

**Federative Republic of Brazil
Interministerial Commission on Global Climate Change**

Letter of Approval

To: AÇOS VILLARES S.A. S.A (Project Participant)
DET NORSKE VERITAS (Designated Operational Entity)

Date: May 9, 2006

1. As President of the Interministerial Commission on Global Climate Change, the Designated National Authority for the Clean Development Mechanism under the Kyoto Protocol, I hereby confirm that:

(i) The Federative Republic of Brazil ratified the United Nations Framework Convention on Climate Change on February 28, 1994 and the Kyoto Protocol on August 23, 2002;

(ii) The Federative Republic of Brazil participates voluntarily in the CDM;

(iii) The "Project" as defined by the Project Design Document **Aços Villares Natural Gas Fuel Switch Project in Brazil**, submitted to the Interministerial Commission on Global Climate Change on **1 March 2006**, and validated by the Designated Operational Entity **Det Norske Veritas**, by means of the Validation Report dated **27 October 2005** and identified as **Revision 1**, submitted to the Interministerial Commission on Global Climate Change on **10 November 2006**, will assist the Federative Republic of Brazil in achieving sustainable development;

2. I henceforth declare that the Executive Secretary of the Brazilian DNA is authorized to submit to the Executive Board of the CDM a request for review of the "Project", in case the Project Design Document and the Validation Report submitted to the Executive Board of the CDM for registration do not correspond to the documents identified in paragraph 1 - (iii) above.

Yours sincerely,



SERGIO MACHADO REZENDE

Minister of Science and Technology of the Federative Republic of Brazil
President of the Interministerial Commission on Global Climate Change