Report of Organizational Actions Affecting Basis of Securities

Part I Reporting Issuer

1 Issuer's name

Petroleos Mexicanos

2 Issuer's employer identification number (EIN)

3 Name of contact for additional information

Miguel Carballo Vallines

4 Telephone No. of contact

(5255) 19442500

5 Email address of contact

miguel.carballov@pemex.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact

Avenida Marina Nacional 329 C - 3 Veronica Anzures

7 City, town, or post office, state, and ZIP code of contact

Ciudad de Mexico, 11300 Mexico

8 Date of action

February 12, 2018

9 Classification and description

Debt for debt exchange

10 CUSIP number

11 Serial number(s)

12 Ticker symbol

13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ★ See attached.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ★ See attached.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ★ See attached.
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached.

18 Can any resulting loss be recognized? ▶ See attached.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Attorney in fact

Print your name ▶ Francisco Soza Culver

Print/Type preparer's name
Preparer's signature

Date ▶ March 26, 2018

Check □ if self-employed
PTIN

Firm's name ▶

Firm's address ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended, and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Exchange (as defined below) on the tax basis of the new bonds issued by Petróleos Mexicanos (“PEMEX”) to holders of two series of existing bonds of PEMEX in exchange therefor. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of holders. PEMEX does not provide tax advice to holders of its debt obligations and the examples provided below are based on certain assumptions and are merely illustrative. Holders should consult their own tax advisers regarding the particular tax consequences of the Exchange to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

10. CUSIP Numbers.

Old Bonds:
5.5% Bonds due 2044: 71654QBE1, 71656MBB4 and 71656MAN9
5.625% Bonds due 2046: 71654QBX9 and 71656MBE8

New Bonds:
6.35% Bonds due 2048: 71654QCJ9

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.

On February 12, 2018, holders of two outstanding series of bonds of PEMEX (“Old Bonds”) exchanged their Old Bonds for newly issued 6.350% Bonds due 2048 (“New Bonds”) (the “Exchange”). $1,000 principal amount of 5.5% Bonds due 2044 (“2044 Bonds”) were exchanged for $926.25 principal amount of New Bonds and $1,000 principal amount of 5.625% Bonds due 2046 (“2046 Bonds”) were exchanged for $927.50 principal amount of New Bonds. Concurrently with the Exchange, PEMEX issued $1,500,000,000 of bonds of the same series and with identical terms as the New Bonds for cash.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

Exchange of 2044 Bonds for New Bonds

PEMEX will treat the exchange of 2044 Bonds for New Bonds as a deemed exchange for U.S. federal income tax purposes. PEMEX will treat the 2044 Bonds and the New Bonds exchanged therefor as securities, and will treat the exchange of 2044 Bonds for New Bonds as a recapitalization.
Recapitalizations generally do not result in the recognition of gain or loss, subject to certain exceptions relating to amounts treated as “boot” and potentially in the case of 2044 Bonds acquired with market discount. Under the terms of the Exchange, holders of 2044 Bonds did not receive any boot. Consequently, a holder’s initial tax basis in the New Bonds is the same as the holder’s tax basis in the 2044 Bonds allocated thereto, increased by the amount of gain recognized by the holder in the exchange, if any.

Holders that received cash in lieu of fractional New Bonds will be treated as having received fractional New Bonds and disposed of the New Bonds in exchange for cash (in which it will have a basis equal to fair value, after recognizing any gain or loss on the disposition). Thus, a holder’s basis in the New Bonds actually received in the Exchange will be reduced by the basis allocable to the fractional New Bonds.

Exchange of 2046 Bonds for New Bonds

PEMEX will not treat the exchange of 2046 Bonds for New Bonds as a deemed exchange and recapitalization for U.S. federal income tax purposes. Holders will be treated for U.S. federal income tax purposes as continuing to hold the 2046 Bonds, in modified form, and will not recognize gain or loss as a result of the Exchange other than with respect to cash received for fractional New Bonds.

A holder’s tax basis and holding period in the New Bonds received in the Exchange therefore generally would be the same as the holder’s adjusted tax basis and holding period in the 2046 Bonds surrendered therefor.

Holders that received cash in lieu of fractional New Bonds will be treated as having received fractional New Bonds and disposed of the New Bonds in exchange for cash (in which it will have a basis equal to fair value, after recognizing any gain or loss on the disposition). Thus, a holder’s basis in the New Bonds actually received in the Exchange will be reduced by the basis allocable to the fractional New Bonds.

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

See the response to Question 15.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Section 1001; Section 368(a)(1)(E); Section 354; Section 356; Section 358; Treasury Regulation section 1.1273-2.