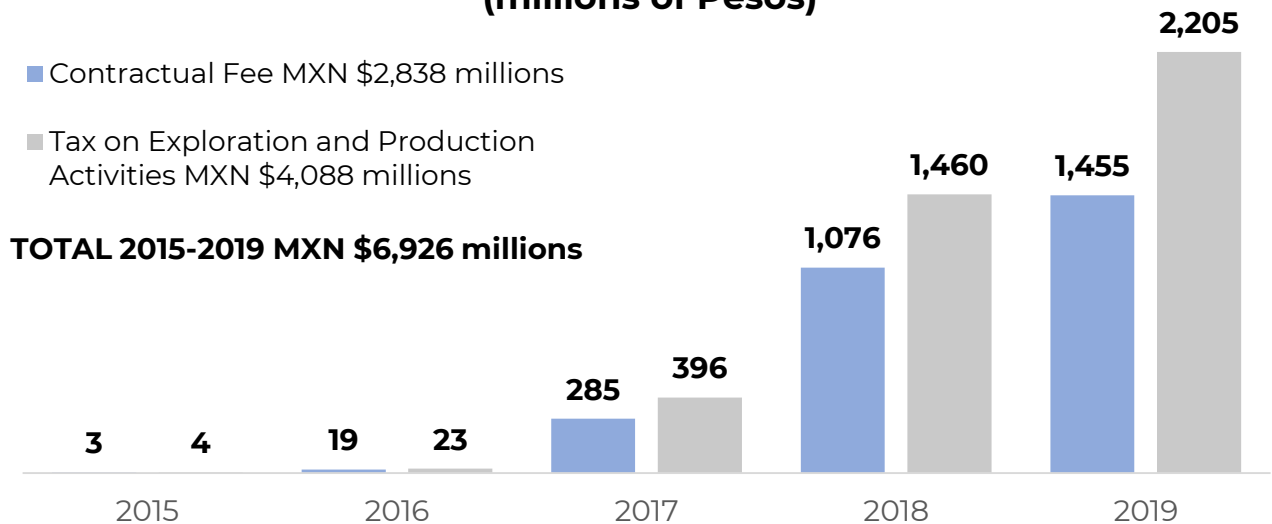




Surface Payments from Oil & Gas Contracts

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SURFACE PAYMENTS FROM OIL AND GAS CONTRACTS (millions of Pesos)



From 2015 to 2019, **the State received an income of MXN\$6,926 million pesos in surface payments from 112 oil and gas contracts.**¹

MXN\$2,838 million pesos correspond to payments of the **Contractual Fee for the Exploration Phase**, a fee that is paid monthly and is calculated based on the block surface area of contracts not yet in the production phase. The Mexican Oil Fund for Stabilization and Development is the recipient of these fee payments.²

MXN\$4,088 million pesos correspond to payments of the **Tax on Exploration and Production Activities**, paid monthly and calculated based on block surface area of contracts in the exploration and production phases. The Mexican Tax Authority (SAT) is the recipient of these tax payments.³

It is projected that the annual income from these fees and taxes will reach **MXN\$3,765 million pesos in 2020** and a total income of MXN\$18,929 million pesos during the period 2021-2024.

¹ Contracts for the Exploration and Production of Hydrocarbons stipulate monthly payment to the Mexican State of a Contractual Fee for the Exploration Phase and a Tax on Hydrocarbons Exploration and Production Activities; both are calculated per square kilometer of the contractual block in question. The contract CNH-R01-L03-A14/2015 was cancelled on May 29, 2018, and contract CNH-R01-L03-A19/2016 was suspended on July 13, 2017.

² Article 23 of the Law of Hydrocarbons' Income stipulates payment of the Contractual Fee.

³ The Fourth Chapter of the Law of Hydrocarbons' Income established the origin, obligations and distribution of the income received from the Tax on Hydrocarbons' Exploration and Production Activities.

Source: Comisión Nacional de Hidrocarburos, with information from the Mexican Oil Fund as well as estimates based on the surface area of tendered blocks.