PEMEX[1] Presents its Results for the Fourth Quarter of 2017

Mexico City, February 26, 2018

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Key Highlights

2017 was a stabilization year, both in terms of hydrocarbon prices, and in the strategies implemented within the company. In addition, PEMEX was able to seize and take advantage of the tools provided by the Energy Reform. In the fourth quarter of 2017:

- ✓ First onshore farm-outs: Ogarrio and Cárdenas-Mora
- ✓ Divestment of stake in Los Ramones II Norte pipeline for USD 260 million
- ✓ Installation of fractional tower at the coker in the Tula refinery
- ✓ First migration of an Exploration and Extraction Contract
- ✓ Largest onshore discovery of the last 15 years: Ixachi, with 3P reserves ≈ 366 MMboe

Crude Oil Production
1,881 Mbd

Natural gas production
4,031 MMcfd

Crude Oil Processing
574 Mbd

EBITDA
MXN 93.0 billion

Selected financial information

(MXN million)

	Fourth Quarter		
	2016	**2017**	**Var %**
Total sales	**318,397**	**394,629**	**24%**
Domestic sales	197,392	235,225	19%
Exports	122,352	159,848	31%
Cost of sales	**49,013**	**419,597**	**756%**
Total expenses	**35,649**	**36,022**	**1%**
Operating income (loss)	**230,890**	**(69,127)**	**-130%**
Net income (loss)	**72,658**	**(299,759)**	**-513%**
EBITDA	**59,215**	**93,035**	**57%**

Long Term Credit Rating in Foreign Currency

Agency	Rating	Outlook
S&P	BBB+	Stable
Fitch	BBB+	Stable
Moody's	Baa3	Negative

[1] PEMEX refers to Petróleos Mexicanos, its Productive Subsidiary Companies, Affiliates, Subsidiary Entities and Subsidiary Companies

4Q17[2]

PEMEX

Carlos Alberto Treviño Medina

Chief Executive Officer

"The Company will stabilize crude oil production in accordance with the current Business Plan. Petróleos Mexicanos is capitalizing on the tools provided by the Energy Reform to promote partnerships along the entire value chain, with profitability as its guiding principle".

[2] From October 1 to December 31, 2017. PEMEX is providing this report to publish its audited financial and operational results for the fourth quarter and year-end of 2017. Annexes and relevant documents related to this report can be found at http://www.pemex.com/en/investors/financial-information/Paginas/results.aspx

Earnings
During the fourth quarter of 2017, total sales increased by 23.9%, as compared to the same period of 2016, mainly as a result of a 30.6% increase in exports due to the recovery in international crude oil prices, and a 19.2% increase in domestic sales mainly originated by gasolines and diesel price liberalization.

Gross & Operating Income
Cost of sales increased by 8.3% as compared to 4Q16, isolating the asset impairment effect.
Including the asset impairment, cost f sales increased by 756.0%.
Gross loss recorded MXN 25.0 billion.
Total operating expenses (transportation and distribution expenses and administrative expenses) increased by 14.7% and operating income decreased by 129.9%, recording a MXN 69.1 billion loss.

Taxes and Duties
During the fourth quarter of 2017, total taxes and duties remained stable as compared to 4Q16, and. Profit Sharing Duty decreased by 19.9%.

Net Income
During 4Q17 a net loss of MXN 299.8 billion was recorded.

Financial Debt
Total financial debt increased by 2.8% as compared to the same period of 2016, mainly due to new financing transactions.
As of December 31, 2017, the exchange rate registered MXN 19.7867 per U.S. dollar, resulting in a MXN 2,037.9 billion or USD 103.0 billion total financial debt.

Liquidity Management
As of December 31, 2017, Petróleos Mexicanos held five syndicated revolving credit lines for liquidity management in the amounts of USD 6.7 billion and MXN 23.5 billion.

Investment Activities
As of December 31, 2017, PEMEX spent MXN 191.1 billion (USD 10.1 billion) on investment activities, which represents 93.4% of the total investment budget of MXN 204.6 billion that was programmed for the year

Hydrocarbons production
PEMEX exceeded its annual crude oil production goal for the second consecutive year. In 2017, the crude oil production averaged 1,948 thousand barrels per day (Mbd), higher than the annual crude oil production target of 1,944 Mbd. Particularly, during the fourth quarter of 2017, crude oil production averaged 1,881 Mbd, a 189 Mbd decrease as compared to the same period of 2016.

Ku-Maloob-Zaap business unit production averaged 864 Mbd, this is mainly explained by the increased production in Ayatsil and Maloob fields by 14 Mbd and 62 Mbd, respectively.

Regarding, total natural gas production (does not include nitrogen) decreased to 4,031 million cubic feet per day (MMcfd) during the fourth quarter of 2017; a 12% decrease as compared to 4Q16.

Crude oil processing
During the fourth quarter of 2017, total crude oil processing averaged 574 Mbd, a 27% decrease as compared to the same period of 2016. This is explained by general maintenance programs at the Madero and Minatitlán refineries, additionally, Salina Cruz resumed its operations in November, due to non-scheduled shutdowns caused by hurricanes and earthquakes.

Consequently, primary distillation capacity averaged 36%. In contrast, Salamanca and Tula refineries recorded a distillation capacity above average. The variable refining margin increased to USD 7.08 per barrel, a USD 2.07 per barrel increase as compared to 4Q16.

Natural gas processing decreased by 15% due to decreased supply of sour wet gas from the Mesozoic and sweet wet gas from Burgos basin.

Industrial Safety and Environmental Protection	4Q17	Change
Frequency Index	0.26	-2%
Severity Index	20	-2.3%
Natural Gas Flaring (MMcfd)	202	-52%

Upstream		
Total Production (Mboed)	2,597	-10.1%
Liquid Hydrocarbons (Mbd)	1,904	-9.5%
Crude Oil (Mbd)	1,881	-9.2%
Condensates (Mbd)	23	-31.3%
Natural Gas (MMcfd)	4,031	-12%

Downstream		
Dry Gas from Plants (MMcfd)	2,412	-15%
Natural Gas Liquids (Mbd)	247	-16.7%
Petroleum Products (Mbd)	567	-29.3%
Petrochemical Products (Mt)	602	-34.2%
Variable Refining Margin (USD /b)	7.08	2.07

PEMEX won 4 blocks in Round 2.4
Petróleos Mexicanos successfully participated in the Fourth Tender of Round 2 organized by the Hydrocarbons National Commission (CNH, for its acronym in Spanish). PEMEX was awarded four blocks in the deep waters of the Gulf of Mexico. PEMEX and Shell in a consortium were awarded Block 2 at the Perdido Area. Chevron, INPEX and PEMEX won Block 22 at the Salina Basin. Additionally, PEMEX was awarded with Block 5 at Perdido and Block 18 at Cordilleras Mexicanas.

First Migration with Partner of an Exploration and Extraction Contract
On December 18, 2017, PEMEX, Petrofac and the CNH signed the first migration of an exploration and extraction contract of onshore fields Santuario and El Golpe, with estimated investments above USD 1,590 million. Fields' production is estimated to peak in 2027, at approximately 31 thousand barrels of oil equivalent per day (Mboed).

Discovery of Ixachi
On November 3, 2017, PEMEX announced the largest onshore field discovery in 15 years. The well Ixachi-1 is located 72 km to the South of Veracruz port and close to Cosamaloapan. This field has a high development potential since it is close to existing infrastructure, such as production wells and National Pipeline System.

Factional tower installation at the coker plant, Tula refinery
On November 3, 2017 the fractional tower at the coker plant at the Tula refinery was installed, as part of the reconfiguration project to increase the production of gasolines, diesel and jet fuel. The estimated investment required for the project totals USD 4,600 million. The project is expected increase production of distillates' yield from 65% to 85%.

New Pemex's Franchise Model
On November 15, 2017, the new Pemex Franchise model was launched, based on innovative commercial frameworks and new products, to reinforce PEMEX brand at retail service stations and improve customer satisfaction.

Opening of the first gas station with new Pemex's franchise concept
On December 18, 2017, the first model of the new Pemex Franchise gas station was inaugurated in the State of Mexico. This gas station is operated by SAIGSA group.

Pemex Logistics' Open Season
Phases 1.2 and 2.1 of Pemex Logistics' Open Season to offer available transportation and storage capacity of petroleum products and petrochemicals, are in process. Phase 1.2 contemplates the North Border System, and Phase 2.1 considers the Pacific System Topolobampo Zone. The Regulatory Energy Commission (CRE, by its acronym in Spanish) approved both phases, for the auction of available transportation and storage capacity of regular gasoline, premium gasoline and diesel. Phase 1.2 winners will be announced on March 14, 2018, and winners from phase 2.1 will be announced on April 20, 2018.

Roberto Cejudo
Deputy Director of Treasury

Gustavo Hernández
Director of Resources, Reserves & Associations at Pemex Exploration & Production

Josefa Casas
Deputy Director of Strategic Analysis at Pemex Industrial Transformation

PEMEX management will hold a conference call to present the financial and operating results of PEMEX as of December 31, 2017.

Monday, February 26, 2017
at 10:00 a.m. (CST) / 11:00 a.m. (EST)

A question and answer session will follow the presentation.
Participants will be able to ask questions via telephone and electronically via the webcast interface.

The teleconference and webcast replay will be available on February 26, 2017 at 1:00 p.m. (EST) and until April 26, 2018 through this link. As of March 7, 2018, the conference call replay will be available at Unaudited Financial Results 2017.

Additionally, the Spanish version of the conference call will take place at 11:00 a.m. (CST) / 12:00 p.m. (EST), please follow this link to find the instructions to connect: Información Financiera / Calendario financiero / Reporte de Resultados al 31 de diciembre de 2017.

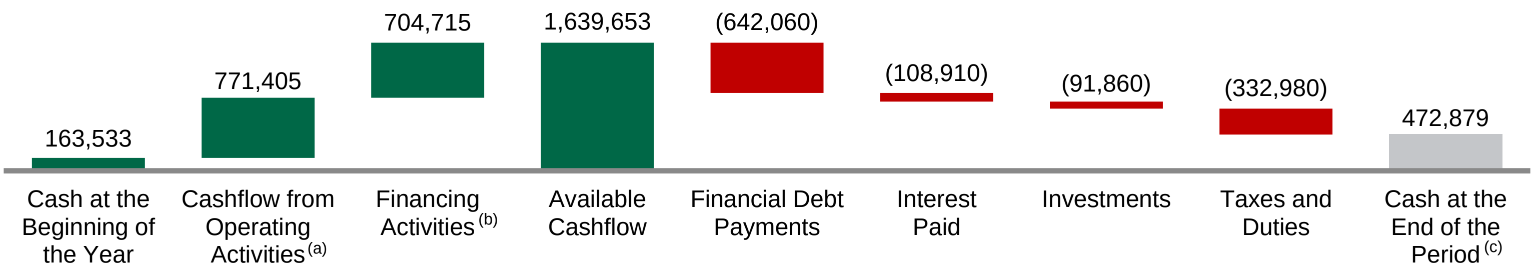
Financial Results and Analysis

For the Fourth Quarter of 2017 and 2016

David Ruelas Rodríguez – Director Corporativo de Finanzas:

"PEMEX has stable finances. Since 2016 we applied conservative policies and austerity measures, and had taken full advantage of the financial flexibility and tools provided by the Energy Reform. Despite the slow and constant recovery of international oil prices, we'll keep up with these policies, in track with what we have been doing"

Uses and Sources of Funds as of December 31, 2017



a) Before taxes and duties. Calculated by adding accrued taxes and duties to revenues from operations from the statement of changes in financial position.
b) Excludes E&P Financed Public Works Contract Program.
c) Includes (i) a MXN 8,207 million effect from exploration expenses, investment in shares, dividend revenue and financial instruments available for sale and (ii) change of cash effect of MXN (2,133) million.

Consolidated Income Statement from October 1 to December 30, 2017

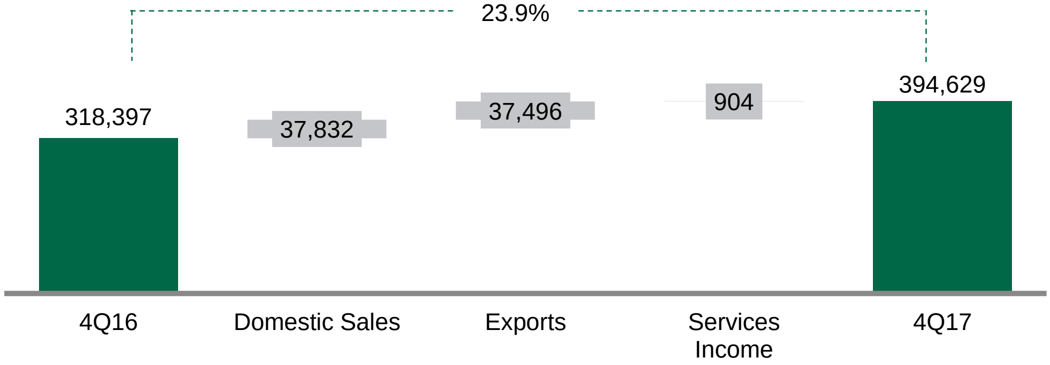
Total Sales

During the fourth quarter of 2017, total sales increased by 23.9%, as compared to the same period of 2016, mainly as a result of:

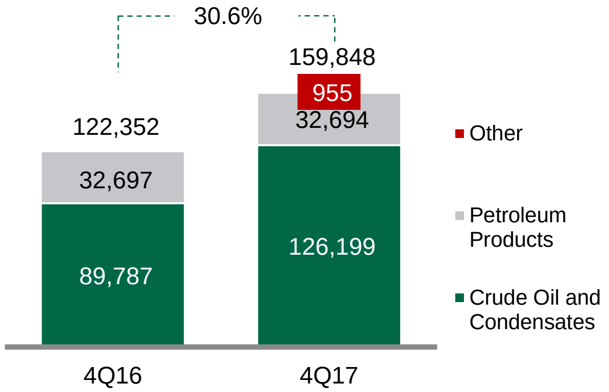
- a 30.6% increase in export sales, mainly due to the recovery in international crude oil prices from USD 41.02 per barrel in 4Q16 to USD 52.28 per barrel in 4Q17. The volume of crude oil exports increased by 11.7% and the volume of exported petroleum products decreased by 28.1%; and
- a 19.2% increase in domestic sales, mainly gasolines and diesel, as a consequence of international prices´ recovery, notwithstanding 3.0% and 11.0% decreases in domestic sales' volume of gasolines and diesel, respectively.

The increase in domestic sales also presents an important effect due to the new pricing scheme, implemented in 2017. This scheme modifies the calculation formula of maximum prices of gasolines and diesel and recognizes logistics and distribution costs, in addition to the effect of the Mexican peso against the U.S. dollar exchange rate. In addition, as of December 1, 2017, sale prices of gasoline and diesel are fully liberalized throughout the country.

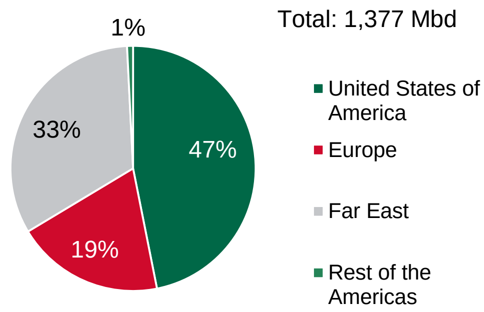
Sales Evolution
(MXN million)



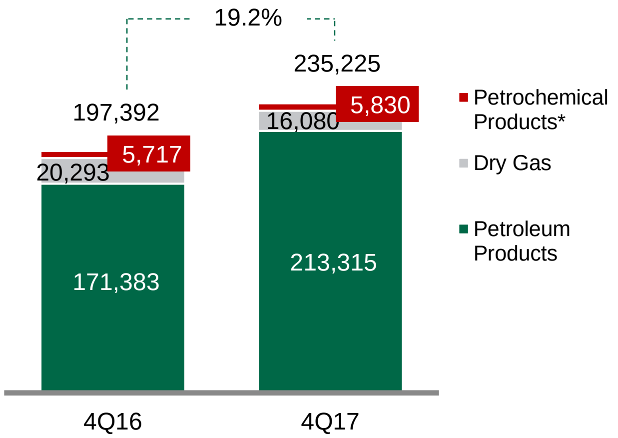
Exports
(MXN million)



Crude Exports by Region

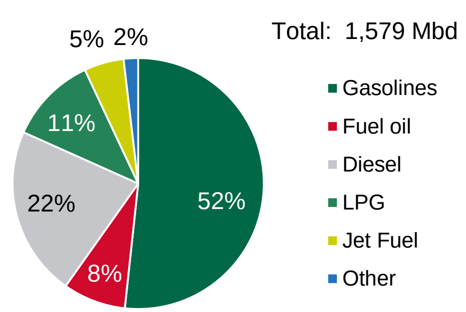


Domestic Sales
(MXN million)



* Includes Pemex Fertilizers' and Pemex Ethylene's products.

Domestic Sales of Petroleum Products



Gross & Operating Income

Cost of sales increased by 756.1%, primarily as a result of:

- a MXN 115.0 billion impairment of fixed assets, as compared to a MXN 232.3 billion reversal of asset impairment in 4Q16.This item is considered virtual, and mostly does not imply cash outflows; and
- a 28.0% or MXN 33.2 billion increase in purchases for resale, primarily of gasolines and diesel, to satisfy the local demand of petroleum products. The price-effect of this increase was 45%, and the volume-effect was 55%.

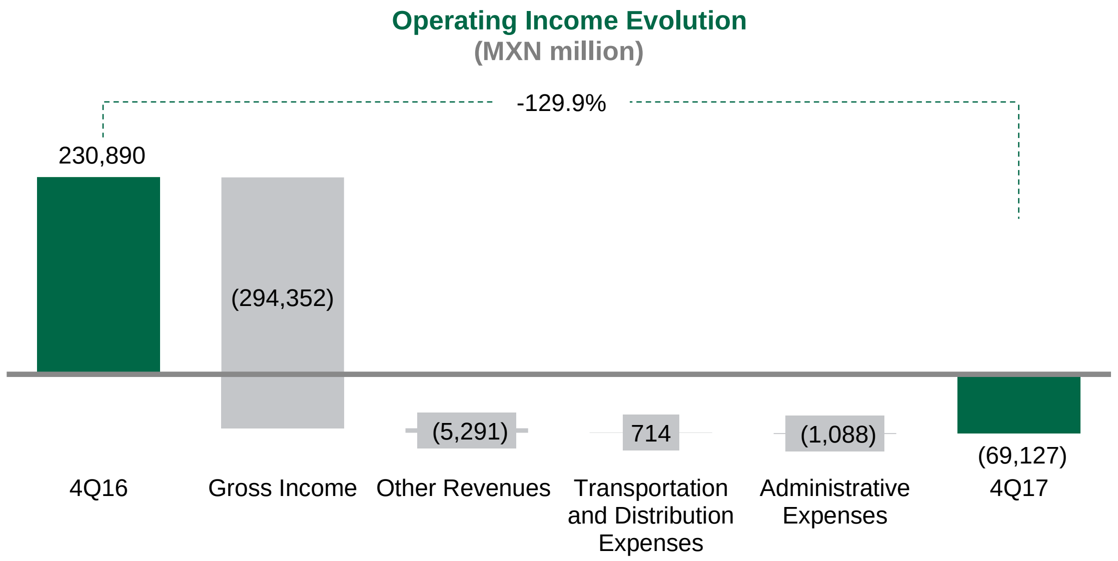
Partially offset by:

- a 18.3% decrease in depreciation and amortization, primarily as a result of the write-off of some Pemex Exploration and Production assets.

If the asset impairment is isolated, cost of sales increased by 8.3% as a result of the previously described purchases for resale increase.

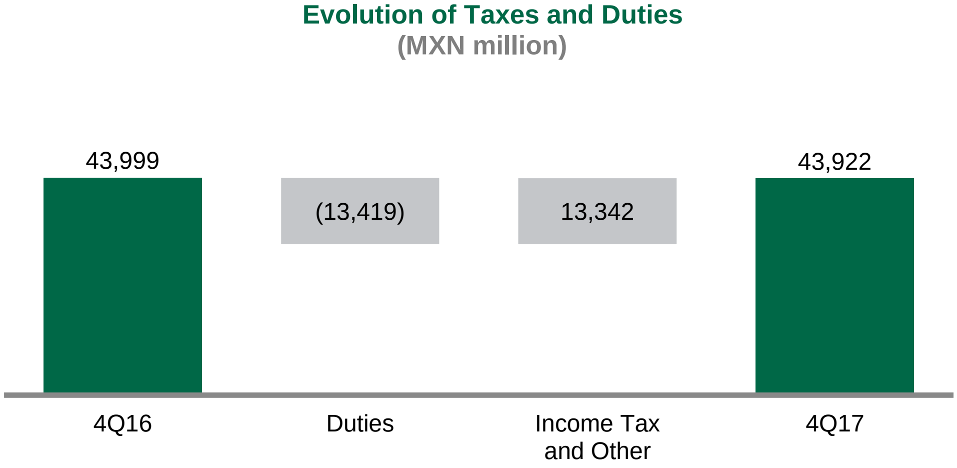
Consequently, gross loss totaled MXN 25.0 billion.

Transportation and distribution expenses decreased by 11.9%, in line with the discipline and cost-efficiency policy, and administrative expenses increased by 3.7% mainly due to the recognition of the cost associated to recent retirements.



Taxes and Duties

During the fourth quarter of 2017, total taxes and duties amounted to MXN 43.9 billion, a marginal 0.2% decrease as compared to the same period of 2016. Profit Sharing duty -the most important duty for the company- decreased by 19.9% mainly due to the reduction in crude oil production.

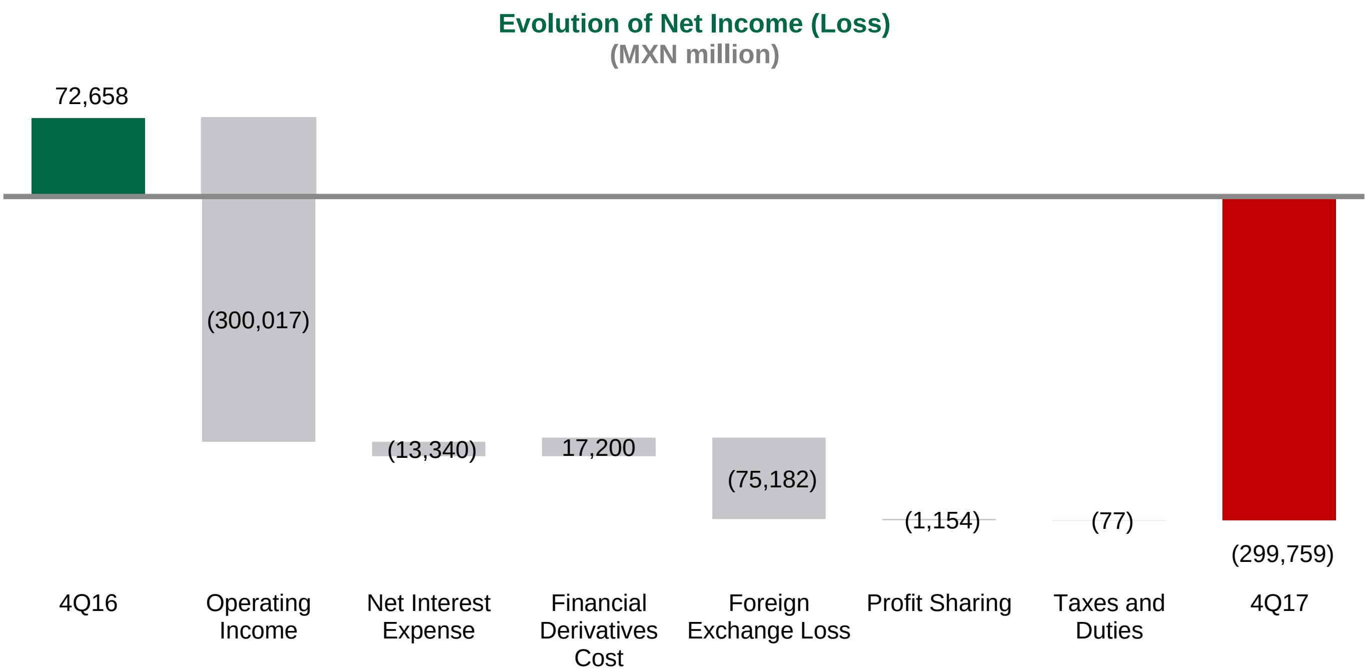


Evolution of Net Income (Loss)

During the fourth quarter of 2017, PEMEX recorded a MXN 299.8 billion net loss, as compared to a MXN 72.7 billion net income in 4Q16. This result was mainly due to the following:

- a MXN 151.1 billion foreign exchange loss due to the depreciation of the Mexican peso against the U.S. dollar in the period. As of September 30, 2017, the exchange rate was MXN 18.1979 per dollar, compared to MXN 19.7354 at the end of this quarter. This variation is considered "virtual" and mostly did not represent cash disbursements; and
- a 35.4% increase in financial cost, mainly as a result of higher indebtedness as of December 31, 2017.

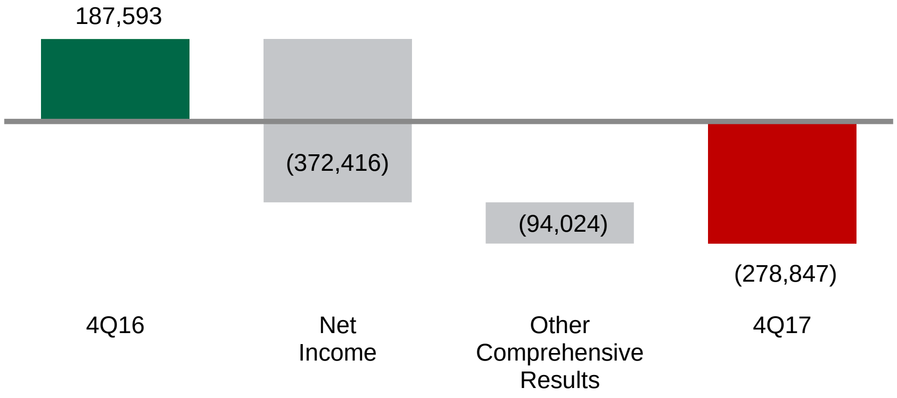
Partially offset by the 19.9% decrease in Profit Sharing Duty previously described.



Comprehensive Income (Loss)

A MXN 278.8 billion comprehensive income was recorded, mainly as a result of an 88.2% decrease in actuarial income due to employee benefits caused by variations in the discount rate and assets yield of the benefits plan.

Evolution of Comprehensive Income
(MXN million)



Consolidated Income Statement from January 1 to December 31, 2017

Total Sales

During 2017, total sales increased by 30.1%, as compared to 2016, mainly as a result of:

- a 30.9% increase in domestic sales, mainly gasolines and diesel, as a consequence of international prices´ recovery, notwithstanding 3.1% and 5.6% decreases in domestic sales of gasolines and diesel, respectively; and
- a 28.7% increase in export sales, mainly due to the recovery in international crude oil prices from USD 35.65 per barrel in 2016 to USD 46.73 per barrel in 2017. The volume of crude oil exports decreased by 1.7% and the volume of exported petroleum products decreased by 17.5%.

The increase in domestic sales also presents an important effect due to the new pricing scheme, implemented in 2017. This scheme modifies the calculation formula of maximum prices of gasolines and diesel and recognizes logistics and distribution costs, in addition to the effect of the Mexican peso against the U.S. dollar exchange rate. In addition, as of December 1, 2017, sale prices of gasoline and diesel are fully liberalized throughout the country.

Gross & Operating Income

Cost of sales increased by 116.2%, primarily as a result of:

- a MXN 151.4 billion impairment of fixed assets, as compared to a MXN 331.3 billion reversal of asset impairment in 2016. This item is considered virtual, and mostly does not imply cash outflows; and
- a 35.3% or MXN 131.2 billion increase in purchases for resale, primarily of gasolines and diesel, to satisfy the local demand of petroleum products. The price-effect of this increase was 28%, while the volume-effect was 71% and the exchange rate effect was 1%.

Consequently, gross income totaled MXN 241.4 billion, a 55.3% decrease as compared to 2016.

Transportation and distribution expenses decreased by 13.2% in line with the discipline and cost-efficiency policy, and administrative expenses increased by 6.5% mainly due to the recognition of the cost associated to recent retirements.

Taxes and Duties

During 2017, total taxes and duties amounted to MXN 333.0 billion, a 25.9% increase as compared to 2016. Profit Sharing duty -the most important duty for the company- increased by 22.0% mainly due to international oil price recovery despite the decrease in crude oil production.

On August 18, 2017, the Ministry of Finance published a decree to grant fiscal benefits for assignments that are not profitable after taxes under the current tax scheme. This measure (i) increases capital expenditure tax deductions; (ii) acknowledges technical and financial challenges in mature fields; and (iii) establishes that the benefit can be applied to a maximum of 150,000 barrels per day.

This decree generated a MXN 7.8 billion positive impact in taxes and duties during 2017.

Evolution of Net Income (Loss)

During 2017, PEMEX recorded a MXN 280.9 billion net loss, as compared to a MXN 191.1 billion net loss in 2016. This result was mainly due to the following:

- the previously mentioned MXN 68.5 billion increase in Profit Sharing Duty; and
- a 19.0% increase in financial cost, mainly as a result of higher indebtedness and depreciation of the Mexican peso against the U.S. dollar as of December 31, 2017;

Net loss for the period was partially offset by a MXN 39.3 billion increase in Profit by financial derivatives due to the U.S. dollar depreciation against other currencies in which the company holds debt but that are hedged to the US dollar by several instruments.

Comprehensive Income (Loss)

A MXN 269.3 billion comprehensive income was recorded, mainly as a result of a 88.2% decrease in actuarial income due to employee benefits caused by variations in the discount rate and assets yield of the benefits plan.

Consolidated Balance Sheet as of December 31, 2017

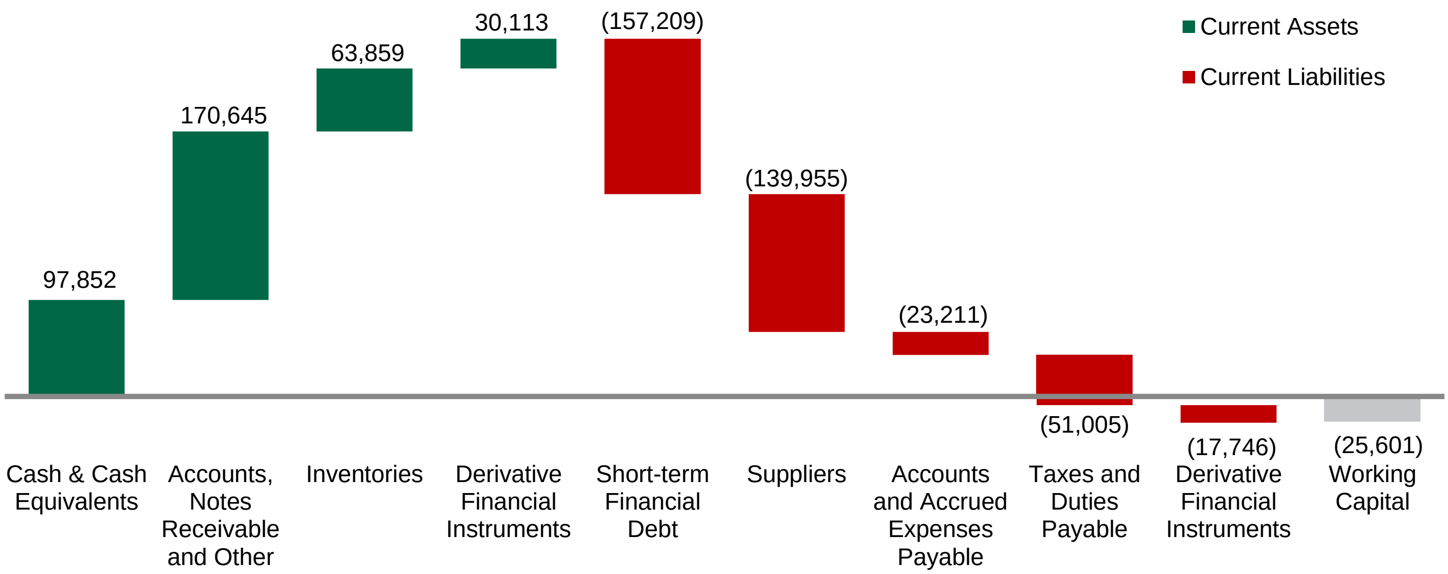
Working Capital

As of December 31, 2017, the company's negative working capital amounted to MXN 25.6 billion, as compared to a negative working capital of MXN 70.8 billion at the end of 2016. This result was mainly caused by:

- an 28.1% increase in notes receivable, mainly due to hydrocarbons' price recovery;
- a MXN 25.3 billion increase in income due to financial derivatives, as a result of the increase in cross-currency swaps due to the U.S. dollar depreciation against other currencies that PEMEX hedges, as well as the increase in income due to oil and currency hedging;
- a 39.2% increase in inventories, mainly due to hydrocarbons' price recovery and a greater amount of products in transit;
- a MXN 19.0 decrease in short-term financial debt as a result of the amortization of capital and interest and the appreciation of the Mexican peso against the U.S. dollar between 2016 and 2017´s year ends;
- a 42.5% decrease in liabilities due to derivative financial instruments, mainly due to the maturity and expiration of some cross-currency swaps and the implementation of crude oil hedging; and

- a MXN 11.7 billion decrease in suppliers' liabilities as a result of the partial payment of existing obligations.

Working Capital
(MXN million)



Financial Debt

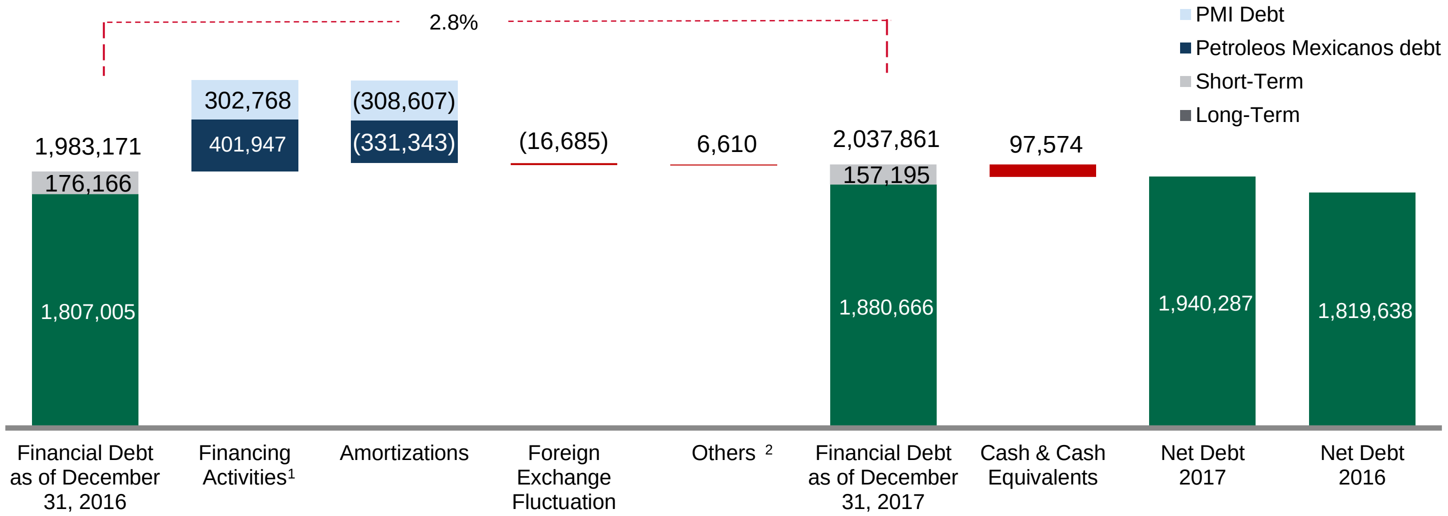
Total financial debt increased by 2.8% as compared to 2016, mainly due to higher indebtedness as of December 31, 2017.

As of December 31, 2017, the Mexican peso – U.S. dollar exchange rate was MXN 19.7867 per U.S. dollar, resulting in a total financial debt of MXN 2,037.9 billion, or USD 103.0 billion.

Approximately, 87% of Petróleos Mexicanos' financial debt is denominated in currencies different to the Mexican peso, mainly in U.S. dollars, and for registration purposes is converted into pesos at the exchange rate at the end of the period.

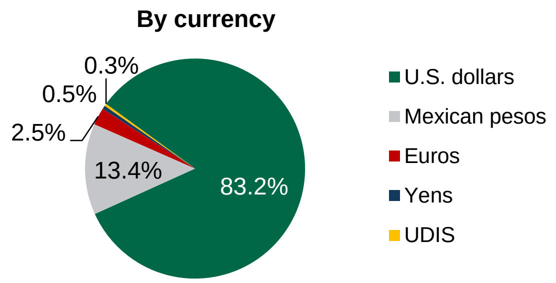
As of December 30, 2017, Petróleos Mexicanos and PMI carried out financing activities for MXN 704.7 billion, or USD 35.6 billion. Total debt payments amounted to MXN 640.0 billion, or USD 32.3 billion. PEMEX's financing strategy is intended to take advantage of financial markets with increased liquidity, maximize efficiencies with respect to reference curves, seize opportunities in select markets and maintain a diversified debt maturity profile.

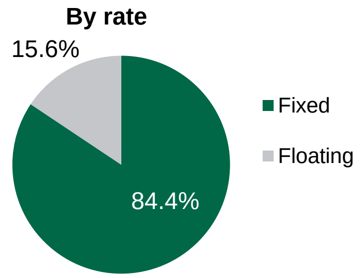
Financial Debt
(MXN billion)



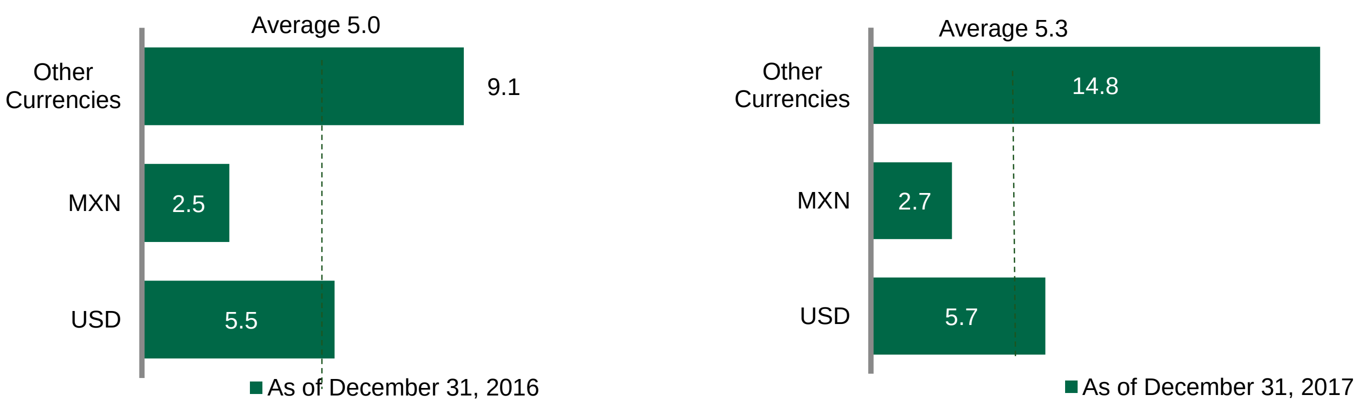
1) Includes Finance Public Works Contracts Program.
2) Includes accrued interests and amortized cost.

Financial Debt Exposure as of December 31, 2017





Average Duration of Financial Debt Exposure
(Years)



Investment Activities

2017 Activity

As of December 31, 2017, PEMEX spent MXN 191.1 billion (USD 10.1 billion) on investment activities, which represents 93.4% of the total investment budget of MXN 204.6 billion that was programmed for the year. PEMEX continuously reviews its expenditures portfolio in accordance with its current and future business plans and upcoming opportunities, and adjusts capital and operational needs throughout the year. For 2017, these investments were allocated as follows:

	Authorized Investment (MXN billion)	Investment Expenditures As of December 31, 2017 (MXN billion)
Exploration and Production[2]	168.4	162.6
Industrial Transformation	21.4	18.6
Logistics	4.4	4.9
Drilling and Services	2.7	2.5
Corporate	5.4	1.6
Ethylene	1.8	0.6
Fertilizers	0.4	0.3

In 2017, there were several budgetary approved by the Board of Directors to reallocate resources from capital expenditures to operating expenditures. By Agreement CA-052/2017, the Board established a budget adjustment totaling MXN 11,691 million. Particularly, adjustments 9A and 10A established MXN 6,524 million in cash reductions, consisting of MXN 5,605 million to operating expenditures and MXN 920 million to capital expenditures. In addition, adjustment 10A also considered a MXN 2,257 million reallocation from operating expenditures to capital expenditures.

Most operating expenditures were allocated in auxiliary services, travel expenses, insurance and general expenses paid to third parties.

2018 Budget

For 2018, estimated investment totals MXN 204.6 billion (USD 11.1 billion[3]) allocated as follows:

	Authorized Investment (MXN Billion)
Exploration and Production	168.4
Industrial Transformation	21.4
Logistics	4.4
Drilling and Services	2.7
Corporate	5.4
Ethylene	1.8
Fertilizers	0.4

[2] MXN 27.6 billion were allocated to exploration activities.
[3] Convenience translation has been made at the average exchange rate established in the Economic Package Fiscal Year 2018 of MXN 18.40 = USD 1.00.

Financing Activities

Financing Activities 2017

Capital Markets

- On February 14, 2017, Petróleos Mexicanos issued EUR 4.25 billion in three tranches:
  - EUR 1.75 billion at 2.500% due in 2021;
  - EUR 1.25 billion at 3.750% due in 2024; and
  - EUR 1.25 billion at 4.875% due in 2028.

- On November 16, 2017, PEMEX issued GBP 450 million at 3.750% due in 2025.

Liability Management

- On July, 18, 2017, PEMEX issued USD 5.0 billion in two tranches:
  - USD 2.5 billion bond reopening at 6.5% due in 2027; and
  - USD 2.5 billion bond reopening at 6.75% due in 2047.

  Part of this issuance was used to repurchase bonds totaling USD 1,739 million due in 2018 and 2019, to improve the amortization profile and increase the average debt maturity.

Bank Loans

- On April 6, 2017, PEMEX subscribed a simple credit contract for USD 132.0 million at 5.25% due in 2024.

- On May 15, 2017, PEMEX subscribed a simple credit contract for USD 400.0 million, at floating rate plus 165 basis points due in 2020.

- On December 18, 2017, PEMEX subscribed a bilateral credit line for USD 200 million, at LIBOR (6 months) plus 1.65%, due in three years.

- On December 12, 2017, PEMEX subscribed a bilateral credit line with Export Development Canada for USD 300 million, at LIBOR (6 months) plus 1.75%, due in 2022.

Syndicated Revolving Credit Lines

On July 17, 2017, PEMEX subscribed a syndicated revolving credit line for USD 1.95 billion due in 2020.

As of December 31,2017, PEMEX held five syndicated revolving credit lines for liquidity management in the amounts of USD 6.7 billion and MXN 23.5 billion, of which USD 1.3 billion were disbursed.

Financing Activities 2017

Capital Markets and Liability Management

On February 12, 2018, PEMEX issued USD 4.0 billion in two tranches:

- USD 2.5 billion at 5.35% due in 2028; and
- USD 1.5 billion at 6.35% due in 2048.

Part of the proceeds from this transaction were used for a liability management operation to improve the amortization profile and increase the average debt maturity:

(i) repurchase of bonds totaling USD 1.8 billion due in 2019 and 2020; and
(ii) exchange of bonds due 2044 and 2046 for the new bond due in 30 years, totaling 1.8 billion.

Syndicated Revolving Credit Lines
As of February 26, 2018, PEMEX holds five syndicated revolving credit lines for liquidity management in the amounts of USD 6.7 billion and MXN 23.5 billion, of which USD 900 billion and MXN 10.0 billion were disbursed.

Other Relevant Information

Appointments
On November 27, 2017, President Enrique Peña Nieto appointed Carlos Alberto Treviño Medina as new General Director of Petróleos Mexicanos, effective immediately.

On December 13, 2017, PEMEX's Board of Directors appointed Marco Antonio Murillo Soberanis as new Corporate Director of Administration and Services, effective immediately.

On February 23, 2018, PEMEX's Board of Directors appointed David Ruelas Rodríguez as Corporate Director of Finance. During the same session the Board also appointed Armando David Palacios Hernández as General Director of Pemex Logistics and José Salvador de la Mora Real as Head of the Institutional Internal Control Unit.

Awards
On January 26, 2018, PEMEX was recognized by prestigious international publications for its outstanding performance in the financial markets and for the strategy devised by the company to promote the optimal management of its financing structure, as well as the prudent management of its finances.

Renowned specialized magazine on capital market intelligence *International Financing Review (IFR),* awarded Pemex the acknowledgement for the best bonus in Latin America for issuing EUR 4.25 billion in February 2017, due to the issuance opportunity and resulting financial conditions obtained.

Bonds & Loans distinguished Petróleos Mexicanos with the award for "The Nearly Sovereign Debt Transaction of the Year" for the operation of 5.5 billion dollars performed by the company in December 2016. This acknowledgement was awarded following an exhaustive selection of case studies, with the expert opinion of various market specialists.

PEMEX also won "Corporate Issuer of the Year" award by *LatinFinance* magazine, a source specialized in Latin American and Caribbean economy and financial markets.

Operating Results and Analysis

For the Fourth Quarter of 2017 and 2016

Main Statistics of Production

	Fourth quarter (Oct.-Dec.)				Year ended Dec. 31,			
	2016	2017	Change		2016	2017	Change	
Upstream								
Total hydrocarbons (Mboed)	2,888	2,597	-10.1%	(290)	3,037	2,700	-11.1%	(337)
Liquid hydrocarbons (Mbd)	2,103	1,904	-9.5%	(200)	2,190	1,977	-9.7%	(213)
Crude oil (Mbd)	2,070	1,881	-9.2%	(189)	2,154	1,948	-9.5%	(205)
Condensates (Mbd)	33	23	-31.3%	(10)	37	29	-22.1%	(8)
Natural gas (MMcfd)(1)	5,492	4,791	-12.8%	(702)	5,792	5,068	-12.5%	(724)
Natural gas (MMcfd)(2)	4,580	4,031	-12.0%	(549)	4866	4205	-13.6%	(661)
Downstream								
Dry gas from plants (MMcfd)(3)	2,838	2,412	-15.0%	(426)	3,047	2,663	-12.6%	(384)
Natural gas liquids (Mbd)	296	247	-16.7%	(50)	308	280	-8.9%	(27)
Petroleum products (Mbd)(4)	802	567	-29.3%	(235)	962	776	-19.4%	(187)
Petrochemical products (Mt)	914	602	-34.2%	(312)	4,120	3,275	-20.5%	(845)

(1) Includes nitrogen.

(2) Does not include nitrogen.

(3) Does not include dry gas used as fuel.

(4) Includes LPG

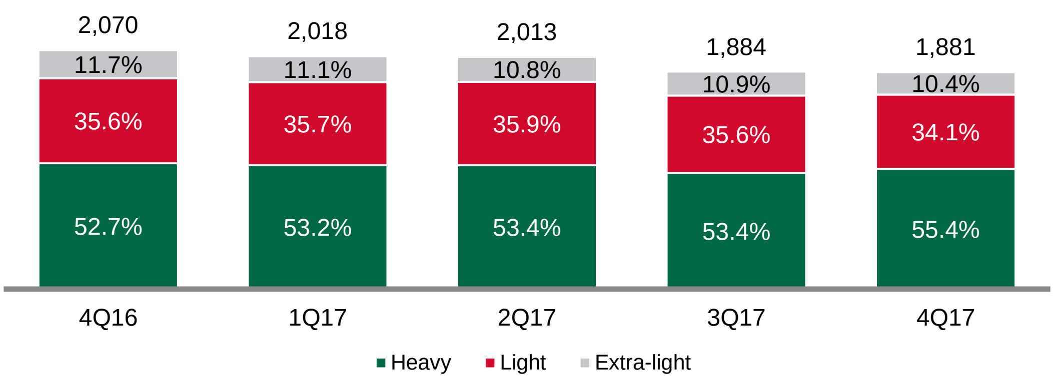
Crude Oil Production

During the fourth quarter of 2017, crude oil production averaged 1,881 Mbd, a 189 Mbd decrease as compared to the same period of 2016.

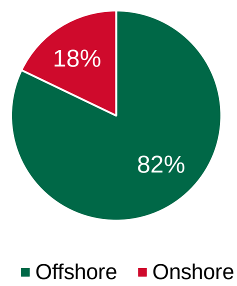
The quarterly variation is explained by:

- a 12.9% or 95 Mbd decrease in the production of light crude oil, primarily due to a natural decline in production at the Chuc, Kuil, Chuhuk and Ixtal fields of the Abkatún-Pol-Chuc business unit, as well as Artesa. Guaricho, Puerto Ceiba, Ayacote, Shishito and Rabasa of the South Blocks Production Assets;
- a 4.4% or 48 Mbd decrease in the production of heavy crude oil, mainly explained by a natural decline in production and increase in the fractional water flow of wells in highly fractured deposits at the Cantarell business unit. However, without Cantarell, heavy crude oil production has remained stable due to Ku-Maloob-Zaap's production platform.
- A 19% or 46 Mbd decrease in extra-light crude oil production, due to the natural decline in the production of fields, as well as an increase in the fractional water flow of wells at the Samaria-Luna, Bellota-Jujo and Litoral de Tabasco business units

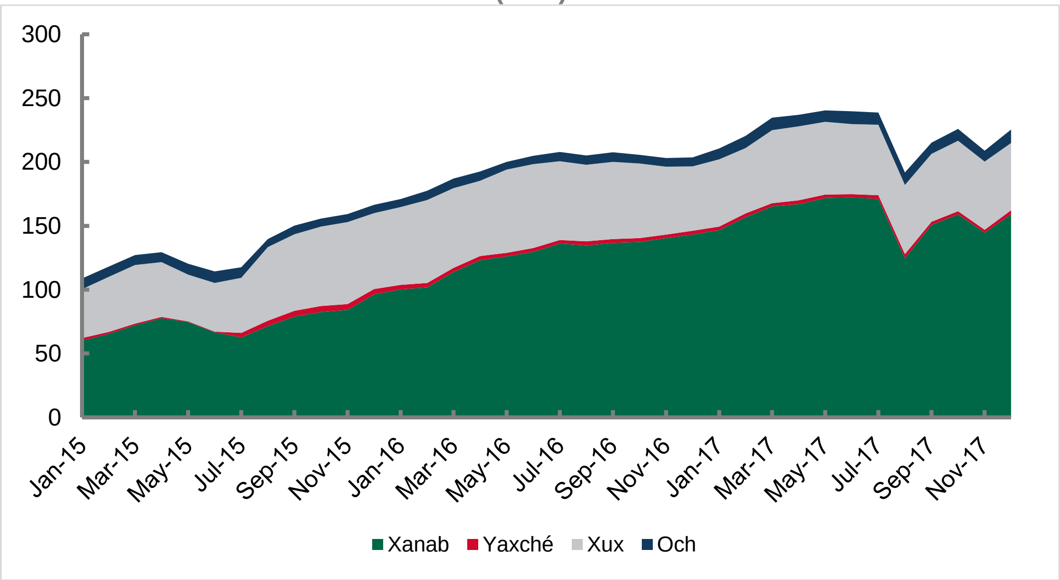
Crude Oil Production by Type
(Mbd)

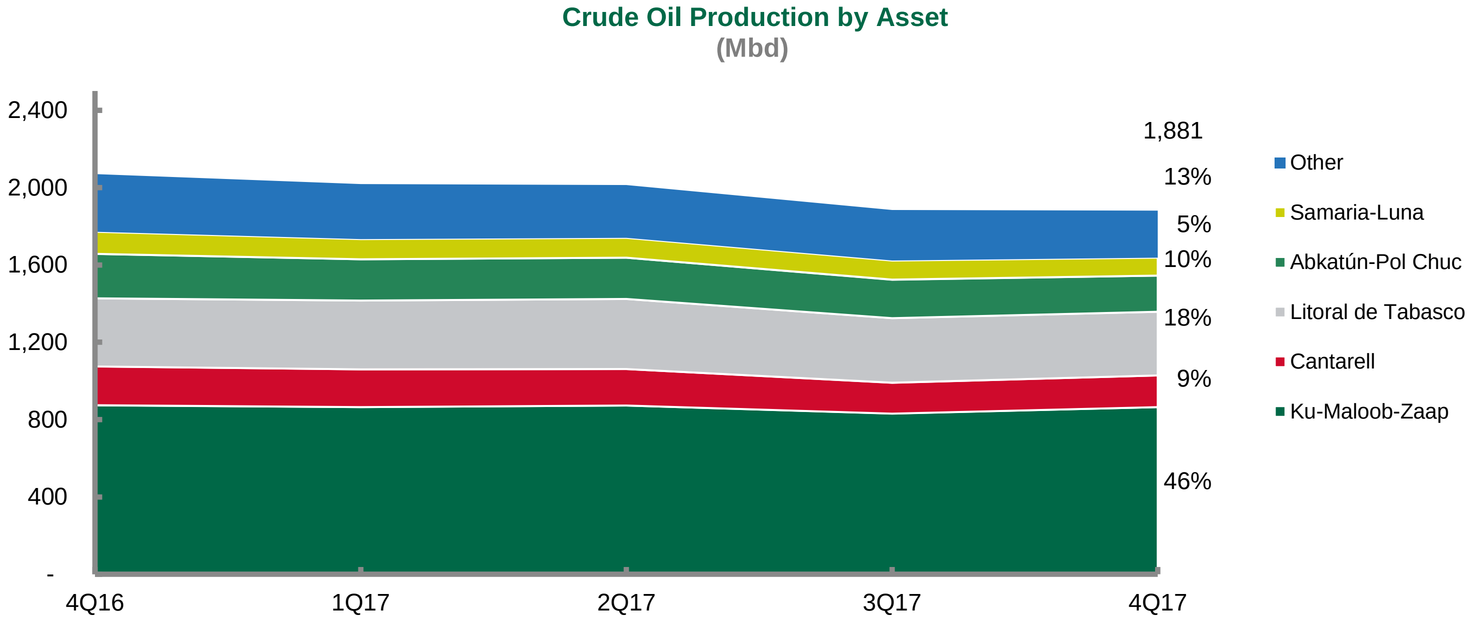


Crude Oil Production by Region



Crude Oil Production by Fiel
(Mbd)

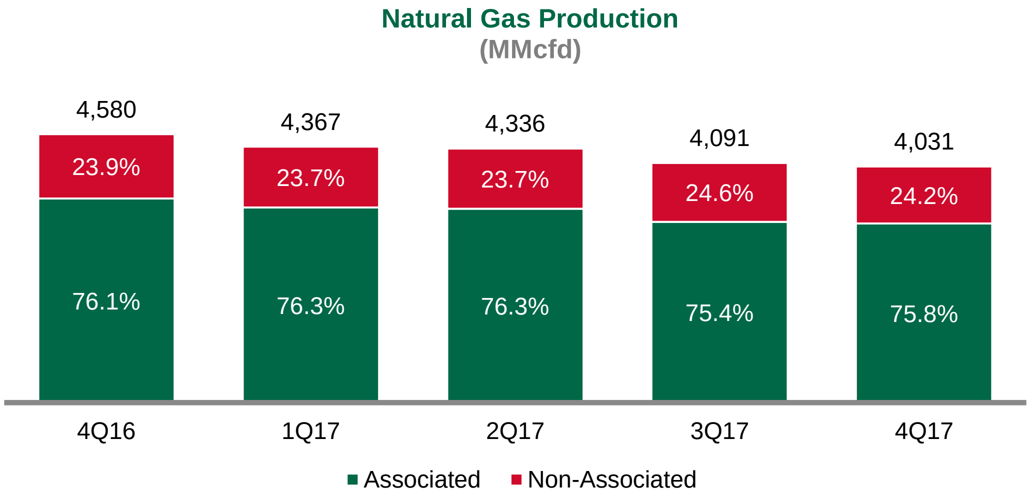


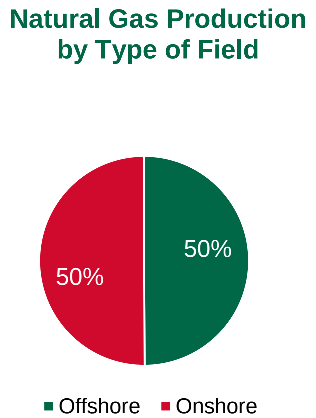


Natural Gas Production

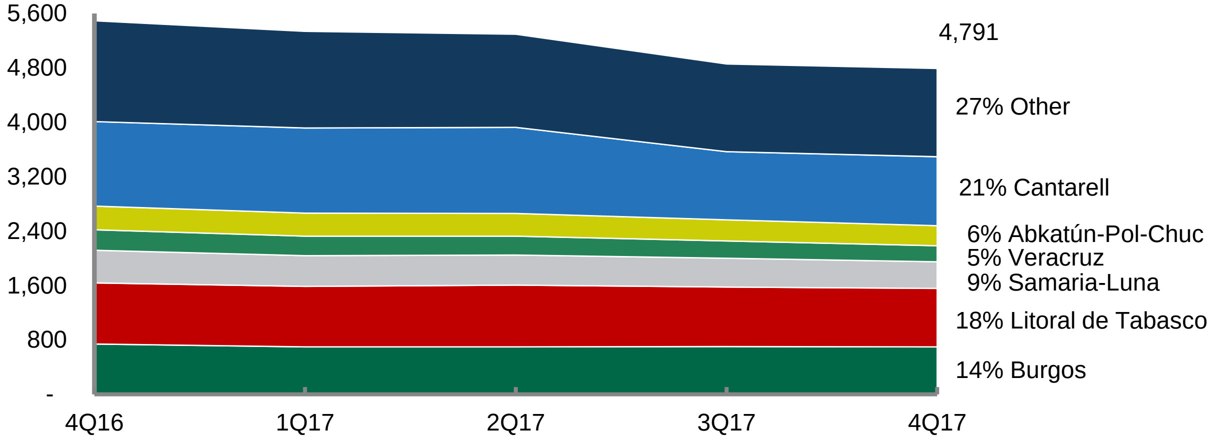
Natural gas production averaged 4,031 million cubic feet per day (MMcfd), a 12.0% decrease as compared to the fourth quarter of 2016, mainly explained by:

- a 12.3% decrease in associated gas production, primarily due to the natural decline of fields and an increase in the fractional water flow of wells at the Abkatún-Pol-Chuc, Litoral de Tabasco, Bellota-Jujo, Samaria-Luna, and Macuspana-Muspac business units; and
- an 11.0% decrease in non-associated gas production, mainly due to a natural decline in production at the Veracruz and Burgos business units of the Northern region.





Natural Gas by Asset
(MMcfd)

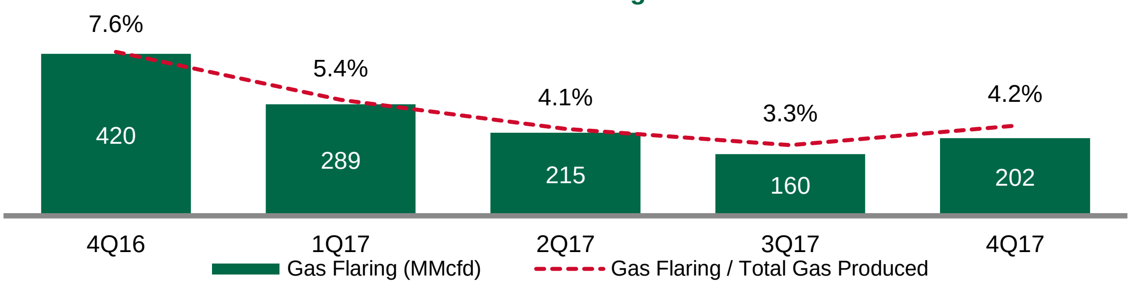


Gas Flaring

PEMEX is committed with environmental protection and sustainable development. As part of a Special Climate Change Program (PECC, for its acronym in Spanish) -Mexico's climate change mitigation program and public policy-PEMEX develops actions such as greenhouse gas emissions reduction projects, through an efficient use of energy, operational efficiency, gas flaring reduction and gas use.

During the fourth quarter of 2017, gas flaring decreased by 52.0%, mainly explained by works carried out at marine regions to increase gas use.

Gas flaring

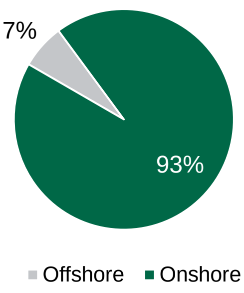


Infrastructure

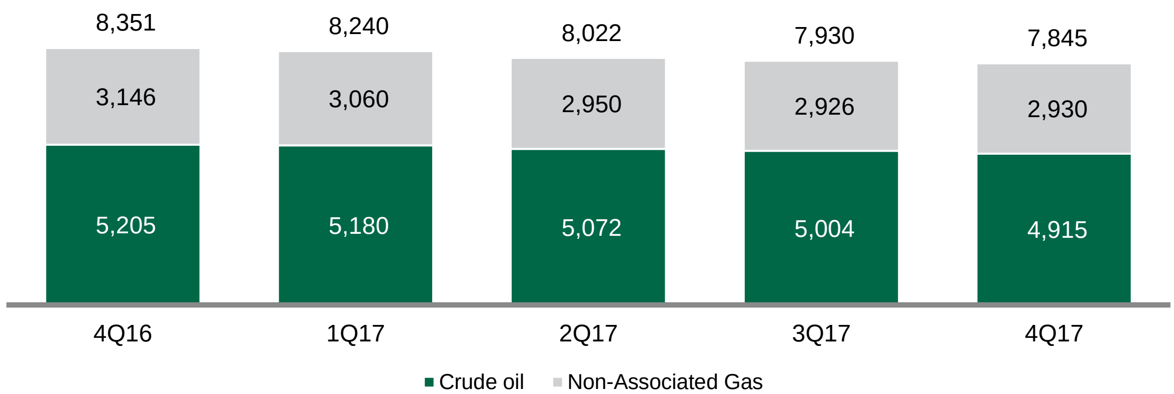
During the quarter, the average number of operating wells totaled 7,845, a 6.1% decrease as compared to the same period of 2016. This was a result of lower activity due to the strategy aimed at increasing economic value, and due to the natural decline of some fields. The highest activity in crude oil and associated gas producing wells is focused on Aceite Terciario del Golfo and Poza Rica – Altamira business units, at the Northern Region. On the other hand, non-associated gas producing wells are concentrated on the Burgos business unit.

Completion of wells decreased by 4, primarily due to a decrease in the completion of development wells. This was caused by budget adjustment measures. In contrast, 5 exploration wells were completed during 4Q17, one less as compared to 2016. With these tools, the company carried out exploration activities in 5 wells; one shallow waters well; two in deep waters; and two onshore wells.

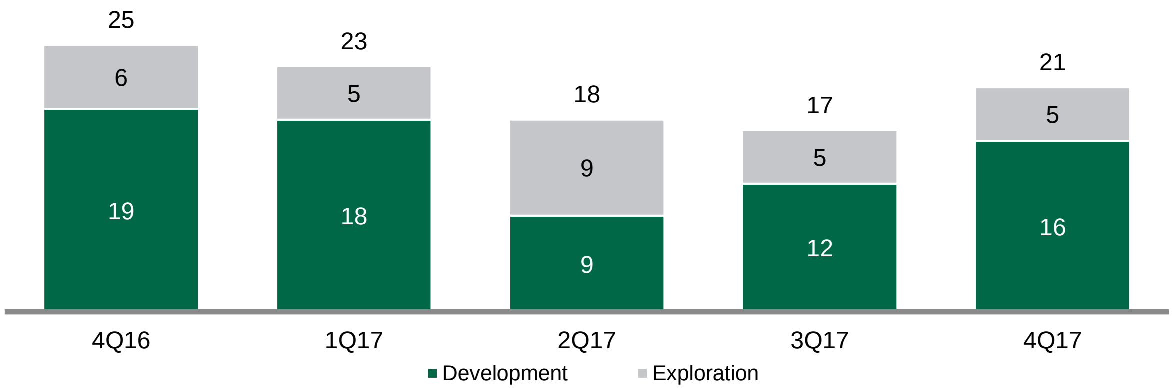
Average Operating Wells by Type of Field



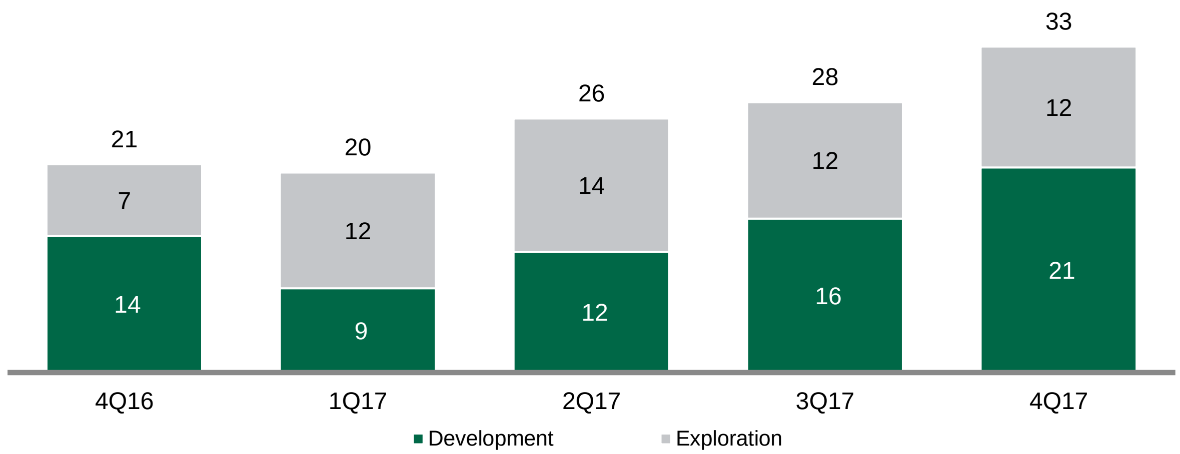
Average Number of Operating Wells



Completed Wells

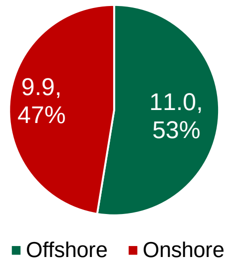


Average Number of Operating Drilling Rigs

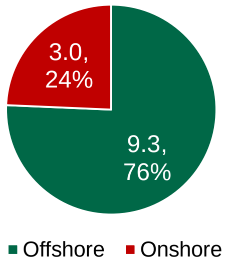


Average Drilling Rigs by Type

Development



Exploration



Discoveries

As a result of exploratory activities carried out during the fourth quarter of 2017, the following discoveries were made:

- Ixachi-1 onshore well at the Veracruz Basin, revealed positive results in the production of condensates and gas; and
- Terra-2DI, at the Southeast basins, revealed positive results in the production of crude oil.

It is worth mentioning that after a discovery is made, the estimated resources need to be certified through a process that considers:

- Internal record of discovered hydrocarbon resources;
- Evaluation of the fields' potential (through external firms); and
- Request for an audit conducted by the National Hydrocarbons Commission.

Main discoveries 4Q17

Project	Well	Geologic age	Initial production		Water depth	Type of hydrocarbon
			Crude & condensates (bd)	Gas (MMcfd)	meters	
Llave	Ixachi-1	Middle Cretaceous	3,269	28.9	-	Gas & condensates
Comalcalco	Terra-2DL	Middle-Late Cretaceous	4,292	9.9	-	Crude oil
			7,561	38.8		

Exploration & Production 2017

Crude Oil Production

During 2017, and for the second consecutive year, crude oil production was met and exceeded the production goal established at the beginning of the year of 1,944 Mbd. Crude oil production averaged 1,948 Mbd. As compared to 2016, production decreased by 205 Mbd, or 9.5%, primarily due to:

- a 96 Mbd decline in production of light crude oil, primarily as a result of a natural decline in production of fields located in the Litoral de Tabasco and Abkatún-Pol-Chuc and Cantarell business units. The previous was partially offset by a 15% increase in production at the Xanab field of the Litoral de Tabasco business unit of Southwestern Marine region, which increased to an average production of 160 Mbd in 2017 from 139 Mbd in 2016.
- a decrease in production of extra-light crude oil by 55 Mbd, primarily due to the natural decline in production and an increase in the fractional water flow of wells of fields in the Bellota-Jujo, Samaria-Luna and Macuspana-Muspac projects of the South region, and at the Litoral de Tabasco business unit of the Soutwestern Marine region; and
- a decrease in production of heavy crude oil, due to the natural decline in production and an increase in the fractional water flow of wells in highly fractured deposits of the Cantarell business unit in the Northeastern Marine region.

Natural Gas

During 2017, natural gas production decreased by 13.6% to 4,205 MMcfd, primarily due to:

- a decrease in non-associated gas production during the year caused by a natural decline in production at the Burgos and Veracruz business units of the North region; and
- a reduction in associated gas production, mainly due to the natural decline in production of crude oil and the well management with high oil & gas relation in Akal field of the Cantarell business unit. As well as by a natural decline and an increase in the fractional water flow of wells of fields located in the Abkatún-Pol-Chuc, Macuspana-Muspac and Litoral de Tabasco business units.

Gas Flaring

During 2017, gas flaring decreased by 296 MMcfd or 57.8%, primarily because of works carried out at marine regions to increase gas use. As a result, the natural gas use as a percentage of production reached 95.7%.

Operational Infrastructure

During 2017, the average number of operating wells decreased by 8.5% to 8,008, as compared to 2016.

The completion of wells decreased by 47.0%, from 149 to 79 wells, mainly due to a decrease in the completion of development wells. In addition, development wells decreased by 57%, from 128 to 55.

Discoveries

During 2017, PEMEX increased its exploration potential in deep waters with the successful drilling of Nobilis-101 and Exploratus-2DL, both oil and gas producers. At the same time, the company increased condensates and gas resources with the discovery of onshore field Ixachi. This event ratifies the production potential at the Veracruz Basin. In addition, the following discoveries were made during the year:

- Valeriana-1 onshore well at the Comalcalco project revealed gas and condensates producer. Octli-1 and Xikin-1DL wells, at the Uchukil project, and Hok1, at the Chalabil project, revealed oil and gas producers in shallow waters. The Cahua-1 well in shallow waters discovered condensates and gas production potential, this well is part of Uchukil project;
- PEMEX will capture its competitive and operative advantages in the shallow waters exploration. In particular, the wells Jaatsul-1DL and Suuk-1A, revealed positive results in oil and gas production. These wells are part of

the Litoral de Tabasco business unit, which is the second largest PEMEX's asset. In addition, Chocol-1 well was drilled in an onshore field and revealed oil and gas production potential.

Altogether, these discoveries will have an initial oil and condensates production of around 48 Mbd and 103 MMcfd gas production.

Additional Information Related to Upstream

PEMEX, Petrofac and CNH signed the first Exploration and Extraction Contract
On December 18, 2017, PEMEX, British company Petrofac and the CNH signed an Exploration and Extraction Contract for onshore fields Santuario and El Golpe, located in Tabasco. These entitlements were developed under the Integral Exploration and Production Contract (CIEP, for its acronym in Spanish) structure since 2011.

Santuario and el Golpe assignments hold 3P reserves of 135.5 MMbpce and currently produce 6 Mbd. The expected investment total USD 1,590 million, which will increase maximum production to approximately 31 Mbpced in 2027.

Round 2.4 Results
On January 31, 2018, Petróleos Mexicanos successfully participated in the Fourth Tender of Round 2 organized by the CNH. PEMEX obtained four blocks in deep waters of the Gulf of Mexico, two in consortium and two as an individual company.

Pemex Exploration and Production (PEP) and Shell in a consortium won Block 2 at the Perdido Area. In addition, the consortium formed by Chevron, INPEX and PEP, won Block 22 at the Salinas Basin province. Finally, PEP individually won Block 5 at Perdido and Block 18 at the Cordilleras Mexicanas province.

	Block			
	2. Perdido Area	**5. Perdido Area**	**18. Cordilleras Mexicanas**	**22. Salina Basin**
Bidder	Shell Exploración y Extracción de México and Pemex Exploración y Producción.	Pemex Exploración y Producción	Pemex Exploración y Producción	Chevron Energía de México, Pemex Exploración y Producción, and INPEX E&P México
Additional Royalty	15%	6.20%	7.10%	18.40%
Committed Investment (USD million)	61	61	59.5	64.3
Total expected investment (USD million)	6,131.90	6,131.90	3,318.10	4,747.80
Total State participation in the utilities	65.40%	52.80%	52.80%	64.70%
Hydrocarbon type	Light crude oil	Light crude oil	Wet and dry gas	Heavy crude oil
Maximum daily production (Mboe)	130	130	183	88

Crude oil processing

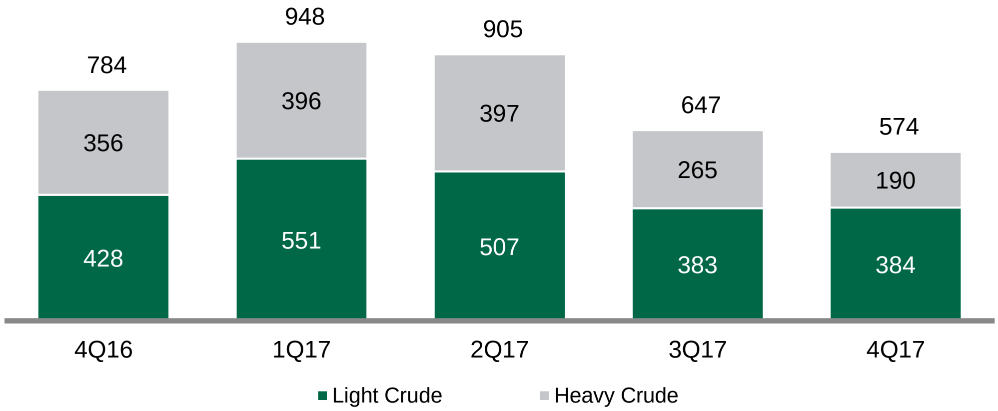
During the fourth quarter of 2017, total crude oil processing averaged 574 Mbd, a 26.9% decrease as compared to the same period of 2016. The observed reduction in the National Refining System (*Sistema Nacional de Refinación*, SNR by its Spanish acronym) was mainly a result of the following factors:

- comprehensive maintenance programs implemented at the Madero refinery, since August 23, 2017 and at the Minatitlán refinery since October 2017. Maintenance programs are carried out in accordance with the strategy to reach optimal processing levels and increase the production of high-yield refined products.
- non-schedule shutdowns at the Salina Cruz refinery caused first by the effects of the tropical storm Calvin and afterwards by the September earthquakes. Operations were normalized in November of 2017.

On the other hand, Salamanca and Tula refineries crude oil process increased by 73 Mbd and 34 Mbd, respectively, as compared to the same quarter of 2016. Crude oil processing increase is explained by the strengthened operative discipline and maintenance of critical equipment.

Primary distillation capacity decreased by 13.6 percentage points, mainly due to the effects on the Salina Cruz, Madero and Minatitlán refineries previously described. In contrast, Salamanca and Tula's primary distillation capacity were above average.

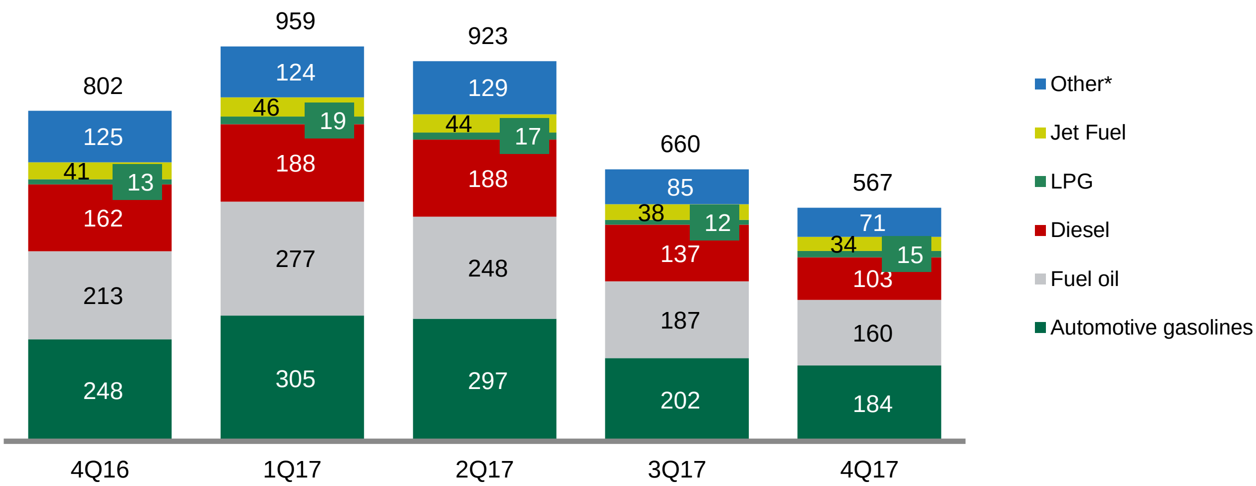
Crude Oil Processing
(Mbd)



Production of Petroleum Products

Lower crude oil processing during the fourth quarter decreased petroleum products output to 567 Mbd, which represents a 235 Mbd decrease as compared to the same period of 2016.

The observed reduction of oil products output is a direct consequence of the non-scheduled shutdowns at the Salina Cruz refinery due to natural phenomena, combined with maintenance works at the Madero and Minatitlán refineries.



* Includes paraffins, furfural extract, aeroflex, asphalt, lubricants, coke, cyclical light oil and other gasolines.

Variable Refining Margin

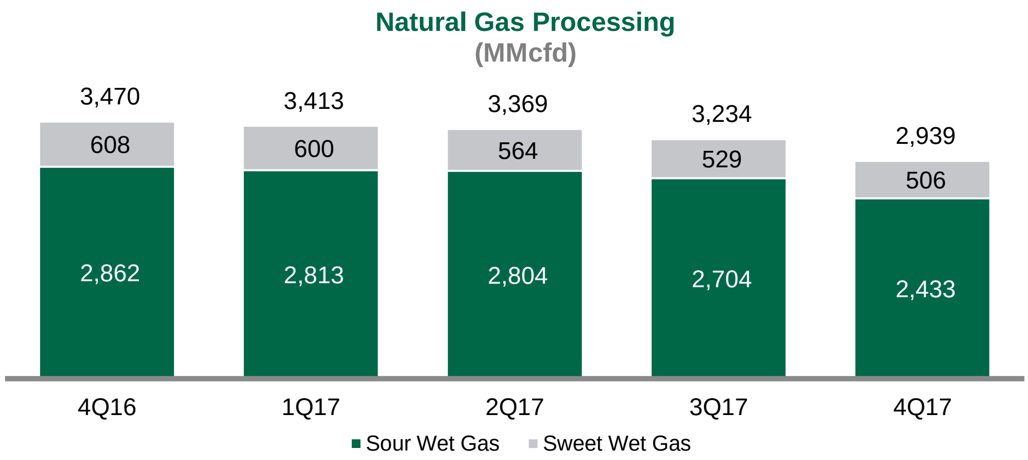
During the fourth quarter of 2017, the SNR recorded a positive variable refining margin of USD 7.08 per barrel, a USD 2.07 per barrel increase, as compared to the same quarter of 2016. This increase is explained by two factors: (i) higher prices of refined products as a result of Texas and Louisiana's refineries' shutdowns; and (ii) inventories revaluation.

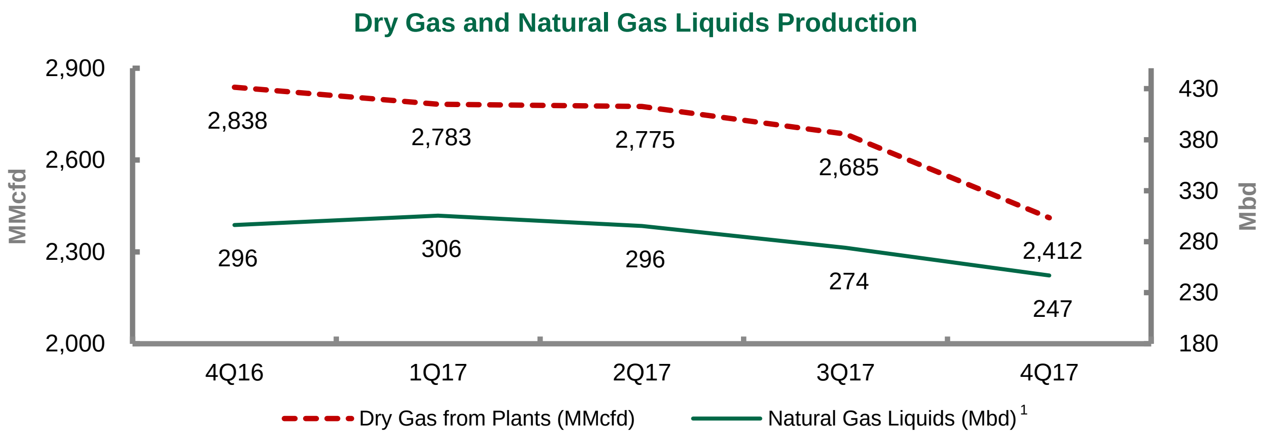
PEMEX Gas Stations

As of December 31, 2017, Pemex Franchise gas service stations totaled 11,586, this is a 2.4% reduction as compared to 2016. Out of 2017's figure, 11,540 are privately owned and are operated as a franchise; whereas the remaining 46 belong to Pemex Industrial Transformation. On the other hand, 454 gas stations use different trademarks, since the market is open to competition. Nevertheless, gasolines and diesel are supplied by Pemex TRI.

Natural Gas Processing and Production

Natural gas processing decreased by 15.3%, as compared to the fourth quarter of 2016, primarily due to the decreased supply of sour wet gas from the Mesozoic, as well as a reduction in the supply of sweet wet gas from the Burgos basin. As a result, dry gas production in plants totaled 2,412 MMcfd, a 426 MMcfd decrease as compared to the same period of 2016. Natural gas liquids production decreased by 16.7%, to 247 Mbd. Condensates processing decreased by 29.6% as compared to the same period of 2016, primarily due to a decline in the supply of sour condensates from the Mesozoic and sweet condensates from Burgos.





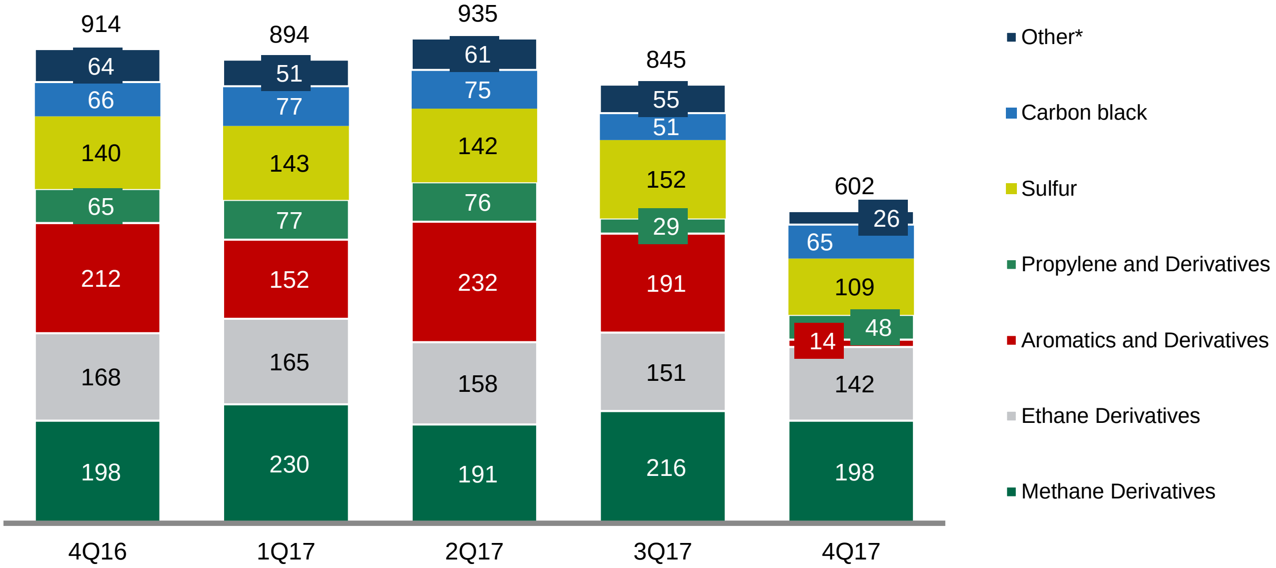
(1) Includes condensates process.

Petrochemicals Production

During the fourth quarter, petrochemical products output totaled 602 thousand tons (Mt), this is a 312 Mt decrease, as compared to the same period of 2016, primarily due to the following factors:

- a 198 Mt reduction in the aromatics and derivatives due to the maintenance of the aromatics train, of the Cangrejera facility, from October 25, to December 29, 2017;
- a 31 Mt reduction in sulfur production, mainly explained by the output decrease at the Cactus Gas Processing Complex because of limited availability of sour wet gas; and
- a propylene production decrease of 18 Mt mainly due to lower crude oil processing at the Salina Cruz and Madero refineries.

Petrochemical Production
(Mt)



*Includes muriatic acid, butadiene, polyethylene wax, petrochemical specialities, BTX liquids, hydrogen, isohexane, pyrolysis liquids, oxygen, CPDI, isopropyl alcohol, amorphous gasoline, octane basis gasoline and heavy naphtha.

Industrial Transformation 2017

Crude Oil Processing

During 2017, total crude oil processing totaled 768 Mbd, a 17.8% decrease as compared to 2016, primarily due to non-scheduled shutdowns at the Salina Cruz refinery caused by the natural phenomenon and the general maintenance program implemented at the Madero and Minatitlán refineries. Consequently, PEMEX's usage of its primary distillation capacity decreased by 11.1 percentage points, as compared to 2016, to 47.1% of its total capacity.

Production of Petroleum Products

During 2017, total petroleum products output decreased by 187 Mbd to 776 Mbd, as compared to 2016, as a result of lower crude oil processing. In contrast, the Cadereyta and Tula refineries increased their petroleum products output as compared to 2016.

Variable Refining Margin

By the end of 2017, the NRS recorded a variable refining margin of USD 5.43 per barrel, an increase by USD 0.95 per barrel, as compared to 2016. This is broadly a result of the recovery of refined prices in the international market.

Natural Gas Processing and Production

During 2017, natural gas processing decreased to 3,237 MMcfpd, this is a 11.8% reduction as compared to 2016. The reason is the limited supply of sour wet gas from both the offshore and South regions, as well as less supply of sweet wet gas from the Burgos basin. Therefore, dry gas production declined to 2,663 MMcfd, this represents a 384 MMcfd output decrease, while natural gas liquids production decreased by 27 Mbd, as compared to the same period of 2016.

Condensates processing decreased averaged 32.4 Mbd, or an 8.7 Mbd reduction with respect of 2016 data, primarily due to a decrease in the delivery of sour condensates from Mesozoic, marine regions, and sweet condensates from Burgos.

Petrochemicals Production

During 2017, production of petrochemical products totaled 3,275 Mt, this represents a 845 Mt decrease as compared to 2016. This decline is primarily explained by:

- a 181 Mt decrease in the aromatics and derivatives output, as a result of the maintenance in the reformation plant (CCR) and the general maintenance of the aromatics train;
- a 122 Mt decline in sulfur production, explained by the output reduction in Madero and Salina Cruz refineries due to less crude oil processed; another factor is the reduced production in the gas processor complex of Cactus due to less availability of sour wet gas;
- a 26 Mt decline in the methane derivatives chain, mainly explained by a decreased output of ammonia and methanol in response to operating problems and a reduction in the supply of natural gas during the first half of the year; and
- propylene production reduced by 109 Mt with respect of 2016 output, whereas raw material used to produce carbon black decreased by 23 Mt, mostly explained by less crude oil process and operational problems in the catalytic plants of Madero refinery.

Additional Information Related to Downstream and Midstream Activities

Installation of the fractional tower in Tula refinery

On November 3, 2017, PEMEX installed the fractional tower of the coking plant at the Tula refinery. This is part of the reconfiguration project to increase gasolines, diesel and jet fuel production. The development of the project requires an investment of approximately USD 4,600 million. The Tula modernization project will increase distillates' yields from 65% to 85%.

The project has two stages: the first includes the construction and the initiation process in the Delayed Coking Plant and the necessary facilities for its operation, it is expected to conclude in 2020. The second stage consists of new facilities, the modernization of existing facilities and their integration. This phase is expected to end in 2022.

PEMEX's New Franchise Model

On November 15, 2017, Petróleos Mexicanos launched its new Pemex Franchise model with an innovative business structure that includes new commercial schemes and new products. The goal is to improve customer satisfaction and improve PEMEX trademark in Mexico's new competitive environment. Three commercial structures are available: Pemex Franchise, sublicense with or without PEMEX brand products. In addition, two new options for wholesale distribution are available: independent unbranded wholesaler and associated distributor of gasoline and diesel PEMEX brand. Moreover, this new model includes loyalty programs for customers, training and marketing programs for franchisees, and new additives to increase the quality of the products.

PEMEX opens it first gas station with new franchise concept

On December 18, 2017, the first model of the Pemex's Franchise was opened to the public at Naucalpan, in the State of Mexico. The gas station is operated by SAIGSA (a private gas operator). This station shows the new franchise image for the first time; service experience is totally focused on customer satisfaction. With this new franchise model, PEMEX intends to measure the impact of the change and carry out any necessary adjustments with other franchisees to offer to its clients a warm, innovative and differentiated experience, guaranteed honesty, service and quality.

Pemex Logistics' Open Season Announcement: Stages 1.2 and 2.1

On January 4, 2018, Pemex Logistics announced its next stage of the Open Season bidding process. The objective is to auction available distribution and storage capacity in the North Border System following the guidelines authorized by the CRE. The transport by pipelines is for gasolines and diesel.

Phase 1.2 will auction the available capacity of the storage terminals in Nuevo Laredo, Monclova and Sabinas and Satélite-Monclova and Monclova-Sabinas of the Pipeline 10" Satélite - Monclova – Sabinas (Alternate Pipeline). The auction results will be revealed on March 14, 2018.

Phase 2.1 is for the available transportation and storage capacity of the Pacific System Topolobampo Zone. Petroleum products transportation considers the following tracks: Topolobampo-Guamúchil-Culiacán. Petroleum products' storage includes the next terminals: Mazatlán, Tepic, Topolobampo, Culiacán, La Paz and Guamúchil. The capacity assignment will be announced on April 20, 2018.

For more information, please visit Pemex Logistics' webpage:
http://www.pemex.com/nuestro-negocio/logistica/temporadasabiertas/Paginas/default.aspx

Industrial Safety 4Q17

Frequency Index

As of December 31, 2017, frequency index recorded 0.26 injuries per million man-hours worked (MMhh), a 2.0% decrease as compared to the same period of 2016.

Severity Index

During the fourth quarter of 2017, the severity index was 20 days lost per MMhh, a 2.3% decrease as compared to the same period of 2016.

Environmental Protection 4Q17

Sulfur Oxide Emissions

During the fourth quarter of 2017, sulfur oxide emissions decreased by 19% as compared to the same quarter of 2016, primarily due to the decrease of acid gas emissions to burners at the Minatitlán and Salina Cruz refineries.

Water Reuse

During the fourth quarter of 2017, water reuse increased by 12.8% as compared to the same period of 2016, mainly due to treated urban waste water used at the Francisco I. Madero refinery.

Industrial Safety 2017

Frequency Index

During 2017, frequency index recorded 0.34 injuries per million man-hours worked (MMhh), a 5.3% decrease as compared to the same period of 2016.

Severity Index

During the year, severity index was 22 days lost per MMhh, a 7.6% decrease as compared to the same period of 2016.

Improved performance and results regarding industrial safety during 2017 can be explained by the execution of the following activities:

- weekly technical support initiative, for the effective execution of the PEMEX's SSPA System for critical work centers;
- compliance with the twelve ZERO Tolerance guidelines of our SSPA System;
- verification and advice in the implementation of the eight critical standards of Process Safety;
- follow-up to the execution of the "*Binomio*" by functional areas of the SSPA of the Productive Subsidiary Companies; and
- the reinforcement of the Individual Development Plans and Accelerated Transfer of Knowledge to critical personnel of the SSPA System.

Environmental Protection 2017

Sulfur Oxide Emissions

In 2017, sulfur oxide emissions recorded in Industrial Safety and Environmental Protection System (SISPA) decreased by 27.5% as compared to 2016, primarily due to the decrease of acid gas emissions to burners at the Minatitlán and Salina Cruz refineries.

Water Reuse

In 2017, water reuse increased by 38.6% as compared to 2016, primarily as a result of the use of treated urban waste water at the Francisco I. Madero refinery.

Consolidated Financial Statements

For the Fourth Quarter of 2017 and 2016

Consolidated Income Statement

	Fourth quarter (Oct.-Dec.)				
	2016	2017	Change		2017
	(MXN million)				(USD million)
Total sales	**318,397**	**394,629**	**23.9%**	**76,232**	**19,944**
Domestic sales	197,392	235,225	19.2%	37,832	11,888
Exports	122,352	159,848	30.6%	37,496	8,079
Services income	(1,348)	(444)	-67.1%	904	(22)
Cost of sales	49,013	419,597	756.1%	370,585	21,206
Gross income	**269,384**	**(24,969)**	**-109.3%**	**(294,352)**	**(1,262)**
Other revenues (expenses)	(2,845)	(8,136)	186.0%	(5,291)	(411)
Transportation and distribution expenses	6,026	5,312	-11.9%	(714)	268
Administrative expenses	29,623	30,711	3.7%	1,088	1,552
Operating income (loss)	**230,890**	**(69,127)**	**-129.9%**	**(300,017)**	**(3,494)**
Financial Cost	(30,033)	(40,674)	-35.4%	(10,640)	(2,056)
Financial Income	7,112	4,412	-38.0%	(2,700)	223
Income (cost) due to financial derivatives	(16,844)	356	-102.1%	17,200	18
Foreign exchange profit (loss)	(75,870)	(151,052)	-99.1%	(75,182)	(7,634)
Profit sharing in non-consolidated subsidiaries and affiliates	1,402	248	-82.3%	(1,154)	13
Income before taxes and duties	**116,657**	**(255,837)**	**-319.3%**	**(372,493)**	**(12,930)**
Taxes and duties	**43,999**	**43,922**	**-0.2%**	**(77)**	**2,220**
Profit Sharing Duties	67,345	53,926	-19.9%	(13,419)	2,725
Income tax and other	(23,346)	(10,004)	-57.1%	13,342	(506)
Net income (loss)	**72,658**	**(299,759)**	**512.6%**	**(372,416)**	**(15,150)**
Other comprehensive results	**114,935**	**20,911**	**-81.8%**	**(94,024)**	**1,057**
Investment in equity securities	(75)	2,806	3823.8%	2,882	142
Actuarial losses due to employee benefits	108,236	12,791		(95,446)	646
Conversion effect	8,689	6,066	30.2%	(2,622)	307
Deferred taxes	(1,915)	(752)	-60.7%	1,163	(38)
Comprehensive income (loss)	**187,593**	**(278,847)**	**248.6%**	**(466,440)**	**(14,093)**

Consolidated Income Statement

	Year ended Dec. 31,				
	2016	2017	Change		2017
	(MXN million)				(USD million)
Total sales	**1,074,093**	**1,397,030**	**30.1%**	**322,936**	**70,604**
Domestic sales	670,000	877,360	30.9%	207,360	44,341
Exports	395,118	508,539	28.7%	113,421	25,701
Services income	8,975	11,131	24.0%	2,156	563
Cost of sales	**534,508**	**1,155,649**	**116.2%**	**621,142**	**58,405**
Gross income	**539,585**	**241,380**	**-55.3%**	**(298,205)**	**12,199**
Other revenues (expenses)	**22,650**	**5,174**	**-77.2%**	**(17,476)**	**261**
Transportation and distribution expenses	**25,231**	**21,890**	**-13.2%**	**(3,342)**	**1,106**
Administrative expenses	**112,654**	**119,939**	**6.5%**	**7,286**	**6,062**
Operating income (loss)	**424,350**	**104,725**	**-75.3%**	**(319,625)**	**5,293**
Financial Cost	**(98,844)**	**(117,645)**	**-19.0%**	**(18,800)**	**(5,946)**
Financial Income	**13,749**	**16,166**	**17.6%**	**2,417**	**817**
Income (cost) due to financial derivatives	**(14,001)**	**25,338**	**281.0%**	**39,339**	**1,281**
Foreign exchange profit (loss)	**(254,013)**	**23,184**	**-109.1%**	**277,197**	**1,172**
Profit sharing in non-consolidated subsidiaries and affiliates	2,136	360	-83.1%	(1,775)	18
Income before taxes and duties	**73,377**	**52,129**	**29.0%**	**(21,248)**	**2,635**
Taxes and duties	**264,521**	**332,980**	**25.9%**	**68,459**	**16,828**
Profit Sharing Duties	277,162	338,044	22.0%	60,882	17,084
Income tax and other	(12,640)	(5,064)	-59.9%	7,576	(256)
Net income (loss)	**(191,144)**	**(280,851)**	**46.9%**	**(89,706)**	**(14,194)**
Other comprehensive results	**127,872**	**11,506**	**-91.0%**	**(116,366)**	**582**
Investment in equity securities	208	5,564	2577.4%	5,356	281
Actuarial losses due to employee benefits	108,192	12,791	88.2%	(95,402)	646
Conversion effect	21,387	(6,096)	-128.5%	(27,483)	(308)
Deferred taxes	**(1,915)**	**(752)**	**-60.7%**	1,163	(38)
Comprehensive income (loss)	**(63,272)**	**(269,344)**	**325.7%**	**(206,072)**	**(13,612)**

Consolidated Balance Sheet

	As of December 31,				
	2016	2017	Change		2017
	(MXN million)				(USD million)
Total assets	**2,329,886**	**2,132,002**	**-8.5%**	**(197,884)**	**107,749**
Current assets	**355,399**	**363,526**	**2.3%**	**8,127**	**18,372**
Cash and cash equivalents	163,533	97,852	-40.2%	(65,681)	4,945
Accounts, notes receivable and other	133,221	170,645	28.1%	37,425	8,624
Inventories	45,892	63,859	39.2%	17,967	3,227
Available non-current assets kept for sale	7,461	-	-100.0%	(7,461)	-
Available for sale financial assets	436	1,057	0.0%	-	-
Derivative financial instruments	4,857	30,113	519.9%	25,256	1,522
Permanent investment in shares of associates	23,155	16,707	-27.8%	(6,447)	844
Property, plant and equipment	1,667,742	1,436,509	-13.9%	(231,233)	72,600
Deferred taxes	100,325	146,192	45.7%	45,868	7,388
Restricted cash	10,479	-	-100.0%	(10,479)	-
Other assets	166,759	169,067	1.4%	2,307	8,544
Available for sale financial assets	6,028	-	-100.0%	(6,028)	-
Total liabilities	**3,562,894**	**3,634,354**	**2.0%**	**71,460**	**183,677**
Current liabilities	**426,190**	**389,127**	**-8.7%**	**(37,063)**	**19,666**
Short-term financial debt	176,166	157,209	-10.8%	(18,957)	7,945
Suppliers	151,650	139,955	-7.7%	(11,694)	7,073
Accounts and accrued expenses payable	18,667	23,211	24.3%	4,545	1,173
Derivative financial instruments	30,868	17,746	-42.5%	(13,122)	897
Taxes and duties payable	48,840	51,005	4.4%	2,165	2,578
Long-term liabilities	**3,136,704**	**3,245,227**	**3.5%**	**108,523**	**164,011**
Long-term financial debt	1,807,005	1,880,666	4.1%	73,661	95,047
Reserve for employee benefits	1,220,409	1,258,436	3.1%	38,027	63,600
Reserve for diverse credits	88,318	87,677	-0.7%	(640)	4,431
Other liabilities	16,838	14,194	-15.7%	(2,644)	717
Deferred taxes	4,135	4,254	2.9%	119	215
Total equity	**(1,233,008)**	**(1,502,352)**	**21.8%**	**(269,344)**	**(75,927)**
Holding	**(1,233,985)**	**(1,503,317)**	**21.8%**	**(269,333)**	**(75,976)**
Certificates of contribution "A"	356,544	356,544	0.0%	-	18,019
Federal Government Contributions	43,731	43,731	0.0%	-	2,210
Legal Reserve	1,002	1,002	0.0%	-	51
Comprehensive accumulated results	(163,399)	(151,887)	7.0%	11,512	(7,676)
Retained earnings (accumulated losses)	(1,471,863)	(1,752,707)	19.1%	(280,845)	(88,580)
From prior years	(1,280,217)	(1,471,863)	-15.0%	(191,646)	(74,386)
For the year	(191,646)	(280,845)	-46.5%	(89,199)	(14,194)
Participation of non-holding entities	**977**	**965**	**-1.2%**	**(12)**	**49**
Total liabilities and equity	**2,329,886**	**2,132,002**	**-8.5%**	**(197,884)**	**107,749**

Consolidated Statements of Cash Flows

	As of December 31, 2016 (MXN million)	2017	Change		2017 (USD million)
Operating activities					
Net income (loss)	(191,144)	(280,851)	-46.9%	(89,706)	(14,194)
Items related to investing activities	**(123,802)**	**341,716**	**376.0%**	**465,518**	**17,270**
Depreciation and amortization	150,439	156,705	4.2%	6,265	7,920
Impairment of properties, plant and equipment	(331,314)	151,445	145.7%	482,759	7,654
Unsuccessful wells	29,106	6,165	-78.8%	(22,941)	312
Exploration expenses	(2,023)	(1,448)	28.4%	575	(73)
Retirement of property, plant and equipment	3,771	17,064	352.5%	13,292	862
Retirement of financial assets available for sale	-	2,808		2,808	142
Profit sharing in non-consolidated subsidiaries and affiliates	(15,211)	(3,139)	79.4%	12,072	(159)
Profit (loss) from sale of fixed assets	27,882	-		(27,882)	-
Profit (loss) from sale of financial assets available for sale	-	3,524		3,524	178
Decrease of financial assets available for sale	-	1,360		1,360	69
Profit in the sale of associates	(15,211)	(3,139)	79.4%	12,072	(159)
Goodwill impairment losses	4,007	-		(4,007)	-
Effects of non-consolidated subsidiaries and affiliates	(2,136)	(360)	83.1%	1,775	(18)
Dividend revenue	(293)	(181)	38.4%	113	(9)
Effects of net present value of reserve for well abandonment	11,969	7,774	-35.0%	(4,195)	393
Activities related to financing activities	**342,027**	**100,959**	**-70.5%**	**(241,068)**	**5,102**
Interest expense (income)	98,844	117,645	19.0%	18,800	5,946
Unrealized loss (gain) from foreign exchange fluctuations	243,183	(16,685)	-106.9%	(259,868)	(843)
Subtotal	**27,081**	**161,824**	**497.6%**	**134,743**	**8,178**
Funds provided by (used in) operating activities	**(68,979)**	**(98,427)**	**42.7%**	**(29,448)**	**(4,974)**
Financial instruments for negotiation	311	(38,378)		(38,689)	(1,940)
Accounts and notes receivable	(43,045)	(27,124)	-37.0%	15,920	(1,371)
Inventories	(1,359)	(17,967)	1222.2%	(16,608)	(908)
Long term accounts and notes receivable	(3,278)	115	-103.5%	3,392	6
Intangible assets	(19,746)	(5,166)	-73.8%	14,580	(261)
Other assets	(2,105)	(1,973)	-6.3%	132	(100)
Accounts payable and accrued expenses	3,098	4,545	46.7%	1,447	230
Taxes and duties payable	(307,317)	(375,027)	22.0%	(67,710)	(18,953)
Taxes paid	301,050	377,192	25.3%	76,142	19,063
Suppliers	(15,665)	(11,694)	-25.3%	3,971	(591)
Reserve for diverse credits	15,585	(7,267)	-146.6%	(22,852)	(367)
Reserve for employees benefits	47,293	50,065	5.9%	2,772	2,530
Deferred taxes	(43,802)	(45,748)	4.4%	(1,946)	(2,312)
Net cash flow from operating activities	**(41,898)**	**63,398**	**-251.3%**	**105,296**	**3,204**
Investing activities					
Acquisition of property, plant and equipment	(151,408)	(91,860)	39.3%	59,549	(4,642)
Resources from divestment of financial assets	-	8,027		8,027	406
Resources from divestment of fixed assets	561	-	-100.0%	(561)	-
Resources from divestment of associated companies	22,685	3,142	-86.2%	(19,543)	159
Acquisition of businesses	(4,330)	-	-100.0%	4,330	-
Net cash flow from investing activities	**(132,493)**	**(80,691)**	**39.1%**	**51,802**	**(4,078)**
Cash needs related to financing activities	**(174,391)**	**(17,293)**	**-90.1%**	**157,097**	**(874)**
Financing activities					
Increase of contributions from the Federal Government	73,500	-	-100.0%	(73,500)	-
Loans obtained from financial institutions	841,992	704,715	-16.3%	(137,276)	35,616
Amortization of loans	(614,987)	(642,060)	-4.4%	(27,072)	(32,449)
Interest paid	(88,754)	(108,910)	-22.7%	(20,156)	(5,504)
Net cash flow from financing activities	**211,750**	**(46,255)**	**-121.8%**	**(258,005)**	**(2,338)**
Net Increase (decrease) in cash and cash equivalents	**37,359**	**(63,548)**	**270.1%**	**(100,908)**	**(3,212)**
Effect of change in cash value	16,804	(2,133)	-112.7%	(18,937)	(108)
Cash and cash equiv. at the beginning of the period	**109,369**	**163,533**	**49.5%**	**54,164**	**8,265**
Cash and cash equivalents at the end of the period	**163,533**	**97,852**	**-40.2%**	**(65,681)**	**4,945**

Roberto Cejudo
Deputy Director of Treasury

Gustavo Hernández
Director of Resources, Reserves & Associations of Exploration & Production

Josefa Casas
Deputy Director of Strategic Analysis at Pemex Industrial Transformation

will present the financial and operating results of PEMEX as of December 31, 2017

Monday, February 26, 2017
at 10:00 a.m. (CST) / 11:00 a.m. (EST)

A question and answer session will follow the presentation.
Participants will be able to ask questions via telephone and electronically via the webcast interface.

To connect through telephone, dial +1 (847) 585 4405.
From U.S.A. and Canada, dial +1 (888) 771 4371.
Conference passcode: 46454623.

To connect through Internet, access webcast.

The teleconference and webcast replay will be available on February 26, 2017 at 1:00 p.m. (EST) and until April 26, 2018 through this link. As of March 7, 2017, the conference call replay will be available at Unaudited Financial Results 2017.

Additionally, the Spanish version of the conference call will take place at 11:00 a.m. (CST) / 12:00 p.m. (EST), please follow this link to find the instructions to connect: Información Financiera / Calendario financiero / Reporte de Resultados al 31 de diciembre de 2017.

Investor Relations
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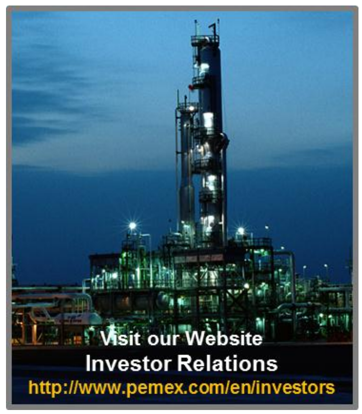
Online Institutional Database
Access PEMEX's official operating information database interactively.

SEC Filings
Review the latest 20-F, F-4 and 6-K forms filed by PEMEX with the SEC



Contac the Investor Relations Team 4Q17

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Variations

Cumulative and quarterly variations are calculated comparing the period with the same one of the previous year; unless specified otherwise.

Rounding

Numbers may not total due to rounding.

Financial Information

Excluding budgetary and volumetric information, the financial information included in this report and the annexes hereto is based on unaudited consolidated financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), which PEMEX has adopted effective January 1, 2012. For more information regarding the transition to IFRS, see Note 23 to the consolidated financial statements included in Petróleos Mexicanos' 2012 Form 20-F filed with the Securities and Exchange Commission (SEC) and its Annual Report filed with the Comisión Nacional Bancaria y de Valores (CNBV).

EBITDA is a non-IFRS measure. We show a reconciliation of EBITDA to net income in Table 33 of the annexes to this report. Budgetary information is based on standards from Mexican governmental accounting; therefore, it does not include information from the subsidiary companies or affiliates of Petróleos Mexicanos. It is important to mention, that our current financing agreements do not include financial covenants or events of default that would be triggered as a result of our having negative equity.

Methodology

We might change the methodology of the information disclosed in order to enhance its quality and usefulness, and/or to comply with international standards and best practices.

Foreign Exchange Conversions

Convenience translations into U.S. dollars of amounts in Mexican pesos have been made at the exchange rate at close for the corresponding period, unless otherwise noted. Due to market volatility, the difference between the average exchange rate, the exchange rate at close and the spot exchange rate, or any other exchange rate used could be material. Such translations should not be construed as a representation that the Mexican peso amounts have been or could be converted into U.S. dollars at the foregoing or any other rate. It is important to note that we maintain our consolidated financial statements and accounting records in pesos. As of December 31, 2017, the exchange rate of MXN 19.7867 = USD 1.00 is used.

Fiscal Regime

Starting January 1, 2016, Petróleos Mexicanos' fiscal regime is ruled by the Ley de Ingresos sobre Hidrocarburos (Hydrocarbons Income Law). Since January 1, 2006 and until December 31, 2015, PEP was subject to a fiscal regime governed by the Federal Duties Law, while the tax regimes of the other Subsidiary Entities were governed by the Federal Revenue Law.

The Special Tax on Production and Services (IEPS) applicable to automotive gasoline and diesel is established in the Production and Services Special Tax Law "Ley del Impuesto Especial sobre Producción y Servicios". As an intermediary between the Ministry of Finance and Public Credit (SHCP) and the final consumer, PEMEX retains the amount of the IEPS and transfers it to the Mexican Government. The IEPS rate is calculated as the difference between the retail or "final price," and the "producer price" of products. If the "final price" is higher than the "producer price," the IEPS is paid by the final consumer. If the opposite occurs, the "negative IEPS" amount can be credited against certain of PEMEX's tax liabilities and included in "Other income (expenses)" in its Income Statement.

PEMEX's "producer price" is calculated in reference to that of an efficient refinery operating in the Gulf of Mexico. Until December 31, 2017, the Mexican Government may continue issuing pricing decrees to regulate the maximum prices for the retail sale of gasoline and diesel fuel, taking into account transportation costs between regions, inflation and the volatility of international fuel prices, among other factors. Beginning in 2018, the prices of gasoline and diesel fuel will be freely determined by market conditions. However, the Federal Commission for Economic Competition, based on the existence of effective competitive conditions, can declare that prices of gasoline and diesel fuel are to be freely determined by market conditions before 2018.

Hydrocarbon Reserves

In accordance with the Hydrocarbons Law, published in the Official Gazette of the Federation on August 11, 2015, the National Hydrocarbons Commission (CNH) will establish and will manage the National Hydrocarbons Information Center, comprised by a system to obtain, safeguard, manage, use, analyze, keep updated and publish information and statistics related; which includes estimations, valuation studies and certifications.

As of January 1, 2010, the Securities and Exchange Commission (SEC) changed its rules to permit oil and gas companies, in their filings with the SEC, to disclose not only proved reserves, but also probable reserves and possible reserves. Nevertheless, any description of probable or possible reserves included herein may not meet the recoverability thresholds established by the SEC in its definitions. Investors are urged to consider closely the disclosure in our Form 20-F and our Annual Report to the CNBV and SEC, available at http://www.pemex.com/.

Forward-looking Statements

This report contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the CNBV and the SEC, in our annual reports, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. We may include forward-looking statements that address, among other things, our:

- exploration and production activities, including drilling;
- activities relating to import, export, refining, petrochemicals and transportation of petroleum, natural gas and oil products;
- activities relating to the generation of electrical energy;
- projected and targeted capital expenditures and other costs, commitments and revenues, and
- liquidity and sources of funding.

Actual results could differ materially from those projected in such forward-looking statements as a result of various factors that may be beyond our control. These factors include, but are not limited to:

- changes in international crude oil and natural gas prices;
- effects on us from competition, including on our ability to hire and retain skilled personnel;
- limitations on our access to sources of financing on competitive terms;
- our ability to find, acquire or have the right to access additional hydrocarbons reserves and to develop the reserves that we obtain successfully;
- uncertainties inherent in making estimates of oil and gas reserves, including recently discovered oil and gas reserves;
- technical difficulties;
- significant developments in the global economy;
- significant economic or political developments in Mexico, including developments relating to the implementation of the laws that implement the new legal framework contemplated by the Energy Reform Decree (as described in our most recent Annual Report and Form 20-F);
- developments affecting the energy sector; and
- changes in our legal regime or regulatory environment, including tax and environmental regulations.

Accordingly, you should not place undue reliance on these forward-looking statements. In any event, these statements speak only as of their dates, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. These risks and uncertainties are more fully detailed in our most recent Annual Report filed with the CNBV and available through the Mexican Stock Exchange (http://www.bmv.com.mx/) and our most recent Form 20-F filing filed with the SEC (http://www.sec.gov/). These factors could cause actual results to differ materially from those contained in any forward-looking statement.