



Joint Press Release

MPX and E.ON to form a strategic partnership to invest in the Brazilian and Chilean energy market

MPX, a company with the largest portfolio of licensed integrated energy projects in South America, will raise R\$ 1,000,000,063.00 (€ 423 million) through a capital increase. In this operation, E.ON, one of the leading global energy players, shall ultimately invest approximately R\$ 850 million (€ 350 million) for a 10% stake at MPX

Rio de Janeiro/Düsseldorf, 11 January 2012: Brazilian company MPX, the EBX Group energy arm, controlled by Mr. Eike Batista, and global player E.ON AG, headquartered in Germany, announced today (Jan 11, 2012) an agreement (term sheet) to create a 50/50 joint venture ("JV") which will develop power generation and related supply and trading activities in Brazil. The partnership between MPX and E.ON aims to develop a total capacity of 20.000 MW in Brazil and Chile, thus becoming the largest private energy company in Brazil. The generation capacity planned represents around 20% of the total current capacity of Brazil.

The JV between MPX and E.ON will be responsible for all thermal and renewable energy projects in Brazil and Chile, as well as related supply and trading activities. MPX owns 11,000 MW in projects already licensed that will be partially contributed to the JV with 50% of the following projects: Açú Power Projects in Rio de Janeiro (5,400 MW), Castilla Project at Chile (2,100 MW), Sul and Seival Power Plants in Rio Grande do Sul (1,300 MW) and the TPP Parnaíba expansion in Maranhão (2,200 MW). In addition, for the Açú Power Projects, E.ON will have a call option on behalf of the JV for additional 38.9% of the project at book value, thus enabling each of the partners to achieve a 50% economic interest in the project.

As a first step of the overall transaction certain debenture holders within MPX may convert their debentures into MPX shares. MPX's compliance coal mining assets in Colombia will form a new company, namely CCX, which will be spun-off from MPX and thus will not be part of the partnership. As part of this spin off, MPX will transfer up to R\$ 814 million in cash to this new company. The new company will be listed at the BM&FBovespa Novo Mercado and MPX shareholders will be entitled to one share of CCX for each share of MPX they hold. MPX debenture holders who opt not to convert the

debentures into common shares of MPX prior to the spin-off will not be entitled to receive CCX shares.

As part of the agreement, MPX will raise R\$ 1,000,000,063.00 through a capital increase of which E.ON shall ultimately invest approximately R\$ 850 million so as to achieve a targeted 10% shareholding. As part of the minority holding, E.ON will be entitled to have a representative at MPX's Board of Directors.

"Through this JV, MPX will be able to leverage E.ON's global platform, expertise in cross-technology project development, senior management experience and extensive capabilities in generation. This is a highly strategic and value enhancing partnership for both companies. Together, we can create a business that is much more than a sum of its parts, generating exciting growth opportunities in the years to come for all of our stakeholders", said Eike Batista, MPX's Chairman of the Board.

Today's announcement marks E.ON's first investment in Brazil, one of its target growth markets outside of Europe. E.ON is a leading global energy player with a power portfolio of 69,000 MW split between renewables, gas, coal and nuclear including almost 4,000 MW in wind, biomass and solar capacity. E.ON also has a procurement volume of 68 billion cubic meters (bcm) of natural gas under long term contracts and upstream production including equity gas of about 7.5 bcm per annum.

Johannes Teysen, CEO of E.ON AG, said: "For us, MPX is more than a great investment opportunity in Brazil and Chile. The strategic partnership, combining MPX' local expertise and access to natural resources with E.ON's global scale and capabilities, will enable us to create significant value in thermal and renewable power generation in Brazil. The already existing 11,000 MW development pipeline will form a platform to quickly achieve a significant market position in one of the world's fastest growing power markets. We will join knowledge, experience and the commitment of our two companies for the benefit not only of MPX and E.ON but also for the Brazilian economy and for power consumers in the country. We look forward to working with MPX."

Under the agreement, MPX will, in addition to 50% of the above mentioned projects, retain its current ownership of the contracted power capacity under construction (approximately 3,000 MW) as well of the natural gas concessions in the Parnaíba basin, held through OGX Maranhão, and of the Seival coal mine. Via its targeted 10% shareholding interest in MPX, E.ON will become a minority strategic partner and support those projects as well.

E.ON and MPX expect to close the transaction in Q2 2012, after the due diligence, final negotiations, and signing of definitive joint venture agreements have been concluded.

"We are excited about our partnership with E.ON, a successful global energy player. By working together, and utilizing E.ON's considerable international experience, we can accelerate the monetization of projects which are

already licensed, as well as create new and attractive growth opportunities in Brazil and Latin America", commented Eduardo Karrer, CEO of MPX.

Frank Mastiaux, CEO of E.ON International Energy: "MPX and E.ON share the same vision on where we want to take this business together. Our joint capabilities form an almost perfect match to deliver against our ambitious targets."

* equals 2.3649 R\$/€

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This press release may contain forward-looking statements based on current assumptions and forecasts made by E.ON Group management and other information currently available to E.ON. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. E.ON AG does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

ABOUT MPX

MPX Energia S.A., an EBX Group company, is a Brazilian diversified energy company with complementary businesses in power generation, coal mining, and natural gas E&P in South America. The Company has a large portfolio of integrated energy projects, exceeding 14,000 MW of capacity, which positions it to be a leading private-sector power generator. In Colombia, MPX has a world-class coal company with potential compliance coal resources to support production of 35 million tons per year and integrated infrastructure that includes a 150 km railway from the mines to the coast and a deep-water port. Coal produced in Colombia will be sold internationally in addition to potentially supplying MPX plants in Brazil and Chile. MPX power generation plants will also be the primary off-takers of the natural gas produced in the Company's unique onshore portfolio, with estimated risked resources of over 11 Tcf.

ABOUT E.ON

E.ON's diversified business consists of power generation, natural gas, energy trading, retail and distribution. One third of E.ON's 69,000 MW balanced portfolio is generated by low carbon technologies, including on and off-shore wind farms. E.ON operates one of the world's top ten renewables companies. In addition, the company also operates large power and gas distribution systems and supplies 26 million customers with energy. At facilities across Europe, Russia, and North America, its more than 85,000 employees generated € 93 billion in sales in 2010. E.ON's mission is to deliver innovative energy solutions to its customers and to create superior value for its investors. And to do it in a way that protects the environment, keeps people safe, and makes life better in the regions where the company operates. In short, E.ON is committed to making energy cleaner and better wherever it does business.

For further information, please contact:

MPX

Roberto Gonzales, Press Relations
+55 21 8011 0101

Carla Assemany, Press Relations
+ 55 21 9953 7255

E.ON AG

Josef Nelles, Vice President, Political Affairs & Corporate Communications
+49 211 4579 3570

Sabine Meixner, Political Affairs & Corporate Communications
+49 211 4579 472