Forward-Looking Statement and Cautionary Note

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

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. 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 Petroleos 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 PEMEX’s Results Report as of March 31, 2015. Budgetary information is based on standards from Mexican governmental accounting; therefore, it does not include information from the subsidiary companies or affiliates of Petroleos 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
Conversions translated 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 March 31, 2015, the exchange rate of MXN 15.1542 = USD 1.00 is used.

Fiscal Regime
Starting January 1, 2015, Petroleos Mexicanos’ fiscal regime is ruled by the Ley del Impuesto sobre Hidrocarburos (Hydrocarbons Income Law). Since January 1, 2006 and until December 31, 2014, PEMEX 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”. If the “final price” is higher than the “producer price”, the IEPS is paid by the final consumer. On the opposite, the IEPS has been absorbed by the Secretary of Finance and Public Credit (SHCP) and credited to PEMEX. In this case, also known as “negative IEPS”, the IEPS credit to PEMEX has been 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. Up to 2014 the “final price” was established by the SHCP. In 2015 the SHCP set a cap for the “final price” based on the inflation expectations. In 2016 and 2017 the SHCP will do the same; and, based on economic conditions, the price will be determined by the market since 2018.

Hydrocarbons Reserves
In accordance with the Hydrocarbons Law, published in the Official Gazette on August 11, 2014, the National Hydrocarbons Commission (CNH) will establish and 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 estimates, valuation studies and certifications.

As of January 1, 2010, the Secretaries and Exchange Commission (SEC) changed its rules to permit oil and gas companies, in the instance of PEMEX, 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 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 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;
- 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 demand and supply conditions for crude oil and natural gas;
- effects on us from competition, including on us from other oil companies;
- limitations on our access to sources of financing on competitive terms;
- our ability to fund capital expenditures and indebtedness as anticipated; and
- changes in applicable tax laws, rules, regulations, and accounting records in pesos. As of March 31, 2015, the exchange rate of MXN 15.1542 = USD 1.00 is used.

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 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.
Content

- PEMEX today
- Energy Reform
- New era of PEMEX
- Financials
A Transformation is Underway

Benefits for PEMEX

1. Round Zero:
   - reserve base largely intact
   - 12.4 MMMboe proved reserves
   - low replacement cost

2. Management and budgetary autonomy

3. Corporate governance

4. New procurement, compensation and fiscal regime

5. Addressing pension liabilities

Benefits for the Industry

1. Open and regulated industry

2. Collaboration with companies along the entire value chain

3. Clear distribution of roles

4. Sustainable development of resources

5. Additional investment and job creation
A Snapshot of PEMEX Today

**Exploration and Production**
- Crude oil production: 2,300 Mbd\(^1\)
- Natural gas production: 5,753 MMcfd\(^1,3\)
- 75% of crude oil output is produced offshore
- 1P\(^4\) reserves-life: 9.6 years
- Production mix\(^1\): 51% heavy crude; 38% light crude; 12% extra-light crude

**Downstream**
- Refining capacity: 1,690 Mbd
- Strategically positioned infrastructure
- JVs and associations with key operators in the Mexican petrochemical and natural gas transportation industries

**International**
- 8th largest oil producer worldwide\(^2\)
- Crude oil exports: 1,263 Mbd\(^1\)
- 3rd largest oil exporter to the USA
- Long-term relationship with USGC refiners
- JV with Shell in Deer Park, Texas

**Total Revenues\(^5\)**
USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Sales</th>
<th>Exports</th>
<th>Services Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>83.5</td>
<td>0.4</td>
<td>5.7</td>
</tr>
<tr>
<td>2010</td>
<td>103.8</td>
<td>0.4</td>
<td>55.3</td>
</tr>
<tr>
<td>2011</td>
<td>111.4</td>
<td>0.4</td>
<td>55.7</td>
</tr>
<tr>
<td>2012</td>
<td>126.6</td>
<td>0.6</td>
<td>66.6</td>
</tr>
<tr>
<td>2013</td>
<td>123.0</td>
<td>0.8</td>
<td>69.6</td>
</tr>
<tr>
<td>2014</td>
<td>107.9</td>
<td>0.8</td>
<td>64.2</td>
</tr>
<tr>
<td>LTM</td>
<td>95.2</td>
<td>0.8</td>
<td>57.8</td>
</tr>
</tbody>
</table>

**Proved Reserves\(^4\)**
12.4 MMMboe

- Southeast: 87%
- Tampico-Misantla: 2%
- Burgos: 2%
- Veracruz: 1%
- Other: 0%

2. 2014 PIW Ranking
3. Does not include nitrogen
4. As of January 1, 2015
5. PEMEX Audited and Unaudited financial statements
Round Zero Maintains Our Strong Reserve Base

**2P Reserves**
- MMMboe
- 100% = 24.8

- Requested and assigned areas: 17%
- Unrequested areas: 83%

**Total prospective resources**
- MMMboe
- 112.2
  - 52.0
  - 60.2
- 23.4
  - 18.2
  - 5.2
- 88.8
  - 33.8
  - 55.0

**2P Reserves**
- MMMboe
- 100% = 20.6

- Conventional (Excludes deepwater): 98%
- Non conventional and deepwater: 2%

**Prospective resources**
- MMMboe
- 100% = 23.4

- Conventional (Excludes deepwater): 43%
- Non conventional and deepwater: 57%

**Resolution**
PEMEX obtained:
- 100% of its 2P Reserves request
- 68% of its Prospective Resources request

**Rationale**
Sustain current output levels, while holding onto strategic exploratory prospects to facilitate organic growth in the future

**Objective**
Strengthen PEMEX and maximize its long-term value for Mexico

---

1 Includes: Southern, Burgos and other Northern.
2 Includes: Perdido and Holok-Han.
Note: Reserves as of January 1, 2014.
Note: This slide is presented based on the announcement and reports made by the Ministry of Energy.
Distribution of PEMEX’s Reserves

<table>
<thead>
<tr>
<th>Basin</th>
<th>Cum. Prod.</th>
<th>Reserves</th>
<th>Prospective Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1P (90%)</td>
<td>2P (50%)</td>
</tr>
<tr>
<td>Southeastern</td>
<td>47.8</td>
<td>10.8</td>
<td>14.2</td>
</tr>
<tr>
<td>Tampico Misantla</td>
<td>6.3</td>
<td>1.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Burgos</td>
<td>2.5</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Veracruz</td>
<td>0.8</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Sabinas</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Deepwater</td>
<td>0.0</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total PEMEX</strong></td>
<td><strong>57.5</strong></td>
<td><strong>12.4</strong></td>
<td><strong>21.1</strong></td>
</tr>
<tr>
<td><strong>Total Mexico</strong></td>
<td><strong>57.5</strong></td>
<td><strong>13.0</strong></td>
<td><strong>23.0</strong></td>
</tr>
</tbody>
</table>

**MMMboe (billion barrels of oil equivalent)**

1 As of January 1, 2015.
2 Numbers may not total due to rounding.
3 As of January 1, 2014.
## Industry Cost Leader

### Production Costs\(^a,b\)

<table>
<thead>
<tr>
<th>Year</th>
<th>USD / boe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.22</td>
</tr>
<tr>
<td>2011</td>
<td>6.12</td>
</tr>
<tr>
<td>2012</td>
<td>6.84</td>
</tr>
<tr>
<td>2013</td>
<td>7.91</td>
</tr>
<tr>
<td>2014</td>
<td>8.22</td>
</tr>
</tbody>
</table>

### Finding & Development Costs\(^a,c,d,\ e\)

<table>
<thead>
<tr>
<th>Year</th>
<th>USD / boe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>13.79</td>
</tr>
<tr>
<td>2011</td>
<td>13.23</td>
</tr>
<tr>
<td>2012</td>
<td>12.54</td>
</tr>
<tr>
<td>2013</td>
<td>14.35</td>
</tr>
<tr>
<td>2014</td>
<td>17.97</td>
</tr>
</tbody>
</table>

### 2013 Benchmarking: Production Costs\(^1\)

<table>
<thead>
<tr>
<th>Company</th>
<th>USD / boe</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEMEX</td>
<td>7.91</td>
</tr>
<tr>
<td>Conoco</td>
<td>12.35</td>
</tr>
<tr>
<td>Chevron</td>
<td>14.35</td>
</tr>
<tr>
<td>Shell</td>
<td>17.22</td>
</tr>
<tr>
<td>BP</td>
<td>17.1</td>
</tr>
<tr>
<td>Total</td>
<td>9.24</td>
</tr>
<tr>
<td>Statoil</td>
<td>8.51</td>
</tr>
<tr>
<td>Petrobras</td>
<td>17.22</td>
</tr>
</tbody>
</table>

### 2013 Benchmarking: Finding & Development Costs\(^2,3\)

<table>
<thead>
<tr>
<th>Company</th>
<th>USD / boe</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEMEX</td>
<td>14.35</td>
</tr>
<tr>
<td>BP</td>
<td>15.19</td>
</tr>
<tr>
<td>Exxon</td>
<td>17.62</td>
</tr>
<tr>
<td>Conoco</td>
<td>17.93</td>
</tr>
<tr>
<td>ENI</td>
<td>19.99</td>
</tr>
<tr>
<td>Shell</td>
<td>21.35</td>
</tr>
<tr>
<td>Petrobras</td>
<td>23.66</td>
</tr>
<tr>
<td>Chevron</td>
<td>25.77</td>
</tr>
<tr>
<td>Statoil</td>
<td>25.34</td>
</tr>
<tr>
<td>Total</td>
<td>32.40</td>
</tr>
</tbody>
</table>

---

3. 3-year moving average performance calculations.

Note: The sum of these figures is for general illustration purposes only, due to the fact that proved reserves replacement rate does not equal 100% on every case, and because F&D costs are relative to total proved reserves, rather than total developed proved reserves. The sum of these should be used as an estimate.

---

\(a\) Data in nominal values.
\(b\) Source: 20-F Form (2014 & 2012).
\(c\) PEMEX estimates - 3-year moving average.
\(d\) Includes indirect administration expenses.
\(e\) Calculations based on proved reserves.
Building on Our Significant Infrastructure

Production Capacity

- **Refining**
  - Atmospheric distillation capacity 1,602 Mbd
- **Gas Processing**
  - Sour Nat Gas 4.5 Bcf
  - Cryogenic 5.9 Bcf
  - Condensate Sweetening 144 Mbd
  - Fractioning 568 Mbd
  - Sulfur Recovery 3,256 t/d
- **Petrochemical**
  - 13.55 MMt nominal per year

Infrastructure

- **Refining**
  - 6 Refineries
  - Fleet: 21 tankers
  - Storage of 13.5 MMb of Refined Products
  - 14,176 km of pipelines
- **Gas**
  - 70 Plants in 11 Gas Processing Centers
  - 12,678 km of pipelines
- **Petrochemical**
  - 8 Petrochemical Plants
Content

- PEMEX today
- Energy Reform
- New era of PEMEX
- Financials
The Milestones of the Energy Reform

Constitutional Reform (December 20, 2013)

March 21 – August 13 2014

- Round Zero & Resolution
  - The Ministry of Energy prioritized PEMEX's request for exploratory blocks and producing fields, and defined their dimensions

August 11 2014

- Secondary Legislation
  - Approval of 9 new laws and amendment of 12 existing laws
  - Detailed distribution of responsibilities
  - Structure and process for awarding contracts

August 13 2014

- Potential collaboration agreements (farm-outs, JVs)
  - PEMEX defined areas susceptible to collaboration agreements (JVs, farm-outs, etc.)

August 13 2014

- Round One
  - The Ministry of Energy and the National Hydrocarbons Commission previewed the blocks that will comprise Round One

October 2014

- On October 7th, the new Board of Directors was formed
- On October 14th, the following committees were established: Audit, Human Resources and Compensation, Strategy and Investments, and lastly, Acquisitions, Leasing, Works and Services

December 2015

- PEMEX as a State Productive Enterprise

1. SENER
2. CNH
3. PEMEX will be able to work on assignments and contracts during these 24 months
Updating an Outdated Energy Model

Constitutional Reform

A clear distribution of roles: owner, regulator, operating entities and operating companies

Secondary Legislation

The Ministry of Energy dictates the energy policy and coordinates the regulatory entities through the Coordinating Council of the Energy Sector

The Ministry of Finance defines fiscal regime, economic terms of contracts and manages resources from exploration and production through the Mexican Petroleum Fund for Stabilization and Development

Regulatory entities

Operating entities

Operating companies

Other participants

1. Comisión Nacional de Hidrocarburos
2. Comisión Reguladora de Energía
3. Agencia de Seguridad, Energía y Ambiente
4. Centro Nacional de Control de Energía
5. Centro Nacional de Control de Gas Natural
6. Comisión Federal de Electricidad

New creation
Quick Take on the New Energy Sector in Mexico

**Exploration and Production**
- Assignments
- Migration
- Contracts
- Transboundary Hydrocarbon Reservoirs
  - Possibility of direct assignment to PEMEX
  - State participation (≥20%)
  - Comply with international treaties

**Refining**
- Production

**Natural gas**
- Permits (SENER)
- Permits (SENER)

**Transportation, storage and distribution**
- CENAGAS\(^1\)
- Permits (CRE\(^2\))

---

1. Centro Nacional de Control del Gas Natural (National Center for Natural Gas Control)
2. Regulation and permits for transportation, storage and distribution not related to pipelines, and for LPG retail will be granted by the Ministry of Energy (SENER) until December 31, 2015

---
The Fiscal Regime

1. Contractual Fee for the Exploratory Phase
2. Royalties
3. Compensation considering Operating Income or Contractual Value of the Hydrocarbons
4. Hydrocarbons Exploration & Extraction Tax
5. Income Tax

Assignments (Round Zero) → New fiscal regime PEMEX

Contracts (Round One) → Licenses → Signing Bonus

Production-Sharing or Profit-Sharing Contracts

Oil Fund

Income Tax

SHCP

Exploration and Production

Industrial Transformation

Hydrocarbons Revenue Law

Income Tax Law
Content

- PEMEX today
- Energy Reform
- New era of PEMEX
- Financials
Corporate Governance and Structure

Strengthen Corporate Governance

- SENER
- SHCP
- State Representatives
- Independent Members

10 members

New Corporate Structure

- Drilling
- Ammonia Fertilizers
- Upstream
- Cogeneration
- Industrial Transformation
- Ethylene Polymers
- Logistics
- Finance
- Human Resources
- Procurement
- Other

Unified Corporate Services

Board Committees

- Audit
- Human Resources and Compensation
- Strategy and Investments
- Acquisitions, Leasing, Works and Services

- Flexible legal framework governed by the principles of private law.
- A special regime for: acquisition and procurement, compensation, budget, debt, subsidiaries and affiliates.

1. Do not have to be active public servants
2. Approved by the Board of Directors as of May 22, 2015
New Internal Committees to Support Management

**Executive Committee**
- Provide support on strategic management
- Integrated by:
  - Director General
  - Finance
  - Planning
  - IT and Business Processes
  - Alliances and New Business Officer
- Installed on February 3, 2015

**Operational Committee**
- Provide support on operational management, decision making and systemic review of operations
- Integrated by:
  - Director General
  - Planning
  - Finance
  - E&P
  - Industrial Transformation
  - PMI
- Installed on February 16, 2015

**Ethics Committee**
- Provide support to overview the implementation and enforcement of the Codes of Ethics and Conduct
- Integrated by:
  - Corporate Director of Management
  - Deputy Director of Human Resources and Labor Relations
  - Representatives of each Corporate Direction, Subsidiary Companies, Affiliates and the Internal Control Unit
- Installed on February 25, 2015
• On March 27, 2015, PEMEX’s Board of Directors adopted creation resolutions for the new state productive subsidiaries, the new Organic Statute of Petróleos Mexicanos and made several executive appointments and reappointments.

• Both creation resolutions and the new Organic Statute of PEMEX were published in the Official Gazette of the Federation last Tuesday, April 28th. All of this, has laid the necessary foundations for the future of the company, that will gradually revert the recent trend observed on our results.

• Pemex Exploration and Production and Pemex Cogeneration and Services came into effect on May 22, 2015.
Fiscal Regime for Assignments

Key Takeaways

1. Simple
2. Resembles typical tax scheme
3. Gradual reduction of fiscal burden

Duties and Royalties

- **Hydrocarbon Exploration Duty**
  - Fixed amount per km² (amount increases with time)

- **Hydrocarbon Extraction Duty (Royalty)**
  - % of the value of extracted hydrocarbons (% based on hydrocarbon price levels)

- **Profit Sharing Duty**
  - Value of extracted Hydrocarbons

- **COST CAP**
  - Year | Rate
  - 2015 | 10.600%
  - 2016 | 11.075%
  - 2017 | 11.550%
  - 2018 | 12.025%
  - 2019+ | 12.500%

- **Taxes**
  - **Hydrocarbon Exploration and Extraction Activity Tax**
    - Fixed amount for exploration per km² + fixed amount for extraction per km²
  - **Income Tax (ISR)**
    - Allowable deductions:
      - 100% of investments in: exploration, EOR\(^1\) and non-capitalizable maintenance.
      - 25% of investments in: extraction and development.
      - 10% of investments in: storage and transport infrastructure.

---

1 Enhanced Oil Recovery
PEMEX Strategy in Partnerships is Focused on Three Main Major Objectives

- Establish partnerships for selected assigned fields to PEMEX in Round Zero
  - Selected fields assigned to PEMEX in Round Zero will be farmed out
  - The farm-outs will enable the development of fields with high technical complexity or high CAPEX requirements which otherwise would remain underutilized

- Migrate the current E&P Service Contracts (FPWC and EPIC) into Exploration and Extraction Contracts (EEC)
  - Under the new legal framework, the existing contracts with the corresponding contractors will be migrated into EEC
  - By improving fiscal terms, contractors will gain access to additional resources, currently classified as prospective or contingent, hence enhancing the reserves and production for the contractor as well as earnings and taxes for the State

- Position PEMEX for partnerships in next rounds
  - PEMEX will develop technical and organizational capabilities to compete for new blocks
  - Capabilities acquired will allow to improve PEMEX’s position to compete for blocks in future bidding rounds

---

1. FPWC. Financed Public Work Contracts
2. EPIC. Exploration and Production Integrated Contracts
## Bringing New Partnerships On-Board

<table>
<thead>
<tr>
<th>Fields</th>
<th>2P Reserves (MMboe)</th>
<th>CAPEX (USD billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poza Rica-Altamira and Burgos</td>
<td>569</td>
<td>2.6</td>
</tr>
<tr>
<td>ATG and Burgos</td>
<td>1,639</td>
<td>32.7</td>
</tr>
<tr>
<td>Bolontikú, Sinán and Ek</td>
<td>350</td>
<td>6.3</td>
</tr>
<tr>
<td>Rodador, Ogarrio and Cárdenas-Mora</td>
<td>248</td>
<td>1.7</td>
</tr>
<tr>
<td>Ayatsil-Tekel-Utsil</td>
<td>747</td>
<td>6.2</td>
</tr>
<tr>
<td>Kunah-Piklis</td>
<td>212</td>
<td>6.8</td>
</tr>
<tr>
<td>Trión and Exploratus</td>
<td>539&lt;sup&gt;3&lt;/sup&gt;</td>
<td>11.2</td>
</tr>
<tr>
<td>Total</td>
<td>4,304</td>
<td>67.5</td>
</tr>
</tbody>
</table>

2. MMboe – million barrels of oil equivalent.
3. 3P Reserves

**Farm-outs**

- **Phase 1**
  - **Phase 2**
  - Shallow waters
  - Onshore
  - Extra heavy oil
  - Deepwater (gas)
  - Deepwater (oil)

**Public Financed Works Contracts, Integrated Exploration & Production Contracts.**

**CIEP & COPF contract migration (first block)**

**CIEP & COPF - Second block**

**Farm-outs**

- **Aug 2014 / Dec 2015**
- **Jan / Dec 2015**
- **Nov 2014 / Dec 2015**
Future Production Frontiers

Deepwater Infrastructure

Shale Potential

1 Source: National Geographic. 
Downstream Business Portfolio: Main Projects

**Refining**
- Challenges:
  - Increase operational efficiency
  - Infrastructure for better fuels
- Main Projects:
  - Investments in supply infrastructure (Project Gulf-Center),
  - Refineries reconfiguration
  - Clean fuels projects

**Gas Processing**
- Challenges:
  - Expand gas pipeline network
  - Capture trading opportunities
- Main Projects:
  - Finish Los Ramones project
  - Transoceanic Corridor Project for propane, gas and refined products

**Petrochemicals**
- Challenges:
  - Integrate value chains: ethane, methane and aromatics
- Main Projects:
  - Fertilizers strategy,
  - Ethylene oxide and monoethylene glycol projects
  - Modernization of Aromatics Train

**Cogeneration**
- Challenges:
  - Take advantage of PEMEX’s power cogeneration potential
- Main Projects:
  - Cogeneration projects
New Business Models - Downstream

PEMEX has developed successful strategic alliances in our downstream activities.

**Project**

<table>
<thead>
<tr>
<th>Deer Park</th>
<th>Gas Pipelines</th>
<th>PEMEX – Mexichem</th>
</tr>
</thead>
</table>

**Partner**

- Shell
- Mexichem

**PEMEX’s Participation**

- 1. Joint Venture
- 2. Oil supply
- 1. Joint Venture
- 3. Supply of raw materials

**Objective**

- Refine Mexican heavy crude oil and increase gasoline supply to Mexico
- Natural Gas and LPG transportation to power plants in the northern region of Mexico
- Increase production of vinyl chloride

**Operations Startup**

- 1993
- 1997
- 2012
Los Ramones Pipeline Project

**Los Ramones Phase II: North**
- Ownership structure (TAG Pipelines Norte):
  - 45% BlackRock/First Reserve
  - 30% PGPB
  - 25% IEnova Gasoductos
- Start of Operations: **December 2015**
- Capacity: 1.4 bcf; 42” diameter.
- Investment: USD 1.3 billion
- Length: 452 km (Los Ramones, NL to San Luis Potosi, SLP)

**Los Ramones Phase I**
- Ownership structure (Gasoductos de Chihuahua):
  - 50% PGPB.
  - 50% IEnova Gasoductos
- Start of Operations: **December 2014**
- Capacity: 1.0 bcf (2014) up to 2.1 bcf (2015); 48” diameter
- Investment: USD 0.6 billion
- Length: 116 km (Agua Dulce, TX to Los Ramones, NL)

**Los Ramones Phase II: South**
- Ownership structure: (TAG Pipelines Sur):
  - 50% GDF Suez
  - 45% BlackRock/First Reserve
  - 5% PGPB
- Start of Operations: **December 2015**
- Capacity: 1.4 bcf; 42” diameter
- Investment: USD 0.9 billion
- Length: 291 km (San Luis Potosi, SLP to Apaseo el Alto, GTO)

Associations of PEMEX with:
- BlackRock - First Reserve.- The purpose of this association is to acquire a joint interest in phase two of the Los Ramones pipeline of approximately 45% of this phase.

---

(1) Indirect ownership: the company or group does not directly own the share of the project, but a subsidiary or affiliate company from the company or group.
Income Statement Evolution

**Income Statement**  
USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Income before taxes and duties</th>
<th>Taxes and duties</th>
<th>EBITDA</th>
<th>Total sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>53.4%</td>
<td>34.6%</td>
<td>9.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2008</td>
<td>125.6%</td>
<td>-22.4%</td>
<td>-0.6%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>2009</td>
<td>104.9%</td>
<td>-0.4%</td>
<td>1.3%</td>
<td>-5.8%</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
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<td>2011</td>
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<tr>
<td>2014</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>LTM 1Q15</td>
<td></td>
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</tr>
</tbody>
</table>

**Sales 2009-1Q15**

- Petrochemical: 2.0%
- Gas: 9.9%
- Refining: 34.6%
- E&P: 53.4%

**Operating Income 2009-1Q15**

- Petrochemical: -2.6%
- Gas: -0.6%
- Refining: -22.4%
- E&P: 125.6%

**EBITDA 2009-1Q15**

- Petrochemical: -0.4%
- Gas: 1.3%
- Refining: -5.8%
- E&P: 104.9%

**Historically,** from 2009 to 2014, taxes have accounted for 118% of operating income and 129% of before-tax profits.

**In 2015,** taxes amounted to 212% of operating income and 45 times before-tax profits, respectively.
PEMEX One of the Most Profitable Companies in 2014

**Gross Margin**
- PEMEX: 50.3%
- Statoil: 45.5%
- Shell: 15.1%
- Chevron: 13.6%
- Exxon: 13.3%
- BP: 12.5%

**EBITDA Margin**
- PEMEX: 55.56%
- Statoil: 34.79%
- Chevron: 18.99%
- Exxon: 14.09%
- Shell: 12.32%
- BP: 9.40%

**Operating Margin**
- PEMEX: 38.87%
- Statoil: 18.08%
- Shell: 10.26%
- Chevron: 9.34%
- Exxon: 6.50%
- BP: 5.11%

**Before Tax Margin**
- PEMEX: 30.38%
- Statoil: 18.03%
- Chevron: 16.23%
- Exxon: 14.15%
- Shell: 6.72%
- BP: 1.40%

Source: Bloomberg and PEMEX 2014 Audited Financial Statements
In addition to internal cash flows, PEMEX has resorted to financial markets to finance its investment projects.

- Pension liability generates costs and distortions in our financial statements.
- Our negative equity is a result of accumulated losses and the distortions derived from pension liabilities.
• Considering current production and the Mexican Mix price, if the crude oil price decreases by $1 USD/b, its effect on PEMEX’s main accrued items for 2015 will have an aggregate decrease of $164 USD million.

• This is a result of two effects:
  – Crude oil cash flows: net positive effect due to a short position (duties > exports)
  – Petroleum products cash flows: net negative effect due to a long position (net domestic sales > imports)
Investing To Meet Our Long-term Goals

CAPEX Distribution 2015-2019
USD billion

- Figures are nominal and may not total due to rounding.
- Includes upstream maintenance expenditures.
- “E” means Estimated.
- CAPEX for 2015 is estimated @ MXN$307.56 billion. Figures for 2015 include the budget adjustments announced as of the date of this report.
- PEMEX’s investment records are in pesos. Figures have been converted at the following average historical exchange rates: MXN 12.4291/USD for 2011, MXN 13.1649/USD for 2012, MXN 12.7677/USD for 2013 and MXN 13.2973/USD for 2014. For 2015 and subsequent years, an exchange rate of $13.40 MXN/USD is used.
- Investment figures for 2016-2019 are under review and must be approved by the Board of PEMEX, along with the elaboration of the 2016 Budget (est. July 2015).
Total debt as of March 2015 is USD 84 billion which represents 0.9x sales and 1.7x EBITDA

Net Indebtedness
USD MMM

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Indebtedness</th>
<th>CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5.1</td>
<td>18.6</td>
</tr>
<tr>
<td>2010</td>
<td>5.3</td>
<td>21.3</td>
</tr>
<tr>
<td>2011</td>
<td>1.6</td>
<td>21.5</td>
</tr>
<tr>
<td>2012</td>
<td>3.4</td>
<td>23.7</td>
</tr>
<tr>
<td>2013</td>
<td>4.7</td>
<td>26.1</td>
</tr>
<tr>
<td>2014</td>
<td>16.7</td>
<td>26.8</td>
</tr>
<tr>
<td>2015</td>
<td>15.0</td>
<td>23.5</td>
</tr>
</tbody>
</table>

Reserve Replacement Rate-1P and 3P

1. As of January 1, 2015. 1P includes discoveries, developments, revisions and delineations. 3P replacement rate only considers new discoveries. Reflects reserve replacements conducted by PEMEX.

Source: PEMEX Financial Statements
Debt Profile

By Currency¹,²
- Dollar: 21%
- Euros: 66%
- British Pounds: 4%
- Yen: 7%

By Interest Rate¹,²
- Fixed: 27%
- Floating: 73%

By Instrument¹,²
- Int. Bonds: 59%
- Cebures: 11%
- ECAs: 18%
- Int. Bank Loans: 6%
- Domestic Bank Loans: 4%
- Others: 2%

By Currency Exposure¹,²
- Dollar: 73%
- Euros: 27%

Term Structure – Consolidated Debt¹,²
USD MMM

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>8.7</td>
<td>4.8</td>
<td>5.2</td>
<td>5.9</td>
<td>6.1</td>
<td>9.1</td>
<td>5.5</td>
<td>3.6</td>
<td>3.1</td>
<td>5.7</td>
<td>2.5</td>
<td>5.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.0</td>
<td>17.6</td>
</tr>
</tbody>
</table>

¹ As of March 31, 2015. Sums may not total due to rounding.
² Does not include accrual interest
## Financing Program 2015

<table>
<thead>
<tr>
<th>Source</th>
<th>Programmed USD billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Markets</td>
<td>7.0 – 9.0</td>
</tr>
<tr>
<td>International Markets</td>
<td>8.0 – 11.0</td>
</tr>
<tr>
<td>Loans</td>
<td>2.0 – 3.0</td>
</tr>
<tr>
<td>Export Credit Agencies (ECAs)</td>
<td>1.0 – 2.0</td>
</tr>
<tr>
<td>Others</td>
<td>0.2 – 0.5</td>
</tr>
<tr>
<td>Net Indebtedness</td>
<td>15.0</td>
</tr>
</tbody>
</table>
Financial Strategy Options

International Market Issues
• Diversify sources of financing in efficient and deep markets (Japan, Middle East).
• Recurring emissions ≈ USD 1 billion.
• Debt management in order to keep the interest curve both liquid and efficient.

New Structures
• Structured Products (Development Capital Certificates)

Issues in MXN
• MXN is both more efficient in terms of cost and has less depth than the USD.
• Continue using mechanisms which contribute to increasing the liquidity, terms and volumes of the MXN:
  • Predictable and frequent issuer.
  • Diversified investor base.
  • Issue re-openings.
  • Market Maker programs.

Bank Loans
• Increase the amount and term of revolving credit lines.
• Bank loans used to complete the financial program, if necessary.

Revolving facilities
• As of February 27, 2015, syndicated revolving credit lines for liquidity management in the amounts of USD 4.5 billion and MXN 23.5 billion.

Export Credit Agencies (ECAs)
• ECAs do not compete with other sources of financing and offer term and cost benefits.
• Continue with bond issues guaranteed by the US-EXIM.
• Reach agreements with the Export Bank of China and the Export Import Bank of Korea.
• Search ECA financing with other entities that currently do not have a business relationship with PEMEX.

www.pemex.com
New Financing Alternatives

1. Additional financial flexibility
2. PEMEX could explore new financing opportunities already available in the industry

---

**Fund Raising in the O&G Industry**

- Bonds: 50%
- Project finance: 31%
- Bank loans: 9%
- Equity: 10%

---

**PEMEX Financing Program 2015**

- Bonds (domestic, international markets, ECAs): 85%
- Project finance: 13%
- Bank Loans: 2%

- International markets: 34.7%
- Domestic markets: 42.2%
- ECAs: 8.1%

Source: ThomsonONE
Financial Discipline

Budget Adjustment Premises

- To minimize crude and gas production effects
- To minimize the impacts on reserves replacement
- To maintain the capacity to supply the national petroleum products market
- To minimize the impacts on safety and reliability of our infrastructure while complying with environmental standards
- To minimize potential impacts on our future competitiveness in the opening of the petroleum products market
- To increase PEMEX’s profitability

2015 Budget Adjustment

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>MXN billion</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>OPEX</td>
<td>59.5</td>
<td>52</td>
</tr>
<tr>
<td>CAPEX</td>
<td>2.5</td>
<td>10</td>
</tr>
</tbody>
</table>

www.pemex.com
Background and Necessary Update of the Pension Scheme

Based on the following conditions, the Federal Government will recognize with an amount equal to the savings achieved through the negotiation and amendment of the Collective Bargaining Agreement:

- Individual account regime for new employees
- Gradual adjustment of the retirement parameters of active employees

In 1942, the retirement conditions were established:
- 55 years of age
- 25 years of work
- Up to 80% of wage

The life expectancy growth has had an exponential effect in the pension liability.

Mexico: Life Expectancy Years

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>34</td>
<td>39</td>
<td>47</td>
<td>58</td>
<td>61</td>
<td>66</td>
<td>71</td>
<td>74</td>
<td>74</td>
<td>75</td>
<td></td>
</tr>
</tbody>
</table>

Accrued Obligations

- Accrued obligations: 1,494 MXN billion
- Reform objectives: 42%
- Current pensions and active employees: 48%

1. As of March 31, 2015
What differentiates PEMEX

**Strengths**
- Human capital
- Execution flexibility
- Selected participation in new projects
- Sustainability mandate through corporate governance, and social & environmental responsibility
- Improved efficiencies through collaboration
- Diverse reserve portfolio (regional and technological)
- Technology deployment opportunities
- Financial autonomy and new fiscal regime

**Challenges**
- Production stabilization
- Additional efficiency requirements in production and processing
- Industrial safety and security
- Increasing financing requirements
- Human resource attrition
- Pension liability
Future Goals

- Financial discipline
- Pension liability reduction
- New financing alternatives
- Restructure
- Value creation
- New fiscal regime
- Partnerships
- Corporate governance

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