Mexico’s Energy Reform & PEMEX as a State Productive Enterprise

October 2014
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 presentation 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 on Table 33 of the annexes of the Financial Results of PEMEX as of June 30, 2014. Budgetary information is based on standards from Mexican governmental accounting; therefore, it does not include information from the subsidiary companies of Petróleos Mexicanos.

Foreign Exchange Conversions
Convenience translations into U.S. dollars of amounts in Mexican pesos have been made at the established exchange rate, as of June 30, 2014, of MXN 13.0323 = USD 1.00. Such translations should not be construed as a representation that the peso amounts have been or could be converted into U.S. dollars at the foregoing or any other rate.

Fiscal Regime
Since January 1, 2006, PEMEX has been subject to a new fiscal regime. PEMEX-Exploration and Production’s (PEP) tax regime is governed by the Federal Duties Law, while the tax regimes of the other Subsidiary Entities continue to be governed by Mexico’s Income Tax Law. The most important duty paid by PEP is the Hydrocarbons Duty (OHD), the tax base of which is a quasi operating profit. In addition to the payment of the OHD, PEP is required to pay other duties.

Under PEMEX’s current fiscal regime, the Special Tax on Production and Services (IEPS) applicable to gasoline and diesel is regulated under the Federal Income Law. PEMEX is an intermediary between the Secretary of Finance and Public Credit (SHCP) and the final consumer; PEMEX retains the amount of IEPS and transfers it to the Federal Government. The IEPS rate is calculated as the difference between the retail or “final price,” and the “producer price.” The final prices of gasoline and diesel are established by the SHCP. PEMEX’s producer price is calculated in reference to that of an efficient refinery operating in the Gulf of Mexico. Since 2006, if the “final price” is lower than the “producer price”, the SHCP credits to PEMEX the difference among them. The IEPS credit amount is accrued, whereas the information generally presented by the SHCP is cash-flow.

Hydrocarbon Reserves
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 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;
• 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 gain access to additional reserves and to develop the reserves that we obtain rights to exploit;
• 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 Energy Reform Decree (as described in our most recent Form 20-F and Annual Report);
• developments affecting the energy sector; and
• changes in our legal regime or regulatory environment, including tax and environmental regulations.

PEMEX
PEMEX is Mexico’s national oil and gas company and was created in 1938. It is the primary producer of Mexico’s oil and gas resources. The operating subsidiary entities are Pemex - Exploration and Production, Pemex - Refining, Pemex - Gas and Basic Petrochemicals and Pemex – Petrochemicals. The main subsidiary company is PMI Comercio Internacional, S.A. de C.V., Pemex’s international trading arm.

www.pemex.com
Industry Evolution

1901-1938 Participation of the private sector in the Mexican Oil & Gas Industry

1938 Expropriation

1958 Contracts are prohibited. PEMEX is the only operator

1995, 2003 and 2008 Reforms to the industry allow limited participation by the private sector

For 76 years the Mexican oil & gas sector remained unchanged

1965 Norway 1st bid round with 22 licenses

1968 Massive Hydraulic Fracking in Oklahoma

1975 First oil discovery in deepwater

1997 Brazil and Colombia open their oil & gas industries

2011 USA: net exporter of refined products for the first time since 1949

The Energy Reform of 2013 brings up to par the O&G industry in Mexico

Other Countries
Mexico has become less energy independent

Production and Consumption of Natural Gas
Million cubic feet per day (MMcfd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Consumption</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>3,251</td>
<td>3,360</td>
<td>109</td>
</tr>
<tr>
<td>2001</td>
<td>4,971</td>
<td>6,229</td>
<td>2,336</td>
</tr>
<tr>
<td>2005</td>
<td>1,258</td>
<td>4,503</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>2,336</td>
<td>6,839</td>
<td></td>
</tr>
<tr>
<td>2013*</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

66% of domestic consumption
34% of domestic consumption

Production and Imports of Gasoline
Thousand barrels per day (Mbd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Consumption</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>376</td>
<td>503</td>
<td>127</td>
</tr>
<tr>
<td>2000</td>
<td>54</td>
<td>455</td>
<td>54</td>
</tr>
<tr>
<td>2006</td>
<td>395</td>
<td>416</td>
<td>395</td>
</tr>
<tr>
<td>2009</td>
<td>416</td>
<td>811</td>
<td>395</td>
</tr>
<tr>
<td>2012</td>
<td>395</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

75% of domestic consumption
25% of domestic consumption

Demand, Production and Imports of Petrochemicals
Thousand metric tons (Mt)

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand</th>
<th>Production</th>
<th>Net Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>3.62</td>
<td>6.64</td>
<td>3.62</td>
</tr>
<tr>
<td>2000</td>
<td>19.36</td>
<td>12.72</td>
<td>6.64</td>
</tr>
<tr>
<td>2003</td>
<td>22.09</td>
<td></td>
<td>14.72</td>
</tr>
<tr>
<td>2006</td>
<td>6.86</td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>2009</td>
<td>6.86</td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>2012</td>
<td>6.86</td>
<td></td>
<td>3.62</td>
</tr>
</tbody>
</table>

65% of domestic consumption
35% of domestic consumption

Mexico loosing its status as a net exporter

Demand, Production and Imports of Petrochemicals

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand</th>
<th>Production</th>
<th>Net Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>6.09</td>
<td>2.47</td>
<td>3.62</td>
</tr>
<tr>
<td>1996</td>
<td>12.72</td>
<td>7.62</td>
<td>5.10</td>
</tr>
<tr>
<td>1999</td>
<td>14.47</td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>2002</td>
<td>6.86</td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>2005</td>
<td>6.86</td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>2008</td>
<td>6.86</td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>2011</td>
<td>6.86</td>
<td></td>
<td>3.62</td>
</tr>
</tbody>
</table>

65% of domestic consumption
35% of domestic consumption

Mexico losing its status as a net exporter
The outcome of reforms in other countries has yielded positive results.
PEMEX Crude oil production vs CAPEX

- Crude oil production (Mbd)
- E&P investment (USD billion)
- Crude oil price (USD/b)

Graph showing the trends of crude oil production, E&P investment, and crude oil price from 1997 to 2013.
### Mexico’s Productive Basins

**Basin** | **Cum. Prod.** | **1P (90%)** | **2P (50%)** | **3P (10%)** | **Prospective Resources**
---|---|---|---|---|---
Southeastern | 46.5 | 11.8 | 17.0 | 23.4 | 16.8
Tampico Misantla | 6.5 | 1.1 | 6.6 | 15.7 | 2.4 | 34.8
Burgos | 2.4 | 0.3 | 0.5 | 0.7 | 3.0 | 10.8
Veracruz | 0.8 | 0.2 | 0.2 | 0.3 | 1.4 | 0.6
Sabinas | 0.1 | 0.0 | 0.0 | 0.1 | 0.4 | 14.0
Deepwater | 0.0 | 0.1 | 0.4 | 2.0 | 27.1
Yucatán Platform | | | | | 1.5
**Total** | **56.2** | **13.4** | **24.8** | **42.2** | **52.6** | **60.2**

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

1. As of January 1, 2014.
2. Numbers may not total due to rounding.
On December 20, 2013 a constitutional reform was enacted. The Reform represents a paradigm shift in the management of Mexico’s natural resources.

The secondary legislation, approved on August 7, 2014, modified the legal framework in order to promote a more productive and sustainable use of the country’s natural resources.
5 Guiding Principles of the Energy Reform

The Constitutional Reform enacted on December 20, 2013 includes modifications to constitutional articles 25, 27 and 28, as well as 21 transitory articles

5 Guiding Principles

The Mexican State retains ownership and control of hydrocarbons

Third parties participation in the hydrocarbons sector through various types of contracts and a new fiscal regime

PEMEX becomes a State Productive Enterprise

Restructuring of the energy sector with new entities, as well as re-defined of roles and the strengthening of the regulatory agencies

Promotes sustainable development of the national industry and ensures transparency and accountability
The Reform Timeline

**Constitutional Reform**
December 20, 2013

**March 21 – August 13 2014**

Round Zero & Resolution

- The Ministry of Energy\(^1\) prioritized PEMEX’s request for exploratory blocks and producing fields, and defined their dimensions.
- Approval of 9 new laws and amendment of 12 existing laws.
- Detailed distribution of responsibilities.
- Structure and process for awarding contracts.

**August 11 2014**

Secondary Legislation

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

**August 13 2014**

Potential collaboration agreements

**August 13 2014**

Round One

- The Ministry of Energy and the National Hydrocarbons Commission\(^2\) previewed the blocks that will comprise Round One.
- On October 7\(^{th}\), the new Board of Directors was formed.
- On October 14\(^{th}\), the following committees were established: Audit, Human Resources and Compensation, Strategy and Investments, and lastly, Acquisitions, Leasing, Works and Services.

**October 2014**

**Up to 24 months**
12/21/2015

**PEMEX\(^3\) as a State Productive Enterprise**

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1. SENER.
2. CNH.
3. PEMEX will be able to work on assignments and contracts during these 24 months.
### Round Zero Resolution

<table>
<thead>
<tr>
<th>Area</th>
<th>2P Reserves MMboe</th>
<th>Prospective Resources MMboe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>20,589</td>
<td>18,222</td>
</tr>
<tr>
<td>Shallow Waters</td>
<td>11,374</td>
<td>7,472</td>
</tr>
<tr>
<td>Onshore: Chicontepec</td>
<td>3,556</td>
<td>-</td>
</tr>
<tr>
<td>Onshore: Other¹</td>
<td>5,263</td>
<td>5,913</td>
</tr>
<tr>
<td>Deepwater²</td>
<td>397</td>
<td>4,837</td>
</tr>
<tr>
<td>Non-conventional</td>
<td>-</td>
<td>5,225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,589</strong></td>
<td><strong>23,447</strong></td>
</tr>
</tbody>
</table>

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

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

#### Total prospective resources MMMboe
- **112.2** Total
- **23.4** Assigned areas
- **88.8** Unassigned areas

- **21%** of prospective resources
- **79%** Unassigned areas

### 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 the Mexico.

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¹ Includes: Southern, Burgos and other Northern.
² Includes: Perdido and Holok-Han.

Note: Reserves as of January 1, 2014. This slide is presented based on the announcement and reports made by the Ministry of Energy.
**Round One and Migration Timetable**

- **Aug / Nov 14**: Feedback on announced areas
- **Nov 14 / Jan 15**: Terms and conditions feedback
- **Aug / Nov 14**: Definition of contract types, terms and conditions
- **Aug / Nov 14**: Definition of fiscal terms and award variables
- **Aug 14 / Jan 15**: Data Room set-up
- **Oct 14 / Jan 15**: Social impact study
- **Aug / Dec 14**: Sale of bid packages and
  - **Feb / Apr 15**: Contract award (May / Sep 15)
  - **Jan / Jun 15**: CIEP & COPF contract migration (first block)
  - **Nov 14 / Dec 15**: CIEP & COPF - Second block

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**CNH**

1. National Hydrocarbons Commission.

**SENER**

2. Energy Regulation Commission.

**SHCP**

Secondary Legislation

To consolidate a new legal framework in the energy sector, 9 new laws were approved and 12 laws were amended.

1. Hydrocarbons Law\(^1\)
2. Foreign Investment Law\(^2\)
3. Mining Law\(^2\)
4. Public Private Association Law\(^2\)
5. Electric Industry Law\(^1\)
6. Geothermal Energy Law\(^1\)
7. National Water Law\(^2\)

8. National Agency for Industrial Safety and Environmental Protection in the Hydrocarbons Sector Law\(^1\)
9. Petróleos Mexicanos Law\(^1\)
10. Federal Electricity Commission Law\(^1\)
11. Public Entities Law\(^2\)
12. Acquisitions, Leases and Services Agreements Law\(^2\)
13. Public Works and Related Services Law\(^2\)
14. Coordinated Regulatory Entities in Energy Matters Law\(^1\)
15. Organic Law of the Federal Public Administration\(^2\)
16. Hydrocarbons Revenue Law\(^1\)
17. Federal Duties Law\(^2\)
18. Fiscal Coordination Law\(^2\)
19. Mexican Petroleum Fund for Stabilization and Development Law\(^1\)
20. Federal Budget and Fiscal Responsibility Law\(^2\)
21. General Law of Public Debt\(^2\)

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1. New laws.
2. Amended laws.
Updating an Outdated Energy Model

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

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 manages resources from exploration and production through the Mexican Oil Fund

Regulatory entities

- CNH
- CRE
- ANSIPMA

Operating entities

- CENAGAS

Operating companies

- PEMEX
- CFE

Other participants

1. Comisión Nacional de Hidrocarburos.
2. Comisión Reguladora de Energía.
3. Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos.
5. Centro Nacional de Control de Gas Natural.
Distribution of Roles

- Define exploration and exploitation areas, as well as the type of contract awarded (licenses, production sharing, profit sharing, or a combination of the previous).
- Award assignments, including “Round Zero”.
- Technical design of contracts.
- Definition of economic and fiscal terms of each contract.
- Carry out public tenders according to the terms established by SENER and SHCP.
- Authorize recognition and surface exploration works.
- The National Hydrocarbons Information Center will maintain and carry out seismic and geological studies.
- Regulate and grant storage, transport and pipeline distribution permits.

- The National Agency for Industrial Safety and Environmental Protection in the Hydrocarbons Sector\(^1\) will regulate and supervise operational safety and environmental protection.
- The National Center for Natural Gas Control\(^1\) will operate the national transport pipelines and storage system (natural gas).
- The Mexican Petroleum Fund for Stabilization and Development\(^1\) will manage and distribute income from assignments and contracts, such as duties and royalties, but not taxes.

1. A new entity.
Quick take on the new energy sector in Mexico

**Assignments**
- Migration
- Contracts
  - 1. Production-sharing
  - 2. Profit-sharing
  - 3. Licenses
  - 4. Services

**Transboundary Hydrocarbon Reservoirs**
- Possibility of direct assignment to PEMEX
- State participation (≥20%)
- Comply with international treaties

**Refining**
- Permits (SENER)

**Natural gas**
- Permits (SENER)

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

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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.

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PEMEX to continue commercialization for next 3 years and open to private thereafter.
Hydrocarbons Revenue Law

Assignments

- Contractual Fee for the Exploratory Phase
- Royalties
- Compensation considering Operating Income or Contractual Value of the Hydrocarbons

Contracts

- Production-Sharing or Profit-Sharing Contracts

Licenses

Duties

- Contractual Fee for the Exploratory Phase
- Royalties
- Compensation considering Operating Income or Contractual Value of the Hydrocarbons

Fund

- Income Tax

Migration

- Recognition of a greater proportion of exploration and production costs

Hydrocarbons Revenue Law

- Consistent with international standards
- Ensures Mexico obtains oil revenues
- Revenue stream to the State independent of the stage of development and profitability

Income Tax Law

- Mechanisms that promote industrial development
- Elements to increase levels of exploration and production
- Progressive regime (increase in prices or large discoveries)

www.pemex.com
## Fiscal Regime for Assignments

### Duties and Royalties

<table>
<thead>
<tr>
<th>Duty</th>
<th>Formula/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrocarbon Extraction Duty (Royalty)</td>
<td>% of the value of extracted hydrocarbons (% based on the hydrocarbon price levels)</td>
</tr>
<tr>
<td>Hydrocarbon Exploration Duty</td>
<td>Fixed amount per km² (amount increases with time)</td>
</tr>
<tr>
<td>Profit Sharing Duty</td>
<td>Value of extracted Hydrocarbons - Allowable Deductions \times Rate</td>
</tr>
</tbody>
</table>

### Taxes

<table>
<thead>
<tr>
<th>Tax</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrocarbon Exploration and Extraction Activity Tax</td>
<td>Fixed amount for exploration per km² + fixed amount for extraction per km²</td>
</tr>
<tr>
<td>Income Tax (ISR)</td>
<td>Allowable deductions:</td>
</tr>
<tr>
<td></td>
<td>100% of investments in: exploration, EOR(^1) and capitalizable maintenance.</td>
</tr>
<tr>
<td></td>
<td>25% of investments in: extraction and development.</td>
</tr>
<tr>
<td></td>
<td>10% of investments in: storage and transport infrastructure.</td>
</tr>
</tbody>
</table>

\(^{1}\) Enhanced Oil Recovery.
National Content and National Industry

- Public Trust to Develop National Suppliers and Contractors
- Industrial and direct investment promotion strategy:
  - Training
  - Certification
  - Enable and promote investments and partnerships
- National preference will be granted when similar conditions are being offered (price, quality and timely delivery)

Minimum E&P Average

Gradual Increase

25% (2015)

35% (2025)

Every contract and assignment will have a:
- Minimum national content.
- Progressive compliance schedule.

To be defined and verified by the Ministry of Economy

1. Includes all contracts and assignments with certain exemptions such as deepwater.
Content

- Industry Evolution
- Constitutional Reform and Secondary Legislation
- PEMEX as a State Productive Enterprise
- PEMEX Today
- Financials
PEMEX’s transformation

Before

• The legal framework was comparable to:
  • Mexican Postal Service
  • The Ministry of Education

• The Mexican Government approved and managed the annual budget of the company, including capital expenditures.

After

• Flexible legal framework governed by the principles of private law.

• A special regime for: acquisition and procurement, compensation, budget, debt, subsidiaries and affiliates.

• Strengthen corporate governance.
Main Characteristics of an SPE

State Productive Enterprise

Corporate Regime
• Compensation
• Recruitment
• Procurement
• Budget
• Debt
• Accountability
• State dividend

Governing Law
• Commercial Law\(^2\) vs. Administrative Law\(^3\)

Performance Evaluation
• Economic objectives

Generation of value
Becoming an SPE

Composition of New Board of Directors

- SENER
- SHCP
- State Representatives
- Independent Members

10 members

New Corporate Structure

- PEMEX
- E&P (Upstream)
- Industrial Processes (Downstream)
- Unified Corporate Services

PEMEX will have additional flexibility to optimize its corporate structure

1 Do not have to be active public servants
## Migration Process on Assignments

Promote PEMEX's development as a State Productive Enterprise to promote generation of value

<table>
<thead>
<tr>
<th>First stage: 22 existing contracts</th>
<th>Second stage: farm-outs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First block</strong></td>
<td></td>
<td><strong>4,304</strong></td>
</tr>
<tr>
<td>2P Reserves (MMboe)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Expected Investment (USD billion)</td>
<td><strong>67.5</strong></td>
</tr>
<tr>
<td>569</td>
<td>2.6</td>
<td>Poza Rica-Altamira and Burgos Assets</td>
</tr>
<tr>
<td>1,639</td>
<td>32.7</td>
<td>ATG and Burgos Assets</td>
</tr>
<tr>
<td><strong>Second block</strong></td>
<td></td>
<td><strong>539</strong></td>
</tr>
<tr>
<td>248</td>
<td>1.7</td>
<td>Rodador, Ogarrio, Cárdenas-Mora (Onshore)</td>
</tr>
<tr>
<td>350</td>
<td>6.3</td>
<td>Bolontikú, Sinán &amp; Ek (Offshore)</td>
</tr>
<tr>
<td><strong>Mature fields</strong></td>
<td></td>
<td><strong>539</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Extra-heavy crude oil</strong></td>
<td></td>
<td><strong>4,304</strong></td>
</tr>
<tr>
<td>747</td>
<td>6.2</td>
<td>Ayatsil-Tekel-Utsil</td>
</tr>
<tr>
<td><strong>Deepwater (natural gas)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>212</td>
<td>6.8</td>
<td>Kunah-Piklis</td>
</tr>
<tr>
<td><strong>Perdido Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>539&lt;sup&gt;2&lt;/sup&gt;</td>
<td>11.2</td>
<td>Trión and Exploratus</td>
</tr>
</tbody>
</table>

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1. MMboe – million barrels of oil equivalent
2. 3P reserves
Round One

Provide the potential to increase crude oil and natural gas production in the short term, incorporate reserves, and seek new areas to increase Mexico’s prospective resources.

Potential Annual Investment (2015-2018): USD 8.5 billion

<table>
<thead>
<tr>
<th>Reserves (MMboe)</th>
<th>Fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deepwater</td>
<td></td>
</tr>
<tr>
<td>1,591(^1)</td>
<td>Perdido Area</td>
</tr>
<tr>
<td>3,222(^1)</td>
<td>South</td>
</tr>
<tr>
<td>2,678(^2)</td>
<td>Aceite Terciario del Golfo Asset</td>
</tr>
<tr>
<td>8,927(^1)</td>
<td></td>
</tr>
<tr>
<td>Onshore, shallow waters &amp; extra-heavy crude oil</td>
<td></td>
</tr>
<tr>
<td>1,104(^2)</td>
<td>Pit, Pohp, Alak, Kach &amp; Kastelan</td>
</tr>
<tr>
<td>724(^1)</td>
<td></td>
</tr>
<tr>
<td>Non-conventional gas</td>
<td></td>
</tr>
<tr>
<td>142(^1)</td>
<td>Sabinas basin</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,388</strong></td>
</tr>
</tbody>
</table>

1  Prospective resources
2  2P reserves

Note: This slide is presented based on the announcement and reports made by the Ministry of Energy.
Benefits & Opportunities

New Business Scheme

- State Productive Enterprise
- Management and budgetary autonomy
- New procurement & compensation regimes
- New organizational structure
- Corporate governance

New Industry Environment

- Transfer of technology and know-how
- Collaboration with companies along the entire value chain
- Risk-sharing and diversification
- Registration of contracts and expected benefits in E&P
- Migration from assignments to contracts
- Transparency, sustainability and environmental protection

Competitive advantages

- Round Zero

PEMEX will continue to lead as the key corporate in Mexico

- Operational and efficiency metrics
- Operational and financial margins
- Decision-making
- Value creation
- Focus on activities which yield greater value added
- Modernization and improvements along the entire value chain
Content

- Industry Evolution
- Constitutional Reform and Secondary Legislation
- PEMEX as a State Productive Enterprise
- PEMEX Today
- Financials
A Snapshot of PEMEX Today

**Exploration and Production**
- Crude oil production: 2,480 Mbd\(^1\)
- Natural gas production: 5,785 MMcfd\(^1,3\)
- 7th largest oil producer worldwide\(^2\)
- 75% of crude oil output is produced offshore
- 1P reserves-life: 10.1 years

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

**International**
- Crude oil exports: 1,136 Mbd\(^1\)
- 3rd largest oil exporter to the USA
- Long-term relationship with USGC refiners
- JV with Shell in Deer Park, Texas

**Total revenues**
USD billion

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Jan-Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>83.5</td>
<td>103.8</td>
<td>111.4</td>
<td>126.6</td>
<td>123.0</td>
<td>13.4 MMMboe</td>
</tr>
<tr>
<td>Services Revenues</td>
<td>37.4</td>
<td>48.0</td>
<td>55.2</td>
<td>59.4</td>
<td>52.6</td>
<td>62.6</td>
</tr>
<tr>
<td>Exports</td>
<td>45.7</td>
<td>55.3</td>
<td>55.7</td>
<td>66.6</td>
<td>69.6</td>
<td>36.3</td>
</tr>
<tr>
<td>Domestic sales</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.8</td>
<td>0.8</td>
<td>0.3</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Jan-Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast</td>
<td>83.5</td>
<td>103.8</td>
<td>111.4</td>
<td>126.6</td>
<td>123.0</td>
<td>13.4 MMMboe</td>
</tr>
<tr>
<td>Tampico-Misantla</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Burgos</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Veracruz</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Deepwater</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Sabinas</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
</tbody>
</table>

1. As of June 30, 2014.
2. 2013 PIW Ranking.
3. Does not include nitrogen.
Production and Reserves Profile

**Crude Oil Production (Mbd)**

- Off-shore
- Onshore

**Natural Gas Production**

- Non-associated
- Associated

**Reserves Replacement Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Off-shore</th>
<th>Onshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2006</td>
<td>1.3</td>
<td>0.9</td>
</tr>
<tr>
<td>2007</td>
<td>1.4</td>
<td>1.1</td>
</tr>
<tr>
<td>2008</td>
<td>2.4</td>
<td>1.8</td>
</tr>
<tr>
<td>2009</td>
<td>2.3</td>
<td>1.9</td>
</tr>
<tr>
<td>2010</td>
<td>2.0</td>
<td>1.7</td>
</tr>
<tr>
<td>2011</td>
<td>2.2</td>
<td>1.6</td>
</tr>
<tr>
<td>2012</td>
<td>2.5</td>
<td>1.5</td>
</tr>
<tr>
<td>2013</td>
<td>2.5</td>
<td>1.4</td>
</tr>
<tr>
<td>2014</td>
<td>2.6</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**The Importance of Heavy Crude Oil Production**

- Heavy
- Light
- Extra light

3. Amounts based on cash basis method of accounting. Approved Budget. Form 20F 2013

---

1. Data as of June 30, 2014.
2. Does not include nitrogen.
3. Approved Budget. Form 20F 2013
Heavy Developed Infrastructure in the Campeche Sound (Southeastern Basins)

Competitive Advantages

- 87% of 1P reserves are located in the Southeastern basins.
- Competitive cost structure (Production cost USD 6.84; F&D cost USD 13.77)\(^1\).
- Developed infrastructure for the exploitation of hydrocarbon reserves and prospective resources.
- Deep understanding of Mexican hydrocarbon reserves and prospective resources.

---

1. As of 2012.
Low Cost Production and Replacement

### Production Costs\(^a,b\)
USD @ 2013 / boe

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>6.44</td>
<td>5.09</td>
<td>5.38</td>
<td>6.12</td>
<td>6.84</td>
<td>7.91</td>
</tr>
</tbody>
</table>

### Finding and Development Costs\(^c,d\)
USD @ 2013 / boe

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>11.27</td>
<td>12.48</td>
<td>13.24</td>
<td>16.13</td>
<td>13.77</td>
<td>14.91</td>
</tr>
</tbody>
</table>

### Production Costs\(^1\)
USD @ 2013 / boe

<table>
<thead>
<tr>
<th>Company</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrobras</td>
<td>17.22</td>
</tr>
<tr>
<td>Chevron</td>
<td>17.1</td>
</tr>
<tr>
<td>Shell</td>
<td>14.35</td>
</tr>
<tr>
<td>BP</td>
<td>13.16</td>
</tr>
<tr>
<td>Conoco</td>
<td>12.35</td>
</tr>
<tr>
<td>Eni</td>
<td>12.19</td>
</tr>
<tr>
<td>Exxon</td>
<td>11.48</td>
</tr>
<tr>
<td>Total</td>
<td>9.24</td>
</tr>
<tr>
<td>Statoil</td>
<td>8.51</td>
</tr>
<tr>
<td>PEMEX</td>
<td>7.91</td>
</tr>
</tbody>
</table>

### Finding and Development Costs\(^2,3\)
USD @ 2013 / boe

<table>
<thead>
<tr>
<th>Company</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>33.59</td>
</tr>
<tr>
<td>Shell</td>
<td>26.67</td>
</tr>
<tr>
<td>Statoil</td>
<td>26.31</td>
</tr>
<tr>
<td>Petrobras</td>
<td>24.56</td>
</tr>
<tr>
<td>Chevron</td>
<td>22.10</td>
</tr>
<tr>
<td>ENI</td>
<td>20.83</td>
</tr>
<tr>
<td>Conoco</td>
<td>18.56</td>
</tr>
<tr>
<td>Exxon</td>
<td>18.34</td>
</tr>
<tr>
<td>BP</td>
<td>15.76</td>
</tr>
<tr>
<td>PEMEX</td>
<td>14.91</td>
</tr>
</tbody>
</table>

---

3. All estimates in real terms after considering a specific price deflator for the oil and gas industry according to the Cambridge Energy Research Associates (CERA) 2013.

\(a\) Data in real terms after adjustment for the effect of inflation.
\(b\) Source: 20-F Form 2013.
\(c\) PEMEX Estimates- 3-year average for all companies.
\(d\) Includes indirect administration expenses.
Downstream and Midstream

Production Capacity

- Refining
  - Atmospheric distillation capacity 1,690 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
Mexico’s Next Production Frontiers – Deepwater

Competitive Advantages

PEMEX has acquired significant information from deep and ultra-deepwater oil fields in the Gulf of Mexico:

- 3D seismic acquisition: 124,790 km²
- Wells Drilled: ~30. Commercial success: above 50%
- Focus on Perdido (crude oil) and Holok (non-associated natural gas)
Mexico’s Next Production Frontiers - Shale

Competitive Advantages

- Eagle Ford and Woodford have continuity across the border
- Bakken and Haynesville are analogues of plays in Mexico
- EIA estimates Mexico has the 6th largest shale reserve worldwide
- Geological and geochemical analyses have identified 6 potential shale oil/gas plays:
  - Chihuahua
  - Sabinas
  - Burro-Picachos
  - Burgos
  - Tampico-Misantla
  - Veracruz

Profitability, Cash Generation & Debt Ratios

**Operating Income**
USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 Jan-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>42.3</td>
<td>32.8</td>
<td>44.2</td>
<td>61.6</td>
<td>69.6</td>
<td>55.7</td>
<td>27.0</td>
</tr>
<tr>
<td>Margin</td>
<td>43%</td>
<td>39%</td>
<td>43%</td>
<td>55%</td>
<td>55%</td>
<td>45%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**Income before Taxes and Duties**
USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 Jan-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>48.8</td>
<td>34.6</td>
<td>49.2</td>
<td>54.9</td>
<td>69.6</td>
<td>53.2</td>
<td>26.1</td>
</tr>
<tr>
<td>Margin</td>
<td>50%</td>
<td>41%</td>
<td>47%</td>
<td>49%</td>
<td>55%</td>
<td>43%</td>
<td>42%</td>
</tr>
</tbody>
</table>

**EBITDA**
USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 Jan-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>71.6</td>
<td>49.7</td>
<td>67.2</td>
<td>76.6</td>
<td>88.2</td>
<td>75.9</td>
<td>37.3</td>
</tr>
<tr>
<td>Margin</td>
<td>73%</td>
<td>60%</td>
<td>65%</td>
<td>69%</td>
<td>70%</td>
<td>62%</td>
<td>60%</td>
</tr>
</tbody>
</table>

**Debt**
USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 Jan-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>43.3</td>
<td>48.4</td>
<td>53.8</td>
<td>56.0</td>
<td>60.5</td>
<td>64.3</td>
<td>71.0</td>
</tr>
</tbody>
</table>

Source: Audited and Unaudited Financial Results of PEMEX.
Investing To Meet Our Long-term Goals

USD billion

- Figures are nominal and may not total due to rounding.
- Figures are based on PEMEX’s Business Plan and are subject to Congress and Ministry of Finance approval.
- Includes upstream maintenance expenditures.
- “E” means Estimated. For reference purposes, U.S. dollar-Mexican peso exchange rate conversions have been made at the following exchange rates, MXN 12.7677/USD1 for 2013, and MXN 12.9 / USD 1 for 2014 and beyond years.
- Includes complimentary non-programmed CAPEX.

Includes Pemex-Petrochemicals 2.0%, Pemex-Gas & Basic Petrochemicals 2.0%, Pemex-Refining 11%, and Pemex-Exploration & Production 85%.
## Expected Sources and Uses of Funds 2014

### Sources (USD billion)
- Initial Cash: 4.5
- Resources from Operations: 19.6
- Financing: 14.7
- Total: 38.8

### Uses (USD billion)
- Total Investment (CAPEX): 27.7
- Debt Payments: 5.0
- Final Cash: 6.0

### Financial Information
- Price: 85.0 USD/bbl
- Exchange rate: MXN 12.90/USD
- Crude oil production: 2,520 Mbd
- Crude oil exports: 1,170 Mbd

### Net Indebtedness
Net Indebtedness: USD 9.7 billion
Financing Program 2014

100% = USD 17.6 billion

<table>
<thead>
<tr>
<th>Source</th>
<th>Programmed USD billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Markets</td>
<td>6.0 - 9.0</td>
</tr>
<tr>
<td>Domestic Markets</td>
<td>4.0 - 6.0</td>
</tr>
<tr>
<td>Export Credit Agencies (ECAs)</td>
<td>1.0 - 2.0</td>
</tr>
<tr>
<td>Loans</td>
<td>2.0 - 3.0</td>
</tr>
<tr>
<td>Others</td>
<td>0.5 - 1.0</td>
</tr>
<tr>
<td>Total</td>
<td>17.6</td>
</tr>
<tr>
<td>Total Debt Payments</td>
<td>6.9</td>
</tr>
<tr>
<td>Net Indebtedness for the year</td>
<td>10.7</td>
</tr>
</tbody>
</table>
A Diversified & Well-Distributed Debt Structure

By Currency²

By Interest Rate²

By Instrument²

By Currency Exposure²

Term Structure – Consolidated Debt¹

Debt as of June 30, 2014, USD MMM

---

1. Does not include accrual interest
2. As of June 30, 2014. Sums may not total due to rounding.

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