



Perspectives for Pemex Logística in the Mexican Energy Sector

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IPLOCA
INTERNATIONAL PIPE LINE & OFFSHORE
CONTRACTORS ASSOCIATION

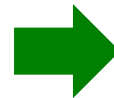
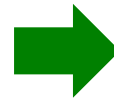
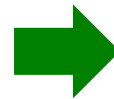
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- In April 2015, as part of the Energy Reform, Pemex Logística was created as a subsidiary productive company of Pemex

Pemex Logística has the opportunity to be a world-class company by moving:

From:

- A subset of assets designed to serve a single client (Pemex) and without facing competition.
- Use of transfer prices
- Focus on meeting operational goals without having to measure profitability & report results.

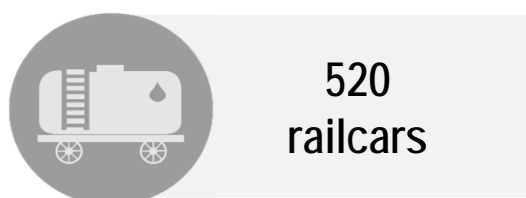
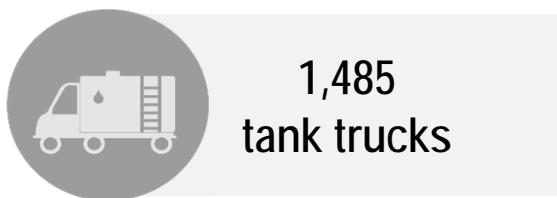
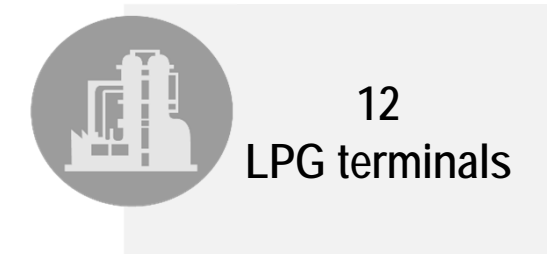
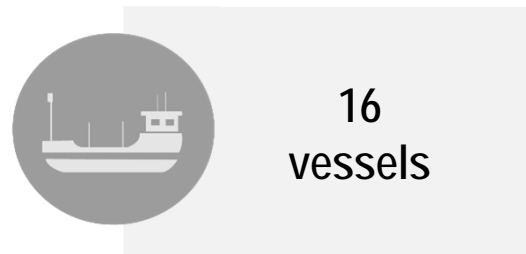
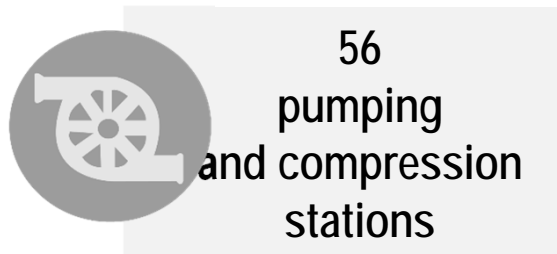


To:

- A logistics company with several clients and in a competitive market.
- Market prices & tariffs regulated by the Energy Regulatory Commission.
- A company with a Board of Directors and a mandate to maximize value creation
- Customer oriented.

Pemex Logística´s assets

- As a result of the integration of the logistics assets of Pemex Exploración y Producción, Pemex Refinación y Pemex Gas y Petroquímica Básica, Pemex Logística operates the following infrastructure:

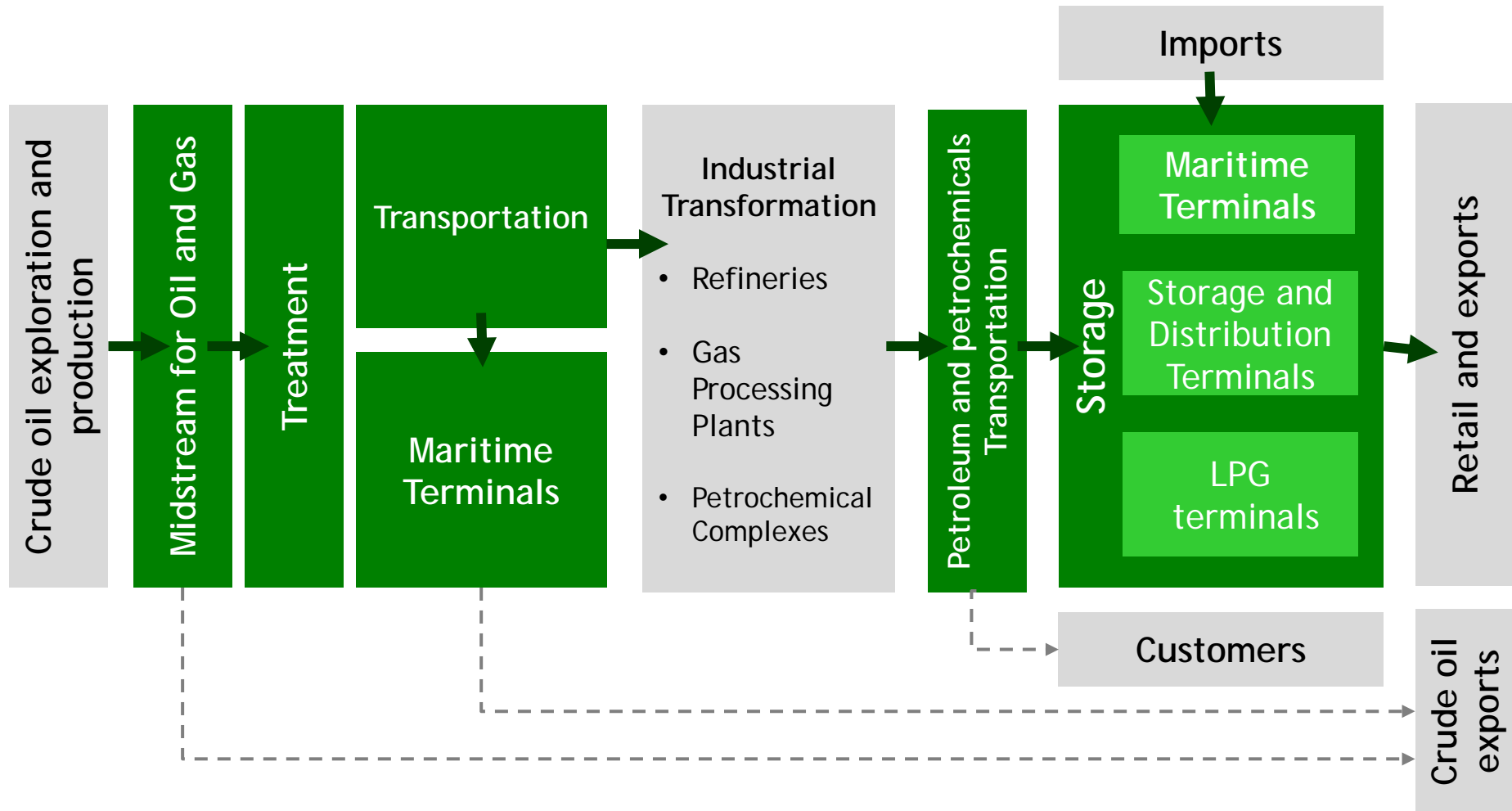


**Assets value:
13,414 Million
dollars**

Pemex Logistica presence at national level



Pemex Logística in the Pemex Value Chain



 Activities carried out by Pemex Logística

Business lines



Treatment Pipelines Vessels Rail cars* Tank trucks* Storage Dispatch

Fuels		✓	✓	✓	✓	✓	✓
Turbosine		✓	✓		✓	✓	
LPG		✓				✓	
Gas / crude oil	✓	✓				✓	
Natural Gas		✓					

* The tank trucks and rail services are provided through third parties

Customers and Services Portfolio:



Pemex Exploración y Producción
Transformación Industrial
Fertilizantes

- Treatment
- Storage
- Port Services
- Transportation (pipelines, vessels, trucks, rail)
- Operation and maintenance of pipelines and terminals
- Dispatch



Centro Nacional de Control de Gas Natural

- Pipelines Operation and maintenance



Comisión Federal de Electricidad


- Storage
- Port services
- Pipeline transportation



Other customers




- Storage
- Port Services
- Pipeline transportation
- Additive



Distributors and service stations

- Trucks



Airports

- Storage
- Pipeline transportation
- Trucks

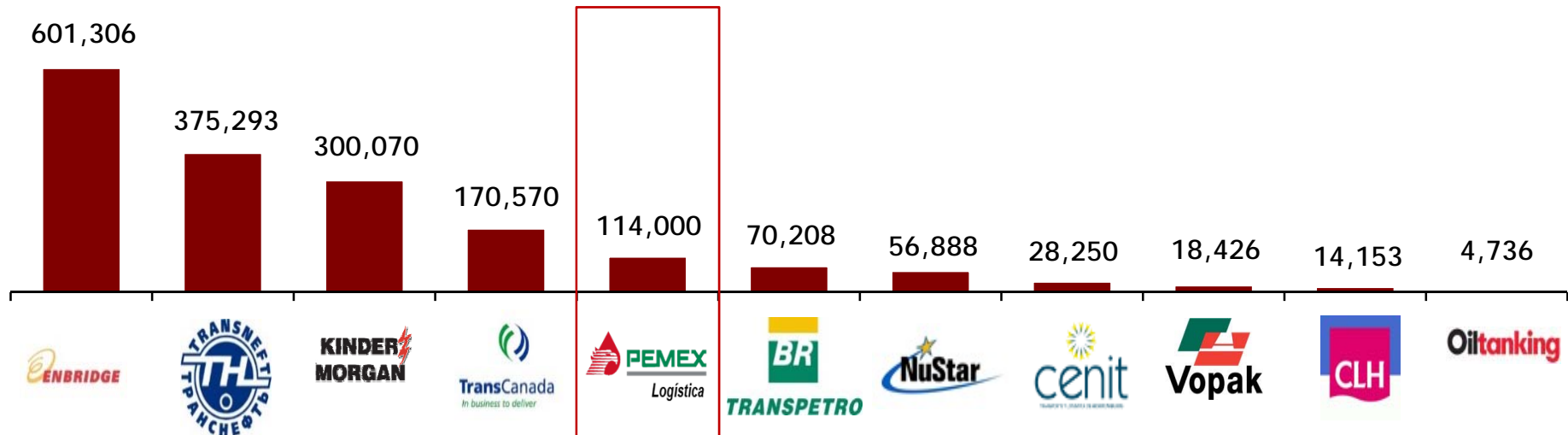
**114 million pesos
annual sales**

International Comparisson

- Pemex Logística is one of the 5 largest midstream companies in the world.

Sales and EBITDA - Benchmark

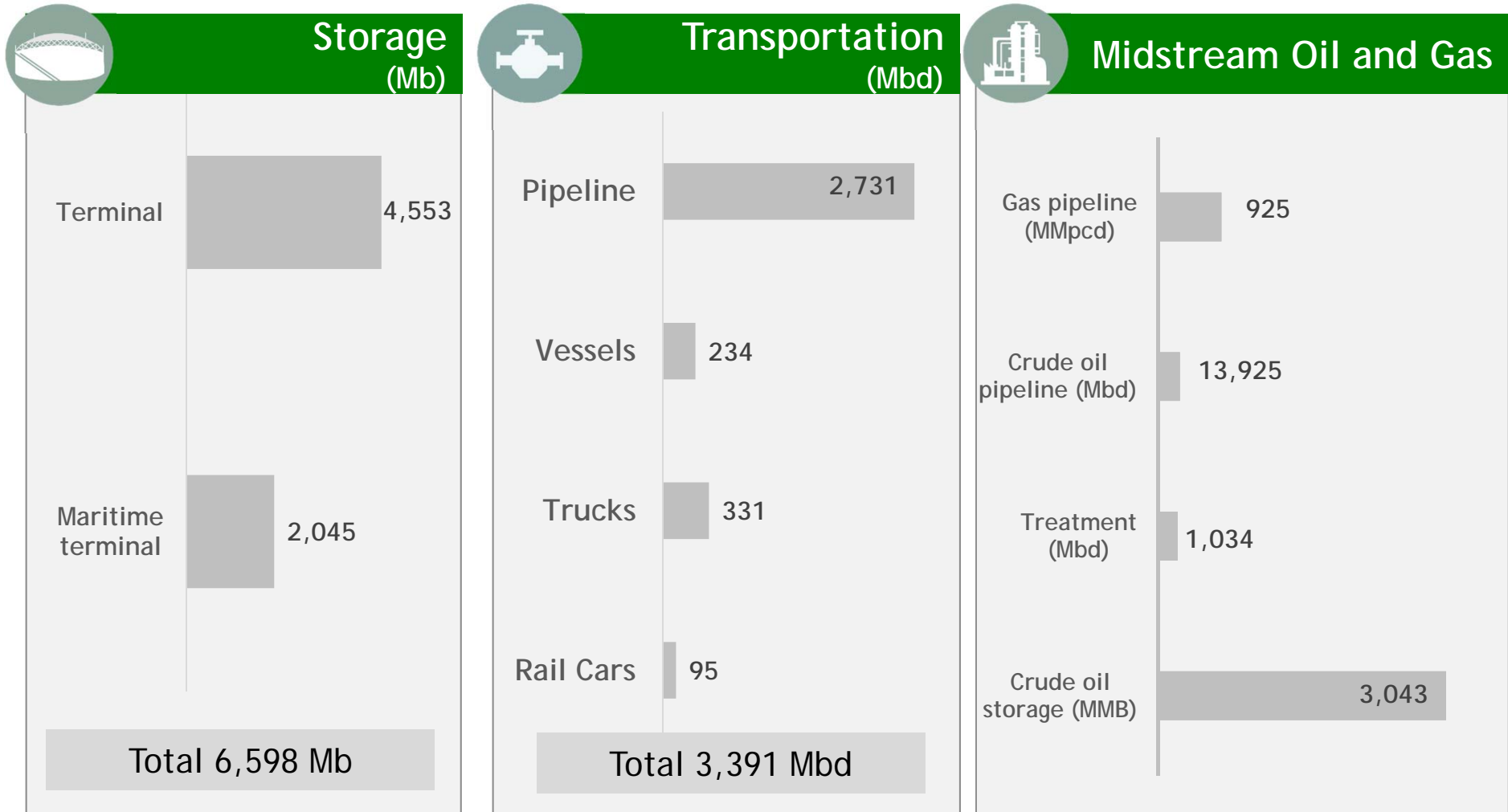
Sales (Million Pesos)



Core business

integrated	integrated	integrated	Pipelines	integrated	integrated	integrated	integrated	Storage	Storage	Storage
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- Pemex Logística diariamente holds an average inventory of 6,598 Mb and transports 3,391 Mbd :



Pemex Logistica Strategy

- In November 2016, PEMEX's Business Plan was published, including the Strategic Plan of Pemex Logística which has the following strategy:

Strategy

Cost reduction and
infrastructure
modernization

Strengthening the
reliability

Focus on the most
profitable and strategic
markets

Initiatives

- Costs reduction
- Efficiency
- Increased reliability and safety of facilities

- Open season
- Increase storage capacity
- Strategic pipeline projects

- JVs and associations with third parties

- Energy Reform allows and enforces Pemex Logística to open its infrastructure to third parties.
- The Hydrocarbons Law establishes to Pemex the obligation to grant open access not unduly discriminatory to its pipeline transportation and storage services.
- Pemex is responsible for defining the criteria and the procedure with which it will open its infrastructure to third parties. The process is approved by the Energy Regulatory Commission (CRE).

Stage

- Stage 1.1
Rosarito - Guaymas System
- Stage 1.2
North System
- Stage 2.1
Topolobampo System
- Stage 2.2
South, Gulf, Center y
Occident System
- Stage 2.3
Progreso System



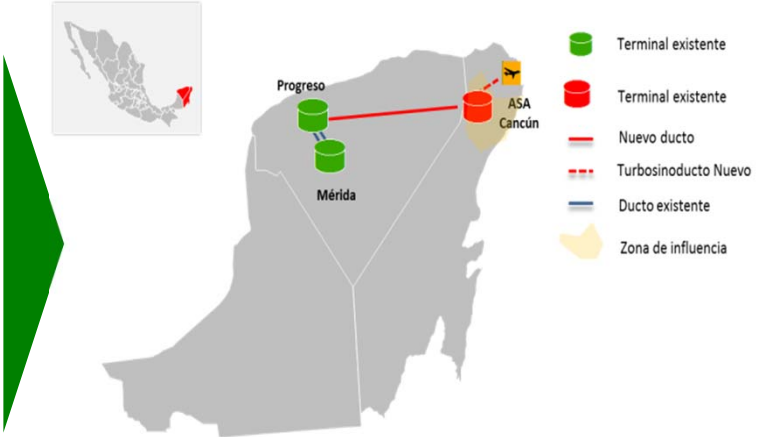
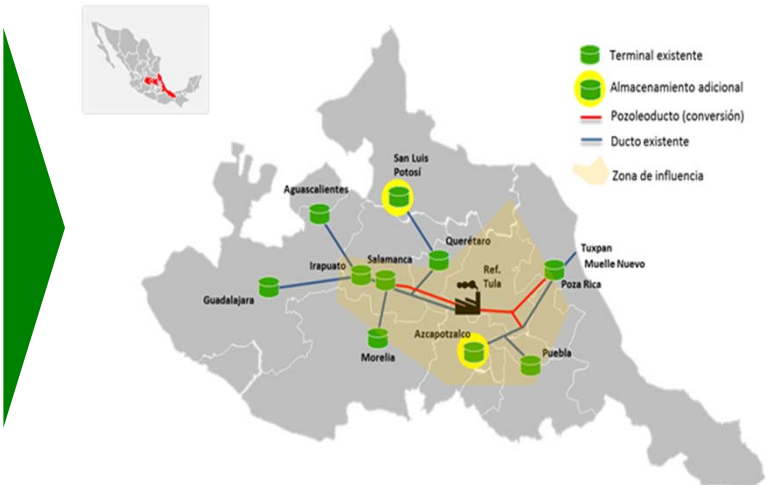
Auction Procedure

- Pemex Transformación Industrial, reserves an initial capacity in pipeline transportation and storage (does not participate in the auction)
- Each participant submits a proposal for each terminal and pipeline, specifying the tariff ¹ and the volume to be reserved
- The evaluation and allocation is made based on the maximization of the net income of the proposals, by System
- The tariffs resulting from the open season will apply to all users, including Pemex Transformación Industrial

Result Stage 1.1

- 22 companies prequalified
- 7 companies accessed data room
- The company Tesoro was the winner of both systems (Rosarito and Guaymas)
 - Assigned Capacity: 7-23%
 - Signing of the contract: July 18, 2017
 - Start of operation: October 2017
 - Length: 3 years

^{1/} The minimum rates are approved by the CRE a proposal from Pemex Logistics

Project	Objective	Scope	Location
Peninsular System	<ul style="list-style-type: none"> Develop the transportation and storage market in the Yucatan Peninsula and new infrastructure in Quintana Roo. 	<ul style="list-style-type: none"> Construction of pipeline from Merida to Cancun of 300 km Terminal Construction of 200 Mb of storage capacity Contribution of Pemex Logística's assets (Progreso and Mérida Terminals, Progreso-Mérida pipelines) 	
Golfo-Centro	<ul style="list-style-type: none"> Increase the refined products and oil supply capacity to the center of the country, taking advantage of existing infrastructure 	<ul style="list-style-type: none"> Conversion of the Poza Rica - Tula (Pozoleoducto) oil pipeline and construction of 100 km of interconnection pipelines for refining transport. Construction of storage in the center of the country (Tula). Construction of crude storage for the Tula and Salamanca refineries 	

- Focus on profitability
- Maintain position in the market as an efficient and reliable service provider
- Materialize partnerships to increase capacity and reliability
- Culture change in the organization
- Incorporate technologies and best international practices
- Establish business relationships with customers and suppliers



Thank you for your attention