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 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 35 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 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 may 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 March 31, 2015, the exchange rate of MXN 15.1542 : USD 1.00 is used.

Fiscal Regime
Starting January 1, 2015, Petróleos Mexicanos' fiscal regime is ruled by the Ley del Impuesto sobre Hidrocarburos (Hydrocarbons Income Law), since January 1, 2006 and until 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.

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. Until December 31, 2017, the Mexican Government may 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. Howevet the Federal Commission for Economic Competition, based on the existence of effective competitive conditions, can 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, analyze, keep updated and publish information and statistics related, which includes estimations, valuation studies and certifications.

As of January 1, 2010, the Securities and Exchange Commission (SEC) changed its rules to permit oil and gas companies, in the context of international capital market activities, to disclose not only proved reserves, but also probable reserves and possible reserves. A so-called "comparable reserves" threshold 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 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 have the right to access additional hydrocarbons reserves and to develop them;
- 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 (as described in our most recent Annual Report and Form 20-F);
- 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 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

Financial Performance

Debt & Financing Profile
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: 2,266 Mbd\textsuperscript{1}
- Natural gas production: 5,524 MMcfd\textsuperscript{1,3}
- 75% of crude oil output is produced offshore
- 1P\textsuperscript{4} reserves-life: 9.6 years
- Production mix\textsuperscript{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\textsuperscript{2}
- Crude oil exports: 1,188 Mbd\textsuperscript{1}
- 4th largest oil exporter to the USA
- Long-term relationship with USGC refiners
- JV with Shell in Deer Park, Texas

Total Revenues\textsuperscript{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>37.4</td>
<td>0.4</td>
<td>45.7</td>
</tr>
<tr>
<td>2010</td>
<td>48.0</td>
<td>0.4</td>
<td>55.3</td>
</tr>
<tr>
<td>2011</td>
<td>55.2</td>
<td>0.6</td>
<td>66.6</td>
</tr>
<tr>
<td>2012</td>
<td>59.4</td>
<td>0.8</td>
<td>69.6</td>
</tr>
<tr>
<td>2013</td>
<td>52.6</td>
<td>0.8</td>
<td>64.2</td>
</tr>
<tr>
<td>2014</td>
<td>42.8</td>
<td>1.0</td>
<td>51.3</td>
</tr>
<tr>
<td>LTM</td>
<td>29.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Proved Reserves\textsuperscript{4}

- Total: 12.4 MMMboe

- Southeast: 87%
- Tampico-Misantla: 8%
- Burgos: 2%
- Veracruz: 1%
- Deepwater: 0%
- Sabinas: 0%

1. January – November 2015
2. 2015 PIW Ranking
3. Does not include nitrogen
4. As of January 1, 2015
5. PEMEX Audited and Unaudited financial statements
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

[Map of pipeline network with labels for different regions and products]
## Distribution of PEMEX’s Reserves

### MMMboe (billion barrels of oil equivalent)

<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>

1. As of January 1, 2015.
2. Numbers may not total due to rounding.
3. As of January 1, 2014.
4. 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.
Industry Cost Leader

**Production Costs**

(USD / boe)

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

2014 Benchmarking: Production Costs

(USD / boe)

<table>
<thead>
<tr>
<th>Company</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chevron-Texaco</td>
<td>17.69</td>
</tr>
<tr>
<td>Petrobras</td>
<td>16.49</td>
</tr>
<tr>
<td>Connoco Phillips</td>
<td>15.20</td>
</tr>
<tr>
<td>Royal Dutch / Shell</td>
<td>15.10</td>
</tr>
<tr>
<td>BP</td>
<td>12.68</td>
</tr>
<tr>
<td>Exxon Mobil</td>
<td>12.55</td>
</tr>
<tr>
<td>Eni S.P.A.</td>
<td>12.00</td>
</tr>
<tr>
<td>Total S.A.</td>
<td>10.31</td>
</tr>
<tr>
<td>Statoil</td>
<td>8.73</td>
</tr>
<tr>
<td>PEMEX</td>
<td>8.22</td>
</tr>
</tbody>
</table>

**Finding & Development Costs**

(USD / boe)

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

2014 Benchmarking: Finding & Development Costs

(USD / boe)

<table>
<thead>
<tr>
<th>Company</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEMEX</td>
<td>17.97</td>
</tr>
<tr>
<td>Statoil</td>
<td>31.15</td>
</tr>
<tr>
<td>Total S.A.</td>
<td>29.69</td>
</tr>
<tr>
<td>Statoil</td>
<td>27.25</td>
</tr>
<tr>
<td>Petrobras</td>
<td>24.68</td>
</tr>
<tr>
<td>Eni S.P.A.</td>
<td>22.82</td>
</tr>
<tr>
<td>Connoco Phillips</td>
<td>20.82</td>
</tr>
<tr>
<td>BP</td>
<td>19.71</td>
</tr>
<tr>
<td>Exxon Mobil</td>
<td>19.17</td>
</tr>
<tr>
<td>PEMEX</td>
<td>17.17</td>
</tr>
</tbody>
</table>

**Notes:**
- Figures in nominal values.
- PEMEX estimates 3-year moving average.
- Includes indirect administration expenses.
- Calculations based on proved reserves.

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.
Future Growth Depends on Efficient Implementation of the Energy Reform

Oil Production (Mbd)

- Offshore
- Onshore
- Non-conventional
- Exploration
- Farm-Out Partners
- Farm-Out PEMEX
- New discoveries

Historic → Projection

2.6 MMbd

2.600


www.pemex.com
Quick Take on the New Energy Sector in Mexico

Exploration and Production

- 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

Industrial Transformation (Downstream & Petrochemical)

- Refining
  - Permits (SENER)

- Natural gas
  - Permits (SENER)

Transportation, storage and distribution

- CENAGAS¹
- Permits (CRE²)

PEMEX to continue commercialization for next 3 years and open to private thereafter

---

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
Corporate Governance and Structure

Strengthen Corporate Governance

- SENER
- SHCP
- State Representatives
- Independent Members

New Corporate Structure

10 members

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

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: acquisitions 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
3 Approved by the Board of Directors as of August 3, 2015
4 Approved by the Board of Directors as of September 24, 2015
**Income Statement Evolution**

- **Historically, from 2009 to 2014**, taxes have accounted for 118% of operating income and 129% of before-tax profits.
- **For LTM 2015**, taxes amounted to 112% of operating income and 33 times before-tax profits, respectively.
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.
Total debt as of September 2015 is USD 87 billion, which represents 1.0x sales and 2.1x EBITDA.

Stabilization of crude production
Mbd

Modernization of infrastructure

Higher investment in exploration

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.
CAPEX Financing

Fund Raising in the O&G Industry

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

PEMEX Financing Program 2015

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

Net indebtedness Income CAPEX Est.

New financing opportunities already available in the industry

<table>
<thead>
<tr>
<th>Year</th>
<th>Net indebtedness (MXN Billion)</th>
<th>Income</th>
<th>CAPEX Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>231¹</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>2013</td>
<td>253¹</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>2014</td>
<td>277¹</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>2015E</td>
<td>237¹,²</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>2016E</td>
<td>237</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>2017E</td>
<td>259¹</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>2018E</td>
<td>263¹</td>
<td>65%</td>
<td>35%</td>
</tr>
</tbody>
</table>

¹ Source: Form 20-F, 2014
² Amended budget, as approved by the Board of Directors of Petróleos Mexicanos on February 13, 2015.
³ Source: ThomsonONE

*Note: Numbers may not total due to rounding; Figures for 2010, 2011, 2012, 2013 and 2014 are stated in nominal pesos. Figures for 2015 and beyond are stated in constant 2015 pesos. Does not include maintenance. Numbers for 2017 and 2018 are under revision and need to be approved by the Board of Directors of Petróleos Mexicanos and Congress every year.*
Considering current production and the Mexican Mix price, if the crude oil price decreases by USD 1 per barrel, its effect on PEMEX’s main accrued items for 2015 will have an aggregate decrease of USD 164 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)

Price Sensitivity 2015:

1. Profit Sharing Duty (Derecho por la Utilidad Compartida, DUC).
2. Hydrocarbon Extraction Duty (Derecho de Extracción de Hidrocarburos, DEH).
3. Estimated 2015 Mexican Mix Average Price of USD 45 per barrel.
4. Price correlations between crude oil and refined products are considered.
Content

- Pemex Today
- Financial Performance
- Debt & Financing Profile
Debt Profile

By Currency

- Dollar: 65%
- Euros: 20%
- UDIS: 10%
- British Pounds: 3%
- Yens: 1%
- Pesos: 1%

By Interest Rate

- Fixed: 73%
- Floating: 27%

By Instrument

- Bonos Intl.: 61%
- ECAs: 12%
- Bancario Intl.: 6%
- Bancario Nal.: 16%
- Otros: 4%

By Currency Exposure

- Dollar: 22%
- UDIS: 1%
- Pesos: 77%

Term Structure – Consolidated Debt

Debt as of September 30, 2015, USD MMM

- 2015: 6.7%  
- 2016: 5.1%  
- 2017: 5.3%  
- 2018: 6.5%  
- 2019: 6.2%  
- 2020: 9.2%  
- 2021: 5.5%  
- 2022: 5.0%  
- 2023: 3.3%  
- 2024: 5.5%  
- 2025: 2.7%  
- 2026: 5.4%  
- 2027: 1.7%  
- 2028: 0.2%  
- 2029: 0.0%  
- 2030: 17.9%

1. As of September 30, 2015. Sums may not total due to rounding.
2. Does not include accrual interest.
## 2015 Financing Program

<table>
<thead>
<tr>
<th>Sources of Funding</th>
<th>Programmed USD billion</th>
<th>Raised (Jan- Oct 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Markets</td>
<td>7.0 – 9.0</td>
<td>2.6</td>
</tr>
<tr>
<td>International Markets</td>
<td>8.0 – 11.0</td>
<td>8.4</td>
</tr>
<tr>
<td>Bank Loans</td>
<td>2.0 – 3.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Export Credit Agencies (ECAs)</td>
<td>1.0 – 2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Other</td>
<td>0.2 – 0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Net Indebtedness</td>
<td>15.0</td>
<td>12.4</td>
</tr>
</tbody>
</table>

1. Numbers may differ due to rounding or foreign exchange used.
## 2016 Financing Program

<table>
<thead>
<tr>
<th>Sources of Funding</th>
<th>Programmed USD Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Markets</td>
<td>6.0 – 9.0</td>
</tr>
<tr>
<td>International Markets</td>
<td>8.0 – 11.0</td>
</tr>
<tr>
<td>Bank Loans</td>
<td>0.5 – 1.5</td>
</tr>
<tr>
<td>Export Credit Agencies (ECAs)</td>
<td>1.0 – 2.0</td>
</tr>
<tr>
<td>Other</td>
<td>3.0 – 3.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21.0</strong></td>
</tr>
<tr>
<td>Debt Payments</td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Net Indebtedness</strong></td>
<td><strong>15.7</strong></td>
</tr>
</tbody>
</table>

PEMEX could explore new financing opportunities already available in the industry

---

1. Estimated, based on 2016 Budget Proposal.
2. Numbers may differ due to rounding or foreign exchange used.
Moody’s Rating Action

Moody’s Commentary

“Moody's Investors Service downgraded Petroleos Mexicanos' (PEMEX) global foreign currency and local currency ratings to Baa1 from A3. Simultaneously, Moody's lowered PEMEX’s baseline credit assessment (BCA), which reflects its standalone credit strength, to ba3 from ba1. The actions were prompted by Moody’s view that the company’s current weak credit metrics will deteriorate further in the near to medium term. The outlook on all ratings was changed to negative. This concludes the review for downgrade initiated on August 25th, 2015.”

Moody's, November 24th, 2015

Global Context
PEMEX, along the entire oil and gas industry has been affected by the substantial decline in international oil prices

Moody’s revision aligns its rating with those of S&P and Fitch.

PEMEX’s Response to low oil price environment

In February 2015, PEMEX announced a MXN 62 billion cut to its 2015 budget, committed on minimizing the potential effects on production and reserves replacement

On June 10, 2015, announced the discovery of new oil deposits, with estimated reserves of 350 million barrels of oil equivalent.

Implemented cost reduction program including the renegotiation of contracts with suppliers, and reductions in costs of personnel services.

The modifications to the pension scheme will allow PEMEX to transfer part of the pension liability to the Federal Government.

PEMEX will be responsible on its use of debt. In particular, the Reform allows the company to associate with third-parties in several ways to carry out its investment projects while maintaining control and ownership of the associated operations.

PEMEX will use every tool available by means of the Energy Reform to improve its financial condition.
Pemex’s Strategy to Improve its Capital Structure

**JV’s**
- Prospect of alliances to complement technically, economically or experience-wise

**Monetization**
- Alternative to monetize Pemex’s share of accumulated assets
- Retire from non-profitable businesses or activities

**Fiscal Regime**
- Gradual reduction in the Profit Sharing Duty applicable rate
- Gradual increase in the permitted deductions applicable rate

**Pension Liability**
- Modification of retirement parameters
- Indexation of comprehensive salary
FIBRA E: Pemex’s New Financing Vehicle

**Overview**

- Publicly-traded vehicle to monetize stabilized transportation and storage infrastructure while keeping operational control
- Objective is to raise equity capital from existing transportation and storage assets
- Rules for FIBRA E fiscal treatment already approved by Mexico’s Ministry of Finance
- Based on international experience of Master Limited Partnerships

**Key Advantages**

- Recurrent, equity capital funding vehicle
- Contributes to strengthening and balancing Pemex’s capital structure
- Pemex keeps operational control of contributed assets by retaining ownership of FIBRA E’s Manager
- Proceeds from monetization of midstream assets to be invested in new high-return projects within Pemex
- Pemex retains economic upside from contributed assets’ performance through incentivized distributions to Manager
- Increased transparency on contributed assets through FIBRA E financial reporting
- Provide equity investors exposure to Mexico’s energy sector and high growth visibility
**Key Advantages**

A. Equity capital raised by monetizing midstream assets…

B. … is invested in new high-return projects at Pemex

C. Pemex continues to operate monetized assets…

D. … while retaining economic upside through incentivized distributions

**FIBRA E Structure Overview**

- **Pemex Logistica**: Maintains operational control of contributed assets.
- **New Capital**: Funded projects with new capital.
- **Investors**: Share of contributed assets.
- **Manager**: Maintains control of FIBRA E.
- **Contributed Transportation and Storage Assets**: New capital (payment for asset contributions).
- **Distributions to Investors**: Ownership Flow to Pemex, Flows from Pemex.
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

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, EOR¹ and non-capitalizable maintenance.
  25% of investments in: extraction and development.
  10% of investments in: storage and transport infrastructure.

COST CAP
<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
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<tr>
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<td>2018</td>
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<tr>
<td>2019+</td>
<td>12.500%</td>
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Rate
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1 Enhanced Oil Recovery
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.

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

Mexico: Life Expectancy

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Accrued Obligations

- 1,517 MXN billion

Reform objectives

- 42%

Current pensions and active employees

- 48%
- 10%

1. As of June 30, 2015
Pension Liability Update

A. Retired employees → comprehensive salary will increase based on inflation

B.1 Current employees with ≥ 15 years of service: no changes

B.2 Current employees with < 15 years of service:
   • Adjustment in retirement parameters:
     • Retirement without reaching age limit ≥ 40 years of service
     • Salary cap for white collar employees’ retirement pensions
     • Optional migration to defined contribution plans (C)

C. New employees → individual defined contribution plans

An important component of current employees’ comprehensive salary will increase based on inflation

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<tr>
<th>Year</th>
<th>Age</th>
<th>Years of Service</th>
<th>% of Last Salary</th>
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<td>30</td>
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1. In process of implementation.