
Energy Reform Breakthrough

Unleashing Mexico's potential

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Mexico

Flow

1. Why Choose Mexico

2. Next steps

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2. Next steps

Mexico is a strong global partner

- 12th largest economy; 13th largest exporter
- 12 free trade agreements with 46 countries
- 33 Investment Promotion and Protection agreements
- 3rd largest US trading partner; top trading partner for Texas
- Active member of OECD, APEC and WTO
- Best-ranked in Latin America by World Bank's Doing Business 2017

Mexico's business platform for oil and gas companies:

- A transparent regulatory framework and new institutional architecture promoting competition and non-discriminatory access to its hydrocarbons sector.
- Public policy that fosters free and efficient energy markets.
- A new energy model that drives North America's market integration and security.

After five bidding cycles, Mexico has emerged as an attractive destination for long-term E&P operations

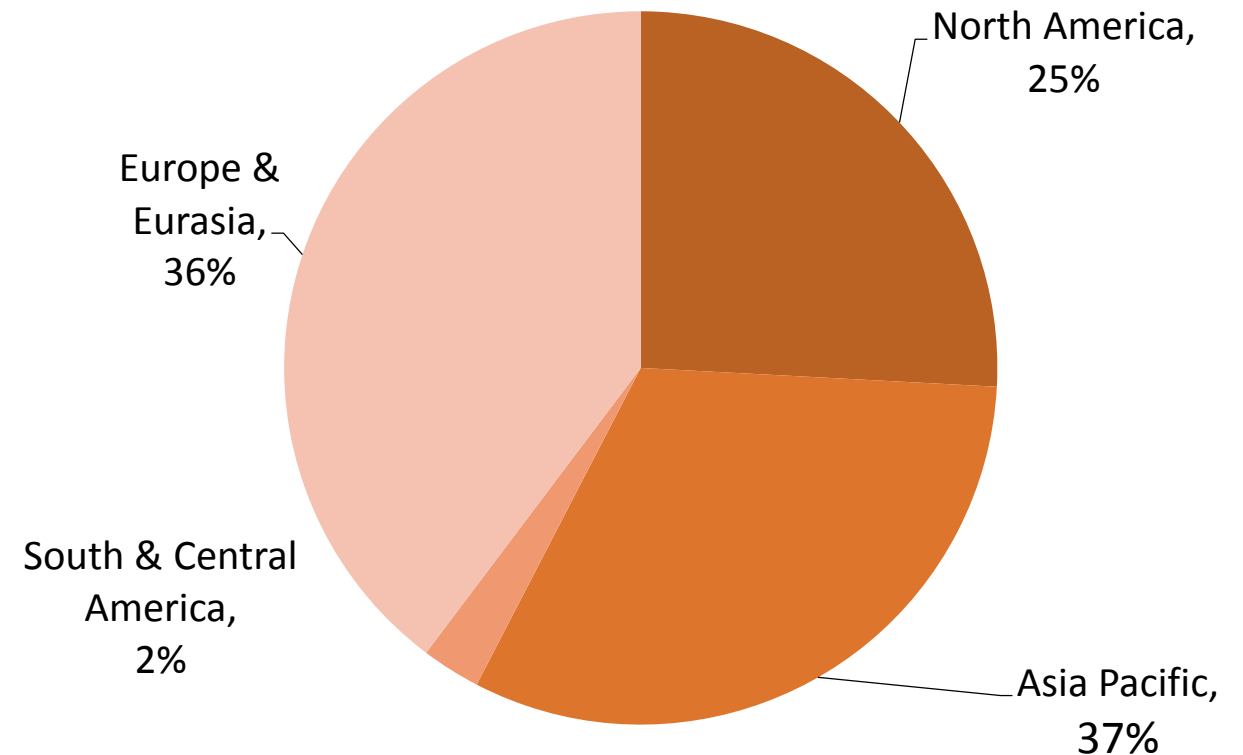
Investment: Regional distribution

US\$57 Bn expected investment

54 new E&P companies

17 countries

49 new contracts

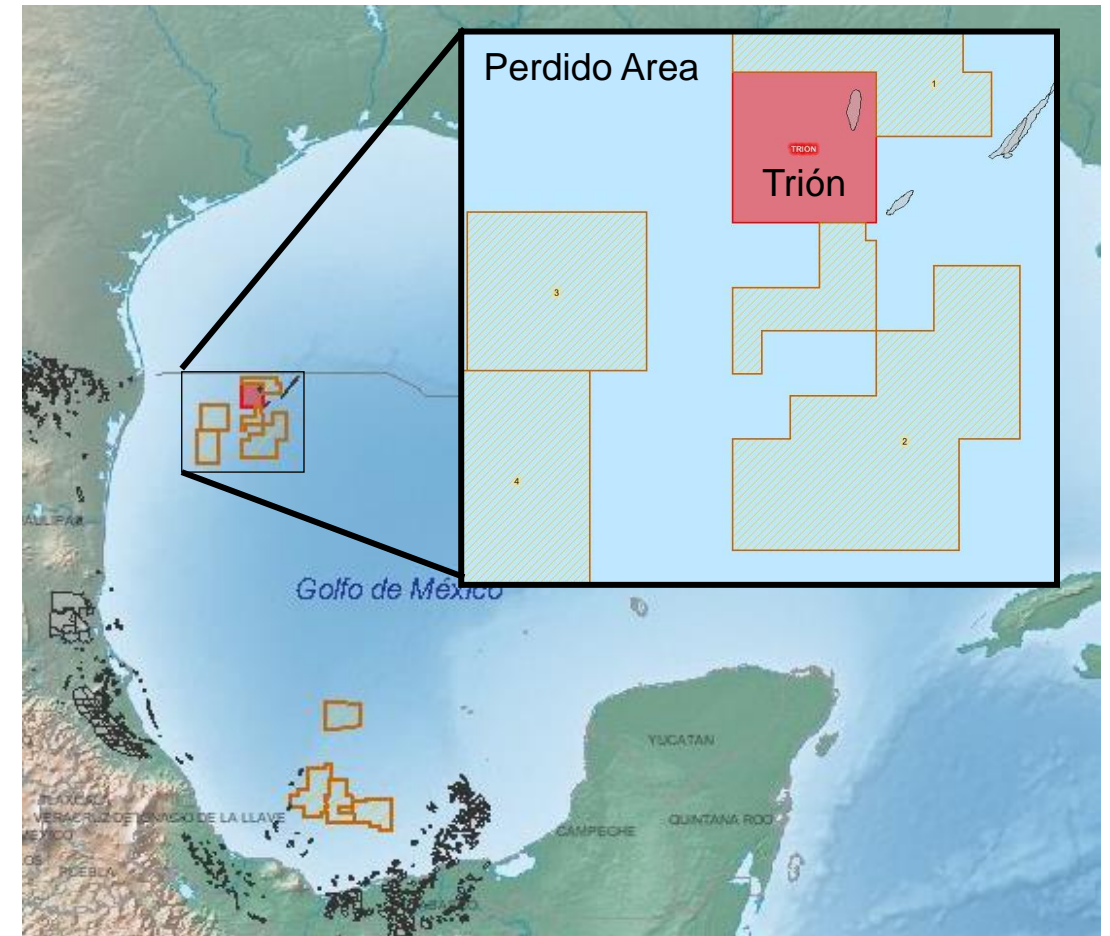


*Si la estructura del consorcio no estaba disponible, la inversión se dividió en partes iguales entre las compañías.

Fuente: CNH

At the same time, PEMEX broke new ground with its first farm-out...

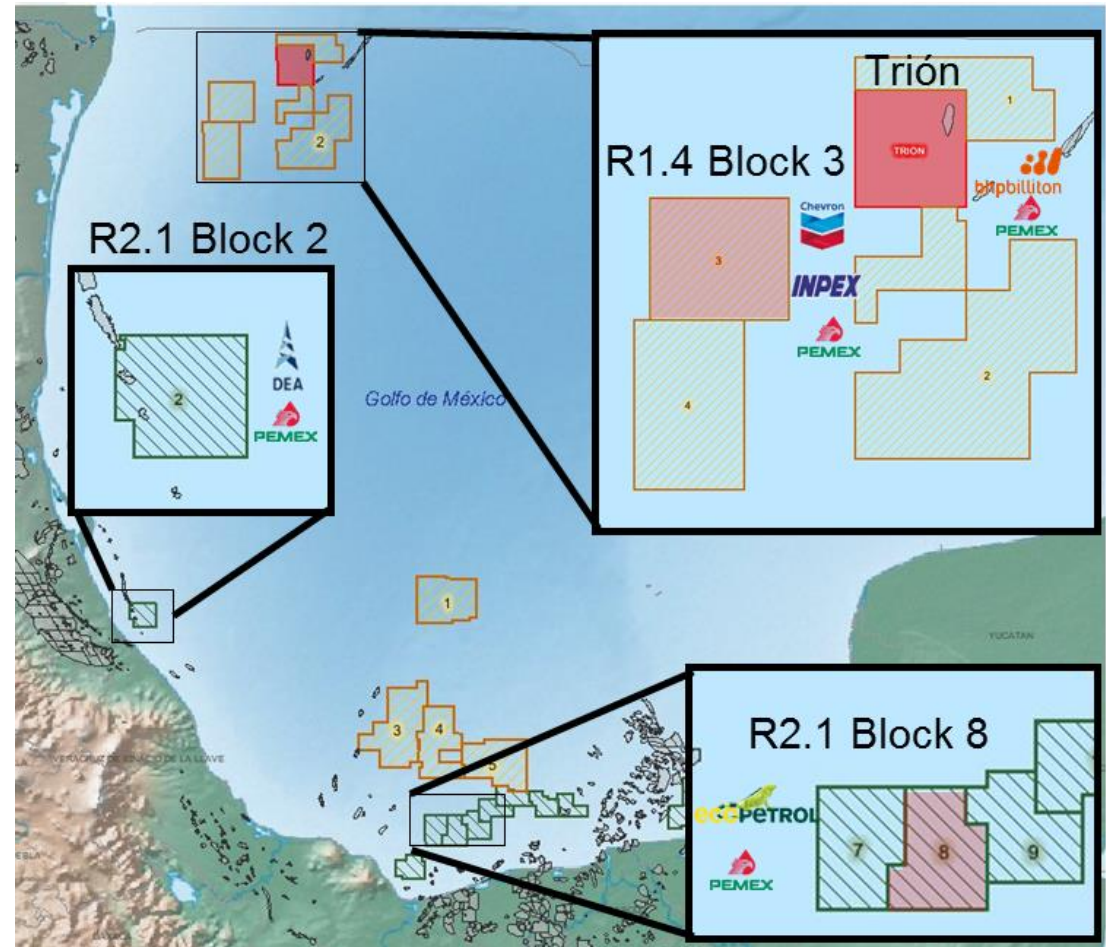
- BHP Billiton won in a competitive and transparent auction
- **\$7.5 billion** in new investments, equivalent to BHP's CAPEX on oil assets worldwide in the last two years
- **537 MMboe** prospective resources



Source: CNH

...and has crafted competitive alliances with private companies to bid for more blocks

- **Chevron and Inpex:**
 - US\$2 Bn
 - Deep water project
- **Ecopetrol:**
 - US\$807 MM
 - Shallow water project
- **DEA Deutsche:**
 - US\$577 MM
 - Shallow water project



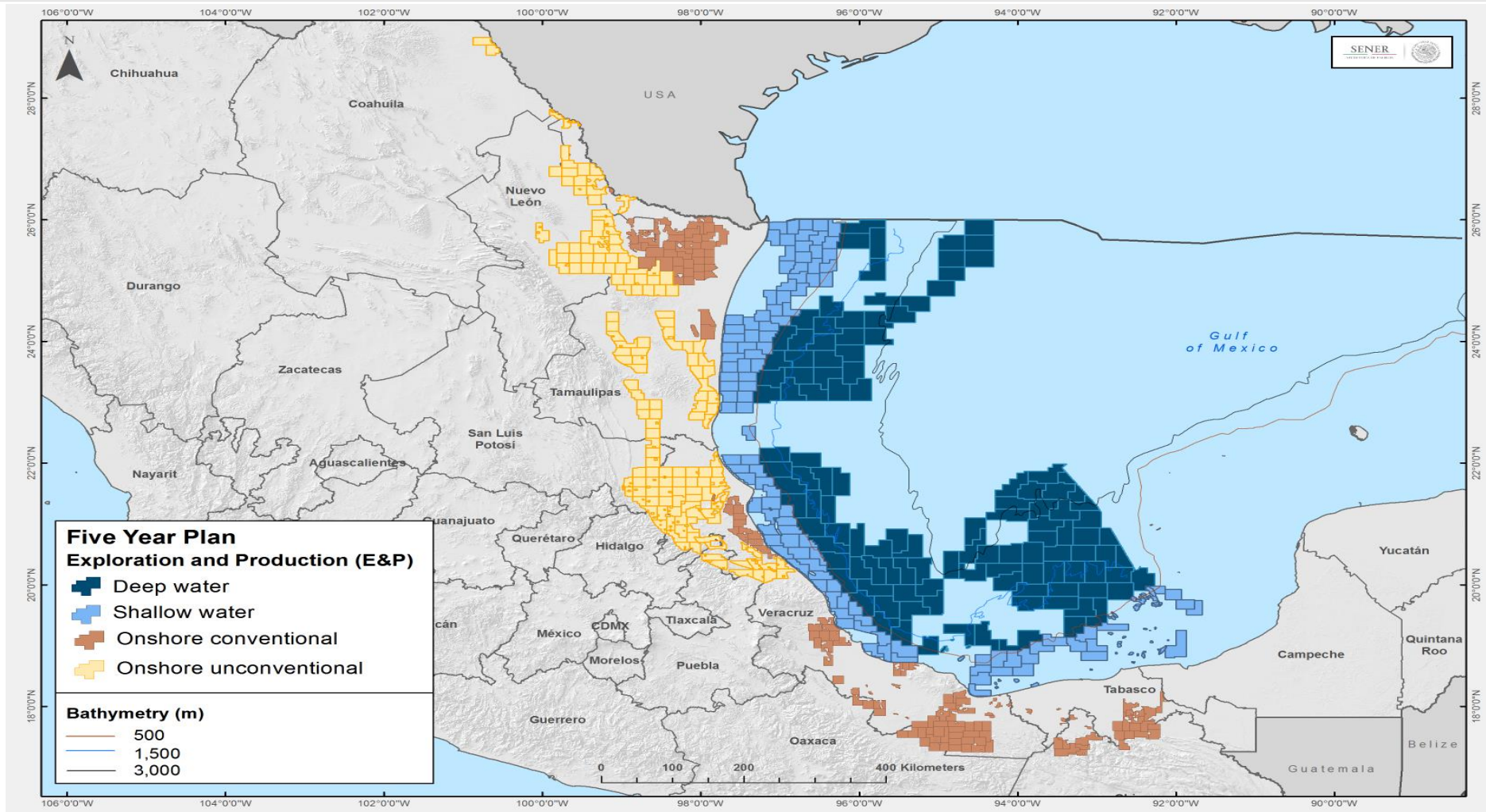
Source: CNH

Flow

1. Why Choose Mexico


2. Next steps

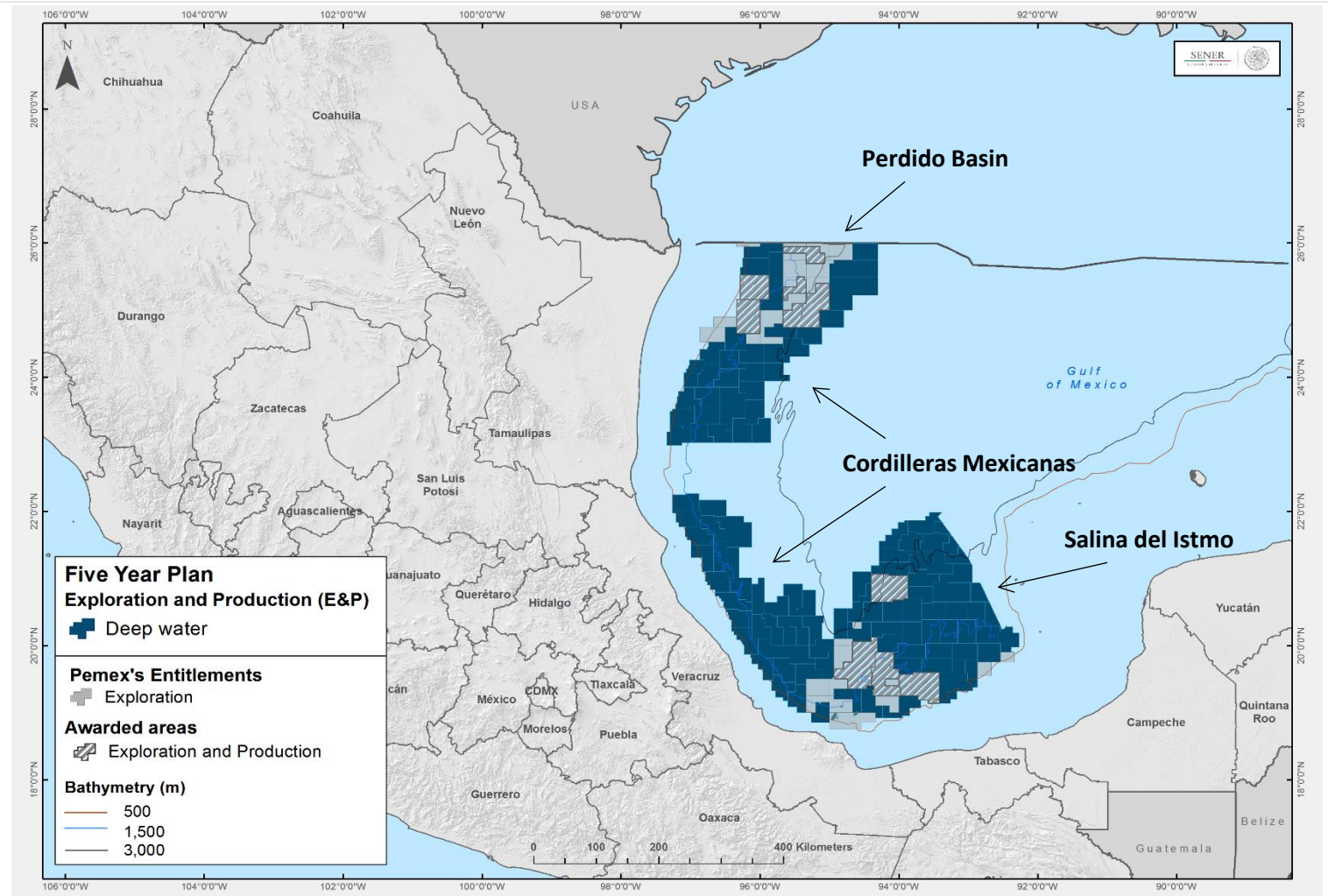
The new Five Year Plan offers 509 exploration and production blocks and 82 production fields



Including 119 deep-water blocks...

- Prospective resources
6,594 MMboe
- Round 2.4
December 2017
- Round 3.2
October 2018
- Deep-water block size


1000 Km²

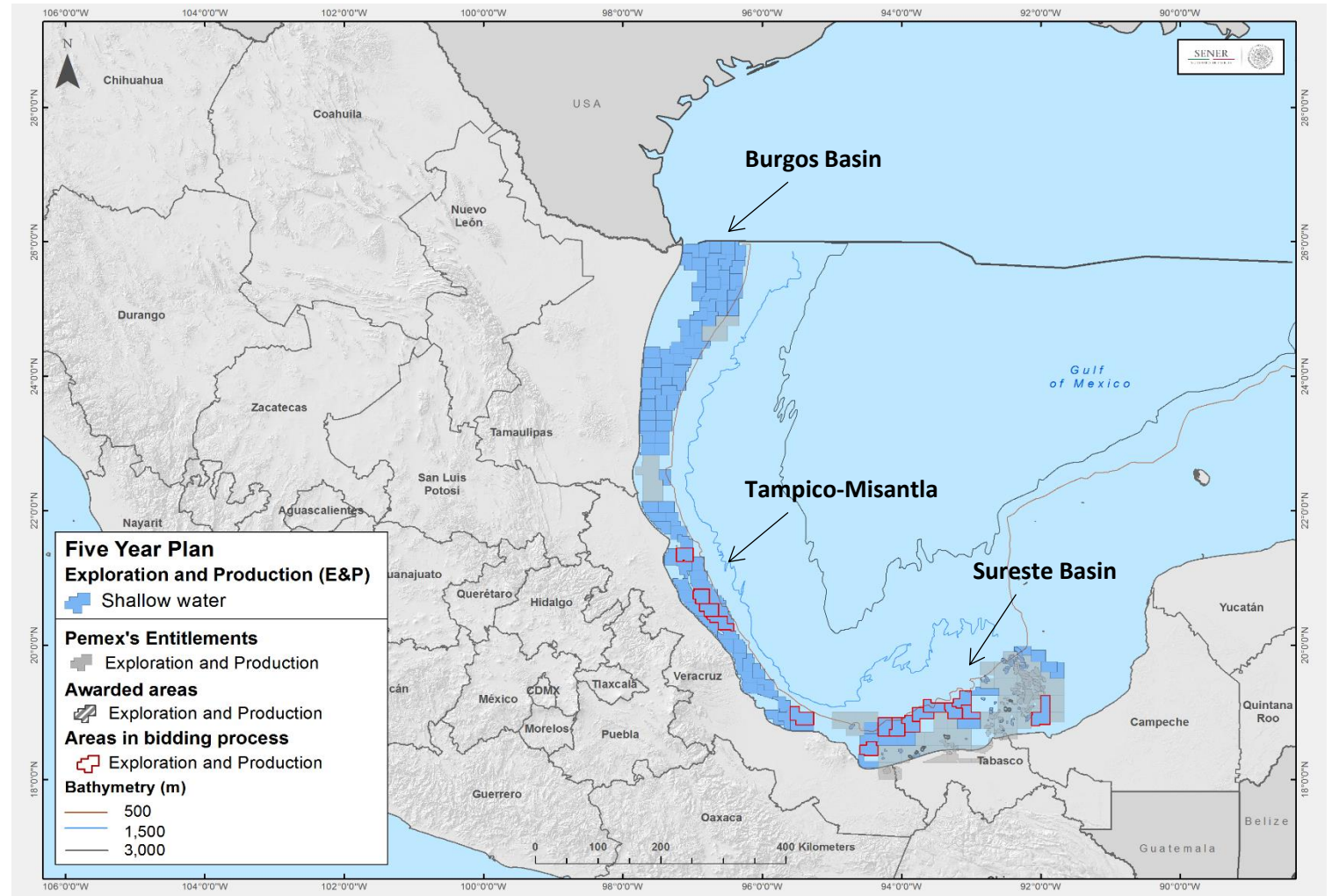


... 112 shallow-water blocks...

- Prospective resources
3,555 MMboe
- Round 3.1
February 2018
- Shallow-water block size

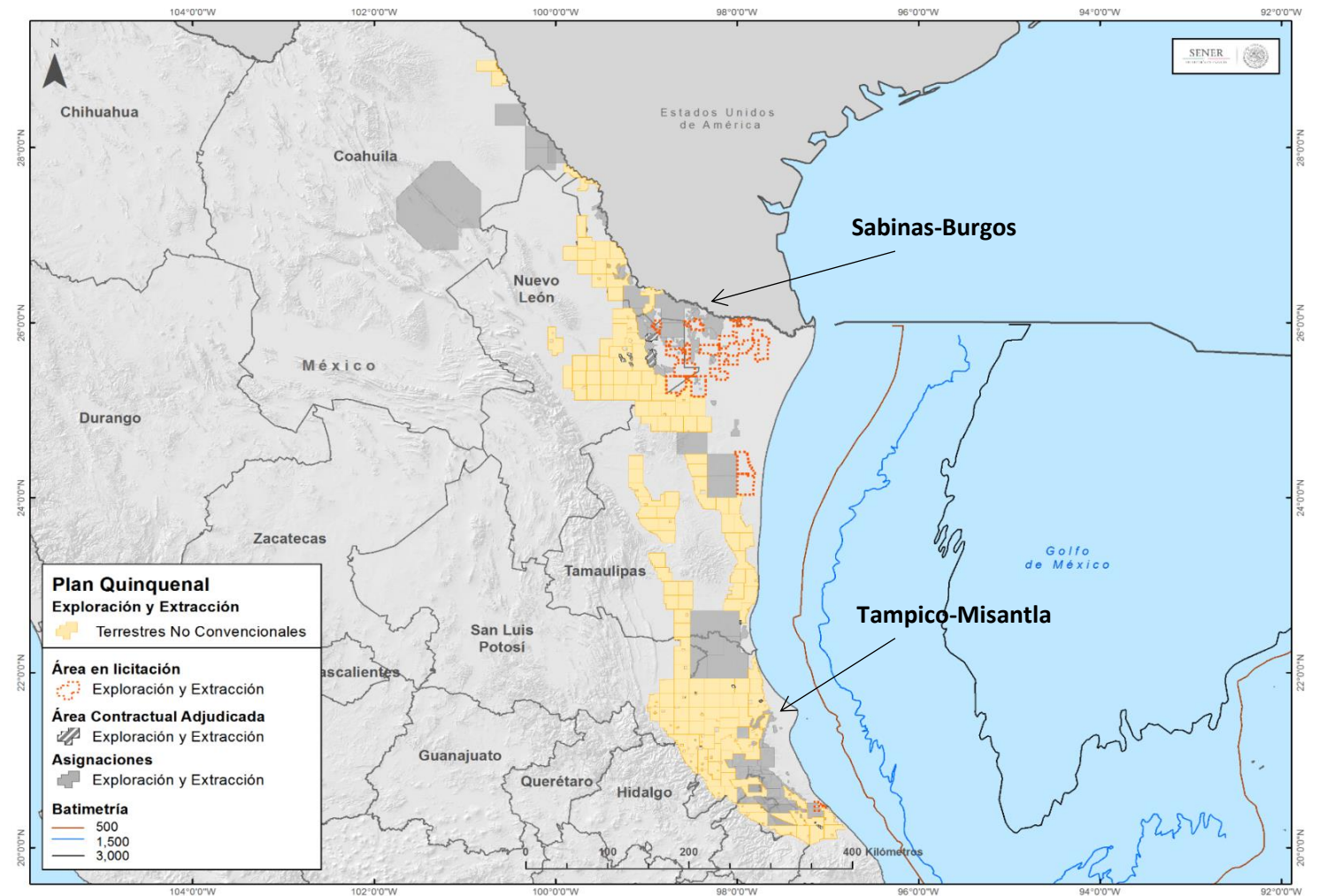


400 Km²



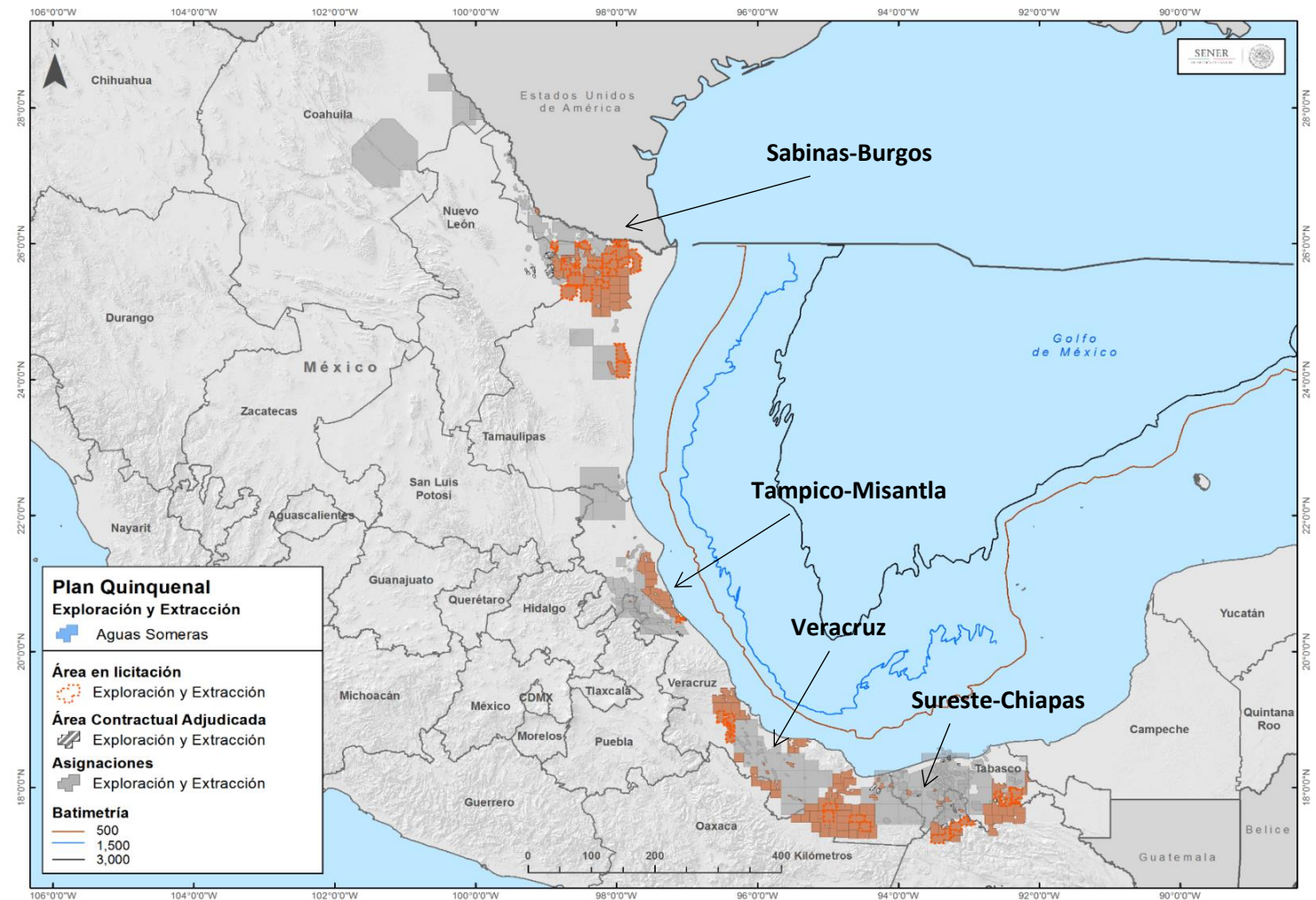
...150 onshore unconventional blocks and...

- Prospective resources
31,327 MMboe
- Round 2.5
December 2017
- Round 3.2
October 2018
- Onshore non-Conventional block size

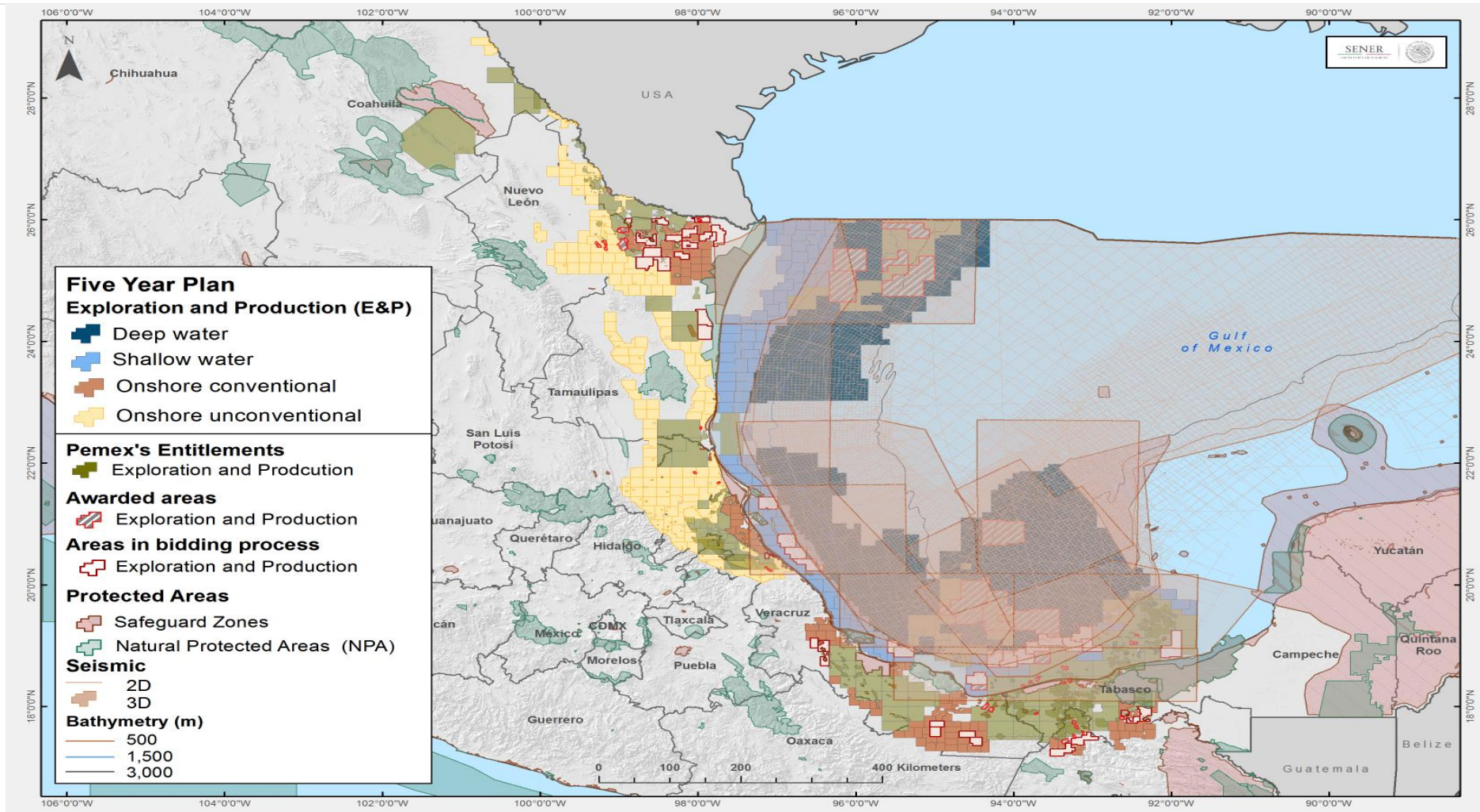


...128 onshore conventional blocks

- Prospective resources
1,204 MMboe
- Round 3.1
February 2018
- Onshore conventional
block size



All areas have high-quality seismic data and are open for nomination by industry participants



As part of this opening, PEMEX offers new farm-out opportunities

Cardenas-Mora

- License contract
- 3P Reserves: 93 Mmboe

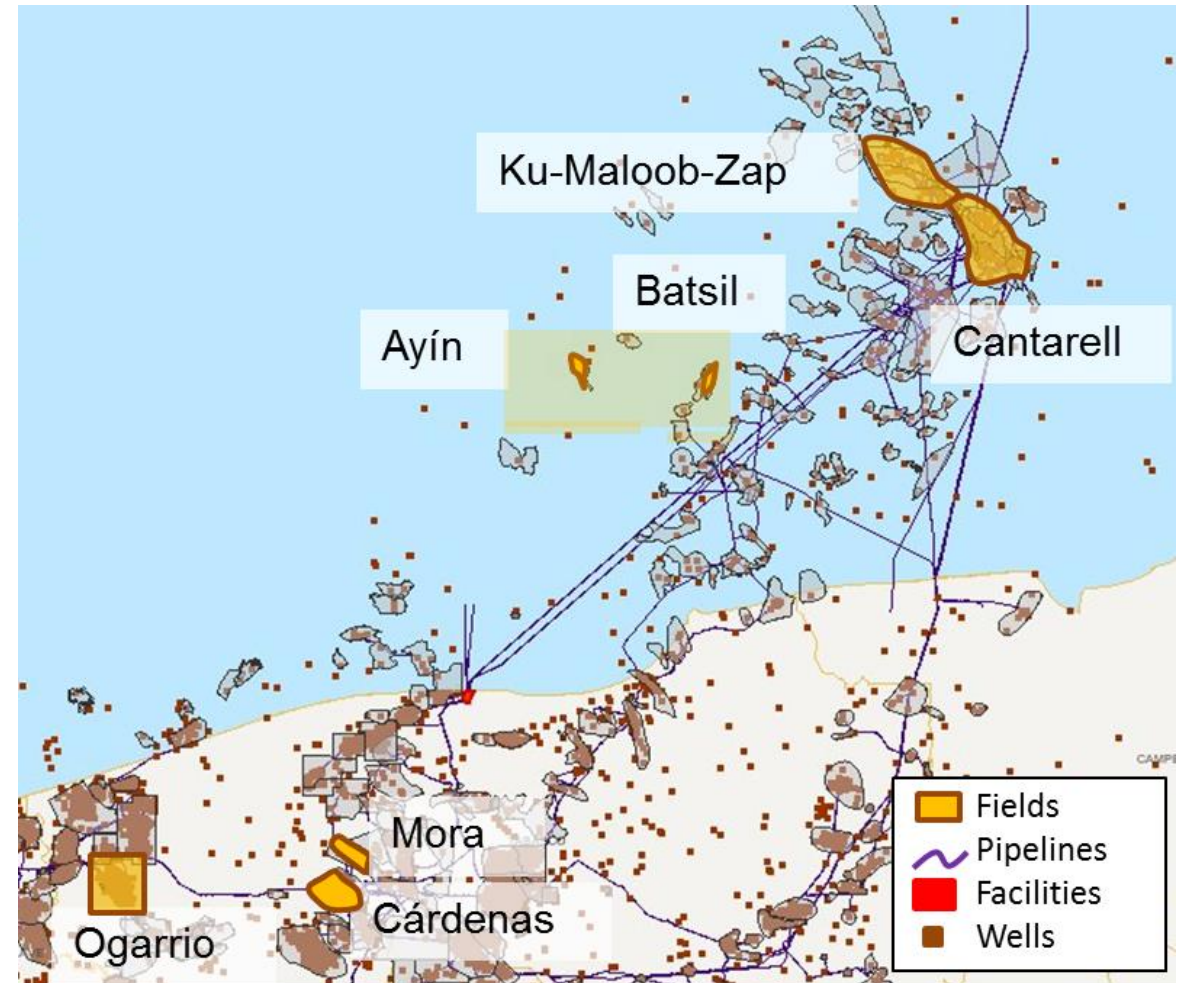
Ogarrio

- License contract
- 3P Reserves: 54 Mmboe

Ayin Batsil

- Production Sharing Contract
- Prospective resources: 224 Mmboe

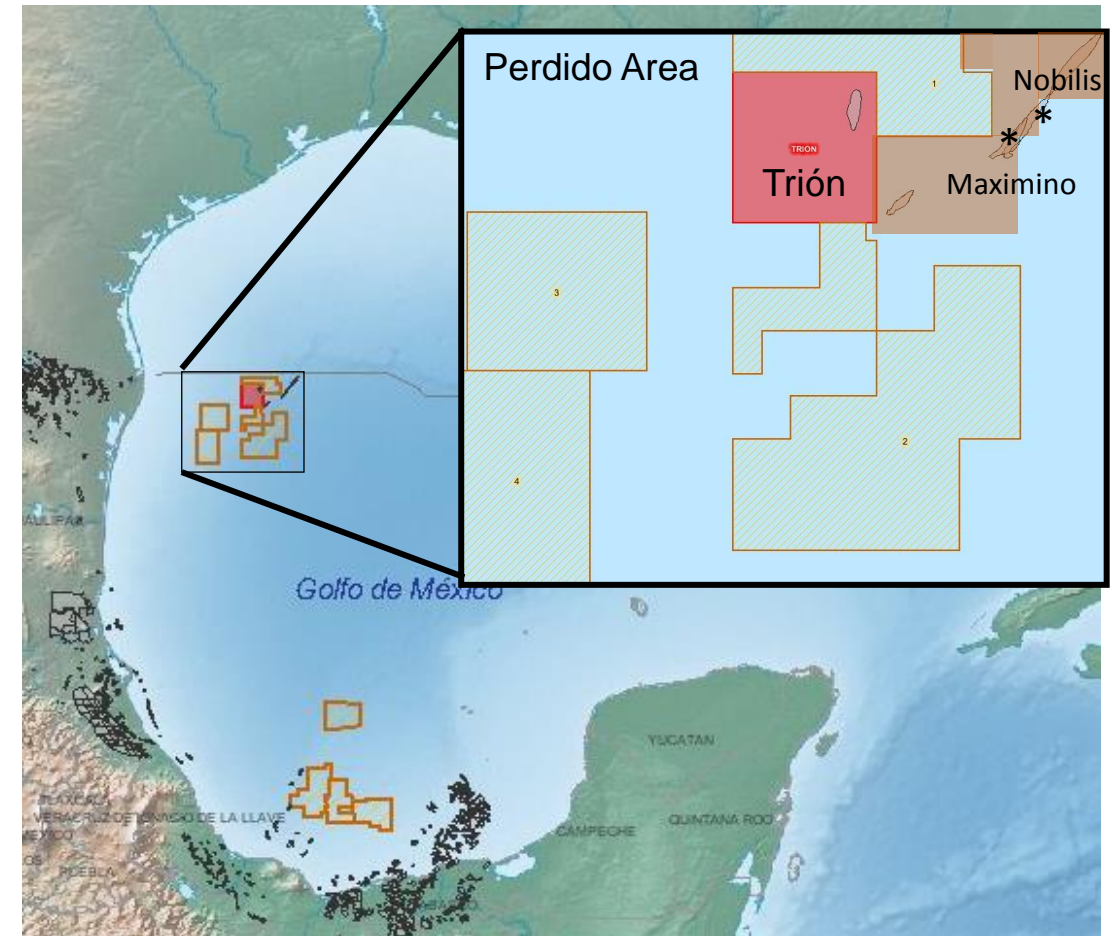
Source: PEMEX



With more opportunities in the pipeline...

Nobilis-Maximino Block

- 3P Reserves: 500 MMboe
- Est. Production: 300 Mbd
- Depth: 3,000 m



Source: PEMEX

...and competitive contractual terms

License: Cardenas-Mora; Ogarrio

- Development Plan: 2 years
- Minimum working plan: US\$5.6 – 7.9 mm
- National content: 27% first year development – 38% by 2025
- Additional royalty (min-max): 1 – 13%

Production Sharing Agreement: Ayin-Batsil

- Exploration – 4 years; Evaluation – 1 year
- Minimum working plan: US\$152 mm
- National content: 26% first year development – 35% by 2025
- Additional royalty (min-max): 18.2 – 25%

Mexico's New Energy Model offers a recipe for success

A large and diverse economy with access to global markets

Transparent legal and institutional framework

Pemex farm-outs offer material resources in partnership with an experienced operator