Forward-Looking Statement and Cautionary Note

Variations
Cumulative and quarterly variations are calculated comparing the period with the same one of the previous year, unless specified otherwise.

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. 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 33 of the annexes to this report. Budgetary information is based on standards from Mexican governmental accounting; therefore, it does not include information from the subsidiary companies or affiliates of Petróleos Mexicanos. It is important to mention, that our current financing agreements do not include financial covenants or events of default that would be triggered as a result of our having negative equity.

Methodology
We might change the methodology of the information disclosed in order to enhance its quality and usefulness, and/or to comply with international standards and best practices.

Foreign Exchange Conversions
Convenience translations into U.S. dollars of amounts in Mexican pesos have been made at the exchange rate at close for the corresponding period, unless otherwise noted. Due to market volatility, the difference between the average exchange rate, the exchange rate at close and the spot exchange rate, or any other exchange rate used could be material. Such translations should not be construed as a representation that the Mexican peso amounts have been or could be converted into U.S. dollars at the foregoing or any other rate. It is important to note that we maintain our consolidated financial statements and accounting records in pesos. As of March 31, 2016, the exchange rate of MXN 17.4015 = USD 1.00 is used.

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

In accordance with the Hydrocarbons Law, published in the Official Gazette of the Federation on August 11, 2014, the National Hydrocarbons Commission (CNH) will establish and will manage the National Hydrocarbons Information Center, comprised by a system to obtain, safeguard, manage, use, analyze, keep updated and publish information and statistics related, which includes estimations, valuation studies and certifications. On August 13, 2015, the CNH published the Guidelines that govern the valuation and certification of Mexico’s reserves and the related contingency resources. Effective January 1, 2010, the Securities and Exchange Commission (SEC) changed its rules to permit oil and gas companies, in their filings with the SEC, to disclose not only proved reserves, but also probable reserves and possible reserves. Nevertheless, any description of probable or possible reserves included herein may not meet the recoverability thresholds established by the SEC in its definitions. Investors are urged to consider closely the disclosure in our Form 20-F and our Annual Report to the CNBV and SEC, available at http://www.pemex.com/.

Forward-looking Statements
This report contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the CNBV and the SEC, in our annual reports, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. We may include forward-looking statements that address, among other things, our exploration and production activities, including drilling; activities relating to import, export, refining, petrochemicals and transportation of petroleum, natural gas and oil products; activities relating to the generation of electrical energy; 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 the reserves that we obtain successfully;
- uncertainties inherent in making estimates of oil and gas reserves, including recently discovered oil and gas reserves;
- technical difficulties;
- significant developments in the global economy;
- significant economic or political developments in Mexico, including developments relating to the implementation of the laws that implement the new legal framework contemplated by the Energy Reform Decree (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 filing filed with the SEC (http://www.sec.gov/). These factors could cause actual results to differ materially from those contained in any forward-looking statement.
### Key Takeaways

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Benefits for PEMEX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Energy Reform</td>
<td>1. Open Market, Clear Definition of Roles, Fiscal Regime and Alliances</td>
</tr>
</tbody>
</table>
| **2** Nation’s Hydrocarbon Resources | 2. Round Zero:  
|                             |   • 12.4 MMMboe proved reserves<sup>1</sup>  
|                             |   • low replacement cost  
|                             |   Option @ E&P Rounds                                    |
| **3** Pemex Restructuring  | 3. Synergies and Adaptability                           |
| **4** Price Environment and Market’s Volatility | 4. Redefinition of Objectives and Strategy             |
| **5** Government Support    | 5. Capitalization + Tax Relief                          |

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<sup>1</sup> As of January 1, 2015

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**Redefinition**

**Efficiency**

**Alliances**

**Profitability**
Content

Latest Update

Pemex Today

Financial Performance

Debt & Financing Profile
Price Evolution of the Mexican Crude Oil Mix & Budget Adjustment Plan

Mexican Crude Oil Mix

- **Observed Mix Price**
- **High-Case Scenario**
- **Low-Case Scenario**

**Average**
- Jan - Mar: 25.92 USD/b
- Annual Average PEF\(^1\)
  - 50 USD/b
- Expected Annual Price\(^2\)
  - 25 USD/b

Adjustment Plan

- **Income from Operations**: 329.1
- **Programmed Expenses**: 100
- **Financial Balance**: (149)

**Notes**:
1. Federal Expenditure Budget
2. Calculated as a translation of Brent futures market prices.
# 2016 Budget Adjustment

Lines of Action

<table>
<thead>
<tr>
<th>Lines of Action</th>
<th>Corporate</th>
<th>Other SPEs</th>
<th>Ind. Transf.</th>
<th>E&amp;P</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate efficiencies and reduce costs to increase operational productivity and promote a rational use of resources</td>
<td>13.1</td>
<td>1.9</td>
<td>0.8</td>
<td>13.1</td>
<td>28.9</td>
</tr>
<tr>
<td>Defer / reassess investments minimizing the impact on future production based on profitability and availability of budgetary resources</td>
<td>0.0</td>
<td>2</td>
<td>35.4</td>
<td>27.5</td>
<td>64.9</td>
</tr>
<tr>
<td>Adjust CAPEX and OPEX from an average of 50 to 25 USD/b channeling budgetary resources to profitable activities under a low hydrocarbons price scenario</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>13.1</td>
<td>3.9</td>
<td>36.2</td>
<td>46.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Guiding principles that pursue the redefinition of the company, taking advantage of the Energy Reform’s mechanisms

Numbers may not total due to rounding.

1. Refers to Pemex Logistics, Pemex Fertilizers, Pemex Ethylene and Pemex Cogeneration and Services.
2. Includes Pemex Drilling and Services.

Impacts production in 2016.
Federal Government Support Plan

Cash Flow Injection
- MXN 73.5 bn
- MXN 47 bn pension liability
- MXN 26.5 bn capitalization

Improves liquidity
- Reduce accounts payable to suppliers by year-end and stabilize obligations for upcoming years.

Fiscal Regime Improvement
- MXN 50 bn permanent tax relief

Aligns fiscal regime to market conditions
- Reduce funding needs
- Improve cash position

The remaining savings from the pension scheme update (MXN 136.5 bn) will be matched during 2016.

1. Cost cap set at USD 6.1/b for shallow waters and at USD 8.3/b for onshore fields, to similar levels set on previous fiscal regime and compared to current cost cap of 11.075% of the value of the hydrocarbons extracted.
New Tools Offered by the Energy Reform

**Strategic Alliances**
- Alliances with third parties to complement PEMEX technically, economically or experience-wise, and share risk and knowhow
- Diversify sources of working capital

**Monetizations**
- Alternative to monetize PEMEX’s stake on several assets
- Divestment of non-strategic assets

**Migrations**
- Migration of assignment contracts to improve projects’ profitability and fiscal regime
What’s Next?

Increase net revenues and reduce debt to revert deficit’s growing trend. The redefined strategy is based on the following considerations:

1. Continue to improve Financial Situation:
   - commitment to implement the MXN 100 bn adjustment
   - improve budget management
   - improve efficiency

2. Redesign PEMEX’s budget planning based on a more conservative perspective.

3. Benefit from the Round Zero significant resources, the assets owned and operated and PEMEX’s expertise across the value chain.

4. Take advantage of the Energy Reform’s tools to obtain access to capital, improve the fiscal regime, share risks and execute projects.

Proposal pending approval from Board of Directors.
A Snapshot of PEMEX Today

Exploration and Production
- Crude oil production: 2,230 Mbd
- Natural gas production: 5,174 MMcfd
- 78% of crude oil output is produced offshore
- 1P⁴ reserves-life: 9.6 years
- Production mix¹: 50% heavy crude; 37% light crude; 13% 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
- Crude oil exports: 1,139 Mbd
- 3rd largest oil exporter to the USA
- Long-term relationship with USGC refiners
- JV with Shell in Deer Park, Texas

Total Revenues⁵ (USD billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic sales</th>
<th>Exports</th>
<th>Services Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>55.3</td>
<td>0.4</td>
<td>48.0</td>
</tr>
<tr>
<td>2011</td>
<td>55.7</td>
<td>0.4</td>
<td>55.2</td>
</tr>
<tr>
<td>2012</td>
<td>66.6</td>
<td>66.6</td>
<td>59.4</td>
</tr>
<tr>
<td>2013</td>
<td>69.6</td>
<td>69.6</td>
<td>52.6</td>
</tr>
<tr>
<td>2014</td>
<td>64.2</td>
<td>64.2</td>
<td>42.8</td>
</tr>
<tr>
<td>2015</td>
<td>43.4</td>
<td>43.4</td>
<td>23.7</td>
</tr>
<tr>
<td>LTM 1Q16</td>
<td>43.6</td>
<td>43.6</td>
<td>22.3</td>
</tr>
</tbody>
</table>

Proved Reserves⁴
- 12.4 MMMboe

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

1. January – March 2016
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

---

**Pipeline Network (km)**

- Nat gas: 16,800 km
- Oil: 9,975 km
- Refined and Petrochemicals Products: 8,357 km
- LPG: 3,691 km
- Gasoline: 1,815 km
- Fuel Oil: 820 km
- Jet Fuel: 184 km
- Oil & Gas: 16,800 km

---

www.pemex.com
Replacing a One-of-a-Kind Field

Yearly Average (Mbd)

In 2015, Cantarell represented 12% of total crude oil production

<table>
<thead>
<tr>
<th>Yearly Average (Mbd)</th>
<th>Total</th>
<th>Cantarell</th>
<th>Other Fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3,383</td>
<td>2,136</td>
<td>1,247</td>
</tr>
<tr>
<td>2005</td>
<td>3,333</td>
<td>2,035</td>
<td>1,298</td>
</tr>
<tr>
<td>2006</td>
<td>3,256</td>
<td>1,801</td>
<td>1,455</td>
</tr>
<tr>
<td>2007</td>
<td>3,076</td>
<td>1,490</td>
<td>1,586</td>
</tr>
<tr>
<td>2008</td>
<td>2,792</td>
<td>1,040</td>
<td>1,752</td>
</tr>
<tr>
<td>2009</td>
<td>2,601</td>
<td>685</td>
<td>1,916</td>
</tr>
<tr>
<td>2010</td>
<td>2,577</td>
<td>558</td>
<td>2,019</td>
</tr>
<tr>
<td>2011</td>
<td>2,553</td>
<td>501</td>
<td>2,052</td>
</tr>
<tr>
<td>2012</td>
<td>2,548</td>
<td>454</td>
<td>2,094</td>
</tr>
<tr>
<td>2013</td>
<td>2,522</td>
<td>440</td>
<td>2,082</td>
</tr>
<tr>
<td>2014</td>
<td>2,429</td>
<td>375</td>
<td>2,054</td>
</tr>
<tr>
<td>2015</td>
<td>2,267</td>
<td>273</td>
<td>1,993</td>
</tr>
<tr>
<td>2016</td>
<td>2,230</td>
<td>230</td>
<td>2,000</td>
</tr>
</tbody>
</table>

### Industry Cost Leader

#### Production Costs\(^{a,b}\)  
(USD / boe)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</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\(^{a,c,d,e}\)  
(USD / boe)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</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>

#### 2014 Benchmarking: Production Costs\(^1\)
(USD / boe)

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

#### 2014 Benchmarking: Finding & Development Costs\(^2,3\)
(USD / boe)

<table>
<thead>
<tr>
<th>Company</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEMEX</td>
<td>17.97</td>
</tr>
<tr>
<td>Petrobras</td>
<td>22.82</td>
</tr>
<tr>
<td>Eni S.P.A.</td>
<td>20.82</td>
</tr>
<tr>
<td>Chevron-Texaco</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>BP</td>
<td>19.71</td>
</tr>
<tr>
<td>Exxon Mobil</td>
<td>19.17</td>
</tr>
<tr>
<td>Royal Dutch / Shell</td>
<td>38.37</td>
</tr>
</tbody>
</table>

---

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

**1.** Source: Annual Reports and SEC Reports 2013.
**2.** Estimates based on John S. Herold Company Performance Metrics.
**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.
Historically, from 2009 to 2014, taxes have accounted for 127% of operating income.

Since 2015, PEMEX is subject to a new fiscal regime that is more in line with the rest of the industry, but is still not able to deduct all of its costs. The announced Fiscal Relief will help to improve this.
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.
Debt Profile

By Currency
- Dollar: 64%
- Euros: 18%
- British Pounds: 12%
- Yens: 1%
- UDIS: 1%
- Pesos: 3%

By Interest Rate
- Fixed: 77%
- Floating: 23%

By Instrument
- Int. Bonds: 66%
- Int. Bank Loans: 14%
- ECAs: 7%
- Cebures: 7%
- Domestic Bank Loans: 5%

By Currency Exposure
- Dollar: 79%
- UDIS: 20%
- Pesos: 1%

Term Structure – Consolidated Debt
Debt as of September 30, 2015, USD MMM

- 2016: 7.5
- 2017: 6.7
- 2018: 6.5
- 2019: 8.8
- 2020: 10.0
- 2021: 6.9
- 2022: 5.1
- 2023: 4.4
- 2024: 5.4
- 2025: 2.7
- 2026: 8.4
- 2027: 1.7
- 2028: 0.2
- 2029: 0.0
- 2030: 0.1
- 2031: 17.9

1 As of March 31, 2016. Sums may not total due to rounding.
2 Does not include accrual interest
2016 Financing Program

- PEMEX has a net indebtedness ceiling of MXN 240.4 billion pesos comprise of
  - MXN 110.5 billion (internal)
  - MXN 129.9 billion (external)

- As of today, we have raised about 54.9% of total programmed financing for the year:

<table>
<thead>
<tr>
<th>Local markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>January: a MXN 7 billion bank loan</td>
</tr>
<tr>
<td>March: MXN 5 billion of Certificados Bursátiles</td>
</tr>
<tr>
<td>March: MXN 15 billion through three credit lines with Mexican development banks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>International markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>January: USD 5 billion in three tranches maturing in 3, 5 and 10 years</td>
</tr>
<tr>
<td>March: EUR 2.25 billion in two tranches, maturing in 2019 and 2023</td>
</tr>
<tr>
<td>April: a bilateral loan for EUR 0.5 billion due in 7 years</td>
</tr>
</tbody>
</table>

- Access the international markets in the upcoming months to raise US dollars, Swiss francs and Japanese yens, in order to diversify the sources of funding.