Petróleos Mexicanos: 2019 Financial and Operating Outlook

January 2019
New York
Forward-Looking Statement & Cautionary Note

Variations
If no further specification is included, comparisons are made against the same realized period of the last year.

Rounding
Numbers may be rounded 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. Information from prior periods has been retrospectively adjusted in certain accounts to make it comparable with the unaudited consolidated financial information under IFRS. 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 32 of the annexes to PEMEX’s Results Report as of March 31, 2018. 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 or could be converted into U.S. dollars at the foregoing or any other foreign rate. It is important to note that we maintain our consolidated financial statements and accounting records in pesos. As of September 30, 2018, the exchange rate of MXN 18.8125 = USD 1.00 is used.

Fiscal Regime
Beginning January 1, 2015, Petróleos Mexicanos’ fiscal regime is governed by the Ley de Ingresos sobre Hidrocarburos (Hydrocarbons Revenue Law). From January 1, 2006 and to December 31, 2014, 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.

On April 18, 2016, a decree was published in the Official Gazette of the Federation that allows assignment operators to choose between two schemes to calculate the cap on permitted deductions applicable to the Profit-Sharing Duty: (i) the scheme established within the Hydrocarbons Revenue Law, based on a percentage of the value of extracted hydrocarbons; or (ii) the scheme proposed by the SHCP, calculated upon established fixed fees, USD 6.1 for shallow water fields and USD 8.3 for onshore fields.

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. In 2016, the SHCP published a decree through which it modified the calculation of the IEPS, based on the past five months of international reference price quotes for gasoline and diesel.

As of January 1, 2016, and until December 31, 2017, the SHCP will establish monthly fixed maximum prices of gasoline and diesel based on the following: maximum prices will be referenced to prices in the U.S. Gulf Coast, plus a margin that includes retail, freight transportation, quality adjustment and management costs, plus the applicable IEPS to automotive fuel, plus other concepts (IEPS tax on fossil fuel, established quotas on the IEPS Law and value added tax). 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 is authorized to 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, has the authority to 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 on August 11, 2014, 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. On August 13, 2015, the CNH published the Guidelines that rule the valuation and certification of Mexico’s reserves and the related contingency resources.

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 only not 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, storage and distribution of petroleum, natural gas and oil products;
• activities relating to our lines of business, including the generation of electricity;
• projected and targeted capital expenditures and other costs, commitments and revenues;
• liquidity and sources of funding, including our ability to continue operating as a going concern;
• strategic alliances with other companies; and
• the monetization of certain of our assets.

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 gain access to additional 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;
• 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.

This presentation contains words such as "believe," "expect," "anticipate" and similar expressions that identify prospective statements, which reflect PEMEX’s points of view regarding future events and their financial performance. Actual results could materially differ from those projected in such prospective statements as a result of diverse factors that can be out of PEMEX’s control.
Content

1 Overview

2 Financial Performance

3 2019 – 2024 Strategy
**Integrated Oil & Gas Company**

**Upstream**
- 10th Crude oil producer\(^1\)
- Total hydrocarbon production: 2,584 Mboed\(^2\)
- Total crude oil production: 1,863 Mbd\(^2\)
- 7,725 Operating wells\(^2\)
- 256 Operating platforms\(^3\)

**Downstream**
- 16th Refining company worldwide\(^1\)
- 6 refineries in Mexico with a refining capacity of 1,627 Mbd\(^2\)
- 1 refinery in JV with Shell in Deer Park, Texas (340 Mbd)
- Crude oil processing: 648 Mbd\(^2\)
- 9 Gas Processing Complexes (5,912 MMcfd)
- 2 Petrochemical Complexes (1,734 Tpy)

**Midstream**
- Strategically positioned logistics infrastructure: 17,000 km of pipelines
- 74 Storage and distribution terminals
- 16 Marine terminals
- 10 Liquefied gas terminals
- 1,485 Tank trucks
- 17 Ships
- 511 Tank cars
- 56 pumping and compression stations

**Sales**
- 4th largest oil exporter to the USA
- MXN 1.4 trillion annual revenues\(^3\)
  - Exports: MXN 508 billion
  - Domestic sales: MXN 877 billion
- Crude oil exports: 1,174 Mbd\(^3\)
- 10,439 PEMEX franchise service stations, plus 1,192 supplied by PEMEX\(^2\)

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1 Source: Petroleum Intelligence Weekly, Top 50 Rankings of the World’s Oil Companies, November 2018
2 As of September 30, 2018
3 As of December 31, 2017

Mboed: Thousand barrels of oil equivalent per day
Mbd: Thousand barrels of oil per day
MMcfd: Million cubic feet per day
Tpy: Tons per year
PEMEX holds the right to exploit approximately 90% of Mexico’s hydrocarbon proved reserves

<table>
<thead>
<tr>
<th>Basin</th>
<th>Reserves¹</th>
<th>Prospective Resources²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1P (90%)</td>
<td>2P (50%)</td>
</tr>
<tr>
<td>Southeastern</td>
<td>6.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Tampico Misantla</td>
<td>0.9</td>
<td>3.3</td>
</tr>
<tr>
<td>Burgos</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Veracruz</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Sabinas</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Deepwater</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total PEMEX</strong></td>
<td>7.7</td>
<td>14.2</td>
</tr>
</tbody>
</table>

1. PEMEX’s Hydrocarbon Reserves as of January 1, 2018. Reserves have been validated by the CNH, Mexico’s National Hydrocarbons Commission
2. Prospective resources assigned to PEMEX in Round Zero
Ixachi: Largest Onshore Discovery in Mexico in the Last 25 Years

- Expected production in 2022:
  - 80 Mbd of condensates
  - 700 MMcfd (≈1/7 current production)
- Reserves 1P ≈ 470 Mboe
- Production cost ≈ USD 5.5 per boe

Source: PEMEX
Mboe: Thousand barrels of oil equivalent
boe: barrels of oil equivalent
Ixachi is One of the Most Important Onshore Discoveries in the World


- **Faihaa-1**: 2,709
- **Moxi-8**: 1,759
- **Hazem-1**: 1,509
- **Ixachi**: 1,340
- **AT-1**: 1,185
- **Kharbesky-1**: 1,174
- **Shaikan-1**: 1,025
- **Keshen-2**: 820
- **LLL-479**: 578
- **Qugruk 3**: 548
- **North Russkoye-1**: 545

**Hydrocarbon**
- Oil
- Gas
- Gas / Cond.

**Country**
- Irak
- China
- Saudi A.
- Mexico
- Algeria
- Russia
- Irak
- China
- Argentina
- USA
- Russia

Source: Wood Mackenzie Upstream Data Tool (UDT), PEMEX
MMboed: Million barrels of oil equivalent per day
National Refining System

- Atmospheric distillation capacity 1,627 Mbd
- The average utilization of installed refining capacity is 80% worldwide\(^1\)

<table>
<thead>
<tr>
<th>Refinery</th>
<th>Atmospheric distillation capacity (Mbd)</th>
<th>Started operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadereyta</td>
<td>275</td>
<td>1979</td>
</tr>
<tr>
<td>Madero</td>
<td>177</td>
<td>1914</td>
</tr>
<tr>
<td>Minatitlán</td>
<td>285</td>
<td>1956</td>
</tr>
<tr>
<td>Salamanca</td>
<td>245</td>
<td>1950</td>
</tr>
<tr>
<td>Salina Cruz</td>
<td>330</td>
<td>1979</td>
</tr>
<tr>
<td>Tula</td>
<td>315</td>
<td>1977</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,627 Mbd</strong></td>
<td></td>
</tr>
</tbody>
</table>

Content

1. Overview
2. Financial Performance
3. 2019 – 2024 Strategy
The 2017 price liberalization in the domestic market has yielded in a material increase in total revenues, positively impacting the financial results.

**Total Revenues**

USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Other Exports</th>
<th>Crude oil Exports</th>
<th>Domestic Sales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>7</td>
<td>17</td>
<td>43</td>
<td>1,166</td>
<td>68</td>
</tr>
<tr>
<td>2016</td>
<td>5</td>
<td>14</td>
<td>32</td>
<td>1,080</td>
<td>52</td>
</tr>
<tr>
<td>2017</td>
<td>6</td>
<td>19</td>
<td>44</td>
<td>1,397</td>
<td>71</td>
</tr>
<tr>
<td>As of 3Q18</td>
<td>6</td>
<td>21</td>
<td>40</td>
<td>1,273</td>
<td>68</td>
</tr>
</tbody>
</table>

**Operating Income**

USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Other Exports</th>
<th>Crude oil Exports</th>
<th>Domestic Sales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.8</td>
<td>-22</td>
<td>-12</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>0.7</td>
<td>-11</td>
<td>-11</td>
<td>5</td>
<td>0.3</td>
</tr>
<tr>
<td>2017</td>
<td>0.6</td>
<td>-104.7</td>
<td>-104.7</td>
<td>104.7</td>
<td>-22</td>
</tr>
<tr>
<td>As of 3Q18</td>
<td>0.3</td>
<td>-11</td>
<td>-11</td>
<td>5</td>
<td>0.3</td>
</tr>
</tbody>
</table>

**Net Income (loss)**

USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Other Exports</th>
<th>Crude oil Exports</th>
<th>Domestic Sales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-22</td>
<td>-11</td>
<td>-11</td>
<td>8</td>
<td>-55</td>
</tr>
<tr>
<td>2016</td>
<td>-104.7</td>
<td>-104.7</td>
<td>-104.7</td>
<td>104.7</td>
<td>-44</td>
</tr>
<tr>
<td>2017</td>
<td>-11</td>
<td>-104.7</td>
<td>-104.7</td>
<td>104.7</td>
<td>-33</td>
</tr>
<tr>
<td>As of 3Q18</td>
<td>-22</td>
<td>-11</td>
<td>-11</td>
<td>5</td>
<td>-33</td>
</tr>
</tbody>
</table>

1 Other exports include dry gas, petrochemicals, sulphur

Source: PEMEX
PEMEX has generated a solid and stable cash flow, resulting in an EBITDA\(^1\) growth.

**EBITDA: Stable Cash Flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (USD Billion)</th>
<th>EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>22.0</td>
<td>32%</td>
</tr>
<tr>
<td>2016</td>
<td>35.6</td>
<td>28%</td>
</tr>
<tr>
<td>2017</td>
<td>46.7</td>
<td>33%</td>
</tr>
<tr>
<td>As of 3Q18</td>
<td>23.9</td>
<td>35%</td>
</tr>
</tbody>
</table>

**EBITDA Margin\(^2\) (%)**

- Ecopetrol: 41
- PEMEX: 33
- Statoil/Equinor: 33
- Petrobras: 30
- ENI: 21
- Shell: 15
- BP: 11

1 EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization
2 Sources: Bloomberg 2017 and PEMEX
Inflation Adjusted Debt Balance 2013 – 2019

Debt Balance 2013 – 2019
USD billion adjusted as of Nov 2018
MXN MMM

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018¹</th>
<th>2019²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Balance</td>
<td>71.0</td>
<td>84.5</td>
<td>92.7</td>
<td>99.2</td>
<td>103.5</td>
<td>103.5</td>
<td>103.6</td>
</tr>
<tr>
<td>USD billion</td>
<td>1,053.1</td>
<td>1,370.7</td>
<td>1,740.4</td>
<td>2,154.4</td>
<td>2,094.4</td>
<td>2,037.2</td>
<td>2,013.7</td>
</tr>
</tbody>
</table>

Real Debt Increase in USD (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase</td>
<td>18.99%</td>
<td>9.70%</td>
<td>6.98%</td>
<td>4.33%</td>
<td>0.03%</td>
<td>0.07%</td>
</tr>
</tbody>
</table>

1 Net Indebtedness 2018 estimated at MXN 60 billion
2 Net indebtedness 2019 estimated at MXN 55 billion. 2019 MXN GDP deflator assumption of 3.9% based on the General Economic Policy Criteria 2019 and 2019 USD % GDP growth assumption of 2.6%

Financial Balance
USD billion
MXN MMM

<table>
<thead>
<tr>
<th>Year</th>
<th>Budgeted</th>
<th>Observed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>(11.6)</td>
<td>(9.3)</td>
</tr>
<tr>
<td></td>
<td>(154.9)</td>
<td>(146.9)</td>
</tr>
<tr>
<td>2016</td>
<td>(5.4)</td>
<td>(9.1)</td>
</tr>
<tr>
<td></td>
<td>(101.7)</td>
<td>(149.2)</td>
</tr>
<tr>
<td>2017</td>
<td>(5.0)</td>
<td>(5.0)</td>
</tr>
<tr>
<td></td>
<td>(93.8)</td>
<td>(93.7)</td>
</tr>
<tr>
<td>2018</td>
<td>(4.3)</td>
<td>(3.2) E</td>
</tr>
<tr>
<td></td>
<td>(79.4)</td>
<td>(62.2) E</td>
</tr>
<tr>
<td>2019</td>
<td>(3.3)</td>
<td>(3.3)</td>
</tr>
<tr>
<td></td>
<td>(65.4)</td>
<td></td>
</tr>
</tbody>
</table>

Next goal: Continue with the deficit reduction path

E: Estimated
Source: PEMEX and Federal Expenditure Budget (Decreto de Presupuesto de Egresos de la Federación) for each year
### Debt Ceiling & Net Indebtedness

**Main goal:** To maintain the declining trend to stabilize and eventually decrease total debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Ceiling</th>
<th>Net Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.6 USD billion</td>
<td>5.5 USD billion</td>
</tr>
<tr>
<td>2011</td>
<td>1.7 USD billion</td>
<td>1.7 USD billion</td>
</tr>
<tr>
<td>2012</td>
<td>3.5 USD billion</td>
<td>3.5 USD billion</td>
</tr>
<tr>
<td>2013</td>
<td>4.8 USD billion</td>
<td>4.8 USD billion</td>
</tr>
<tr>
<td>2014</td>
<td>15.2 USD billion</td>
<td>15.2 USD billion</td>
</tr>
<tr>
<td>2015</td>
<td>11.3 USD billion</td>
<td>11.3 USD billion</td>
</tr>
<tr>
<td>2016</td>
<td>11.6 USD billion</td>
<td>11.6 USD billion</td>
</tr>
<tr>
<td>2017</td>
<td>7.9 USD billion</td>
<td>7.9 USD billion</td>
</tr>
<tr>
<td>2018</td>
<td>7.3 USD billion</td>
<td>7.3 USD billion</td>
</tr>
<tr>
<td>2019</td>
<td>5.6 USD billion</td>
<td>5.6 USD billion</td>
</tr>
</tbody>
</table>

*Note: As of the entrance of the new Pemex Law in 2015, PEMEX’s debt ceiling is authorized by PEMEX’s Board of Directors and the Mexican Congress. Net indebtedness does not consider concepts of recouponing or sale of future receivables.*

*E: Estimated*
PEMEX’s liquidity is strengthened with its committed credit lines which currently amount to USD 6.7 billion and MXN 32.5 billion, respectively.

<table>
<thead>
<tr>
<th></th>
<th>USD Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Credit USD</td>
<td>6.7</td>
</tr>
<tr>
<td>Revolving Credit MXN ¹</td>
<td>1.7</td>
</tr>
<tr>
<td>Total</td>
<td>8.4</td>
</tr>
</tbody>
</table>

¹ FX rate: MXN 19.5 per USD 1.00

Source: PEMEX
Content

1. Overview
2. Financial Performance
3. 2019 – 2024 Strategy
• **Priority:** *stop and reverse the decline* in crude oil production.

• **Improve cash flow and investment** through an optimized financial engineering (with the support of the Federal Government). Additional investment will not result in a public debt increase.

• Emphasize **operational efficiency** as PEMEX’s guiding principle.

• Maintain high standards of **safety and reliability** at the facilities.

• Implement an **aggressive commercial strategy**, while respecting the regulatory framework and economic competition.

• Reduce **operating costs**.
2019 Budgetary Capital Expenditures

**Budgetary Capital Expenditures**
USD Billion  
MXN MMM

- **Approved 2018**
  - 11.1
  - 204.6
  - +22.3%

- **Approved 2019**
  - 13.7
  - 273.1

**2019 CAPEX Allocation**
- **Upstream**: 78%
- **Downstream**: 22%

Source: Federal Expenditure Budget (Decreto de Presupuesto de Egresos de la Federación) for each year
Production target: 2,450 Mbd by the end of this administration

- The company will focus on increasing activity in drilling, and repairing wells in production fields with 2P reserves; increasing the recovery factor of mature fields; reducing the decline of exploited fields by applying technology and best practices of integrated reservoir management; and developing new discovered fields with a new exploration strategy in a timely manner.

Future Contracts

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 15, 2019</td>
<td>Infrastructure (7 offshore production platforms and 114 km of pipelines)</td>
</tr>
<tr>
<td>January 31, 2019</td>
<td>Well drilling (6 offshore production platforms and 62 km of pipelines)</td>
</tr>
</tbody>
</table>

National Refining Plan

- Rehabilitation of existing refineries will increase the crude oil processing level, but it will not be enough to cover national demand.
- Additional refining capacity will strengthen energy security in Mexico.
- The new refinery will count with MXN 25 billion from the Federal Government.
- The recovery of economic losses due to fuel theft will be allocated to the construction of the new refinery.
- Additional Federal Government support is expected.

**Petroleum Products¹ National Balance**

<table>
<thead>
<tr>
<th>Year</th>
<th>New Refinery</th>
<th>Existing Refineries</th>
<th>National Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>900</td>
<td>700</td>
<td>1,200</td>
</tr>
<tr>
<td>2007</td>
<td>920</td>
<td>720</td>
<td>1,240</td>
</tr>
<tr>
<td>2008</td>
<td>940</td>
<td>740</td>
<td>1,280</td>
</tr>
<tr>
<td>2009</td>
<td>960</td>
<td>760</td>
<td>1,320</td>
</tr>
<tr>
<td>2010</td>
<td>980</td>
<td>780</td>
<td>1,360</td>
</tr>
<tr>
<td>2011</td>
<td>1,000</td>
<td>800</td>
<td>1,400</td>
</tr>
<tr>
<td>2012</td>
<td>1,020</td>
<td>820</td>
<td>1,440</td>
</tr>
<tr>
<td>2013</td>
<td>1,040</td>
<td>840</td>
<td>1,480</td>
</tr>
<tr>
<td>2014</td>
<td>1,060</td>
<td>860</td>
<td>1,520</td>
</tr>
<tr>
<td>2015</td>
<td>1,080</td>
<td>880</td>
<td>1,560</td>
</tr>
<tr>
<td>2016</td>
<td>1,100</td>
<td>900</td>
<td>1,600</td>
</tr>
<tr>
<td>2017</td>
<td>1,120</td>
<td>920</td>
<td>1,640</td>
</tr>
<tr>
<td>2018</td>
<td>1,140</td>
<td>940</td>
<td>1,680</td>
</tr>
<tr>
<td>2019</td>
<td>1,160</td>
<td>960</td>
<td>1,720</td>
</tr>
<tr>
<td>2020</td>
<td>1,180</td>
<td>980</td>
<td>1,760</td>
</tr>
<tr>
<td>2021</td>
<td>1,200</td>
<td>1,000</td>
<td>1,800</td>
</tr>
<tr>
<td>2022</td>
<td>1,220</td>
<td>1,020</td>
<td>1,840</td>
</tr>
<tr>
<td>2023</td>
<td>1,240</td>
<td>1,040</td>
<td>1,880</td>
</tr>
<tr>
<td>2024</td>
<td>1,260</td>
<td>1,060</td>
<td>1,920</td>
</tr>
</tbody>
</table>

**Objective:** Capture the market’s gap refining margin

¹ Gasolines, diesel and jet fuel

Source: PEMEX
## 2019 Financing Program

<table>
<thead>
<tr>
<th></th>
<th>Approved Net Indebtedness</th>
<th>Target Net Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD billion (MXN MMM)</td>
<td>USD billion (MXN MMM)</td>
</tr>
<tr>
<td>Obtained</td>
<td>12.22 (244.4)</td>
<td>9.35 (187.0)</td>
</tr>
<tr>
<td>Amortized</td>
<td>6.58 (131.6)</td>
<td>6.58 (131.6)</td>
</tr>
<tr>
<td>Net Indebtedness</td>
<td>5.64 (112.8)</td>
<td>2.77 (55.4)</td>
</tr>
</tbody>
</table>

### 2018 – 2019 Net Indebtedness

- **USD billion**
- **MXN MMM**

- **5.6**
  - 112.8

### Notes:

- The target for 2019 is to limit net indebtedness to the equivalent of the financial deficit.
- This represents USD 2.9 billion in net indebtedness below the approved ceiling.
The maturity profile does not include revolving credit facilities, which as of November 30, 2018 amounted to 0.874 USD billion.

1 The maturity profile does not include revolving credit facilities, which as of November 30, 2018 amounted to 0.874 USD billion.
Good News: Fiscal Support

2019 Strategy

- According to the Hydrocarbons Revenue Law, the applicable rate reaches its minimum in 2019: **1.25% decrease**

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>70.00%</td>
</tr>
<tr>
<td>2016</td>
<td>68.75%</td>
</tr>
<tr>
<td>2017</td>
<td>67.50%</td>
</tr>
<tr>
<td>2018</td>
<td>66.25%</td>
</tr>
<tr>
<td>2019+</td>
<td>65.00%</td>
</tr>
</tbody>
</table>

- Increases capital expenditure tax deductions.
- Acknowledges technical and financial challenges in mature fields.
- Establishes that the benefit can be applied to a maximum of 150 Mbd.
- Has **generated benefits of USD 400 million and USD 563 million in 2017 and 2018**, respectively.

**Profit Sharing Duty**

- August, 2017 Decree for fields that were not profitable after taxes

1 Exchange rate for estimation purposes is MXN 20 per USD 1.00
On December, 2018 the Government Plan to Combat the Theft of Hydrocarbons in Mexico was announced.

Deviation in Thousand Barrels per Day (Dec 2018 - Jan 2019) due to Illicit Fuels Market

Average Daily Deviation:
-68.20 Mbd

Average Daily Deviation:
-18.19 Mbd

The GSF\(^1\) Initiated Surveillance Activities at the Mexico City Control Center


\(^1\) GSF: Physical Security Office (Gerencia de Seguridad Física)

1-Jan 3-Jan 5-Jan 3-Jan 13-Jan 10-Jan 7-Jan
First Achievements

Support from the Federal Government

- We will have the support of the Federal Government.
- By the end of 2019 we will have at least one capitalization of USD 1.25 billion, with resources from the Federal Government.
- These resources will be used for investment.

Source: January 3, 2019 President's press conference https://www.gob.mx/presidencia/prensa/conferencia-de-prensa-del-presidente-andres-manuel-lopez-obrador-del-3-de-enero-de-2019
Forward-Looking Statement & Cautionary Note

Variations
If no further specification is included, comparisons are made against the same realized period of the last year.

Rounding
Numbers may not add up 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. Information from prior periods has been retrospectively adjusted in certain accounts to make it comparable with the unaudited consolidated financial information under IFRS. For more information regarding the transition to IFRS, see Note 2 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 32 of the annexes to PEMEX’s Results Report as of March 31, 2018. 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 September 30, 2018, the exchange rate of MXN 18.8125 = USD 1.00 is used.

Fiscal Regime
Beginning January 1, 2015, Petróleos Mexicanos’ fiscal regime is governed by the Ley de Ingresos sobre Hidrocarburos (Hydrocarbons Revenue Law). From January 1, 2006 and to December 31, 2014, PEMEX was subject to a fiscal regime governed by the Federal Duttu Law, with the tax regimes of the other Subsidiary Entities governed by the Federal Revenue Law.

On April 18, 2016, a decree was published in the Official Gazette of the Federation that allows assignment operators to choose between two schemes to calculate the cap on permitted deductions applicable to the Profit-Sharing Duty: (i) the scheme established within the Hydrocarbons Revenue Law, based on a percentage of the value of extracted hydrocarbons; or (ii) the scheme proposed by the SHCP, calculated upon established fixed fees, USD 6.1 for shallow water fields and USD 8.3 for onshore fields.

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. In 2016, the SHCP published a decree through which it modified the calculation of the IEPS, based on the past five months of international reference price quotes for gasoline and diesel.

As of January 1, 2016, and until December 31, 2017, the SHCP will establish monthly fixed maximum prices of gasoline and diesel based on the following: maximum prices will be referenced to prices in the U.S. Gulf Coast, plus a margin that includes retail, freight, transportation, quality adjustment and management costs, plus the applicable IEPS to automotive fuel, plus other concepts (IEPS tax on fossil fuel, established quotas on the IEPS Law and value added tax).

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 is authorized to 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, has the authority to 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 on August 11, 2014, 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. On August 13, 2015, the CNH published the Guidelines that rule the valuation and certification of Mexico’s reserves and the related contingency resources.

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, storage and distribution of petroleum, natural gas and oil products;
- activities relating to our lines of business, including the generation of electricity;
- projected and targeted capital expenditures and other costs, commitments and revenues;
- liquidity and sources of funding, including our ability to continue operating as a going concern;
- strategic alliances with other companies, and
- the monetization of certain of our assets.

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 gain access to additional 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;
- 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.

This presentation contains words such as “believe”, “expect”, “anticipate” and similar expressions that indicate prospective statements, which reflect PEMEX’s points of view regarding future events and their financial performance. Actual results could materially differ from those projected in such prospective statements as a result of diverse factors that can be out of PEMEX’s control.