Mexico Energy Summit

March 2013
Pemex funds a large amount of its investment budget with its own resources.

Pemex uses different markets to complement its financing needs.

Pemex has used alternative mechanisms of financing to fund infrastructure projects.
PEMEX’s Financing Background

80’s
- Bilaterals and Loans
- Multilaterals
- Corporate Bonds
- Commercial Paper

90’s
- Structured Financing
  - Pemex Finance
  - Pidiregas
  - Master trust/F163
- Commercial Paper
- Export Credit Agencies

00’s
- Corporate Bonds
  - Yield Curve (Dollars)
  - Yield Curve (Pesos)
- Export Credit Agencies
- Financial Leasing
- Financed Public Work Contracts

10’s
- Syndicated Loans
- Working Capital
  - Corporate Bonds
  - GDN
  - ECA Bonds
- Strategic Investment
- Projects
- Integrated Contracts
- Others
The investment budget of PEMEX has gradually increased.

- The use of internal resources remains the main source of funding.
- PEMEX is seeking new alternatives to optimize the use of capital.

Source: PEMEX Financial Statements

* Estimated
PEMEX’s presence in the capital markets has allowed the company to develop reference yield curves. The performance of the company as well as other market dynamics have led to decreasing financing costs. PEMEX will continue consolidating its presence in its most relevant markets to achieve more efficient references.

Most of the Pemex expansion and investment program will be financed with internal cash flow, and complemented with external financing (debt capital market).

Sources: Bloomberg and PIP
Other financing alternatives like financial leases and project finance have allowed PEMEX to diversify risk, improve its cost structure, and make a better use of capital resources.

**Financial and capital leases**
- Improved Cost Structure
- Financial Institution

**Project Finance**
- Asset
  - EtilenoXXI
  - Pipelines
  - Terminals
- Capital
  - Optimization of the use of resources
  - Public and private investor (nationals and internationals)
- Risk Diversification
  - Commercial Guarantees
  - Take or pay
  - Hell or high water
  - Corporate and Financial Guarantees
  - Equity
  - E&P Integrated Contracts
Other Financing Alternatives

- Optimization of the use of capital
- Risk diversification

In Mexico alone, the potential market for instruments such as CKDs (structured equity securities) and FIBRAS (REITS) is greater than Ps.300 billion

www.pemex.com
Other Financing Alternatives (Mexican Market)

Figures in Billion Pesos

4,000 billion pesos
or
320 billion dollars

Afores
1,967
100 or 5%
(Max. est. Pemex Risk)

Mutual Funds (Sociedades de Inversión)
1,481
40 billion pesos are held by Afores
60 billion pesos are available

Others *
512
309 billion pesos are available for Pemex CKDs projects

Insurance
46

Cebures

Structured Equity Securities (CKDs and REITS)
309

Expansion and investment program
Internationalization of local Issuances

GDN

Source: Financial Institutions
* Family offices, private funds, private pension funds.