clearance. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

Each intermediate support is formed by a unique pillar, with varying cross-sections, and supported by a block. The blocks are planned so that their bases coincide with the water level, and each one of them is supported by buried piles.

- 390 m Bridge

For the 390 m bridge, the superstructure has 9 sections with 40 m of clearance and one with 30 m of clearance. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

1.7.2 UNDERPASSES

For underpasses of 30, 50, and 60 m, the superstructures have a single section. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

1.7.3 OVERPASSES

For overpasses of 50 and 120 m, the superstructures have a single section. Supports are assumed to be composed of concrete, pre-molded beams supported by piles. The support devices are of reinforced neoprene.

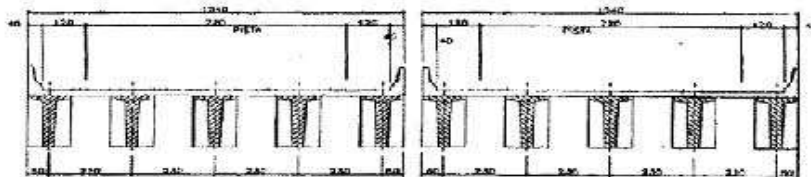


Figure 2 – Typical sections for bridges with lengths of more than 60 m

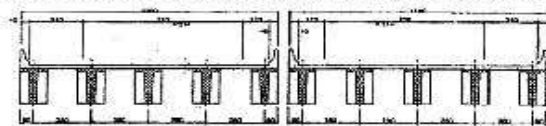


Figure 3 – Typical sections for bridges with lengths less than 60 m

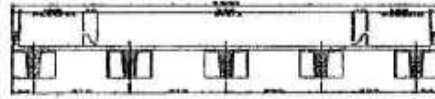


Figure 4 – Type of section for overpasses

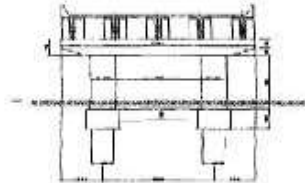


Figure 5 – Typical detail for central meso-structure

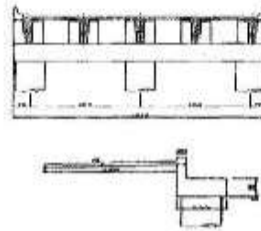


Figure 6 – Typical detail for supports and approach slab

1.8 PAVEMENT DESIGN

1.8.1 TRAFFIC

The Number "N" of requests for a standard arterial road of 8.2 tons was calculated using the AASHTO methodology, arriving at a value of 3.31×10^7 requests for the first 20 years of the concession and 6.00×10^7 requests for 30 years of the concession.

Based on available data, the design CBR for the subgrade was estimated at 8% for the section.

1.8.2 SOLUTIONS ADOPTED

- Madden-Quebrada López Stretch: new highway with double road, 4 lanes of rigid pavement and shoulders of flexible pavement.

For the first section, the structure indicated below was considered for the lanes, with exterior shoulders of flexible pavement.

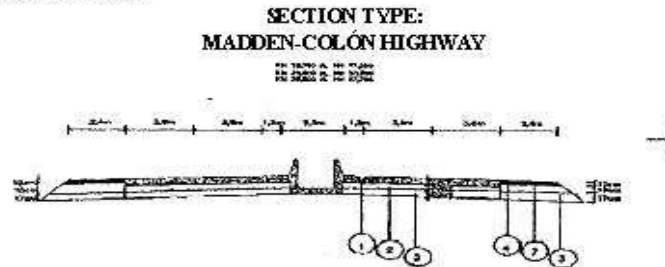
- Concrete Slab: 24 cm.
- Granular Base of Crushed Rock: 20 cm, (CBR 80%)
- Improvement with CBR = 20%: variable thickness of between 20 and 30 cm (Source of materials available from the necessary excavation, with an average transportation distance of 5 km).

This Reference Design for the pavement for the shoulders considered the following structure:

- Asphalt Layer..... 10 cm
- BGS Base + 2% cement..... 15 cm

- Granular Sub-base 17 cm

Typical Section for this Stretch:



Description of the Items:

1. Concrete Slab
2. Granular Base
3. Improvement of the Sub grade
4. Asphalt Layer
7. Base Improved with Cement

Quebrada López Section (station km 47+700) up to Cativá (station km 55+0.00):

Widening of the existing road to four lanes and renovation of the existing road (Transistruica).

The Reference Design considered the following structures for pavement:

- For the widened sections:
 - Asphalt Layer 10 cm;
 - BGS Base + 2% cement 15 cm;
 - BG IC Sub-base + 3.5% cement 17 cm.
- For the junctions and ramps:
 - Asphalt Layer 7 cm;
 - BGS Base + 2% cement 15 cm;
 - BG IC Sub-base + 3.5% cement 15 cm.

The Section of the Transistruica Highway being done with 4 lanes, where it coincides with the work on the Madden-Colón Highway, is currently underway under a contract with another construction company, with involvement in various projects.

The geotechnical trials planned for Detail Engineering allow for more detailed knowledge of the foundation and the pavement itself, making it able to generate adjustments to these estimated thicknesses in the Reference Design.

1.9 ROAD SAFETY AND SIGNAGE STUDY

The plans for signs for the Panama-Colón Highway sought to follow the rules, patterns, and recommendations of AASHIO's Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD), without forgetting to consider the practices and typical elements adopted by the Ministry of Public Works (MOP) in the existing network of roads.

In the eventual situation in which the rules and recommendations contained in the MUTCD are different from local practices, the criteria to be adopted shall be those defined by common accord between the technical teams and the MOP.

The signage designs and the safety devices were created assuming a maximum regulated velocity of 110 km/h on the sections that are free from physical or operational limitations and are composed of:

- Horizontal signs: composed of lines, strips, symbols, and legends, accompanied by retroreflective or sound devices installed on the pavement;
- Vertical signs: for regulations; advertising; directions; educational and services; accompanied by auxiliary retroreflective or luminous devices such as beacons, border lines, danger indicators, flashing lights etc.;
- Safety devices: concrete barriers were designed, as well as metallic guardrails and closed borders for the right of way, seeking to optimize the safety conditions for the highway.

1.10 TOLL PLAZA

The toll plaza was designed for 10 tollbooths.

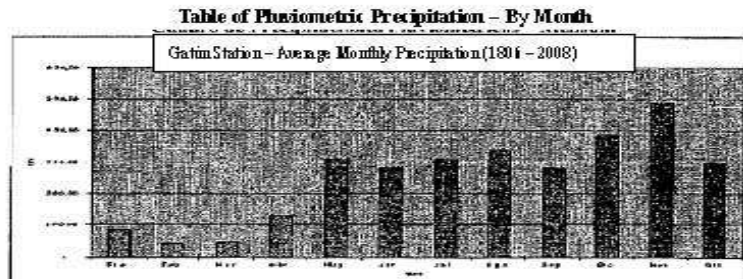
At this point, the width of the toll plaza is approximately 70 meters and the length is 250 meters.

Electrical or phone networks and potable water for the area were not taken into consideration.

1.11 ASSUMPTIONS FROM PLANNING

The execution periods and productivity for the work fronts took into account that the clearing of the areas, for reasons having to do with the environment or the expropriation of land will be given within a work schedule and according to the construction sequence. For this reason, the costs of parallelizing work, direct or indirect personnel, and camp maintenance were not taken into consideration.

With respect to the yearly work conditions, taking into account the statistical data for rain, the calculation of working days was based on the Gatín pluviometric station, shown below:



For the calculation of working days, different factors were readdressed and considered for each kind of service, along with the idea of non-working days when there was more than 5 mm of rain.

As a function of this basic data, the working days for each kind of service are presented month by month in the table below:

Calculation table for Practicality adopted for the execution of the services

MADDEN COLÓN HIGHWAY															
Calculation of Working Days for the Services															
Factors impacted by Rain	I I Rain Season							SE Dry Season							
	I I Rain Season							Work Holiday - DRY							
	SE	SE	SE	SE	SE	SE	SE	SE	SE	SE	SE	SE	SE	Totals	
ENE	FEB	MAR	ABR	MAY	JUN	JUL	AGO	SEP	OCT	NOV	DIC				
	31	28	31	30	31	30	31	30	31	30	31				
	4	3	2	5	12	23	14	15	12	15	17	31			
Fill of Soil	1,5	1,00	0,90	2,5	1,3	1,2	2,5	18,3	16,5	20,8	32,3	18,7	22,3	26,12	16,7
Fill of Rock	0,90	0,40	0,40	0,4	0,4	0,2	0,5	5,3	6,5	6,9	7,4	6,9	7,6	8,7	5,6
Excavation of Soil	1,00	0,10	0,20	1,5	0,9	0,7	1,3	13,2	17,0	15,3	15,3	12,7	15,2	17,4	11,4
Concrete (illeg.) Rock	0,50	0,10	0,10	0,4	0,3	0,2	0,5	5,1	6,5	6,9	7,4	6,2	7,6	8,7	5,6
Pavement	0,60	0,15	0,12	0,1	0,2	0,3	0,6	7,9	7,8	8,2	8,9	7,5	9,1	10,6	6,7
FILL ON SOIL	23,9	22,2	24,5	22,5	10,8	8,7	8,6	7,5	9,4	6,9	3,2	11,9	18		
FILL ON ROCK	25,4	23,1	25,6	24,6	21,7	19,6	20,1	19,3	19,3	19,3	17,3	21,2	25,7		
EXCAVATION ON SOIL	24,7	22,7	23,5	23,7	15,8	14,2	14,4	13,5	16,4	13,2	16,5	14,4	20,9		
CONCRETE (illeg.) ROCK	25,4	23,1	25,6	24,6	21,7	19,6	20,1	19,4	19,4	19,5	17,7	21,3	25,7		
PAVEMENT	25,4	23,1	25,6	24,5	10,7	13,5	15,0	18,4	18,4	18,2	18,3	20,5	24,8		

GENERAL ASSUMPTIONS

L11.1 ITEMS NOT COMPUTED IN QUANTITY ESTIMATES

Besides what was presented, the services below were not considered in the table of amounts and prices:

- Liabilities and environmental management and associated costs (Costs of the Environmental Management Plan);
- Removal and clearing of landslides generated by extraordinary events;
- Pedestrian bridges, cattle crossings, and any other work necessary for ranches or properties along the highway to have contact with each other;
- Permanent side roads for local traffic;
- Relocation of people whose homes or properties are impacted directly or indirectly by the route;
- Removal or relocation of anything interfering with work;

Costs of excavation and removal of cleaned materials so that all the quarries can be exploited in order to acquire work materials.

ANNEX B

CONSTRUCTION AND PAYMENT CONDITIONS

ONE: Definitions

In this Annex, the following words and expressions will have the meanings that are stated below, unless the context requires differently:

“Final Acceptance Act of the Work”	means the administrative act issued by the MOP in accordance with clause 12.12 at the time of the Final Conclusion of the Work;
“Specific Conditions”	document whose main purpose is to develop procedures and regulate in greater detail some of the provisions of this Annex, which, once agreed upon by the parties, will be attached as an integral part of this Annex;

"Consent"	means the consent, permission, approval, and authorizations for (i) making possible the establishment of the Work and/or (ii) allowing THE CONCESSIONAIRE to be able to comply with the provisions of this Annex, in accordance with the conditions established here;
"Environmental Impact Study"	means the Environmental Impact Study for the Work that THE CONCESSIONAIRE must present;
"Acceptable Financial Institution"	means a bank, insurance company, or other financial company satisfactory to the Contracting Authority, who acts reasonably and is authorized to conduct business in the Republic of Panama and the United States;
"Design Review and Approval Protocol"	means the steps and procedures that should be complied with in relation to the review and approval of the Design Documents;
"Good Construction Practices"	means those practices, methods, techniques, and procedures that prevail during the period of construction for the Work and which generally are accepted and observed by contractors who are prudent, diligent, capable, and experienced in the highway construction industry and who take into account the stipulations of this Annex;
"Good Engineering Practices"	means those practices, methods, techniques, rules, and procedures that prevail during the execution of the Work and that are generally accepted in the international highway construction industry;
"Substantial Conclusion Act"	has the meaning that is attributed to it in clause 12.2;
"Addendum No. 5"	means the Addendum No. 5 to the Concession Contract No. 98 of December 29, 1994, as it was amended by virtue of Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1999, Addendum No. 3 of August 30, 1999, and Addendum No. 4 of August 20, 2001, relating to the study, design, construction, maintenance, administration, and exploitation, among others, of the Madden-Colón Section of the Panamá-Colón Highway;
"THE CONCESSIONAIRE"	means CONCESIONARIA MADDEN-COLON, S.A.;
"Pre-existing Environmental Conditions"	means the environmental conditions of the sites for Work before the signing date of Addendum No. 5;
"Final Conclusion"	means the date on which the requisites established for the MOP to issue the Final Acceptance Act of the Work have been complied with;
"Substantial Conclusion of the Work"	means the date on which each one of the requisites established in clause 12.1 have been complied with or satisfied, as certified by the MOP in the Substantial Conclusion Act;
"Comptroller General of the Republic"	refers to the Comptroller General of the Republic of Panama;

"Construction Schedule"	initially, it means the schedule for carrying out the Work that is attached to this instrument as part of Annex A – Reference Conditions for the Work, and later, the fully detailed schedule for carrying out the Work referred to in clause 7.7, as well as any revised program that is produced by common accord among the parties;
"Design Presentation Schedule"	means the preliminary schedule for the design presentations by THE CONCESSIONAIRE to the MOP and that will be submitted by THE CONCESSIONAIRE to the MOP before the Construction Start Date, according to how it is updated periodically in accordance with this Annex;
"Design Documents"	means all the plans, specifications, pertinent calculations and pertinent technical information of a similar nature that shall be prepared and presented by THE CONCESSIONAIRE to the MOP, in accordance with the Design Presentation Schedule for the Reference Project and approved by the MOP in accordance with the stipulations of the Design Review and Approval Protocol, according to how they are periodically updated in accordance with the Annex;
"Permanent Equipment"	means all the equipment, machinery, devices, and similar elements that are supplied with the goal of forming a permanent part of the Work;
"Standards"	means, unless otherwise required by law, the applicable rules or regulations, requisites, specifications, standards, rules and practices applicable to the design and detail engineering for the Reference Project, and supplies and construction for the Work, in force at the time of carrying out the design, detail engineering for the Reference Project, and supplies and construction of the Work;
"Geological Event"	refers to any geological condition at Work sites that is not found to be in line with the Reference Conditions for the Work;
"Political Event"	means any action or omission by the Republic of Panama or any competent authority (including and without limitation (a) any change (whether by means of introduction, modification, or application of any law, decree, or regulation or in another way) after the signing date of Addendum No. 5; (b) any Expropriation; (c) any embargo, expropriation, nationalization, or act of eminent domain that does not constitute expropriation; (d) any change in the currency of the Republic of Panama or any later devaluation of the same; (e) any modification of payment owed to the MOP or to THE CONCESSIONAIRE under this instrument, or any introduction or modification of tariffs, rates, rights, taxes, or other charges collected

	or to be collected in or with respect to the Work, or, on the other hand, without the prior written consent of THE CONCESSIONAIRE, as is applicable); and (f) any lack or delay by the Republic of Panama or any competent authority to act in accordance with the laws in force, or any action or omission of action or failure to act opportunistically that adversely changes the legal, economic, or commercial situation for THE CONCESSIONAIRE or any Subcontractor of theirs, or of the Work in terms of how it was at the signing date of Addendum No. 5, or how it is now, or how it would have been if said action or omission had not occurred;
"Private Effects"	means all the negotiations, judgments of expropriation, settlements, and other pertinent negotiations with the aim of allowing the sites for the Work to be made available to THE CONCESSIONAIRE free of any kind of physical or legal impediment before beginning the Work;
"Final Conclusion Date"	refers to the date of the Final Conclusion of the Work considered in the Final Acceptance Act of the Work;
"Substantial Conclusion Date"	refers to the date of the Substantial Conclusion of the Work considered in the Substantial Acceptance Act of the Work;
"Construction Start Date"	has the meaning that is attributed to it in clause 7.2;
"Effective Date"	has the meaning that is attributed to it in clause 7.1;
"Compliance and Good Management Bond"	means a compliance guarantee, issued by an Acceptable Financial Institution in the name of THE CONCESSIONAIRE or any Subcontractor, in which the MOP is named as a beneficiary for an amount equal to ten percent (10%) of the Total Recoverable Amount;
"Trust"	refers to the trust that Addendum No. 5 deals with;
"Fiduciary"	refers to the Fiduciary for the Trust;
"Financers"	means the banking institutions that have awarded financing to the Fiduciary, in representation of the Trust, for the development of the Work;

"Force Majeure"	refers to any event that is not a Political Event outside the control of the MOP or THE CONCESSIONAIRE that could not have been reasonably foreseen at the date of signing Addendum No. 5, including but not limited to war, whether declared or not, revolution, disturbance, insurrection, strikes, except for strikes of MOP employees, THE CONCESSIONAIRE, any Subcontractor, or any other Person who carries out any part of the Work (unless the strike is part of a general strike in the Republic of Panama, or a general strike in the corresponding sector of the Republic of Panama), civil commotion, invasion, armed conflict, hostile act of a foreign enemy, blockade, embargo, act of terrorism, sabotage, civil disturbance (including physical actions of any environmentalist, political, social, or other group, or owners of lands who deny access or use of any Right of Way or Work sites), radiation or chemical contamination, radiation due to ionization, explosion, fire, El Niño Phenomenon, or Acts of Nature. In spite of the aforementioned, Force Majeure will not include (i) climatic conditions that are not Acts of Nature or an El Niño Phenomenon that could reasonably have been foreseen by experienced contractors who operate in Panama; (ii) if any scarcity of labor or materials should happen; or (iii) any delay, lack, or failure (direct or indirect) in the obtaining of materials, or if any Subcontractor or worker who carries out some work incurs ex mora, or any other delay, lack or failure (financial or other) on the part of a Subcontractor, seller, or provider, except if said delay, lack, or failure results from some act, event or condition that, with respect to said Subcontractor, provider, or seller, according to the case, it could constitute a case of Force Majeure, if said provider, Subcontractor, or vendor were part of this Agreement.
"Monthly Progress Report"	means the monthly progress report for Work that is described in clause 6.2.2.
"Financer Engineer"	means the engineer or expert or engineering consulting firm that might periodically be named by the Financers;
"Unauthorized Interruption"	means any action on the part of the MOP, the Financer Engineer, or any duly authorized representative of any of these people, that has an adverse effect on the Work, except when said action or interruption is allowed to happen according to the terms of this Annex, or when said action or interruption is required for (i) mitigating damages coming from the failure of THE CONCESSIONAIRE in complying with its obligations under this Annex, or (ii) refers to any condition, situation, or event that endangers the safety of the Work, or would make it probable that a personal injury or death would occur or damages to a property situated on any of the Work sites, to the extent that said condition, situation, or event is caused by the fault or negligence of THE CONCESSIONAIRE.

"Technical Maintenance Manual"	means the manual prepared by THE CONCESSIONAIRE that establishes the procedures and detailed requisites for the operation and maintenance of the Work;
"Work"	means the Madden-Colón Section, according to how it is described generally in Annex A of the Addendum No. 5 (Reference Conditions for the Work);
"Additional Works"	means the additional works referred to in clause 6.1.3;
"Temporary Works"	means all the temporary work and materials of all kinds (that is not Construction Equipment) that is required for the execution and conclusion of the Work, or the reparation of any defect in them;
"Proceed Order"	refers to the proceed order that allows Work to begin that is mentioned in clause 7.2.2;
"Change Order"	means orders that cause a variation in the schedule, scope, design, quality, form, nature, type, position, size, level, or alignment of the Work as a result of any omissions, modifications, additions, substitutions, or substantial alterations to the Reference Project or the Design Documents, or any changes to the Environmental Impact Study, in accordance to that requested by the Ministry of Public Works or proposed by THE CONCESSIONAIRE for the approval of the Ministry of Public Works;
"Trust Fund"	refers to the assets put aside in a Trust, represented by the Fiduciary, who in turn holds the right to receive the revenue from Tolls originating from the Madden-Colón Concession;
"List of Services"	refers to the list of services and prices that is included within the Reference Conditions for the Work;
"As-Built Plans"	means the final plans of the Design Documents for the Work that will be prepared by THE CONCESSIONAIRE during the construction of the Work;
"Adjusted Total Recoverable Amount for the Work"	means the total recoverable amount for the Madden-Colón Concession, according to clause 6.1.4;
"Total Recoverable Amount"	refers to the Reference Total Recoverable Amount or the Adjusted Total Recoverable Amount for the Work that is found to be currently in force;
"Reference Total Recoverable Amount"	refers to the reference total recoverable amount for the Work described in clause 5.1;
"MOP"	means Ministry of Public Works of the Republic of Panama;
"Reference Project"	means the design of the Work contained in Annex A of Addendum No. 5 (Reference Conditions for the Work);
"Reference"	is synonymous with its conceptual meaning;

“Checklist Items”	means those items that are pending at the time of the Substantial Conclusion of the Work and that are certified by THE CONTRACTING AUTHORITY as having a minor nature, and whose lack of conclusion does not affect the complete, safe, and trustworthy operation of the Work.
“Subcontractor”	means any Person (except THE CONCESSIONAIRE, but including every Major Subcontractor) who carries out any part of the Work, whether contracted by THE CONCESSIONAIRE or by a person contracted by THE CONCESSIONAIRE, and including every category of contractor, subcontractor, sub-subcontractor, and so on successively, and any Person who provides all or a part of the materials required for any Person to carry out any part of the Work, whether or not they are incorporated into the Work.
“Subcontract”	means any subcontract, supply contract, or similar agreement with any Subcontractor.
“Potentially Hazardous Materials”	mean, for the purposes of this Annex, additives for concrete and asphalt mixes, explosives and accessories, products identified as toxic by their manufacturers, medical products and materials derived from petroleum, such as lubricants, greases, asphalts, etc.;
“Party”	means the MOP or THE CONCESSIONAIRE.
“Parties”	means the MOP or THE CONCESSIONAIRE.

The terms in capital letters that are not defined in this Annex will have the meaning attributed to them in Addendum No. 5.

TWO: Contents of the Annex

2.1 This Annex contains the conditions under which the study, design, and construction of the road works will be carried out that correspond to Section II of the Panamá-Colón Highway (the “Madden-Colón Section”), as it is described in the Reference Conditions for the Work, according to the provisions of the Concession Contract No. 98 of December 29, 1994, as it was amended by virtue of Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1999, Addendum No. 3 of August 30, 1999, Addendum No. 4 of August 20, 2001, and this Addendum No. 5, hereinafter, The Concession Contract No. 98 of 1994 and its addenda shall be called the “Madden-Colón Concession Contract.”

THREE: Obligations of THE CONCESSIONAIRE

3.1 THE CONCESSIONAIRE must:

- a) Carry out the study, design, and construction of the Madden-Colón Section, for which it will carry out the detail engineering for the Reference Project, construct and finish the Work and fix any defect in the Work that should require it, in accordance with this Annex and in compliance with all applicable laws, rules, regulations, and rulings, the Consent of the State Institutions, the Environmental Impact Study, the Standards, Good Engineering Practices and Good Construction

Practices. In the performance of the Work, THE CONCESSIONAIRE will comply with the environmental rules that apply in accordance with the Law.

- b) Present one (1) electronic copy and three (3) printed copies of the Design Documents to the MOP in accordance with the Schedule for Design Presentation, to be provided by THE CONCESSIONAIRE within at most sixty (60) days of the Construction Start Date. In the case that the Design Documents contain one or more substantial changes to the Reference Project, THE CONCESSIONAIRE shall make them known by presenting the electronic and printed copies to the MOP. The MOP will examine the Design Documents in accordance with the provisions of the Design Review and Approval Protocol to be agreed upon among the Parties in the same time frame mentioned earlier, for approval of, assuming they exist, the substantial changes to the Reference Project contained in said Design Documents in accordance with the provisions of the Design Review and Approval Protocol. For the purposes of said Protocol, it shall be considered that the MOP has received the Design Documents at the time of receiving the electronic copy of the same. In presenting an electronic copy of the Design Documents to the MOP, THE CONCESSIONAIRE will ask that the receipt of the Design Documents be confirmed by emailing a receipt.
- c) Provide all the supervision, labor, materials, (including fungible and combustible materials), Permanent Equipment, Construction Equipment, tools, services, furnishings, all other goods and installations, whether of a permanent or temporary nature, that are required for the detail engineering for the Reference Project, supplies and construction.
- d) Respond for the stability and safety of all operations and construction methods for the Work and Temporary Works.
- e) Cooperate with the MOP and the Financers and/or their formally indicated representatives on the inspections that are carried out at Work sites.
- f) Once the Work sites are made available, remove all the structures, buildings, and other impediments of a physical nature that create obstacles to the preparation of the Work sites and the construction at the same, as well as in areas of right of way, according to the case;
- g) Carry out the cleaning of the Work sites during and after the conclusion of the Work;
- h) Notwithstanding the other clauses and conditions of this Annex, to the extent required by the applicable laws, rules, regulations, and rulings and/or depending upon the requests of the MOP, the removal and elimination from the Work sites of all the Potentially Hazardous Materials used during or resulting from the execution of the Work by THE CONCESSIONAIRE;
- i) Create arrangements or letters of intention that establish the ability to gain access to the public services (both connections and public services) required for the construction of the Work.
- l) Respond to claims related to payment of personnel for the provision of labor for THE CONCESSIONAIRE, including salaries, vacations, extra month bonus pay, professional risks,

worker-employer social security quotas, and benefits derived from specific labor agreements. In complying with this obligation, THE CONCESSIONAIRE shall comply with all the labor laws and observe the minimum benefits that the law grants employees.

- m) Contract civil liability insurance for all construction risks (for a value of US\$5,000,000.00), for vehicles and personal accidents in order to cover, in a reasonable manner, the harm and damages that could occur as result of the performance of the Work.
- n) Provide a Compliance and Good Management Bond of 10% of the value of the Work, issued by an Acceptable Financial Institution.
- o) Present the Fiduciary with annual or periodic reports that the MOP or the Fiduciary reasonably require. Similarly, THE CONCESSIONAIRE shall present to the Fiduciary and the MOP a Monthly Progress Report on the execution of the Work, in which the physical progress in the Work is expressed in detail.
- p) Allow reasonable access to the lands used for the Work to the MOP and/or the Financers, or to any competent authority who wishes to observe or inspect any part of the Work, in accordance with this Annex, the Madden-Colón Concession Contract, and the financing contracts that the MOP signs for the development of the Work.
- q) Implement mitigation measures for environmental impacts in reference to: (a) the rehabilitation of the areas affected by THE CONCESSIONAIRE'S work camp and/or that of its Subcontractors, (b) the rehabilitation of the areas occupied by plants and stations installed by THE CONCESSIONAIRE and/or its Subcontractors, (c) the rehabilitation of quarries used for soil loans, (d) the rehabilitation of quarries located in riverbeds, (e) the deactivation of asphalt pools, and (f) the rehabilitation of temporary diversions, in accordance with the requirements of the approved Environmental Impact Study.
- r) Obtain the Consent that corresponds to the activities that it is in charge of and that are necessary for the execution of the Work, and provide reasonable assistance to the MOP for obtaining the Consent, permissions, approvals, and authorizations that they are responsible for.
- s) Maintain the Work, as well as the materials and Permanent Equipment to be incorporated in it, free at all times of any encumbrance, charge, or other effects of any Subcontractor.
- t) Provide free access to the MOP so that they may examine and measure any part of the Work that they consider necessary. THE MOP shall give prior written notification of at least twenty-four (24) hours to THE CONCESSIONAIRE each time that they need to examine or measure any part of the Work.
- v) Inform the Fiduciary and the MOP immediately in the case that any fossils, money, antiques, or other items of historical, archeological, or paleontological value are found on Work sites after the Construction Start Date and comply with the subsequent instructions from the MOP.

w) Implement the mitigation and compensation measures for environmental impacts as required for the Work by the Environmental Impact Study that was approved, which shall be charged to the Trust.

FOUR: Obligations of the MOP

4.1 THE MOP must:

- a) Inspect the progress of the Work and provide the approvals required by the Fiduciary to that effect in order to carry out disbursements of the Total Recoverable Amount to THE CONCESSIONAIRE within fifteen working days of receiving the documents referred to in Clause 6.2.1 of this annex.
- b) Negotiate, at the request of THE CONCESSIONAIRE, the right of way, rights of passage and services, as well as the Approval of the Environmental Impact Study and other Consent that correspond to the MOP in accordance with the Panamanian Law and with the provisions of the Madden-Colón Concession Contract in order to execute the Work, taking into consideration the Construction Schedule put together by THE CONCESSIONAIRE.
- c) Carry out directly or indirectly, and in an opportune manner, the Private Effects that the construction of the Work demands.
- d) Make available to THE CONCESSIONAIRE the Free Use of the Work sites and the rights of way until THE CONCESSIONAIRE has completed the Work and has fixed any defect in the Work in accordance with this Annex.
- e) Make any decision, issue any certificate or instructions, award any consent or approval, or exercise any other right or prerogative in accordance with this Annex with respect to the issues that are related to the detail engineering of the Reference Project, supplies and construction of the Work, or its conclusion.
- f) Cooperate reasonably, at the reasonable request of THE CONCESSIONAIRE, in the dealings of THE CONCESSIONAIRE with the competent authorities with respect to the execution of the Work.
- g) Provide reasonable assistance to THE CONCESSIONAIRE in obtaining the Consent that is their responsibility.

FIVE: Total Recoverable Amount

5.1 The Total Recoverable Amount is the sum of B/. 215,859,446.04 (the "Reference Total Recoverable Amount"), which is calculated based on the Reference Conditions for the Work attached as Annex A to Addendum No. 5. The Total Recoverable Amount is divided up in the following manner:

B/. 200,859,446.04	Work
B/. 10,000,000.00	Maximum indemnity for Private Effects
B/. 5,000,000.00	Improvement of road infrastructure - Colón Districts (works connected to the project)

5.2 In order to avoid any concerns, it should be clear that the Reference Total Recoverable Amount excludes any and all costs related to the obligations of the MOP defined in the Clause Four, except for the maximum amount of US\$10,000,000.00 for indemnity for Private Effects to be used to the account of and by order of the MOP.

5.3 Similarly, it is made clear that the Reference Total Recoverable Amount excludes any and all costs related to the following events and circumstances, which are charged to the MOP: (a) the diversion, removal, or relocation of public services, and interferences that will eventually exist that are situated on Work sites or that interfere with the rights of way, (b) the evacuation and removal of material that must be cleared for the quarries to be explored in order to provide materials for the Work, (c) permanent side roads for local transit, (d) pedestrian bridges and cattle crossings, and any other work necessary for communication between ranches or properties along the highway, (e) any liabilities and environmental management that are not clearly identified as an obligation of THE CONCESSIONAIRE, and (f) the removal and cleaning of landslides due to causes not attributable to the Parties.

5.4 Notwithstanding the other contractual conditions, the Total Recoverable Amount will vary depending upon the occurrence of any of the following events or circumstances that affect the costs of execution of the Work:

- 5.4.1 Events of Force Majeure or Acts of Nature that are not covered by the contracted insurance policy, which force THE CONCESSIONAIRE to incur greater costs and expenses for carrying out the Work;
- 5.4.2 Changes in the legislation applicable to THE CONCESSIONAIRE that impact the Total Recoverable Amount;
- 5.4.3 The issuance of Change Orders;
- 5.4.4 The failure of the MOP to provide or maintain the Free Use of the Work sites in accordance with this Annex;
- 5.4.5 The compliance of THE CONCESSIONAIRE with the instructions of the MOP with respect to the finding of fossils, money, antiques, or other items of historical, archeological, or paleontological value at Work sites;
- 5.4.6 The compliance of THE CONCESSIONAIRE with the remediation measures for the Pre-existing Environmental Conditions (which shall be subject to the verification of independent third party consultants chosen by the MOP);
- 5.4.7 The eventual discovery of a Geological Event (which shall be subject to the verification of independent third party consultants chosen by the MOP);
- 5.4.8 The eventual occurrence of a Political Event;
- 5.4.9 Any Unauthorized Interruption;
- 5.4.10 Any suspension of Work ordered by the MOP due to any action or omission on the part of the MOP or due to any in compliance or violation by the MOP of the Madden-Colón Concession Contract, and in particular, but not limited to, the conditions of this Annex;
- 5.4.11 Any delay and/or in compliance with the obligations of the MOP (including without limitation the delay in the submission of permissions and the availability of funds);
- 5.4.12 Any interference with THE CONCESSIONAIRE'S performance of its obligations under this Annex, that are brought about by any representative of the MOP who has access to the Work sites;
- 5.4.13 Any substantial change introduced into the Reference Project resulting from the application of design criteria different from those established in the Reference Conditions for the Work.

- required by the MOP, the Financier Engineer, the Financiers, or the National Environmental Authority;
- 5.4.14 Changes in the prices of the consumables required for carrying out the Work or other macroeconomic variations (inflation, interest rates, etc.) or changes that affect the economic balance for THE CONCESSIONAIRE;
 - 5.4.15 Changes in environmental standards or regulations;
 - 5.4.16 Climatic and/or hydrological conditions that may be unfavorable due to being above the records for average values for the area and time of the work;
 - 5.4.17 Conditions at the work site not considered by THE CONCESSIONAIRE in the Reference Conditions for the Work.

SIX: Means of Payment, Measurement, and Invoicing

6.1 Means of payment

- 6.1.1 The Fiduciary will make an initial payment to THE CONCESSIONAIRE (the "Initial Payment") equal to 20% of the Reference Total Recoverable Amount within at most ten (10) days following the Proceed Order given by the MOP to THE CONCESSIONAIRE. This payment shall be amortized by means of deductions of 20% of the amount of each monthly invoice, in such a way that by the conclusion of the Work, the Initial Payment will have been totally amortized. THE CONCESSIONAIRE will provide to THE FIDUCIARY a pre-paid bond that will be proportionally reduced as the Initial Payment is consumed.
- 6.1.2 THE CONCESSIONAIRE shall be compensated for the services and works considered in the Reference Conditions for the Work by the Fiduciary via a system of unitary prices applied to the effectively executed amounts.
- 6.1.3 THE CONCESSIONAIRE shall be compensated for the services and works considered in the Reference Conditions for the Work (both cases, "Additional Works") via an administrative fee that will be negotiated between THE CONCESSIONAIRE and THE MOP before productive engineering activities begin, that will be incorporated into the List of Services in Annex A regarding the direct and indirect costs of the work or service in question, and shall be included in the monthly invoice that THE CONCESSIONAIRE will present to the Fiduciary.
- 6.1.4 To the extent that the Reference Conditions for the Work change, THE CONCESSIONAIRE will make the usual adjustments to the Reference Total Recoverable Amount, such that within no more than twelve (12) months following the entrance of the Addendum No. 5 into effect, the MOP and THE CONCESSIONAIRE will agree upon the Adjusted Total Recoverable Amount for the Work based on the definitive conditions and specifications of the Work. At the same time the Parties shall define, by common accord, the system for compensation for the services and works executed that properly corresponds to the general conditions of the Work at that time, being certain that, until they reach an agreement to this respect, the current system for compensation will continue to be valid.
- 6.1.5 The Total Recoverable Amount shall be defined progressively as the "As Built" Plans, being finished by THE CONCESSIONAIRE and delivered to the MOP.

6.2 Measurement and invoicing

- 6.2.1 Within no more than ten working days of each calendar month, THE CONCESSIONAIRE will submit an invoice and the Monthly Work Progress Report to the Fiduciary with a copy for the MOP, which should be previously approved by the MOP and by the Comptroller General of the Republic.
- 6.2.2 The Monthly Work Progress Report should specify:
 - 6.2.2.1 The monthly physical progress of the Work in accordance with the List of Services that is included in the Reference Conditions for the Work and the costs corresponding to said progress.
 - 6.2.2.2 The adjustments to the existing amounts owing to the difference between the Reference Conditions for the Work and the executive design, as well as the new list of services and adjusted amounts based on this difference.
 - 6.2.2.3 The services not anticipated in the List of Services valid for the month referred to in the Monthly Work Progress Report and that are executed in said month, with their due technical justifications and geometric calculations.
- 6.2.3 The services not anticipated in the List of Services for that month that should be paid via an administrative fee, should be duly verified in the Monthly Work Progress Report, with their due technical justifications and geometric calculations, amounts, and costs.
- 6.2.4 The invoice shall consider the accumulated amount of all the values of the monthly progress, the monthly progress for the unanticipated services that should be paid for by an administrative fee, and those services that have been presented in prior months and that have not had a cost reflected in the List of Services valid for that time and that have not been previously paid for.
- 6.2.5 The approved amounts for the invoices shall be paid by the Fiduciary within ten (10) calendar days of the date that the respective approval is issued, subject to any compensation, deduction, retention, or other adjustment that would be applicable according to this Annex.
- 6.2.6 THE CONCESSIONAIRE'S invoices shall be expressed, and the relevant payments carried out, in U.S. dollars to the account that THE CONCESSIONAIRE notifies the Fiduciary of on the invoice.
- 6.2.7 In the case of the failure on the part of the Fiduciary in making the payment, for amounts that are not objected to within the period established in clause 6.2.5, the Fiduciary will pay THE CONCESSIONAIRE compound interest calculated at monthly intervals and accrued daily, on all the sums not paid, from the date that they should have been paid until the date in which they are completely paid, according to a rate equal to ten percent (10%) annually. In cases in which an arbitration court orders the modification of any invoice or annuls any retention, compensation, or deduction made in good faith by the Fiduciary that is confidently within the stipulations of this Annex, any additional payment awarded to THE CONCESSIONAIRE will accrue interest according to the interest rate referred to above during the period (if there is one) determined by said arbitration court.

SEVEN: Effective Date, Start Date, and Duration of the Construction

7.1 **Effective Date:**

The rights and obligations of the Parties and the Fiduciary under this Annex shall be effective on the date on which each one of the conditions indicated below has been complied with to the satisfaction of – or renounced by – the Party or Parties in whose benefit said condition results (hereinafter, said date shall be called the “Effective Date”):

- 7.1.1 Addendum No. 5 of the Madden-Colón Concession Contract has been put into effect and signed;
- 7.1.2 The Fiduciary has paid THE CONCESSIONAIRE the Initial Payment;
- 7.1.3 The Compliance and Good Management Bond has been submitted by THE CONCESSIONAIRE to the MOP and is found to be in full force and effect.

7.2 **Construction Start Date:**

THE CONCESSIONAIRE shall initiate and proceed diligently with the Work, beginning within eight (8) days of the disbursement of the Initial Payment, provided that there is no legal impediment and that each one of the conditions indicated below has been complied with to the satisfaction of, or renounced by, the Party or Parties in whose benefit said condition results (the “Construction Start Date”):

- 7.2.1 The Effective Date has occurred;
- 7.2.2 The MOP has issued the notification or proceed order specifying the date on which to start the Work (the “Proceed Order”);
- 7.2.3 THE CONCESSIONAIRE has obtained from the MOP the Free Use and the rights of way necessary for the construction of the Work;
- 7.2.4 All the Consents that are required to start the Work have been issued and maintained in full force and effect;
- 7.2.5 The contracts for financing the Work have been entered into and are found to be in full force and effect, having complied with or renounced all the preceding conditions for their effectiveness, according to the case, and the closing of the bridge financing for the Project has been reached;
- 7.2.6 The insurance policy that insures it against all risk has been submitted by THE CONCESSIONAIRE and is found in full force and effect.

7.3 In the case that it is considered convenient, the MOP may request the early initiation of certain parts of the Work or of the Work as a whole, in which case, the Construction Start Date will still be that on which all the events described in the preceding Numbers 7.2.1 and 7.2.2 have been complied with.

7.4 The period for THE CONCESSIONAIRE to reach the Substantial Conclusion of the Work is twenty-four (24) months counting from the expiration of the sixty (60) days following the delivery of the Proceed Order, with its corresponding extensions, in accordance with the stipulations of this Annex (the “Substantial Conclusion Date”).

7.5 THE CONCESSIONAIRE shall notify the MOP in writing near the estimated date on which the Substantial Conclusion of the Work will happen with at least ninety (90) days prior notice to said date. Notwithstanding the aforementioned, THE CONCESSIONAIRE will be able to make partial deliveries of the Work, in which case, the amount of the Compliance and Good Management Bond will be reduced in proportion to the amount that corresponds to the portion of the Work that was delivered, and will be maintained in force with respect to the parties for the Work that remains unfinished.

- 7.6 Notwithstanding the other clauses and conditions of this Annex, the period indicated earlier may be adjusted by means of an agreement between the Parties, to the extent that the occurrence of any of the following events and circumstances effectively affects the period for executing the Work:
- 7.6.1 Events of Force Majeure or Acts of Nature that are not covered by the contracted insurance policy, that force THE CONCESSIONAIRE to incur longer time periods for carrying out the Work;
 - 7.6.2 Changes in the legislation applicable to THE CONCESSIONAIRE that impact the time periods agreed upon in this Annex;
 - 7.6.3 The issuance of Change Orders;
 - 7.6.4 The failure of the MOP to provide or maintain the Free Use of the Work sites;
 - 7.6.5 The compliance of THE CONCESSIONAIRE with the instructions of the MOP with respect to the finding of fossils, money, antiques, or other items of historical, archeological, or paleontological value at Work sites;
 - 7.6.6 The compliance of THE CONCESSIONAIRE with the remediation measures for the Pre-existing Environmental Conditions;
 - 7.6.7 The eventual discovery of a Geological Event;
 - 7.6.8 The eventual occurrence of a Political Event;
 - 7.6.9 Any Unauthorized Interruption;
 - 7.6.10 Any suspension of Work ordered by the MOP due to any action or omission on the part of the MOP or due to any incompliance or violation of the Madden-Colón Concession Contract, including, but not limited to, the conditions of this Annex;
 - 7.6.11 Any other failure of the MOP to comply with its obligations under this Annex;
 - 7.6.12 Any interference with THE CONCESSIONAIRE'S performance of its obligations under this Annex, that are brought about by any Subcontractor of the MOP who has access to the Work sites; and
 - 7.6.13 Any substantial change introduced into the Reference Project resulting from the application of design criteria different from those established in the Reference Conditions for the Work, required by the MOP, or by any other public official, the Financer Engineer, the Financers, or the National Environmental Authority;
- 7.7 Within sixty (60) days of the Construction Start Date, THE CONCESSIONAIRE will deliver to the MOP a detailed version of the Work Construction Schedule, whose preliminary section is included as part of Annex A Reference Conditions for the Work. Said detailed Construction Schedule (a) shall be prepared in consultation with, and with the approval of the MOP, and will show the planned sequence and the interdependence of the activities that comprise the Work, (b) it shall be provided in Primavera software, or MS Project, or similar software, and it will be presented in completely functional electronic format as well as in a printed copy. Each time that the MOP or the Financer Engineer reasonably requests it, THE CONCESSIONAIRE will also provide in writing, for the information of the MOP and the Financer Engineer, depending on the case, a general description of the arrangements and methods that THE CONCESSIONAIRE proposes to adopt for the execution of the Work. THE CONCESSIONAIRE must carry out the Work in a continuous and diligent manner with the aim of fulfilling the schedule stipulated in the Construction Schedule, and without limiting the

generality of the aforementioned, with the goal of achieving the Substantial Conclusion in accordance with clause 19 of this Annex:

- 7.8 If THE CONCESSIONAIRE proposes to accelerate the rate of accomplishment of the work such that the Work would terminate before the Substantial Conclusion Date, then THE CONCESSIONAIRE will have the right to a bonus for each day that it is early, which should be agreed upon between the MOP and the Concessionaire with written approval prior to the initiation of the actions that are aimed at permitting the achievement of the proposed acceleration. If on the other hand, THE CONCESSIONAIRE, for reasons that may be contractually attributed to it, exceeds the Substantial Conclusion Date, then it shall pay the MOP a penalty that shall be negotiated in the same way as the bonus. In the case that a partial acceptance of the Work is produced, the penalty or bonus that would apply will take into account the part of the Work effectively delayed or finished early, depending on the case. In either case, the established penalty shall be the MOP's sole and exclusive resort in the case of delay on the part of THE CONCESSIONAIRE. Neither the bonus nor the penalty may exceed 10% of the Total Recoverable Amount.

EIGHT: Tax exemptions

The MOP shall cooperate with THE CONCESSIONAIRE to the extent necessary in order to allow it to exercise all the exemptions to which THE CONCESSIONAIRE has a right in accordance with the Madden-Colón Concession Contract. THE CONCESSIONAIRE may adjust the Total Recoverable Amount in the event that the right to any of the exemptions considered here is denied.

The exemptions that THE CONCESSIONAIRE shall take advantage of, according to the Madden-Colón Concession Contract, are:

A) During the execution of the Work:

1. The tax imposed on the transfer of personal property (ITBMS) and on the importation of machinery, equipment, supplies, materials, and general property into the Republic of Panamá that is destined for the execution of the Work or that will be incorporated into it, with the understanding that such property may not be destined for other purposes nor sold nor transferred within the Republic of Panamá. Such goods, machinery, equipment, supplies, and materials may be, at any time, sent out of the country or re-exported free of any tax.
2. Re-exportation tax
3. Tax on the transfer of personal property
4. Tax on rent

B) During the administration of the work or property, if the case:

- 2.1 Tax on rent such as:
 - 2.1.1 One hundred percent (100%) during the first five (5) years.
 - 2.1.2 Seventy-five percent (75%) during the following five (5) years.
 - 2.1.3 Fifty percent (50%) during the rest of the years of the concession.
- 2.2 One hundred percent (100%) exemption for stamp taxes.
- 2.3 One hundred percent (100%) exemption for importation taxes on equipment for maintenance and essential operation in the administration of the concession work.

2.4 One hundred percent (100%) exemption for personal property transfer taxes on importation of equipment for maintenance and essential operation in the administration of the concession work. Dividend tax exemptions shall also apply to THE CONCESSIONAIRE to the extent that the Law allows, according to that stated in the Madden-Colón Concession Contract.

NINE: Intellectual property

- 9.1 The proprietary equity regarding the designs and other technical information that THE CONCESSIONAIRE generates, as well as the technical reports that are produced in compliance with the provisions of the Madden-Colón Concession Contract, are the property of THE CONCESSIONAIRE.
- 9.2 THE CONCESSIONAIRE will grant the MOP a license for the exclusive use of the aforementioned information, so that the designs and other technical information that THE CONCESSIONAIRE generates may be used by the MOP and the Ministry of Public Works for purposes directly related to the Madden-Colón Section.

TEN: Force Majeure

- 10.1 THE CONCESSIONAIRE shall not be liable for the failure to comply with its obligations or for their partial, late, or defective compliance, when they are due to an event of Force Majeure or an event that is clearly out of their control, provided that THE CONCESSIONAIRE has acted with due diligence, nor for the incompletion of the Trust on behalf of the Fiduciary or Primary Trustor. In such case, the obligations that are affected by said event shall be suspended for the duration of the Force Majeure.
- 10.2 When Force Majeure causes a delay in the fulfillment of THE CONCESSIONAIRE'S obligations for a lapse greater than twelve (12) months, THE CONCESSIONAIRE shall have the right to declare the expiration of the Madden-Colón Concession Contract.

ELEVEN: Liability limits

THE CONCESSIONAIRE shall be liable before the MOP or third parties, whether contractually or due to civil liability, strict liability, or any other kind of liability, for any indirect damages (including, but not limited to loss of future earnings) related to the compliance or failure to comply with the Madden-Colón Concession Contract, solely in the case of willful misconduct. None of the other directors, dignitaries, Subcontractors, employees, subsidiaries, or affiliates of THE CONCESSIONAIRE shall incur liability for anything resulting from the acts of THE CONCESSIONAIRE.

TWELVE: Conclusion and Acceptance of the Work

- 12.1. The Substantial Conclusion of the Work shall occur on the date, determined in accordance with clause 12.2, upon which: (a) THE CONCESSIONAIRE has completed all the Work in accordance with the requisites of this Annex (except the Checklist Items); (b) THE CONCESSIONAIRE has delivered to the MOP a current version of the Technical Maintenance Manual for the Work; (c) THE CONCESSIONAIRE has delivered to the MOP a certificate that

- establishes the absence of encumbrances and claims with respect to the Work, up to the Substantial Conclusion Date, on behalf of all the Subcontractors for the Work, in a manner acceptable to the MOP, which may include the existence of any pending invoice for payments owed according to the provisions of this Annex as well as any pending claims or claims based on the fault or negligence of the MOP or any of its employees or agents; and (d) THE CONCESSIONAIRE has prepared together with the MOP and the Financier Engineer a Checklist of remaining items to be finished, corrected, or carried out.
- 12.2. Upon having satisfied each one of the requisites established in clause 12.1, THE CONCESSIONAIRE may notify the MOP and the Financier Engineer of that fact, accompanied by a written commitment in which it is stated that it shall complete in due haste (and in all cases before the Final Conclusion Date, as is established in accordance with clause 12.7), any pending work established in the Checklist Items. Said notification and commitment shall be considered as a request by THE CONCESSIONAIRE to the MOP for it to issue THE CONCESSIONAIRE a corresponding legal document (the "Substantial Conclusion Act"), which will be endorsed by the Comptroller General of the Republic.
- 12.3. Within fourteen (14) calendar days of the date of receiving the notification, the MOP and the Financier Engineer will inspect the Work and the MOP: (a) shall issue to THE CONCESSIONAIRE, with a copy to the representatives of the Financiers, the Substantial Conclusion Act, indicating the date on which the Substantial Conclusion of the Work was reached in accordance with this Annex, which shall be the date specified by THE CONCESSIONAIRE in said notification as the date on which the Substantial Conclusion of the Work was achieved in accordance with this Annex; or (b) shall give written instructions to THE CONCESSIONAIRE specifying the services or work that fails to conform with expectations with respect to this Annex, with the exception of the Checklist Items.
- 12.4. In the case of sub-clause (b) of clause 12.3 (or if the process stated in said clause comes to apply in the case of sub-clause (b) of clause 12.5), and upon the conclusion of all the necessary work, THE CONCESSIONAIRE will be able to notify the MOP and the Financier Engineer that the Work, except for the Checklist Items, are found to be in accordance with this Annex.
- 12.5. Within seven (7) calendar days of receiving said notification, the MOP and the Financier Engineer will inspect the Work and the MOP: (a) shall issue to THE CONCESSIONAIRE, with a copy to the representatives of the Financiers, the Substantial Conclusion Act, indicating the date on which the Substantial Conclusion of the Work was reached in accordance with this Annex; or (b) shall give written instructions to THE CONCESSIONAIRE specifying the services or work that fail to conform with expectations with respect to this Annex, with the exception of the Checklist Items.
- 12.6. The process established in clauses 12.4 and 12.5 will continue until the MOP issues the Substantial Conclusion Act to THE CONCESSIONAIRE, with a copy to the representative of the Financiers, indicating the date on which the Substantial Conclusion of the Work was achieved in accordance with this Annex.
- 12.7. THE CONCESSIONAIRE shall achieve the Final Conclusion of the Work within a period of up to six (6) months following the date of the Substantial Conclusion of the Work, according to what is certified by the MOP in the Substantial Conclusion Act issued in accordance with clauses 12.1 and 12.6. This period of six (6) months may be extended according to the possible circumstances considered in this Annex.

- 12.8. The Final Conclusion of the Work will occur on the date upon which THE CONCESSIONAIRE has (a) achieved the Substantial Conclusion of the Work in accordance with clauses 12.1 to 12.6; (b) concluded all the Checklist Items; (c) delivered to the MOP the "As Built" Plans in satisfactory form and substance to the MOP; and (d) delivered to the MOP a certificate that establishes the absence of encumbrances and claims with respect to the Work up to the Final Conclusion Date, on behalf of all the Subcontractors, in an acceptable form to the MOP and the Financers, which may exclude any pending invoice owed according to the provisions of this Annex and any pending claim or any claim based on the serious fault or willful misconduct of the MOP or any Subcontractor.
- 12.9. After having satisfied each one of the established requisites in clause 12.8, THE CONCESSIONAIRE may notify the MOP and the Financer Engineer of this. Said notification will be considered a request for the MOP to issue the Final Acceptance Act for the Work, which should be endorsed by the Comptroller General of the Republic.
- 12.10. Within fourteen (14) calendar days of the date of receiving the notification, the MOP and the Financer Engineer will inspect the Work and the MOP: (a) shall issue to THE CONCESSIONAIRE and to the representative(s) of the Financers the Final Acceptance Act for the Work, indicating the date on which the Work achieved its Final Conclusion in accordance with this Annex, which shall be the date specified by THE CONCESSIONAIRE in its notification as the date on which the Final Conclusion of the Work was achieved in accordance with this Annex; or (b) shall give written instructions to THE CONCESSIONAIRE specifying those Checklist Items that are still pending completion.
- 12.11. In the case of sub-clause (b) of clause 12.10 (or if the process stated in said clause comes to apply in the case of sub-clause (b) of clause 12.12), and upon the conclusion of the Checklist Items, THE CONCESSIONAIRE may notify the MOP and the Financer Engineer that the requisites established in clause 12.8 have been satisfied.
- 12.12. Within seven (7) calendar days of receiving said notification, the MOP and the Financer Engineer will inspect the Work and the MOP: (a) shall issue to THE CONCESSIONAIRE with a copy to the representatives of the Financers, the Final Acceptance Act, indicating the date on which the Final Conclusion of the Work was reached in accordance with this Annex; or (b) shall give written instructions to THE CONCESSIONAIRE, specifying the Checklist Items still unfinished.
- 12.13. The process established in clauses 12.11 and 12.12 will continue until the MOP issues the Final Acceptance Plan for the Work to THE CONCESSIONAIRE, with a copy to the representatives of the Financers.
- 12.14. Once delivered to the satisfaction of the MOP, this will provide the authorization for the initiation of the operation and administration of the Madden-Colón Section.

THIRTEEN: Annexes

The Parties agree that before the Proceed Order is issued, the document called Special Conditions shall be incorporated into this Annex.

FOURTEEN: Miscellaneous

- 14.1 *Primacy of the Madden-Colón Concession Contract*: THE CONTRACTOR does not assume risks or liability for the study, design, and construction of the Madden-Colón Section, except for those considered in the Madden-Colón Concession Contract.
- 14.2 *Confidentiality*: Both THE CONTRACTOR and the MOP shall maintain as confidential all the plans, records, data, books, reports, documents, and information, whether of a technical, commercial, or financial nature, that one of the Parties delivers to the other with respect to the Work, and shall not divulge them in any way, except for the purpose of obtaining financial assistance for the Work, or for the purpose of complying with its obligations as stipulated here, or what would necessarily be required to divulge in accordance with the law or orders from the corresponding regulated authorities.
- 14.3 *Written variations*: Any and all modifications of this Annex shall require the same formalities that modifications to the Madden-Colón Concession Contract require.
- 14.4 *Time and latency*: Any disclaimer by THE CONCESSIONAIRE or the MOP for any total or partial in compliance on the part of the other Party regarding their compliance with any of the stipulations of this Annex: (a) shall not behave as or be interpreted as a disclaimer for any other in compliance, whether of similar or different nature; or (b) shall not be effective, unless it is done in writing, and duly provided by an authorized representative of THE CONCESSIONAIRE or the MOP, depending on the case.
- 14.5 *Different or defective compliance with the Obligations*: In the case that any of the parties allow the other to perform the obligations that arise from this Annex in a way that is different from that which is established in it, or that does not exercise the contractual or legal rights that correspond to it in an opportune manner, this shall not imply a modification of said obligations, and it is understood that the affected party may, at any time, demand of the non-complying party the performance of the obligations as they are established in this Annex and the other documents that form an integral part of it and current applicable regulations.
- 14.6 *Severability*: If any stipulation of this Annex is, or is taken to be, totally or partially invalid, illegal, or unenforceable:
- (a) the validity, legality, and unenforceability of the remaining stipulations shall continue to be in force without being affected; and
 - (b) THE CONCESSIONAIRE and the MOP shall meet as soon as possible and negotiate in good faith a replacement stipulation that would be legally valid and that would achieve the objectives of THE CONCESSIONAIRE and the MOP with respect to this Annex as soon as possible and produce an equivalent economic effect. The replacement stipulation shall apply from the date on which the replaced stipulation would have been invalid, illegal, or unenforceable. If THE CONCESSIONAIRE and the MOP are not able to arrive at a good faith agreement, THE CONCESSIONAIRE or the MOP may invoke the procedure for the resolution of Madden-Colón Concession Contract Controversies, and the arbitration court named shall have the authority to determine a replacement stipulation that would be legally valid and that, as closely as possible, would achieve the objectives of THE CONCESSIONAIRE and the MOP with respect to this Annex and produce an equivalent economic effect.
- 14.7 *Heirs and successors*: The Madden-Colón Concession Contract and its Annexes shall continue to apply to the legally allowed heirs and successors of THE CONCESSIONAIRE and the MOP.
- 14.8 *Subcontracting*: THE CONCESSIONAIRE may subcontract the Work.

- 14.9 *Modification and termination:* The modification and termination of the conditions of this Annex shall require the common accord of the parties, except in the case of termination due to lack of compliance.
- 14.10 *MOP Authorizations and Approvals:* The MOP should act reasonably when an approval or authorization related to the execution of the Work is necessary.
- In the case that the MOP does not provide its authorization or acceptance within a period of 30 days following THE CONCESSIONAIRE'S request, said authorizations and acceptances will be assumed to be accepted by the MOP.
- 14.11 *Exclusivity:* The MOP will not be able to contract third parties to execute the object of the Madden-Colón Concession Contract while this is in force.
- 14.12 *Environmental responsibility:* Notwithstanding the services that THE CONCESSIONAIRE provides in accordance with Annex A of Addendum No. 3 in environmental matters, the parties recognize and accept that THE CONCESSIONAIRE does not assume environmental liability derived from the Environmental Impact Study or that might derive from the Pre-existing Environmental Conditions.
- In any case, any environmental mitigation and compensation measures in the Environmental Impact Study presented by THE CONCESSIONAIRE or any environmental mitigation and compensation measures not established in the Environmental Impact Study that the MOP requests to be conducted by THE CONCESSIONAIRE in accordance with this Annex will be carried out at the cost of the MOP.
- 14.13 *Property title and care for the Work:* The property title (but not the possession) of any Permanent Equipment or materials that are incorporated in the Work will pass to the MOP when the first of the following acts occur: (a) the date on which the MOP makes the payment for said Permanent Equipment or materials, or (b) the date on which said Permanent Equipment or materials are delivered to the Work sites.
- If any loss or damage occurs to the Work or any of its parts, or to the materials or the Permanent Equipment to be incorporated in it during the period during which THE CONCESSIONAIRE is responsible for its care, safety, and integrity, THE CONCESSIONAIRE, in this case, unless the MOP orders differently and notwithstanding the rights of THE CONCESSIONAIRE in cases of Force Majeure or Political Events, shall rectify said loss or damage such that the Work conforms in all respects with the stipulations of this Annex.
- The MOP shall not put any part of the Work into its proposed use before the date of the Substantial Conclusion of the Work.
- 14.14 *Responsibility regimen for the MOP:* The delay of the MOP in issuing an endorsement, agreement, oversight, consent, or verbal or written pronouncement according to the provisions of this Annex will exonerate THE CONCESSIONAIRE from responsibility when the compliance with its obligations depends on said endorsement, agreement, oversight, consent, or verbal or written pronouncement.
- 14.15 *Notifications, Consent, approvals, certifications, and decisions:* When in this Annex it is stipulated that some notification, consent, approval, certification, or decision should be issued or given on behalf of some Person, unless it is specified in a different way, said notification, consent, approval, certification, or decision shall be made in writing, and the words "notify," "consent," "approve," "certify," and "decide" shall be interpreted accordingly. Each time that

the approval of the MOP and the Financier Engineer is required in this Annex, the MOP shall be responsible for coordinating consultations between the MOP and the Financier Engineer with respect to the issue that requires said approval, and the MOP shall be responsible for communicating the approval (or lack thereof) to THE CONCESSIONAIRE, stipulating, nevertheless, that when some notification is given under this instrument with respect to some approval, and if the pertinent period expires and the Parties in question have not expressly granted their respective approval, said approval shall be considered to have been given.

- 14.16 *Subcontractors:* THE CONCESSIONAIRE has the right to subcontract all or any part of the Work to any Person, but in spite of the terms of any Subcontract entered into in accordance with this Annex, THE CONCESSIONAIRE shall continue to be obligated and responsible to the MOP for the execution of the Work in accordance with the Madden-Colón Concession Contract and, in all other matters, shall be responsible for the actions and omissions of any Subcontractor in carrying out any Subcontract as plainly as if they were the actions or omissions of THE CONCESSIONAIRE.
- 14.17 *Role of independent contractors:* The Parties assume their obligations as independent contractors to each other and before third parties.

(stamp)
 REPUBLIC OF PANAMA
 (illegible)

REPUBLIC OF PANAMA
 MINISTRY OF PUBLIC WORKS
 ADDENDUM No. 6
 Administrative Concession Contract No. 98 of December 29, 1994
 (stamp) Republic of Panama
 General Secretariat
 Ministry of Public Works

Between the undersigned, namely FEDERICO JOSÉ SUAREZ, male, Panamanian, of legal age, married, domiciled in this city, holder of personal identity card No. 8-230-1437, acting in his capacity as Minister of Public Works, in representation of the State, duly authorized for this act by Resolution of the Cabinet Council No. 93 of May 31, 2011, hereinafter THE STATE, party of the first part; and the party of the second part, ANASTACIO RUIZ DE LEÓN, male, Panamanian, an engineer, of legal age, married, domiciled in this city, holder of personal identity card No. 8-505-311, acting in his capacity as Secretary of the Board of Directors, authorized for this act by the Minutes of the Board of Directors dated May thirty (30), 2011, acting in the name and representation of EMPRESA NACIONAL DE AUTOPISTAS, S.A., a company duly registered on Fichas 723197, Document 1903738 of the Commercial Department of the Public Register, hereinafter THE CONCESSIONAIRE, they have agreed to execute this Addendum No. 6 to Administrative Concession Contract No. 98 of December 29, 1994, for the study, design, construction, maintenance, operation and exploitation of the Panama-Colón Highway and the component sections of the Northern Corridor

WHEREAS

The Ministry of Public Works acting in the name and representation of THE STATE and the company PYCSA Panama, S.A. (hereinafter PYCSA) executed the Administrative Concession Contract No. 98 of December 29, 1994, as amended by addendum No. 1 of December 26, 1999, addendum No. 2 of June 18, 1999, addendum No. 3 of August 30, 1999, addendum No. 4 of August 26, 2001, addendum No. 5 of January 26, 2002, Addendum No. 5-A of March 12, 2009, addendum No. 5-B of June 23, 2009, addendum No. 5-C of June 23, 2009, Addendum No. 5-D of April 8, 2010, Addendum No. 5-E of September 16, 2010 for the study, design, construction, maintenance, operation and exploitation of the Panama-Colón Highway and the component sections of the Northern Corridor (hereinafter the Concession Contract).

By private agreement of May 28, 2010, MAXIPISTA DE PANAMA, S.A. (hereinafter MAXIPISTA) and PYCSA agreed on the partial assignment of the Concession Contract concerning the component section in Phase II of the Northern Corridor, El Golf-Tocumen Segment (Section of Lajas 24 de Diciembre Junction), hereinafter THE CONCESSION OF PHASE II OF THE NORTHERN CORRIDOR.

By Resolution No. 106-10 of May 27, 2010, the MOP (Ministry of Public Works) authorized the partial assignment of rights and obligations by PYCSA to MAXIPISTA referred to in the previous paragraph.

MAXIPISTA and INGENIEROS CIVILES ASOCIADOS PANAMA, S.A. executed a Work Performance Contract last April four (4), 2011, under which INGENIEROS CIVILES ASOCIADOS PANAMA, S.A. promised to perform the studies, designs, calculation reports, plans, programs, procedures and supplies necessary for the achievement of the construction work of Phase II of the Northern Corridor, El Golf-Tocumen Segment (Section of Lajas 24 de Diciembre Junction), according to the specifications and Quality Standards valid in the Republic of Panama and approved by the MOP.

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Addendum n° 6 to the Administrative Concession
Contract No. 98 of 1994

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General Secretariat
Ministry of Public Works

Page 2

Due to the creation by the State of EMPRESA NACIONAL AUTOPISTAS, S.A. (hereinafter ENA) by Law 76 of 2010, MAXIPISTA assigned THE CONCESSION OF PHASE II OF THE NORTHERN CORRIDOR to ENA, which assignment was duly approved by the MOP through Resolution No. 200 of May thirty (30), 2011.

By the resolution described in the previous point it is established the recognition and validation of the Assignment by MAXIPISTA to ENA of the Work Performance Contract executed with INGENIEROS CIVILES ASOCIADOS PANAMA, S.A. for the performance of the studies, designs, calculation reports, plans, programs, procedures and supplies necessary for the achievement of the construction work of Phase II of the Northern Corridor, El Gófe-Tocumen Segment (Section of Lags 24 de Diciembre Junction), according to the Specifications and Quality Standards valid in the Republic of Panama and approved by the MOP, which assignment was expressly approved by INGENIEROS CIVILES ASOCIADOS PANAMA, S.A.

The State considers that it is a priority of public interest to build PHASE II OF THE NORTHERN CORRIDOR as soon as possible to contribute to relieve the daily vehicular congestion experienced between the center and the east of Panama City.

The work necessary for the constructions of PHASE II OF THE NORTHERN CORRIDOR is of great magnitude and technical complexity, taking into consideration the speed with which they must be completed for the performance of this phase to contribute to improve the vehicular flow in Panama City.

ENA will provide the legal, technical and financial structure of PHASE II OF THE NORTHERN CORRIDOR. For this purpose, it will define the formulas, means and mechanisms which will facilitate the execution and operation of the project. ENA will present to THE STATE proposals, structures of cost efficient financing pursuant to Articles 2 and 2-A of Law 5 of 1998, as amended by Law 76 of 2010.

Because of the above considerations, THE STATE and THE CONCESSIONAIRE agree to execute this Addendum No. 6 to the Administrative Concession Contract No. 98 of December 29, 1994, according to the following clauses.

CLAUSES

ONE. By this Addendum, THE STATE consents and approves the following partial assignments of THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR: (1) Partial assignment by PYCSA to MAXIPISTA and, (2) Partial assignment by MAXIPISTA to ENA.

TWO. ENA will not liable for the obligations, liabilities, damage and risk arising due to facts, acts or omissions of the STATE, prior to signing this addendum, in its capacity of grantor of THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

THREE. By this Addendum, the Work Performance Contract dated April four (4), 2011, executed between ENA and INGENIEROS CIVILES ASOCIADOS PANAMA, S.A., a company organized and existing under the Laws of the Republic of Panama, duly recorded on duly Fiche 312530, Roll 48821, Image 76 of the Section of Microfilms (Commercial) of the Public Register of Panama (hereinafter ICA CONSTRUCCION) is approved, as assigned by MAXIPISTA to ENA, after the observations and changes introduced in said contract by the MOP so that ICA CONSTRUCCION will perform the studies, designs, supply of materials and construction of the works corresponding to Phase II of the Northern Corridor.

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Addendum 6 to the Administrative Concession
Contract No. 98 of 1994

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General Secretariat
Ministry of Public Works

Page 3

El Golf-Tocumen Segment (Section of Lajas 24 de Diciembre Junction), for an amount not exceeding ONE HUNDRED FORTY-FOUR MILLION EIGHT HUNDRED TWENTY-SIX THOUSAND TWO HUNDRED TWENTY-FOUR BALBOAS (B/. 144,826,224.00). This figure is itemized as follows below: (1) ONE HUNDRED FOURTEEN MILLION EIGHT HUNDRED TWENTY-SIX THOUSAND TWO HUNDRED TWENTY-FOUR BALBOAS (B/. 144,826,224.00) - Cost of the Civil Work and (2) THIRTY MILLION BALBOAS (B/. 30,000,000.00) - to pay the compensation for the release of the rights of way, an amount which may vary as a result of the amounts actually paid for this reason. This Contract is contained in Annex A of this Addendum.

THE STATE hereby declares that it expressly releases MAXIPISTA from any obligation or responsibility concerning the component section of the PHASE II OF THE NORTHERN CORRIDOR.

FOUR. For the purposes of THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, Article One of THE CONCESSION, as amended by Addendum 1, Addendum 2 and Addendum 5, will be as follows:

ONE
THE CONCESSIONAIRE hereby undertakes to carry out the study, design, construction, maintenance, operation and exploitation of the SECOND PHASE OF THE NORTHERN CORRIDOR in accordance with the Specifications and the Work Performance Contract dated April four (4), 2011, executed between Maxipista de Panama, S.A. and Ingenieros Civiles Asociados Panama, S.A., assigned by Maxipista de Panama, S.A. to Empresa Nacional de Autopistas, S.A. and the Ministry of Public Works, representing THE STATE, granted to THE CONCESSIONAIRE under Administrative Concession for the use of said section.

For the purposes of the CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, the following expressions will have the meaning attributed to them below:

"Work" refers to Phase II of the Northern Corridor, El Golf-Tocumen Segment (Section of Lajas 24 de Diciembre Junction).

"Additional works" are the works that THE STATE and THE CONCESSIONAIRE, by mutual agreement, acknowledge that must be part of the SECOND PHASE OF THE NORTHERN CORRIDOR, after its commissioning, which will be entered in an Addendum.

THE CONCESSIONAIRE undertakes to do:

- a. The complete design and construction of the SECOND PHASE OF THE NORTHERN CORRIDOR.
- b. The construction of the accessory infrastructures for the good operation of the two sections described in paragraph "a" above, with capacity for four (4) initial lanes, two (2) in each direction, including drainage, lighting, signaling and landscape, as described in the Work Performance Contract dated April four (4), 2011, executed between Maxipista de Panama, S.A. and Ingenieros Civiles Asociados Panama, S.A., which were assigned by Maxipista de Panama, S.A. to Empresa Nacional de Autopistas, S.A.
- c. The complete design and construction of the interchanges and exchanges proposed by THE CONCESSIONAIRE for the SECOND PHASE OF THE NORTHERN CORRIDOR.

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Addendum 0 to the Administrative Concession
Contract No. 98 of 1994

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General Secretariat
Ministry of Public Works

Page 4

4. The administration and maintenance of the SECOND PHASE OF THE NORTHERN CORRIDOR for the period of the CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

a. The environmental impact study of the SECOND PHASE OF THE NORTHERN CORRIDOR, with the understanding that the Ministry of Public Works will cooperate with THE CONCESSIONAIRE to manage and promptly obtain the approvals of said environmental impact study from the competent entities.

The concession by INA of the SECOND PHASE OF THE NORTHERN CORRIDOR is for a period of 30 years, starting from the date of authorization of the operation of the SECOND PHASE OF THE NORTHERN CORRIDOR.

No clause of this document may be interpreted as THE STATE waiving the rights on the Work concerned by this Contract. On the contrary, when the term of the CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR ends, the Work will revert to THE STATE free of costs and liens, except for normal deterioration, in good condition of preservation and operation, THE CONCESSIONAIRE being therefore obligated to give it proper maintenance.

This implies that THE CONCESSIONAIRE declares that it waives the right granted to it by Article 1770 of the Civil Code in concurrence with Article 1444 of the Judicial Code, so that the parties agree that THE CONCESSIONAIRE may not request by ordinary channels a justification of the property title on the permanent improvements or works done in the area given under the concession."

FIVE: For the purposes of THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, Article Two of THE CONCESSION, as amended by Addendum 1, Addendum 2, Addendum 4 and Addendum 5, will be as follows:

TWO

THE STATE grants to THE CONCESSIONAIRE by this Contract the right to develop, operate and exploit the Second Phase of the Northern Corridor under administrative concession pursuant to the referential technical specifications enclosed as the Work Performance Contract dated April four (4), 2011, executed between Maxipista de Panamá, S.A. and Ingenieros Civiles Asociados Panamá, S.A., which was assigned by Maxipista de Panamá, S.A. to Empresa Nacional de Autopistas, S.A., and those contained in the Concession Contract No. 98 of December 29, 1994, as well as the technical modifications and/or additions, extensions or prolongations of the Work or other Additional Works and any addenda or modifications thereof established by mutual agreement between THE CONCESSIONAIRE and THE STATE, subject to the provisions of the Law.

The CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR is subject to the terms and conditions of this contract.

It is understood that the following are part of this contract: the Concession Contract and its addenda and modifications; the Specifications and their addenda, the proposal presented by PYCSA, to the extent that it does not contradict Addendum No. 0 of the Concession Contract, the designs, plans, technical specifications and changes or modifications to such designs or technical specifications proposed by THE CONCESSIONAIRE and approved by the MOP."

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Addendum 6 to the Administrative Concession
Contract No. 98 of 1994

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Ministry of Public Works

Page 5

SIX. For the purposes of THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, paragraph Eleven of Article Three of THE CONCESSION, as amended by Addendum 1, Addendum 2 and Addendum 5, will be as follows:

"Once the Work is completed and its operation is authorized by the Ministry of Public Works, THE CONCESSIONAIRE will have all the obligations as well as all the rights concerning the maintenance, operation and exploitation of THE SECOND PHASE OF THE NORTHERN CORRIDOR.

In this case, the obligation to maintain the Performance Bond will cease.

Without prejudice to the above, and during the time of performance of the work, the Performance Bond will be proportionately reduced by the amount of the investments made by THE CONCESSIONAIRE."

SEVEN. To the CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, the fifteenth paragraph of clause three will not apply.

EIGHT. For the purposes of THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, Article Ten of THE CONCESSION, as amended by Addendum 1, Addendum 2 and Addendum 3 will be as follows:

"THE SECOND PHASE OF THE NORTHERN CORRIDOR will be built in a period of TWENTY-SIX (26) months counted from the sixty (60) days following the issuance of the Order to Proceed by the Ministry of Public Works, subject to the extensions provided in the CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR and the applicable laws.

THE CONCESSIONAIRE will submit to the approval of the National Environmental Study the corresponding environmental impact study of the Work.

THE CONCESSIONAIRE may exploit the road at the time two (2) traffic lanes are operational and (i) authorized by the Ministry of Public Works."

NINE. For the purposes of THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, Article Eleven of THE CONCESSION, as amended by Addendum 1, Addendum 2, Addendum 3 and Addendum 5, will be as follows:

"It is agreed that the Total Recoverable Amount, which includes the investment and reasonable profit, will be ONE HUNDRED FORTY-FOUR MILLION EIGHT HUNDRED TWENTY-SIX THOUSAND TWO HUNDRED TWENTY-FOUR BALBOAS (B/ 144,826,224.00), adjustable to the values and time as established in paragraph three of this clause.

The Total Recoverable Amount will be obtained on the date when the sum of the net income (after deducting the costs and expenses by maintenance and operation, financial costs and expenses and the taxes) obtained from the toll rates of THE SECOND PART OF THE NORTHERN CORRIDOR at present value reached the aforementioned amount.

The Total Recoverable Amount is based on the referential designs, general specifications and basic premises referred to in Annex A of this addendum ("Construction Contract").

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Addendum 6 to the Administrative Concession
Contract No. 98 of 1994

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General Secretariat
Ministry of Public Works

Page 6

and includes up to a maximum of Thirty Million Balboas for allocations to private properties required for the performance of the work (the "Private Allocations").

In the event of occurrence of the variations contemplated in the Work Contract found in Annex A and/or in the cost of the Private Allocations that have an incidence on the Total Recoverable Amount, THE CONCESSIONAIRE will have the right to make adjustments in said amount, either to reduce it or to increase it (the "Adjusted Total Recoverable Amount") and to modify the term granted for the execution of the CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR, as appropriate. The private allocations will be paid after the authorization of the Ministry of Public Works, according to the appraisals made by the General Comptroller of the Republic and the General Department of the Cadastre of the Land National Authority (ANATI).

For the purposes of this contract, all amounts expressed in balboas will be understood equivalent to U.S. dollars at the rate of one (1) dollar for each balboa of the amount so expressed. Consequently, if the Panamanian balboa stops having parity with the U.S. dollar, the amounts expressed in balboas will be deemed automatically adjusted in order to maintain the value in U.S. dollars of the contract, taking for it as rate of exchange the rate for which the balboa is convertible to U.S. dollars in a market [illegible] without restrictions to the free convertibility of balboas to dollars."

TEN: Article Fifteen of Addendum No. 1 will not be applicable to THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

ELEVEN: Article Seventeen of Addendum No. 1 will not be applicable to THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

TWELVE: Article Fourteen of Addendum No. 2 will not be applicable to THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

THIRTEEN: Article One of Addendum No. 3 will not be applicable to THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

FOURTEEN: Article One of Addendum No. 4 will not be applicable to THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

FIFTEEN: Addenda 5, 5-A, 5-B, 5-C, 5-D or 5-E will not be applicable to THE CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR.

SIXTEEN: The State and THE CONCESSIONAIRE may agree in writing on any improvements, expansions or additional interconnections to THE SECOND PHASE OF THE NORTHERN CORRIDOR.

SEVENTEEN: THE CONCESSIONAIRE will deliver the performance bond for ten percent (10%) of the value of the investment to the Ministry of Public Works in the act of signing Addendum No. 6 of the CONCESSION.

EIGHTEEN: ENA, in its capacity as CONCESSIONAIRE, must obtain the necessary financial resources to be able to punctually comply with the payments contemplated in the work performance contract contained in Annex A of this Addendum and to do the work corresponding to THE SECOND PHASE OF THE NORTHERN CORRIDOR. For this purpose, ENA will present to THE STATE proposals of cost efficient financing structures according to

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Addendum 6 to the Administrative Concession
Contract No. 98 of 1994

Página 7

the provisions of Articles 2 and 5-A of Law 5 of 1988, as amended by Law 76 of 2010.

NINETEEN: It is understood between the parties that Contract No. 98-94 of December 29, 1994, with the amendments made by Addendum No. 1, addendum No. 2, Addendum No. 3, Addendum No. 4, Addendum No. 5, Addendum No. 5-A, Addendum No. 5-B, Addendum No. 5-C, Addendum No. 5-D, Addendum No. 5-E and this Addendum No. 6, will continue in force without change, modification or alteration of its other terms and conditions, concerning THE SECOND PHASE OF THE NORTHERN CORRIDOR, except for the modification according to this Addendum No. 6 of the CONCESSION OF THE SECOND PHASE OF THE NORTHERN CORRIDOR and Law 5 of 1988 and its regulations, in particular, but without limitation to tax exemptions.

In witness whereof, this document is issued and signed in Panama City on the [handwritten] twentieth (20th) day of May, two thousand eleven (2011).

THE STATE

THE CONCESSIONAIRE

[signature]
FEDERICO JOSE SUAREZ CEDENO,
MINISTER OF PUBLIC WORKS

[signature]
ANASTACIO RUIZ DE LEON,
EMPRESA NACIONAL DE
AUTOPISTAS, S.A. (ENA)

COUNTERSIGNATURE
[signature]
GENERAL COMPTROLLER OF THE REPUBLIC

Panama, [handwritten] July 22, 2011

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General Secretariat
Ministry of Public Works

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MINISTRY OF PUBLIC WORKS ADDENDUM No. 7 TO AGREEMENT No. 98 (of December 29, 1994)

Between the undersigned, namely: **HIS EXCELLENCY JAIME JOSE FORD CASTRO**, male, Panamanian, of legal age, married, resident of this city, holder of personal identity card No. 8-505-57, **MINISTER OF PUBLIC WORKS**, in name and representation of **THE STATE**, duly authorized by Cabinet Resolution No. 61 dated June 19, 2012, hereinafter **MOP**; and **LARISSA LANDAU**, female, Panamanian, of legal age, single, practicing attorney, with personal identity card No. 8-381-984 in name and representation of **AUTOPISTA NORTE, S.A.**, a corporation organized and in existence through Public Deed No. 3803 of February 15, 2012 of the Fifth Notary of the Circuit of Panama, duly registered in the Public Register, Section of Commercial Microfilms on Fiche 761051, Document 2125537, since February 15, 2012, hereinafter **THE CONCESSIONAIRE**, have agreed to enter into this Addendum No. 7 to Concession Agreement No. 98 of December 29, 1994, for the study, design, construction, maintenance, operation and exploitation of the Panama-Colon Highway and the component sections of the Northern Corridor.

CONSIDERING:

WHEREAS the company **PYCSA Panamá, S.A.** ("**PYCSA PANAMA**") and **MOP**, entered into Concession Agreement No. 98 of December 29, 1994, as it has been amended by virtue of Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1999, Addendum No. 3 of August 30, 1999, Addendum No. 4 of September 20, 2001, Addendum No. 5 of January 30, 2007, Addendum No. 5-A of March 13, 2009, Addendum No. 5-B of July 16, 2009, Addendum No. 5-C of July 16, 2009, Addendum No. 5-D of May 3, 2010, Addendum No. 5-E of October 29, 2010, and Addendum No. 6 of July 22 of 2011, upon which **PYCSA PANAMA** undertakes to execute the study, design, construction, maintenance, operation and exploitation of Phase I of the Northern Corridor (Albrook-Tinajitas); Phase II of the Northern Corridor (Tinajitas- El Golf); and Tract I of the Panama-Colon Highway (Panamá-Madden).

WHEREAS **PYCSA PANAMA, S.A.** entered into a Capitalization Agreement with **AUTOPISTA NORTE, S.A.** (hereinafter "**AUTOPISTA NORTE**"), **EMPRESA NACIONAL DE AUTOPISTA, S.A.** (hereinafter, "**ENA**"), and **INGLEWOOD FINANCIAL, INC.** (hereinafter "**INGLEWOOD**"), dated April 3, 2012, upon which, among others, **PYCSA PANAMA** agreed to assign to **AUTOPISTA NORTE**, as equity contribution, certain assets identified in said Capitalization Agreement, related to the operations of the Northern Corridor, including but not limited to, the Administrative Concession granted by **THE STATE** to **PYCSA PANAMA** according to the Concession Agreement of the tracts with respect to which **PYCSA PANAMA** continues to be the concessionaire in accordance with the amendments to the Concession Agreement, namely Phase I of the Northern Corridor (Albrook-Tinajitas); Phase II of the Northern Corridor (Tinajitas- El Golf); and Tract I of the Panama-Colon Highway (Panamá-Madden), together with all the branches, accesses, and other components according to the terms of the Concession Agreement.

WHEREAS **PYCSA PANAMA** and **INGLEWOOD**, as sellers, **ENA**, as buyer, and **MMG TRUST, S.A.** (hereinafter "**MMG TRUST**"), acting in its capacity of trustee of the Share Trust, entered into a share purchase agreement dated May 9, 2012 (hereinafter the "**Share Purchase Agreement**"), upon which **PYCSA PANAMA** and **INGLEWOOD** undertook to sell all of their shares of the equity capital in **AUTOPISTA NORTE** to **ENA**.

WHEREAS **PYCSA PANAMA** and **INGLEWOOD**, as settlors and **MMG TRUST**, as trustee, entered into a trust dated May 9, 2012 (hereinafter, the "**Share Trust**"), in favor of which **AUTOPISTA NORTE** will issue all of its equity capital (based on the assignment of the right to receive the same from **PYCSA PANAMA** and **INGLEWOOD**) and whose beneficiaries are: (i) **PYCSA PANAMA** and **INGLEWOOD**, as transient beneficiaries, to guarantee **ENA**'s obligation to pay the purchase price of the shares; and (ii) **ENA**, to guarantee fulfillment of **PYCSA PANAMA** and **INGLEWOOD**'s obligation to deliver the shares of **AUTOPISTA NORTE** to **ENA**.

WHEREAS in relation with the preceding, once all liens in relation with the Concession have been released, and with the approval from the Ministry of Public Works, PYCSA PANAMA will transfer all of the Concession rights to MMG TRUST, acting in its capacity of trustee of the Share Trust.

WHEREAS on May 28, 2012, PYCSA PANAMA formally requested the Ministry of Public Works the authorization and consent for the assignment and transfer of the Concession to AUTOPISTA NORTE and of the rights of the Concession to MMG TRUST, according to the information that it provided to the Ministry of Public Works in said request

WHEREAS the Ministry of Public Works, upon Resolution 49-12 of May 28, 2012 authorized PYCSA PANAMA to assign and transfer the Concession to AUTOPISTA NORTE, as well as to assign and transfer the rights under the Concession Agreement, by means of a trust in favor of MMG TRUST, acting in its capacity of trustee of the Share Trust.

WHEREAS based on the transfer of the Concession in accordance with the preceding paragraph, the rights under the Concession Agreement related to Phase I of the Northern Corridor (Albrook-Tinajitas), Phase II of the Northern Corridor (Tinajitas- El Golf), and Tract 1 of the Panama-Colon Highway (Panama-Madden), together with all the branches, accesses, and other components, will be transferred in accordance with the terms hereto agreed.

WHEREAS in accordance with Article 27 of the Executive Decree No. 17 of 1989, as amended by Article 24 of the Executive Decree No. 272 of November 30, 1994, the granting entity could authorize THE CONCESSIONAIRE in the Concession Agreement or otherwise, so that it can assign and transfer its rights to third parties.

WHEREAS in accordance with item number 8 of Clause Fourth of the Concession Agreement, the concessionaire is empowered to - with prior consent of THE STATE- assign and transfer in whole or in part its rights of any nature derived from said agreement, to third parties.

WHEREAS in accordance with Article 28 of Law No. 3 of April 13, 1988, the Ministry of Public Works is empowered to issue authorizations that are essential for the best execution of said law.

WHEREAS this Addendum has received favorable approval from the National Economic Council through Letter CENA/132 dated June 3, 2012, and has been approved upon Cabinet Resolution No. 61 dated June 19, 2012.

NOW, THEREFORE, in consideration with the preceding paragraphs, THE STATE and THE CONCESSIONAIRE agree to enter into this Addendum No. 7 to Concession Agreement No. 98 of December 29, 1994, in accordance with the following clauses.

CLAUSES:

FIRST: Upon this Addendum, THE STATE gives its consent and approval to the assignment of the Concession from PYCSA PANAMA, S.A. to AUTOPISTA NORTE, S.A., and the Trust of the rights of the Concession Agreement is assigned and transferred to MMG TRUST, S.A., in its capacity of trustee.

SECOND: Be it known that the company AUTOPISTA NORTE, S.A., is the new concessionaire of the Concession Agreement No. 98 of December 29, 1994, as it has been amended by virtue of Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1996, Addendum No. 3 of August 30, 1999, Addendum No. 4 of September 20, 2001, Addendum No. 5 of January 30, 2007, Addendum No. 5-A of March 13, 2009, Addendum No. 5-B of July 16, 2009, Addendum No. 5-C of July 16, 2009, Addendum No. 5-D of May 3, 2010, Addendum No. 5-E of October 29, 2010, and Addendum No. 6 of July 22 of 2011 for the study, design, construction, maintenance, operation and exploitation of the Panama-Colon Highway and the component sections of the Northern Corridor.

THIRD: It is hereby understood between the parties that Concession Agreement No. 98 of December 29, 1994, together with its amendments made through Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1999, Addendum No. 3 of August 30, 1999, Addendum No. 4 of September 20, 2001, Addendum No. 5 of January 30, 2007, Addendum No. 5-A of March 13, 2009, Addendum No. 5-B of July 16, 2009, Addendum No. 5-C of July 16, 2009, Addendum No. 5-D of May 3, 2010, Addendum No.

S-E of October 29, 2010, Addendum No. 6 of July 22 of 2011, and this Addendum No. 7, will continue in force without any change, amendment, or alteration to the remaining terms and conditions thereof.

Given in the city of Panamá, on the [] day of [], 2012.

FOR THE STATE.

JAIIME JOSÉ FORD CASTRO
Minister of Public Works

FOR AUTOPISTA NORTE, S.A.

[Name]

COUNTERSIGNATURE

GENERAL COMPTROLLER OF THE REPUBLIC
Panamá, _____, 2012

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MINISTRY OF PUBLIC WORKS ADDENDUM No. 8 TO AGREEMENT No. 98 (of December 29, 1994)

Between the undersigned, namely: **HIS EXCELLENCY JAIME JOSE FORD CASTRO**, male, Panamanian, of legal age, married, resident of this city, holder of personal identity card No. 8-505-57, MINISTER OF PUBLIC WORKS, in name and representation of THE STATE, duly authorized by Cabinet Resolution No. [] dated [], hereinafter THE STATE, and [], [ID info.] in name and representation of ENA NORTE, S.A., a corporation organized and in existence through Public Deed No. 9968 of April 20, 2012 of the Tenth Notary of the Circuit of Panama, duly registered in the Public Register, Section of Commercial Microfilms on Fiche 767262, Document 2162734, since April 25, 2012, hereinafter **THE CONCESSIONAIRE**,

CONSIDERING:

WHEREAS the company PYCSA Panamá, S.A. ("PYCSA PANAMA") and THE STATE, entered into Concession Agreement No. 98 of December 29, 1994, as it has been amended by virtue of Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1996, Addendum No. 3 of August 30, 1999, Addendum No. 4 of September 20, 2001, Addendum No. 5 of January 30, 2007, Addendum No. 5-A of March 13, 2009, Addendum No. 5-B of July 16, 2009, Addendum No. 5-C of July 16, 2009, Addendum No. 5-D of May 3, 2010, Addendum No. 5-E of October 29, 2010, Addendum No. 6 of July 22 of 2011, and Addendum No. 7 of [], upon which PYCSA PANAMA undertakes to execute the study, design, construction, maintenance, operation and exploitation of Phase I of the Northern Corridor (Albrook-Tinajitas), Phase II of the Northern Corridor (Tinajitas- El Golf), and Tract I of the Panama-Colon Highway (Panamá-Madden);

WHEREAS PYCSA PANAMA entered into an agreement of capitalization with AUTOPISTA NORTE, S.A., (hereinafter, "AUTOPISTA NORTE"), EMPRESA NACIONAL DE AUTOPISTA, S.A. (ENA) (hereinafter, "ENA"), and INGLEWOOD FINANCIAL, INC. (hereinafter, "INGLEWOOD"), dated April 3, 2012 (hereinafter, the "Capitalization Agreement"), upon which, among others, PYCSA PANAMA agreed to assign to AUTOPISTA NORTE, as equity contribution, certain assets identified in said Capitalization Agreement, related to the operations of the Northern Corridor, including but not limited to, the Administrative Concession granted by THE STATE to PYCSA PANAMA according to the Concession Agreement of the tracts with respect to which PYCSA PANAMA was the concessionaire in accordance with the amendments to the Concession Agreement, namely Phase I of the Northern Corridor (Albrook-Tinajitas); Phase II of the Northern Corridor (Tinajitas- El Golf); and Tract I of the Panama-Colon Highway (Panamá-Madden), together with all the branches, accesses, and other components according to the terms of the Concession Agreement;

WHEREAS PYCSA PANAMA and INGLEWOOD, as sellers, ENA, as buyer, and MMG TRUST, S.A. (hereinafter, "MMG TRUST") as trustee of the Share Trust, entered into a share purchase agreement dated May 9, 2012 (hereinafter, the "Share Purchase Agreement"), upon which PYCSA and INGLEWOOD undertook to sell all of their shares of the equity capital in AUTOPISTA NORTE to ENA;

WHEREAS PYCSA PANAMA and INGLEWOOD, as settlors and MMG TRUST, as trustee, entered into a trust dated May 9, 2012 (hereinafter, the "Share Trust"), in favor of which AUTOPISTA NORTE has issued all of its equity capital (based on the assignment of the right to receive the same from PYCSA PANAMA and INGLEWOOD) and whose beneficiaries are: (i) PYCSA PANAMA and INGLEWOOD, as transient beneficiaries, to guarantee ENA's obligation to pay the purchase price of the shares; and (ii) ENA, to guarantee fulfillment of PYCSA PANAMA and INGLEWOOD's obligation to deliver the shares of AUTOPISTA NORTE to ENA;

WHEREAS all the transactions contemplated in the Share Purchase Agreement have been perfected, and, therefore, MMG TRUST has become the holder of the shares in benefit of ENA;

WHEREAS upon Resolution 49-12 of May 28, 2012, the Ministry of Public Works authorized the assignment of the Concession from PYCSA PANAMA to AUTOPISTA NORTE, the assignment of the rights of the Concession to MMG TRUST, acting as trustee of the Share Trust, and the Addendum No. 7 to the Concession Agreement to formalize the aforementioned;

WHEREAS according to the aforementioned authorizations, THE STATE and AUTOPISTA NORTE entered into Addendum No. 7 of the Concession Agreement, dated [____], upon which the assignment and transfer of the Concession to AUTOPISTA NORTE and the assignment of the rights of the Concession to MMG TRUST, acting as trustee of the Share Trust, were formalized;

WHEREAS in accordance with the aforementioned authorizations, MMG TRUST, as trustee of the Share Trust and upon instructions from ENA, dissolved AUTOPISTA NORTE, transferring the Concession and other assets of AUTOPISTA NORTE becoming property of MMG TRUST, acting solely in its capacity as trustee of the Share Trust, in benefit of ENA;

WHEREAS MMG TRUST, as holder of the assets of AUTOPISTA NORTE, including the Concession, has sold them to THE CONCESSIONAIRE in accordance with an assets purchase agreement dated [____] (hereinafter, the "Assets Purchase Agreement") that MMG TRUST entered into with THE CONCESSIONAIRE according to the terms of the Share Trust;

WHEREAS upon Resolution [____], the Ministry of Public Works authorized the assignment and transfer of the Concession, by reason of the dissolution of AUTOPISTA NORTE, in favor of MMG TRUST, in its capacity of trustee of the Share Trust and as shareholder of AUTOPISTA NORTE, as well as the assignment and transfer of the Concession [and the rights thereunder], from MMG TRUST, in its capacity of trustee of the Share Trust, in favor of ENA NORTE, in accordance with the terms of the Assets Purchase Agreement;

WHEREAS the operations in the preceding paragraph and this Addendum has received favorable approval from the National Economic Council through Letter CENA [____], and has been approved upon Cabinet Resolution [____] dated [____];

NOW, THEREFORE, in consideration with the preceding paragraphs, THE STATE and THE CONCESSIONAIRE agree to enter into this Addendum No. 8 to Concession Agreement No. 98 of December 29, 1994, in accordance with the following clauses.

CLAUSES

FIRST: Upon this Addendum, THE STATE gives its consent and approval to (i) the assignment and transfer of the Concession, by reason of the dissolution of AUTOPISTA NORTE, in favor of MMG TRUST, in its capacity of trustee of the Share Trust and as shareholder of AUTOPISTA NORTE; and (ii) the assignment and transfer of the Concession from MMG TRUST, acting in its capacity of trustee of the Share Trust, to THE CONCESSIONAIRE, in accordance with the Assets Purchase Agreement.

SECOND: Be it known that the company ENA NORTE, S.A., is the new concessionaire of the Concession Agreement No. 98 of December 29, 1994, as it has been amended by virtue of Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1996, Addendum No. 3 of August 30, 1999, Addendum No. 4 of September 20, 2001, Addendum No. 5 of January 30, 2007, Addendum No. 5-A of March 13, 2009, Addendum No. 5-B of July 16, 2009, Addendum No. 5-C of July 16, 2009, Addendum No. 5-D of May 3, 2010, Addendum No. 5-E of October 29, 2010, Addendum No. 6 of July 22 of 2011, and Addendum No. 7 of [____] for the study, design, construction, maintenance, operation and exploitation of the Panama-Colon Highway and the component sections of the Northern Corridor.

THIRD: It is hereby understood between the parties that Concession Agreement No. 98 of December 29, 1994, together with its amendments made through Addendum No. 1 of December 26, 1996, Addendum No. 2 of June 18, 1996, Addendum No. 3 of August 30, 1999, Addendum No. 4 of September 20, 2001, Addendum No. 5 of January 30, 2007, Addendum No. 5-A of March 13, 2009, Addendum No. 5-B of July 16, 2009, Addendum No. 5-C of July 16, 2009, Addendum No. 5-D of May 3, 2010, Addendum No. 5-E of October 29, 2010, Addendum No. 6 of July 22 of 2011, Addendum No. 7 of [____], and this

Addendum No. 8, will continue in force without any change, amendment, or alteration thereof, with the sole exception of the changes, additions, or amendments hereto agreed.

Given in the city of Panama, on the [] day of [], 2012.

FOR THE STATE

JAIME JOSÉ FORD CASTRO
Minister of Public Works

FOR ENA NORTE, S.A.

[Name]

COUNTERSIGNATURE

GENERAL COMPTROLLER OF THE REPUBLIC
Panamá, _____, 2012

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The issuance of the Notes has been registered with the Superintendency of Capital Markets.

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ENA Norte Trust
as Issuer



OFFERING MEMORANDUM

Joint Lead Managers



, 2012