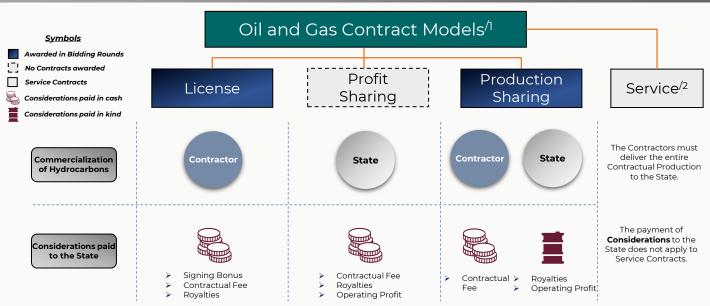


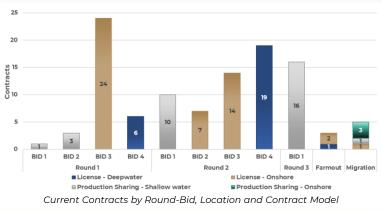
## **Oil and Gas Contracts in México**

As of May 25, 2023 Publish date: May 31st 2023

## National Hydrocarbons Information Center



Contract Models available in accordance with the Hydrocarbons Law. Commercialization of produced hydrocarbons and the nature of the Considerations paid to the State by Contract type.



## Current License Contracts

There are 74 current License Contracts, distributed in 26 Deepwater and 48 Onshore Contracts (including the M5 - Miquetla Migration and 3 PEMEX Farmouts).

In accordance with Article 6 of the Hydrocarbons Revenue Law, License Contracts will establish the following Considerations, which must be paid to the Mexican State by the Contractor: Contractual Fee for the Exploration Phase

- Base Royalty
- Additional Royalty Signing Bonus
- And, if applicable, the following taxes: Income tax
  - Tax on Hydrocarbon Exploration and Production Activities (IAEEH, by the initials in Spanish)



Current Production Sharing Contracts by location

Considers models of the Contracts awarded in the Bidding Rounds, Farmouts and Migrations

**Current Exploration and Production** Contracts<sup>/3</sup>

An oil and gas Contract is a legal instrument whereby the State grants rights to one or several companies to perform hydrocarbon exploration and/or extraction activities in a Contractual Area for a specific duration.

During the Bidding Rounds, 112 Exploration and Extraction Contracts were awarded. 108 Contracts are valid to date, 34 of which belong to Round 1, 50 to Round 2 and 16 to Round 3, in addition to 3 Farmouts and 5 Migrations (74 Contracts are under the License Model and 34 are under the Production Sharing Model).



## **Current Production Sharing** Contracts

Regarding Production Sharing Contracts, 34 Contracts are current, and are distributed in 3 Onshore Contracts (including the PEMEX Migrations M2-Santuario-El Golpe, M3-Misión, and M4-Ébano) and 31 Shallow Water Contracts (including M1-Ek-Balam, the Migration without partner of PEMEX). In accordance with Article 12 of the Hydrocarbons Revenue Law,

under this Contract modality, Considerations will be paid in kind with a proportion of the Contractual Hydrocarbon Production that is equivalent to the value of those Considerations:

- Contractual Fee for the Exploration Phase
- Base Royalty
- State Share in Operating Profit

And, if applicable, the following taxes:

- Income tax
- IAFFH

avment of applicable Considerations is not governed by the provisions of the Hydrocarbons Revenue Law. ntract Modality In addition. the Hvdr ns I aw considers the S The CNH-R01-L03-A14/2015, CNH-R01-L04-A2.CPP/2016, CNH-R01-L01-A2/2015, and CNH-R01-L04-A3.CS/2016 Contracts were terminated early. Sourc e: Relevant figures of Oil Rounds in Mexico, as of May 29th, 2023,

Definition of Considerations and Taxes paid to the State:

Definition of Considerations and Taxes paid to the State: Signing Bonus: The-breaker payment offered at the moment of the Bidding of the corresponding Contract. Royalty: Consideration paid to the Mexican State, based on the Contractual Value of Natural Gas, Condensate or Oil, under the provisions of Article 24 of the Hydrocarbons Revenue Law. Contract Fee for the Exploration Phase: Monthly payment, based on the square kilometers of the Contract Aree on Exploration phase, in accordance with the fees established in Article 23 of the Hydrocarbons Revenue Law. Operating Profit: Result of reducing both the amount of Royalties effectively paid by the contractor in the corresponding period, and the consideration derived from cost recovery payable to the Contract, to the contractual value of hydrocarbons, in terms of the Hydrocarbons Revenue Law, depending on the type of the contract under consideration. Tax on Hydrocarbons and the provisions of the Income Tax Law and other applicable provisions. **gob.mx/CNH** | hidrocarburos.gob.mx | rondasmexico.gob.mx