

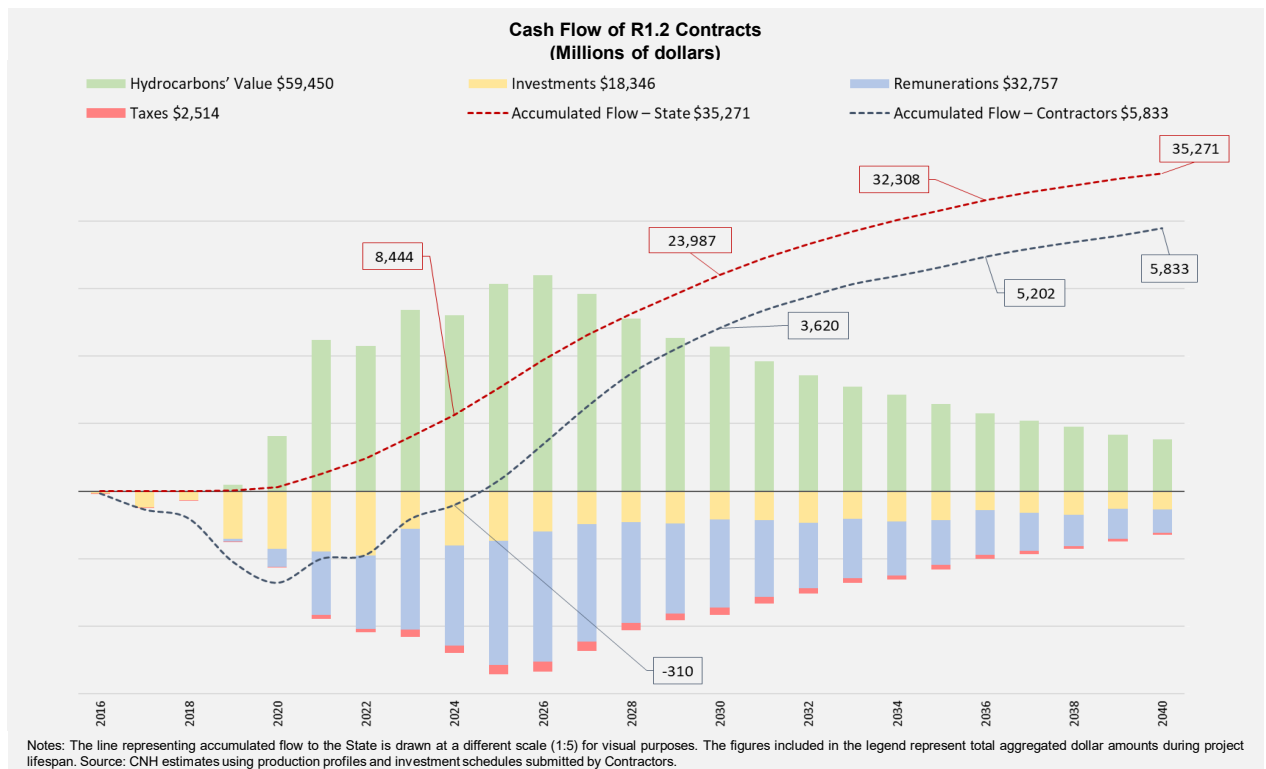


3 SHALLOW WATER CONTRACTS CONTRIBUTE US\$35.271 BILLION TO STATE REVENUE

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Three shallow water contracts tendered in Round 1.2 are estimated to contribute US\$35.271 billion dollars to State revenue in Remunerations and Taxes¹. The Operators (ENI, Hokchi and Fieldwood) are currently implementing approved Development Plans, from which information regarding volumes estimates and cost estimates of the hydrocarbons to be extracted are presented².

- Through April 2019, these three Operators have made investments for US\$723 million³, principally in appraisal studies. Total Programmed Investment represents US\$18.346 billion across valid contract period⁴.
- These projects have payment obligations to the State in the form of Remunerations and Taxes, whose terms were determined during the contract bidding process⁵.
- Given the production profiles and investment estimates provided by the Contractors, income to the State could reach US\$8.444 billion by 2024, and US\$35.271 billion through the valid contract period⁶.



¹ Contracts CNH-R01-L02-A1/2015, CNH-R01-L02-A2/2015 and CNH-R01-L02-A4/2015, available for consultation at: <https://rondasmexico.gob.mx/eng/rounds/round-1/cnh-r01-l022015/>

² Development Plans presented to the CNH by ENI in March 2018, Hokchi in December 2017 and Fieldwood in September 2018.

³ Investment figures for Exploration and Extraction Contracts available for consultation at: <https://hidrocarburos.gob.mx/media/2244/investment-expenditures-from-exploration-and-production-contracts.pdf>

⁴ Total Programmed Investment for Exploration and Extraction Contracts available for consultation at: <https://hidrocarburos.gob.mx/media/2108/approved-investments-in-contracts-report.pdf>

⁵ Operating Profit in favor of the State of 83.75%, 70% and 74%, offered respectively by ENI, Hokchi and Fieldwood; Cost limit 60% and the established in the *Ley de Ingresos Sobre Hidrocarburos*.

⁶ The graph is an aggregation of the economic appraisals of each project, considering an oil price of US\$60/bbl and price of gas at US\$3/mmBTU. Exchange rate of 20 MXN/USD.