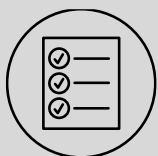




Fourth Quarter Results

2022





1. Key Highlights

4Q 22

Mexico City, February 27th 2023

In the fourth quarter of 2022, Petróleos Mexicanos continued to strengthen its operating performance with efficiency practices supported by an orderly and disciplined financial policy.

In exploration and production, the implementation of the strategy for incorporating production of new developments and increasing physical drilling activity continued. As a result of this strategy, in the fourth quarter of 2022 an average liquid production, without considering partners, of 1,781 Mbd was recorded, a 31 Mbd (1.7%) increase as compared to the 1,751 Mbd production in the fourth quarter of 2021.

In industrial processes, priority continued to be given to the rehabilitation of the National Refining System, obtaining a higher crude oil processing in the fourth quarter of 2022 as compared to the last quarter of 2021 by 98 Mbd, or 13.2%, going from 740 Mbd to 838 Mbd.

Regarding financial results, the fourth quarter of 2022 recorded a net loss of MXN172.6 billion, a MXN 22 billion improvement as compared to the loss recorded in the same period of 2021.

Regarding the financing strategy, it focused on making a responsible use of the debt, seeking to optimize the sources of liquidity, limiting direct activity in the markets as much as possible. As a result of these efforts, at the end of 2022, PEMEX's nominal debt balance decreased by USD 1.3 billion as compared to that recorded at the end of 2021.

It should be noted that efforts to generate energy in an increasingly cleaner way continued, through initiatives aimed at reducing emissions into the atmosphere and adapting to climate change. The progress made in the gas use stands out, with a percentage of 89.8% during the fourth quarter of 2022, a 73 MMcfd reduction of in gases sent into the atmosphere.

Investor Relations

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Crude Oil Production
1,791 Mbd



Natural Gas Production
3,910 MMcfd



Crude Oil Processing
838 Mbd



EBITDA
MXN 91.5 billion

Long Term Credit Rating in Foreign Currency

Agency	Rating	Outlook
S&P	BBB	Stable
Moody's	B1	Stable
HR Ratings	BBB+	Stable

Note: PEMEX refers to Petróleos Mexicanos, its Productive Subsidiary Companies, Affiliates, Subsidiary Entities and Subsidiary Companies. From October 1 to December 31, 2022. PEMEX encourages the reader to analyze this document together with the information provided in the annexes to this document, in addition to the transcript of its conference call announcing its quarterly results, to take place on February 27, 2023. Annexes, transcripts, and relevant documents related to this call can be found at www.pemex.com/en/investors.



1. Key Highlights

4Q 22

Selected financial information (MXN million)

	4Q21	4Q22
Sales	445,930	519,256
Cost of sales	334,360	431,457
Impairment (reverse)	39,453	146,670
Gross Income (loss)	72,177	(58,871)
Administration and distribution expenses	50,590	46,419
Operating income (loss)	(20,621)	(119,301)
Financial cost, income due to financial derivatives	(55,553)	(29,180)
Foreign exchanges profit	(22,267)	57,582
Taxes, duties and others	96,096	81,669
Net income (loss)	(194,538)	(172,567)



2. Financial Summary

4Q 22

Earnings

During 4Q22, total sales increased by 16.4%, as compared to 4Q21, mainly due to an 25.4% increase in domestic sales and an 3.4% increase in export sales. The most significant factors explaining the increase in sales are the higher hydrocarbons' prices and volumes sold.

Cost of Sales

In 4Q22 the cost of sales, including impairment, increased by 54.7%, mainly due to a MXN 95.3 billion increase in purchases for resale. In the quarter a MXN 146.7 billion asset impairment was recorded, as compared to a MXN 39.5 billion asset impairment reversal in the same period of the previous year.

Taxes and Duties

In 4Q22, total taxes and duties amounted to MXN 81.7 billion, a 15.0% decrease as compared to 4Q21, mainly due to the rate decrease of the Profit-Sharing Duty (DUC). The amount of DUC paid decreased by 9.2% as compared to 4Q21.

Net Result

In 4Q22 an MXN 172.6 billion net loss was recorded, as compared to a MXN 194.5 billion net loss in 4Q21. This result is mainly explained by the increase in cost of sales, the increase in impairment, offset against the foreign exchange gain originated by the appreciation of the peso against the dollar during 4Q22.

Financial Debt

Total financial debt decreased by 7.0% as compared to the end of 2021, mainly due to the objective of maintaining a net indebtedness close to zero and the support from the Federal Government.

As of December 31, 2022, the exchange rate stood at MXN 19.4143 per USD 1.00, so financial debt recorded a balance of MXN 2,091.5 billion, or USD 107.7 billion.

Liquidity Management

The PEMEX group has revolving credit lines for liquidity management totaling up to USD 7.7 billion and MXN 29.5 billion. As of February 24, 2023, USD 250 million and MXN 5,000 million were available.

EBITDA

Net cost of employee benefits in the period (excluding pension payments, seniority premium, and health service, since they are cash items), depreciation, amortization and impairment of wells, pipelines, property, plants, and equipment are added to the operational income. As of 4Q19, undeveloped wells are also added since they are drilled wells that never reached the production stage thus, they do not generate cash flows. EBITDA during 4Q22 amounted to MXN 91.5 billion.

Budgetary Investment Activities

In 2022, a budgetary investment by MXN 467.3 billion was exercised, an increase of 18.8% over the amount exercised in 2021.



3. Operating Headlines

4Q 22

Hydrocarbons Production

In 2022, hydrocarbon production reached 2 million 515 thousand barrels of oil equivalent per day (MMboed), this is a growth of 61 Mboed or 2.5% with respect to the barrels produced in 2021. Liquids production (excluding partners' production) totaled 1,764 Mbd, higher by 28 Mbd with respect to the same period in 2021, when production was reported at 1,736 Mbd, this is a variation of 1.6%. This maintains the upward trend in liquids production, mainly due to the contribution of the completion of wells from the New Fields development strategy and the early production from exploratory locations close to fields with existing infrastructure. Production from these fields amounted to 507 Mbd as of December 31, 2022.

Total natural gas production (excluding partner production) increased 173 million cubic feet per day (MMcfd) or 4.7% compared to the same period in 2021, from 3,692 to 3,866 MMcfd.

Crude Oil Processing

In 2022, total crude oil processing averaged 816 Mbd, a 14.6% increase as compared to 2021, as a result of the continuity in the National Refining System (NRS) rehabilitation program.

Likewise, primary distillation utilization capacity averaged 49.7%, this is a 6.4 percentage points increase as compared to 2021.

Petroleum Products Production

In 2022, petroleum products produced in the NRS averaged 824 Mbd, an increase of 15.3% over 2021. Likewise, the production of distillates (gasoline, diesel, and jet fuel) increased by 18.6%.

The Tula, Salina Cruz, Salamanca, and Minatitlán refineries reported the best results with distillate production averages of 96 Mbd, 87 Mbd, 71 Mbd and 56 Mbd, respectively.

Upstream	4Q21	4Q22	Variation
Total hydrocarbons (Mboed)	2,474	2,534	2.4%
Total crude oil production (Mbd)	1,780	1,812	1.8%
PEMEX's production	1,759	1,791	1.8%
Crude oil and condensates	1,751	1,781	1.7%
Other condensates	8	10	20.0%
Business partners' production	21	21	-0.4%
Natural gas (MMcfd)	4,722	4,828	2.2%
PEMEX's production	4,647	4,752	2.2%
Business partners' production	75	76	2.2%

Downstream	4Q21	4Q22	Variation
Crude Oil Processing (Mbd)	740	838	13.2%
Dry gas from plants (MMcfd)	2,108	2,229	5.7%
Natural gas liquids (Mbd)	171	152	-10.9%
Petroleum products (Mbd)	738	850	15.2%
Petrochemical products (Mt)	339	290	-14.3%
Variable Refining Margin (USD/b)	0.31	6.59	6.28

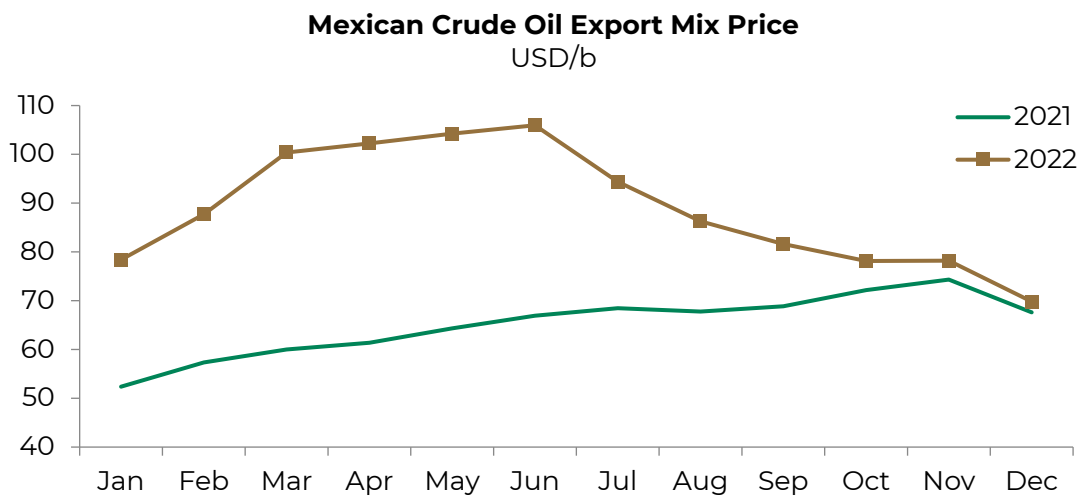


Mexican Crude Oil Export Mix

The annual average price in 2022 was USD 89.35 per barrel, a value 36.8% higher than that observed in 2021. During the 4Q22, the average price of the Mexican Export Mix was USD 75.42 per barrel, a value 5.8% higher than that recorded during the same period of 2021.

In the quarter, prices showed a downward trend, mainly affected by the weakness in the crude oil demand, since key economies such as the United States and China showed weak performance. In the case of China, there was an increase in COVID infections, leading to restrictions on mobility, which impacted the country's economic activity. Additionally, the better supply outlook played a role, due to the resilience of Russian oil exports, the United States authorization to Chevron to export Venezuelan crude, as well as the increase in crude oil production in North America.

On the other hand, prices found support in the OPEC+ announcement to implement cuts in its production and in the weak gains in commercial inventories in the United States.



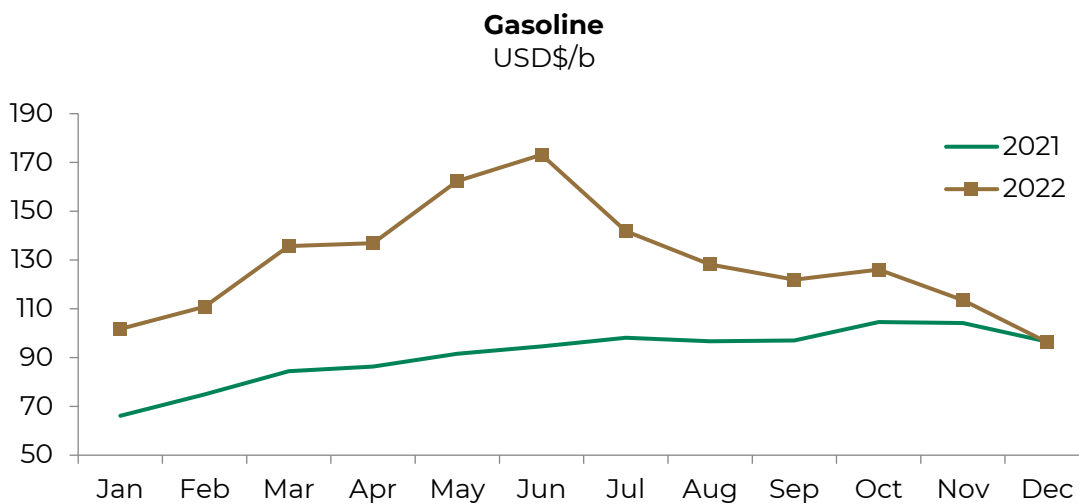
* Source: PEMEX, Petroleum Statistics (www.pemex.com/en).

Gasoline

The annual average price in 2022 was 41.4% higher than that observed in 2021.

The average reference price of gasoline during the 4Q22 was 10.0% higher than that observed during the same period of 2021. However, during the quarter, prices decreased due to lower crude oil prices and weak gasoline demand related to the slowdown in economic activity.

Additionally, gasoline inventories in the United States ended the quarter in the lower range of the last five years.

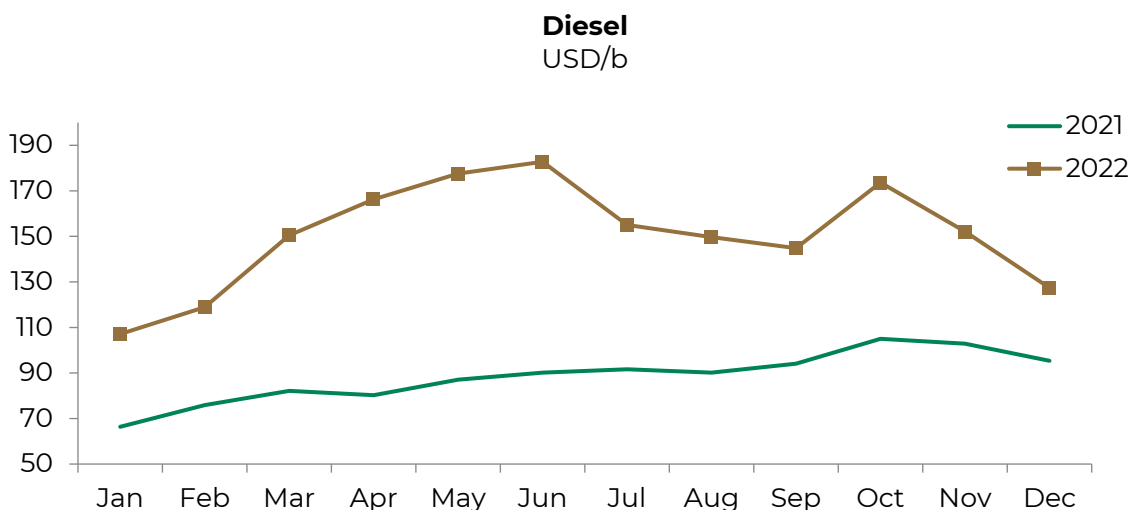


* Source: U.S. Energy Information Administration (www.eia.gov).

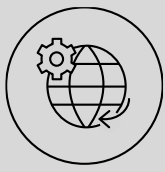
Diesel

The average annual price in 2022 was 70.2% higher than that observed in 2021.

During the 4Q22, the average diesel reference price was 49.4% higher than that observed in the same period of 2021. Although prices increased at the beginning of the period due to uncertainty related to the availability of Russian oil and derivative products, prices decreased at the end of the quarter owing to the slowdown in industrial activity and low prospects for economic growth.



* Source: U.S. Energy Information Administration (www.eia.gov).



Business Plan 2023-2027

On December 13, the PEMEX's Board of Directors approved the [Business Plan of Petróleos Mexicanos and its Subsidiary Productive Companies 2023-2027](#). This document reaffirms the company's strategy proposed at the beginning of this administration aimed at recovering productive capacities throughout the entire value chain, through the following key points:

- In exploration and production, focus on the areas with the greatest productivity potential and economic benefit to incorporate and reclassify reserves, mitigate the decline, and maximize the recovery of hydrocarbons. The initiatives are oriented towards the accelerated development of fields, mainly in onshore and shallow water fields, and secondary and enhanced recovery processes.
- In industrial transformation, increase the production of oil products, orienting the infrastructure towards higher value products and strengthening competitiveness. The initiatives to increase the processing capacity and the development of projects for the use of residuals in Tula and Salina Cruz refineries are maintained, as well as to increase the production of natural gas, recover the production capacity of fertilizers and strengthen the infrastructure of the petrochemical chain.
- In logistics, the strategy focuses on strengthening the treatment, transportation, storage, and dispatch of hydrocarbons; for this objective, the transportation and measurement systems are strengthened, and the rehabilitation and modernization of the infrastructure and the Supervision, Control and Data Acquisition System (SCADA) are considered.

PEMEX, through its financial strategies, establishes the framework for action and the criteria for resource management, debt control, and the allocation of investment funds to projects aligned with the needs of the value

chain under austerity criteria, efficiency, and sustainability.

It is worth to emphasize the sustainability vision that PEMEX presents in this Business Plan and establishes strategic goals to consolidate the path towards sustainable performance with specific strategies and goals presented from the environmental, social, and governance (ESG) perspectives.

Institutional Strategic Approach

The focus of PEMEX's strategy to contribute to national energy security was defined from a perspective of sustainability and profitability of operations for the benefit of national development. The institutional strategic approach of the Business Plan is made up of eight Strategic Objectives (SO) and specific Strategies to meet them.

SO1. Consolidate the path to sustainable performance

SO2. Have rates of incorporation of reserves in line with the production platform

SO3. Optimize the portfolio of exploration and production projects

SO4. Strengthen the industrial transformation infrastructure

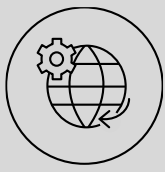
SO5. Ensure the efficiency of services, treatment, transport and storage facilities and measurement systems to support the continuity of operations

SO6. Increase the reliability and operational efficiency of facilities

SO7. Improve competitive position and increase presence in the national market

SO8. Align corporate and administrative activities to the needs of the value chain and attend to them promptly and efficiently

For further detail please visit our website [Business Plan 2023-2027](#).



Sustainability Committee of PEMEX

On December 13, 2022, the CAPEMEX, during its 1002 Ordinary session, approved the creation of the Sustainability Committee of Petróleos Mexicanos and its Subsidiary Productive Companies (Agreement CA-134/2022) dependent on the same Board. This new committee will be chaired by an independent board member, as ordinary members two independent board member, a member representing the Ministry of Environment and Natural Resources, and another member representing the Ministry of Finance and Public Credit.

The Sustainability Committee will support the Board in supervising the management of sustainability, responsibility and corporate reputation with the aim of creating long-term value with PEMEX's stakeholders, through the implementation of strategies to address environmental, social and governance aspects, as well as sustainability, linked to the company's operations.

With these actions and results, PEMEX restates their commitment to carry out a cultural reform that strengthens and guarantees the ethical behavior of personnel, generates economic value and maintains the trust of society, suppliers, contractors, clients and investors with whom they conduct business relationships.

PEMEX returns to the capital markets

On January 31, 2023, as part of the joint strategy with the Ministry of Finance and Public Credit (SHCP), Petróleos Mexicanos issued 10-year bonds for USD 2 billion at a discount of 97.7 cents with a yield of 10.375%. These resources will be used to refinance its liabilities, without representing growth in the group's debt balances.

During the issuance, the initially announced financing cost was considerably reduced. Total demand registered at one point around USD 10 billion, which represents an oversubscription of five times the total amount issued, which allowed

a reduction of 50 basis points with respect to the initial rate indication.

Lakach field

On November 21, 2022, PEMEX signed a contract with the US company New Fortress Energy (NFE) to resume non-associated gas extraction work in the Lakach deepwater field.

The collaboration includes a marketing contract through which PEMEX will sell 190 MMcfd to the NFE company and the remaining 110 MMcfd will be marketed in the Mexican market.

With an initial investment of USD 1.4 billion by PEMEX and USD 1.5 billion by NFE, it is estimated that it will start production in early 2024.

Lakach represents a reserve of around 900 thousand MMcf, which means an average production of 300 MMcfd over a 10-year horizon.

It should be noted that on the periphery of the field there are other deposits with a reserve three times greater and that could make synergy with the Lakach Field, which is why its evaluation will begin for its more efficient development.

PEMEX collaborates with the United States Environmental Protection Agency (EPA) to reduce methane emissions

On November 12, 2022, PEMEX in collaboration with the United States Environmental Protection Agency (EPA), announced that they will join efforts as part of an agreement, where the company will receive diagnostics and economic analyzes to reduce its methane emissions.

As part of this collaboration, a mitigation plan will be developed that will advance Mexico's goals to reduce methane emissions in line with the Global Methane Commitment, as well as the Global Partnership for Burning, Reducing Gas and the initiatory Zero Routine Burn. The plan is expected to be issued in the first half of 2023.



Main Statistics of Production

	Fourth quarter (Oct.-Dec.)			
	<u>2021</u>	<u>2022</u>	<u>Change</u>	
Upstream				
Total hydrocarbons (Mboed)	2,474	2,534	2.4%	60
Total crude oil production (Mbd)	1,780	1,812	1.8%	32
PEMEX's production ⁽¹⁾	1,759	1,791	1.8%	32
Crude oil and condensates ⁽²⁾	1,751	1,781	1.7%	31
Other condensates (Mbd)	8	10	20.0%	2
Business Partners' production	21	21	-0.4%	(0)
Natural gas (MMcfd) ⁽³⁾	4,722	4,828	2.2%	106
PEMEX's production	4,647	4,752	2.2%	104
Business Partners' production	75	76	2.2%	2
Downstream				
Dry gas from plants (MMcfd) ⁽⁴⁾	2,108	2,229	5.7%	120
Natural gas liquids (Mbd)	171	152	-10.9%	(19)
Petroleum products (Mbd) ⁽⁵⁾	738	850	15.2%	112
Petrochemical products (Mt)	339	290	-14.3%	(49)

(1) During 3Q19, the crude oil and condensates series was adjusted to include the proportional part of Ek-Balam's production that is assigned to the State. Thus, the series was adjusted since 1Q19.

(2) Condensates produced in fields

(3) Includes nitrogen.

(4) Does not include dry gas used as fuel.

(5) Includes LPG

Hydrocarbons Production

Total hydrocarbon production during the fourth quarter of 2022 averaged 2,534 million barrels of crude oil equivalent per day (MMboed). This implies an increase of 60 thousand barrels of crude oil equivalent per day (Mboed) with respect to the same quarter of 2021. This section details the behavior of liquid hydrocarbons, i.e. crude oil and condensates without including the production of partners.

In the fourth quarter of 2022, liquids production (excluding partners' production) was 1,781 Mbd, higher by 31 Mbd with respect to the same period of 2021, when production of 1,751 Mbd was reported, this is a variation of 1.7%, this dynamic is explained by the incorporation of new field strategy wells in Quesqui, Tupilco Profundo, Ixachi, Itta, Pokche, Mulach, Teekit, Teca and Koban, in addition to the completion of wells in operating fields such as Ayatsil, Yaxche, Teotleco, Samaria and Bedel.

It is important to mention that in this period we were able to obtain a significant increase in liquids production from the new fields strategy, of about 77 Mbd, from the completion of the following



wells: Quesqui-12, Quesqui-13, Quesqui-21A, Quesqui-40, Quesqui-44, Tupilco Profundo-3003, Tupilco Profundo-3008, Itta-69, Pokche-44, Teca-18, all of which were completed in the fourth quarter. The completion of the Akal-501 well belonging to the exploratory component also contributed.

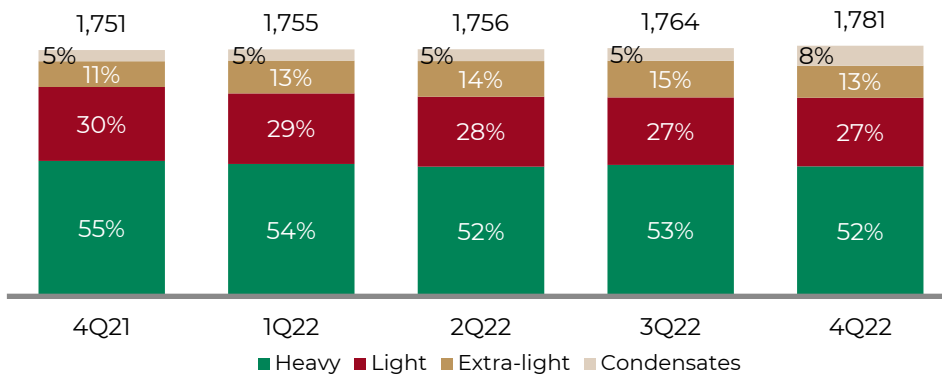
Additionally, the strategy applied to the maintenance of liquids production contributed to sustaining production, through the execution of various actions, mainly:

- Immediate attention to operational problems and reduction of operational intervention time for the reestablishment of wells with failures in electro centrifugal pumping equipment.
- Increase in well maintenance activities (minor repairs, stimulation, cleaning and optimization work).

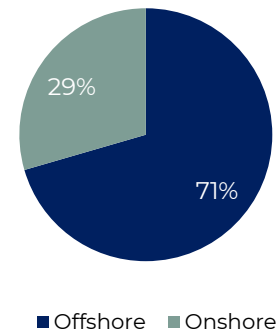
In terms of crude oil quality, light crude and condensate production increased by 69 Mbd, mainly due to the contribution of completed wells from the new fields strategy.

On the contrary, heavy crude oil production decreased by 39 Mbd, equivalent to 4.0% of the production reported in the fourth quarter of 2022 compared to the same period of 2021. The events that caused this decrease were: the natural decline of mature reservoirs in fields of the Ku-Malooob-Zaap Asset, Akal, and failures in wells operating with electro centrifugal pumping equipment in wells in the Northeast Marine Region.

Crude Oil Production by Type
(Mbd)

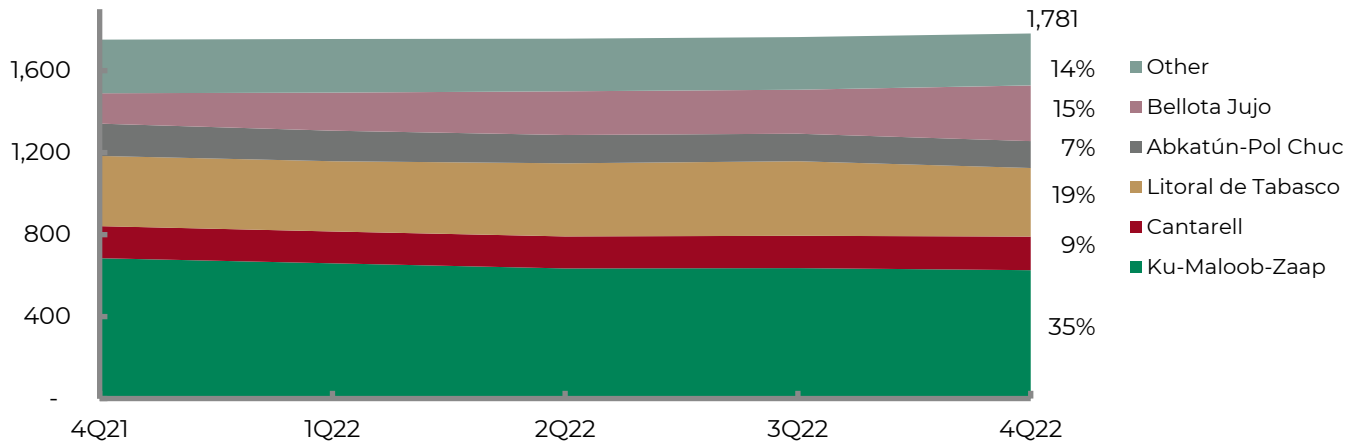


Crude Oil Production by Region





Crude Oil Production by Asset
(Mbd)



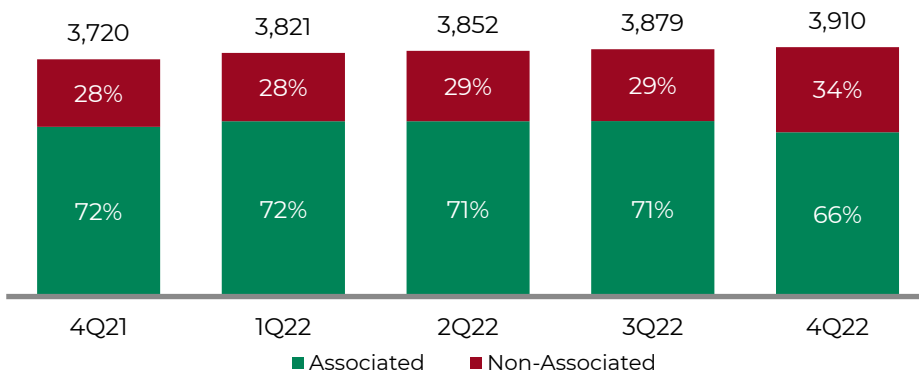
Natural Gas Production

During the fourth quarter of 2022, total hydrocarbon gas production (excluding partners' production) increased 190 MMcfd of gas equivalent by 5.1% compared to the same period of 2021, from 3,720 to 3,910 MMcfd of gas.

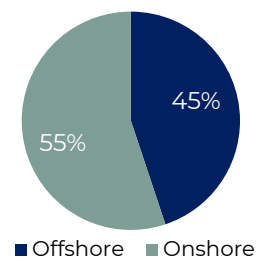
Associated gas decreased by 86 MMcfd, compared to the same period of 2021, representing a variation of 3.2%, mainly due to the reclassification in the statistical information of the Quesqui field from crude oil and associated gas to non-associated gas and condensate.

Non-associated gas increased 276 MMcfd, representing a 26.1% variation compared to the same period of the previous year, due to the contribution of the Ixachi field in the Veracruz Asset and the Koban field in the Litoral de Tabasco Asset, as well as the reclassification of the Quesqui field mentioned above.

Natural Gas Production
(MMcfd)

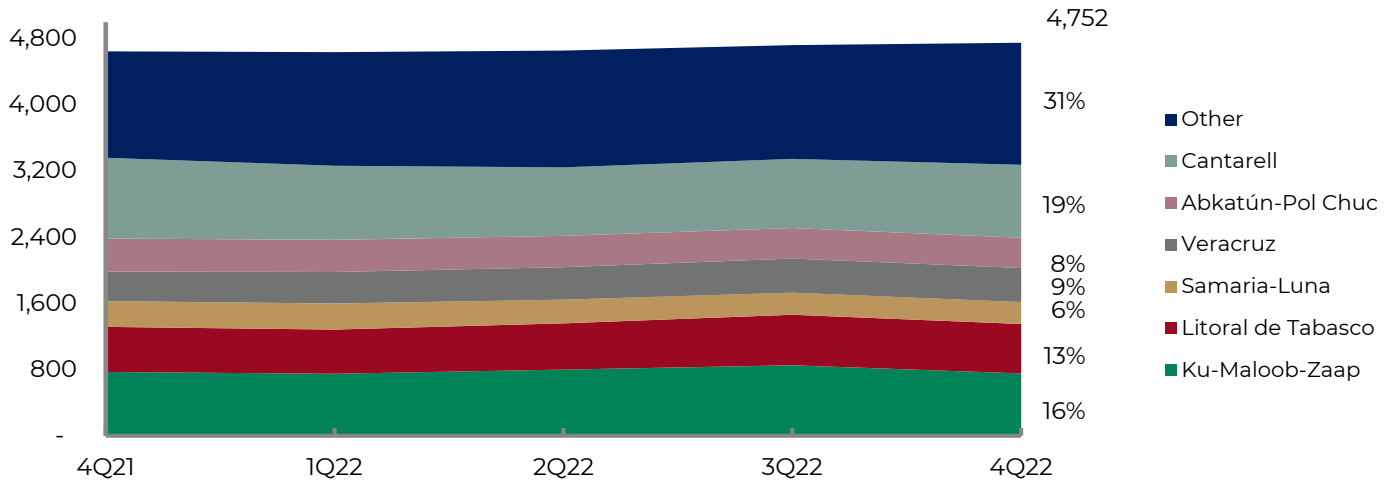


Natural Gas Production by Type of Field





Natural Gas by Asset¹
(MMcfd)



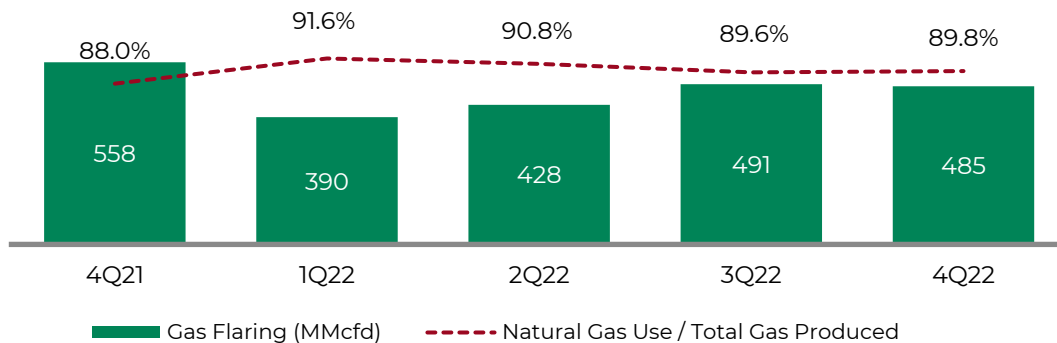
Natural Gas Use

In the fourth quarter of 2022, gas use reached 90%, affected mainly by the production of gas with nitrogen in the Northeast Marine Region, delays in the construction of infrastructure for gas conditioning in the Ixachi field, maintenance and failures of compression equipment in the South Region, as well as rejections and releases from the Gas Processing Centers of Pemex Transformación Industrial.

Since 2021, a "Gas Use Strategy" has been implemented, which seeks to increase the use of this hydrocarbon by progressively reducing the gas sent to the atmosphere in Pemex Exploración y Producción facilities.

This strategy includes initiatives such as the development of infrastructure construction and rehabilitation works for gas handling, transportation, and conditioning, major maintenance programs for compression equipment and booster equipment, as well as the closure of producing wells with a high gas-oil ratio, among other actions.

Natural Gas Use



¹ Includes nitrogen

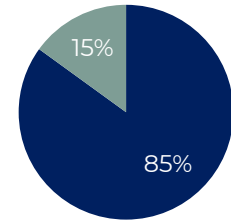


Infrastructure

During the fourth quarter of 2022, 47 development wells were completed, 12 more wells than in the same period of 2021, due to an increase in perforation and termination of wells in the South, North and Northeast Marine regions.

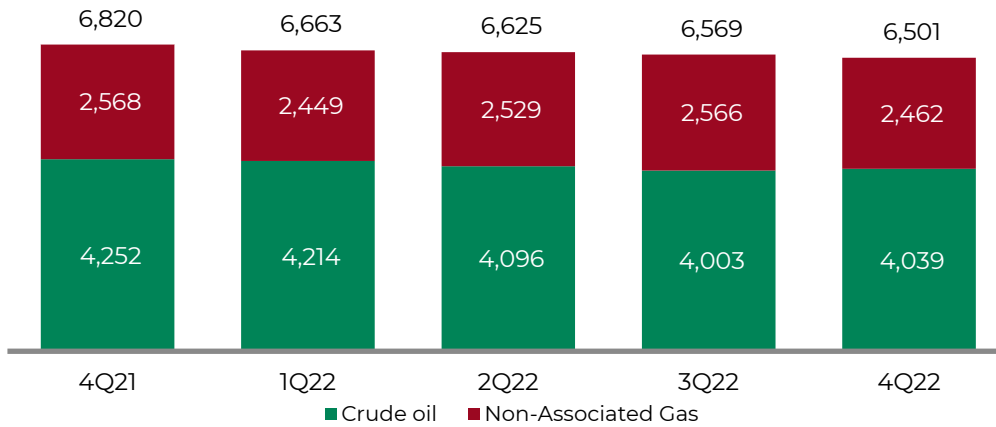
Regarding exploratory wells, 10 wells were completed in the fourth quarter of 2022, the same as 4Q21.

Selected operating infrastructure



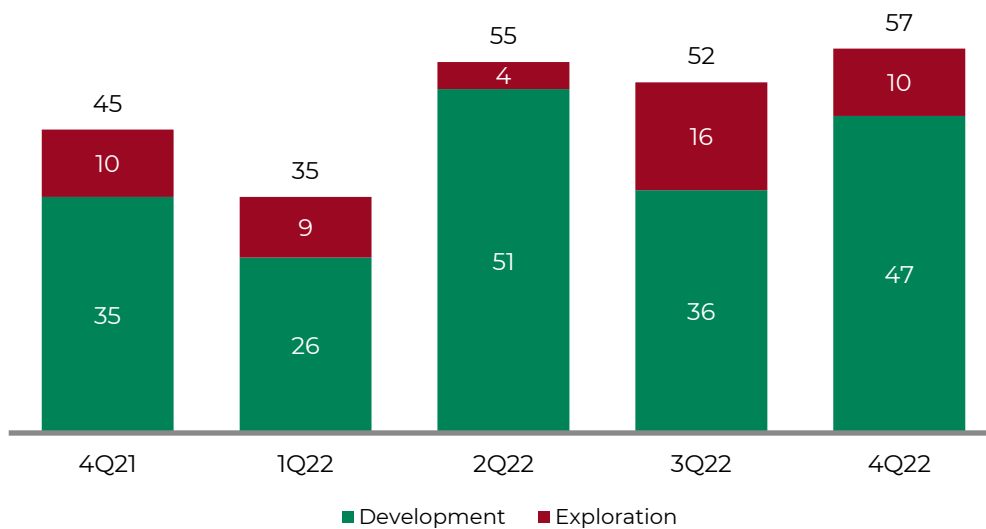
■ Offshore structures
■ Drilling equipment

Average Number of Operating Wells



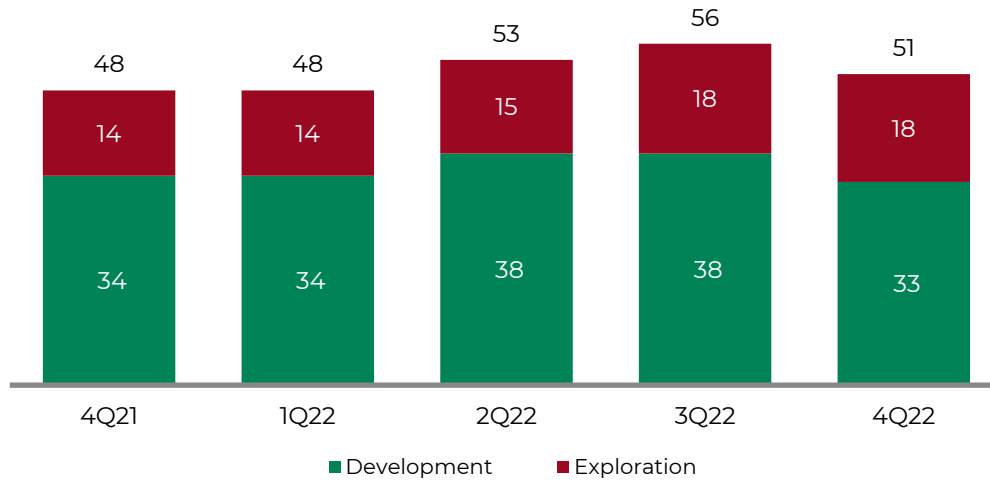
Note: Numbers may not total due to rounding.

Completion of Wells





Average Number of Operating Drilling Rigs



Average Drilling Rigs by Type



Discoveries

Exploration activities carried out during 4Q22 yielded information from seven wells as detailed in the table below. The studies carried out estimate a recoverable volume of 3P reserves of 143 million barrels of crude oil equivalent (MMboe).

Asset	Project	Well	Geological Era	Initial production		Depth Meters	3P Reserves MMboe
				Liquids bd	Gas MMcfd		
Exploration Asset Marina South	Uchukil	Xale-1EXP	Pliocene inferior	2,200	15.79	67	15-20
		Ogachi-1EXP	Middle pliocene	3,166	2.70	24	6
		Macuil-101EXP		457	0.22	31.7	8-12
		Tentok-1EXP		Superior pliocene	4,062	1.81	41



Onshore Exploration Asset South	Comalcalco	Chucox-101EXP	Pliocene inferior	2,104	0.5	NA	15-22
		Cibix-401EXP	Pliocene inferior / superior			NA	10-15
	Llave	Asiki-1EXP	Middle Cretaceous			NA	8

Exploration and production 2022

Hydrocarbon production

During 2022, production totaled 1,764 Mbd of liquid hydrocarbons, 1.6% higher than the production recorded in the same period of 2021. This maintains the upward trend in liquids production, mainly due to the contribution of well completions from the New Fields development strategy and early production from exploratory locations near fields with existing infrastructure. Production from these fields amounted to 507 thousand barrels per day on time as of December 31, 2022.

Natural gas

Natural gas production averaged 3,866 MMcfd, 4.7% higher than the production recorded in 2021. As in crude oil production, the downward trend in gas production was reversed, mainly due to the contribution of wells with a high gas-oil ratio from the Quesqui and Tupilco Profundo fields in the Southern Region, the Ixachi field in the Northern Region and the Koban field in the Southwest marine region.

Operating wells and well completions

In terms of physical activity, 162 development wells were completed with an associated daily production of 150 Mbd of liquids and 336 MMcfd. Of these wells, 106 are onshore and 56 are offshore.

In terms of classification, 132 wells were oil and gas producers, 16 wet gas producers, seven gas and condensate producers, three dry gas producers, three water injectors, and one non-commercial oil and gas producer, resulting in a development success rate of 99 percent.

Natural gas use

The gas sent to the atmosphere averaged 449 MMpcd, that is, an annual gas use of 90.6% was achieved.

The factors that had an impact on the delivery of hydrocarbon gas to the atmosphere are as follows:

- Increase in the production of gas with nitrogen in the Ku-Maloob-Zaap Asset;
- Failures in compression equipment;
- Rejection by the Gas Processing Centers;
- Delay in the construction of infrastructure for gas conditioning in the Ixachi field; and for the
- Delay in the construction of infrastructure for gas handling and conditioning in the Quesqui field.



6. Upstream

4Q 22

It is important to mention that actions have been implemented to reduce gas flaring, including the following:

- Closure of wells with high gas-oil ratio in the Northeast Marine Region;
- Construction of a sweetening plant at EMC Papan, to handle gas from the Ixachi field; and
- Preventive maintenance of gas compression units to mitigate recurring failures in the Southern Region.

These actions have allowed a reduction in gas sent to the atmosphere of 172 MMpcd in 2022 with respect to 2021.



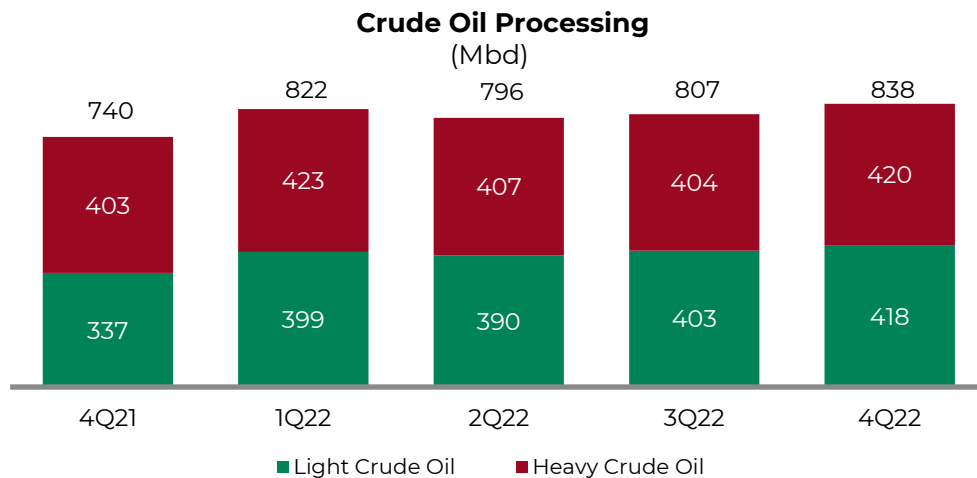
Crude Oil Processing

In 4Q22, crude oil processing at the National Refining System (NRS) averaged 838 Mbd, a 98 Mbd increase as compared to the same quarter of 2021, as a result of the continuity in the NRS rehabilitation program.

During the quarter the refineries that recorded an improved operating performance are Tula processing 206 Mbd of crude oil, Salina Cruz 174 Mbd, Cadereyta 130 Mbd, Salamanca 122 Mbd, and Madero 104 Mbd.

Heavy crude oil process in the revamped refineries averaged 269 Mbd, this is a 12 Mbd decrease as compared to the same quarter of 2021 due to operational problems at Minatitlán refinery. This was partially offset by a higher crude oil processing at Cadereyta and Madero refineries by 9 Mbd, and 8 Mbd, respectively.

The atmospheric distillation capacity of the National Refining System (NRS) is 1,640 Mbd, therefore, the primary distillation capacity utilization amounted to 51.1%; this is 6.0 points above the record in 4Q21. The refineries that recorded a utilization above the system’s average are Tula, Madero, and Salina Cruz, with an average utilization of 65.5%, 54.6%, and 52.8%, respectively.



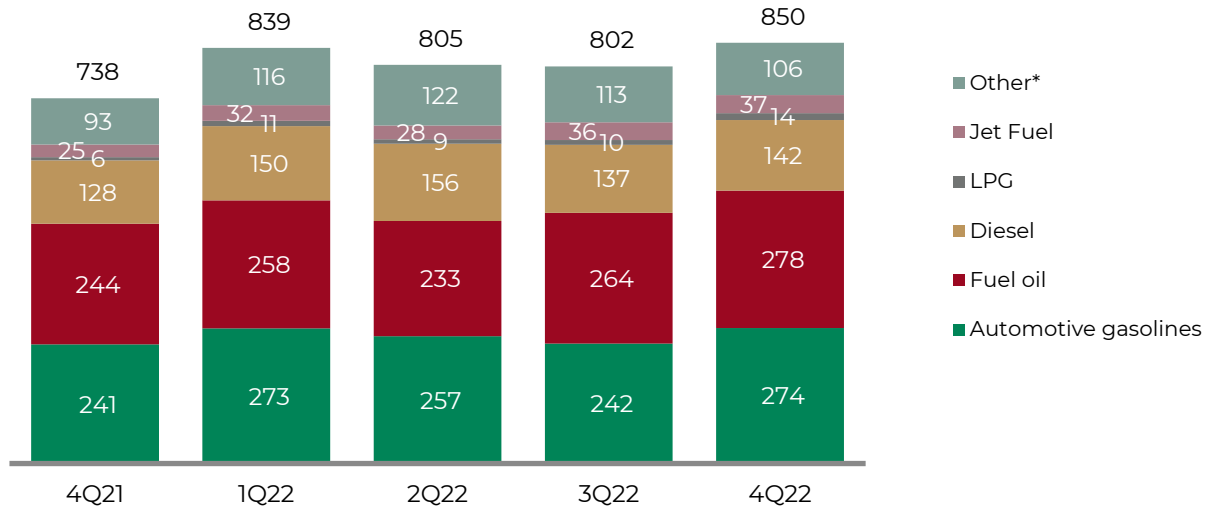
Petroleum Products Production

In the fourth quarter of 2022, petroleum products production increased by 15.2% as compared to 4Q21, averaging 850 Mbd: 274 Mbd were gasoline, 142 Mbd diesel, 37 Mbd jet fuel, and 397 Mbd other petroleum products and LPG.

As compared to 4Q21, distillate production (gasoline, diesel, and jet fuel) increased by 14.8%, mainly due to its higher production at the following refineries: Tula 105 Mbd, Cadereyta 88 Mbd, Salamanca 70 Mbd, and Madero 56 Mbd.



Petroleum Products Production
(Mbd)

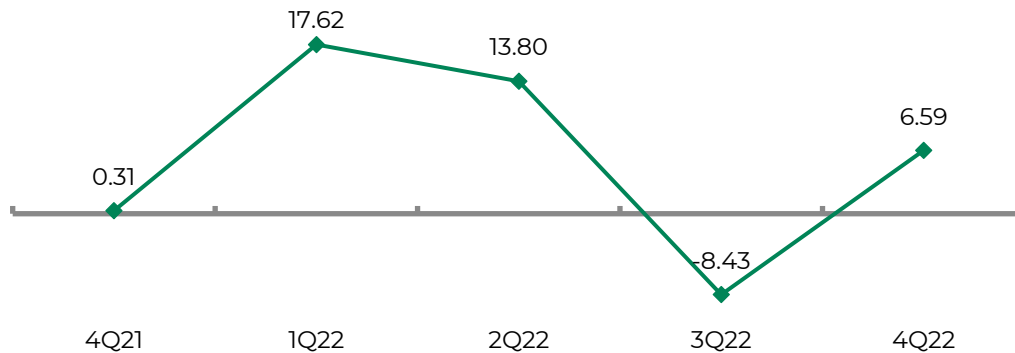


* Includes paraffins, furfural extract, aeroflex, asphalt, lubricants, coke, cyclical light oil and other gasolines.

Variable Refining Margin

In 4Q22 the NRS recorded a negative variable refining margin of USD 6.59 per barrel (USD/b), this is USD 6.28 USD/b higher than the margin recorded in 4Q21. This result is explained by the higher petroleum products' prices at the Gulf Coast along with a higher distillates yield in the NRS.

Variable Refining Margin
(USD /b)



PEMEX Service Stations

As of December 31, 2022, PEMEX franchise service stations totaled 6,987. This is a 0.2% decrease as compared to the same period of 2021. From PEMEX's total service stations, 6,942 are private franchises while 45 are owned by Pemex Industrial Transformation (PEMEX's self-consumption). In addition, 1,084 service stations were registered under the brand sublicensing scheme and 3,674 service stations do not operate under PEMEX's franchise scheme but get their supply from both PEMEX and direct imports.



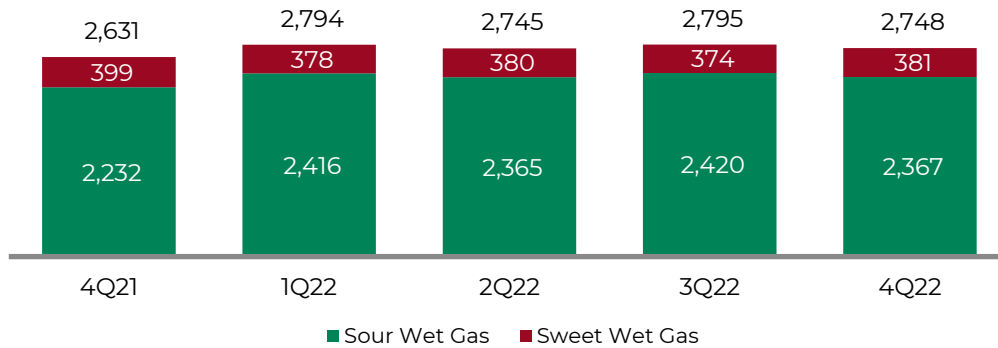
Natural Gas Processing and Production

In 4Q22, natural gas processing averaged 2,748 MMcfd, a 117 MMcfd increase, equivalent to 4.4%, as compared to 4Q21, due to the higher wet gas availability, because of the sour wet gas production increase in the Southeastern region of Pemex Exploration and Production (PEP).

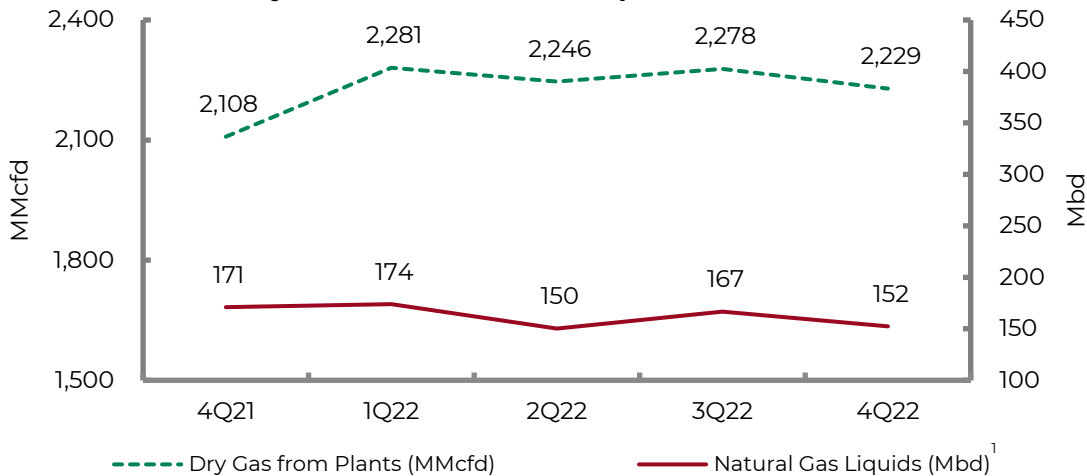
As a result, dry gas production averaged 2,229 MMcfd, a 120 MMcfd increase as compared to the same quarter of 2021, mainly explained by the higher production at Cactus, Nuevo Pemex, and Arenque gas processing complexes. On the other hand, liquids production averaged 152 Mbd, a 10.9% increase.

The condensate process averaged 11 Mbd, 22.5% Mbd higher than the record of the 4Q21, mainly due to higher delivery of sour condensates from PEP.

Natural Gas Processing (MMcfd)



Dry Gas and Natural Gas Liquids Production



(1) Includes condensates process.

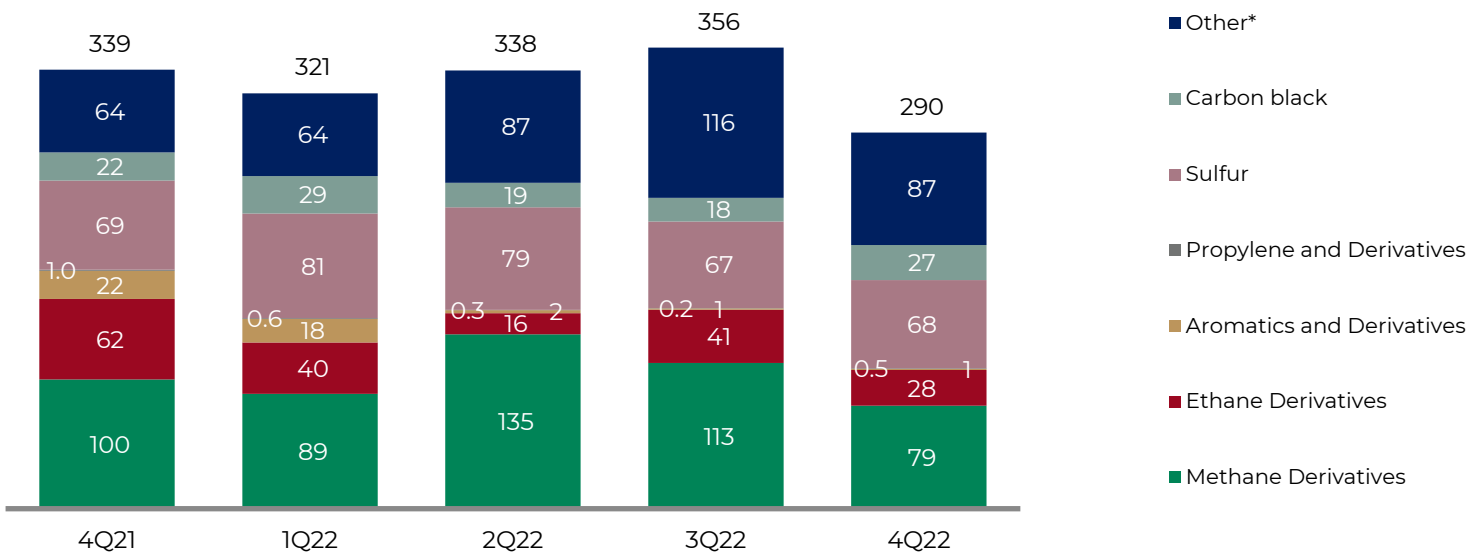


Petrochemicals Production

In 4Q22, petrochemicals production recorded 290 thousand tons (Mt), an 14.3% decrease as compared to 4Q21. The quarterly variation is mainly explained by the following factors:

- ethane derivatives production decreased by 34 Mt, since the ethylene plant of La Cangrejera petrochemical complex (PC) halted from November 27, 2022, to January 5, 2023 due to a failure at the fractioning plant, in addition to the halt of the ethylene plant at Morelos PC since October 17, 2022, due to a failure in the distributed control system;
- aromatics and derivatives production decreased by 21 Mt, due to the intermittent of the CCR plant at La Cangrejera PC due to problems with the BA-1101A heater of the hydrocarbon fractioning plant of this complex;
- methane derivatives production decreased by 19 MT, due to the programmed partial reparation of the ammonia VI plant at the Cosoleacaque PC in December 2022.; by contrast
- other petrochemicals production increased by 23 Mt, due to higher production of carbon dioxide at Cosoleacaque PC; and
- raw material for carbon black production increased by 5 Mt, as a result of the higher heavy crude oil process in the Salamanca and Cadereyta refineries.

Petrochemicals Production
(Mt)



*Includes Hexane, Pentanes, Butanes, Raw butadiene, Polyethylene waxes, Petrochemical specialties, Heptane, Hydrogen, Pyrolysis Liquids, Nitrogen, Oxygen, Mixture of pentanes and By-products of polyethylene.



Industrial Transformation 2022

Crude Oil Processing

In 2022, the SNR crude oil processing averaged 816 Mbd, a 14.6% increase as compared to 2021. This is explained by an improved operating performance at the refineries recording the following levels: Tula 180 Mbd, Salina Cruz 178 Mbd, Salamanca 130 Mbd, Minatitlán 112 Mbd, and Madero 98 Mbd.

Heavy crude processing at the revamped refineries averaged 269 Mbd, a 20.6% increase as compared to the previous year, due to higher heavy crude oil processing in the Minatitlán and Madero refineries, which recorded heavy crude oil processes by 105 Mbd and 98 Mbd, respectively.

The NRS's primary distillation capacity utilization averaged 49.7%, a 6.4 percentage point increase as compared to the 2020 record. Tula, Salina Cruz, Salamanca, and Madero refineries recorded utilization rates above the system's average by 57.1%, 53.9%, 52.9%, and 51.6%, respectively.

Petroleum Products Production

Petroleum products averaged 824 Mbd, a 15.3% increase as compared to 2021; 261 Mbd were gasoline, 146 Mbd diesel, 33 Mbd jet fuel, and 383 Mbd other petroleum products and LPG.

It is worth noting that, distillates production (gasoline, diesel, and jet fuel) increased by 69 Mbd, equivalent to a 18.6% increase, as compared to 2021.

Variable Margin

The variable margin of the NRS during 2020 averaged USD 7.34 per barrel (USD / b). This is 4.42 USD / b higher than the 2021 record, mainly explained by higher petroleum products' prices at the Gulf Coast, along with the higher distillates production at the NRS.

Gas processing and production

During 2022 wet gas processing averaged 2,770 MMcfd, a 142 MMcfd or 5.4% increase as compared to 2021. This is mainly explained by higher wet gas receipt due to the sour wet gas production increase in the Southeastern region of Pemex Exploration and Production.

Dry gas production averaged 2,258 MMcfd, a 189 MMcfd decrease as compared to 2021. This is mainly explained by higher production at Cactus, Nuevo Pemex, and Arenque gas processing centers. On the other hand gas liquids production averaged 161 Mbd, a 10 Mbd decrease as compared to the previous year.

The condensate process averaged 13 Mbd, a 8.3% decrease as compared to 2021, mainly due to lower delivery of sour and sweet condensates from Pemex Exploration and Production.

Petrochemical production

As of December 31st, 2022, accumulated petrochemicals production amounted to 1,305 Mt; this is a 3.9% decrease as compared to 2021. The annual variation is explained by:

- ethane derivatives production decreased by 108 Mt, mainly due to maintenance works at the ethylene plant of La Cangrejera petrochemical complex, which were carried out from November 2021 to August 2022, affecting the raw material availability for derivative plants, coupled with operational problems and in the supply of auxiliary services;



- aromatics and derivatives production decreased by 71 Mt, as a result of an intermittent operation of the CCR Plant due to maintenance works and operational problems and in the supply of auxiliary services;
- raw material for carbon black production decreased by 59 Mt, due to the lower processing of heavy crude oil at Cadereyta refinery; on the other hand
- sulfur production increased by 85 Mt, because of higher production at Ciudad gas processing complex and at the NRS refineries;
- other petrochemicals production increased by 79 Mt, as a result of higher carbon dioxide production at Cosoleacaque petrochemical complex;
- methane derivatives production increased by 34 Mt, due to the operational continuity of the VI ammonia plant at Cosoleacaque petrochemical complex since February 2022.

Additional Information Related to Downstream and Midstream Activities

Anti-Fuel Subtraction Strategy

In 2022 fuel theft subtraction averaged 6.1 Mbd, representing losses by MXN 18.7 billion as compared to the 3.6 Mbd recorded in 2021 with MXN 7.2 billion in losses.

Rehabilitation Program of the National Refining System

In 2022, repairs were carried out in 58 processing plants, 49 corresponding to the 2022 program and 9 from programs from previous years.

In 2023, the rehabilitation program continues to focus on restoring the mechanical integrity of the processing plants, the main services, and storage.



Environmental

Carbon dioxide equivalent emissions

In the third fourth quarter of 2022, carbon dioxide equivalent emissions recorded 16.8 million tons (MMt), a 6% decrease as compared to the same period in 2021. Likewise, total carbon dioxide equivalent emissions in 2022 decreased 4.3% as compared to 2021, reaching 68 MMt.

The reduction was due to higher associated and non-associated gas use of in the exploration and production processes, as a result of the start-up of hydrocarbon transportation projects and operational flexibility, as well as the improvements implemented to the refining and gas processes.

Sulfur oxide emissions

In the fourth quarter of 2022, sulfur oxide emissions recorded 313 Mt, a 21.2% increase as compared to the same period of 2021, mainly due to the increase in acid gas burned in the sweetening processes in upstream, as well as the intermittent operation of the Pemex Transformación Industrial sulfur recovery units.

In 2022, sulfur oxide emissions recorded 1,170 Mt, a 10.3% decrease as compared to the previous year, due to the implementation of projects focused on the associated gas use, which decreased the volume of sour gas sent to burner vents in upstream processes, as well as the start-up of sweetening plants and sulfur recovery plants in refineries and gas processing complexes.

Water Reuse

As of the fourth quarter of 2022, the water reuse index (reuse/use) recorded 0.184, a 54% increase as compared to the same period in 2021, due to an increase of more than three million cubic meters of reused water at the Madero and Cadereyta refineries.

In 2022, the water reuse index amounted to 0.179, which represents a 33% increase as compared to 2021, as a result of the overhaul of the failure in the pumping system of reused water from COMAPA to the Madero Refinery and the partial rehabilitation of the effluent treatment systems and wastewater treatment plants (PTAR) at the Tula, Salamanca and Cadereyta refineries.

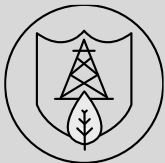
Climate and environmental impact reduction project initiatives

Emissions Trading System

- The participating work centers delivered the rights corresponding to the second year of operations of the test phase and carry out the necessary controls to monitor their processes that generate greenhouse gas emissions.
- The Consultative Committee of the Emissions Trading System, of which Pemex is part, generated proposals applicable to the operational phase of the system.

Strategic objective of reducing environmental impact and improving energy management in industrial activities.

- Follow-up to the implementation of infrastructure projects focused on reducing the emission intensity indices of the different productive activities of Pemex.



Gas use.

- The strategy for the management and gas use in Pemex Exploration and Production continues, which includes the closure of wells with high gas-oil ratio, restoration of boosters, overhaul of compressors, development of infrastructure for production management and operational flexibility for the development of new and existing fields, as well as the rehabilitation of gas processing centers equipment, among others, continues to pay results. At the end of 2022, Pemex Exploration and Production recorded a 13% reduction in greenhouse gas emissions as compared to 2021.

Adaptation to climate change

- Regarding the progress of the climate risk analysis of the Pipeline Transportation System section Fortín-Maltrata, Veracruz, face-to-face workshops were held at the facilities of the Mendoza Pipeline Sector for the identification, prioritization, monitoring and evaluation of adaptation measures to climate change. The results achieved and the opportunities identified, will be submitted to the management group of the Sector.
- The Technical Guide to prepare climate risk analyzes for on-shore facilities in PEMEX was distributed within the company

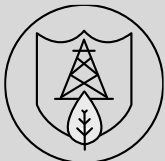
Follow-up to the Critical Risk Attention Program

- As of December 31, 2022, 18 environmental risks have been addressed, with a MXN 593 million investment. Seven were Priority 1 risks, MXN 483 million were allocated for their attention. Among the main mitigation actions are:
 - Rehabilitation of effluent treatment systems to reduce the effects on bodies of water and the soil.
 - Reduction of the migration of polluting material to water and soil through corrective actions of containment, characterization, cleaning and remediation of sites.
 - Rehabilitation of congenital water conduction systems and the installation of anticorrosive protections to reduce the probability and impact of possible future events, including congenital water spills.
- Additionally, the risk committee (CRPEMEX) ordered the abandonment of 20 fields without production, which will imply taking actions to mitigate the environmental impact, such as the definitive plugging of wells, cleaning and dismantling of infrastructure, environmental compensation measures and / or restoration, remediation of contaminated soil, among others.

Social

Industrial Safety

In all moderated and serious events, Petróleos Mexicanos performs a root-cause analysis to identify the original events' causes and define corrective actions to avoid the recurrence of accidents. In very serious events, the analysis has been developed by independent researchers who guarantee total transparency. Additionally, this analysis strengthens PEMEX's SSPA System and accountability to stakeholders.



Frequency Index²

In 4Q22, the frequency index for PEMEX's employees was 0.58 accidents per million man-hours worked with exposure to risk, a 55.6% increase as compared to 4Q21. The Subsidiary Productive Companies that contributed the most to the accident rate during the fourth quarter 2022 are: Pemex Industrial Transformation with 22 injured workers, and Pemex Logistics with 14 injured workers.

In 2022, the frequency index for PEMEX's employees was 0.49 accidents per million man-hours worked with exposure to risk, a 37.2% increase as compared to 2021. The Subsidiary Productive Companies that contributed the most to the accident rate during 2022 are: Pemex Industrial Transformation with 58 injured workers, and Pemex Logistics with 36 injured workers.

Severity Index³

In 4Q22, the severity index for PEMEX's personnel was 37 lost days per million man-hours worked with exposure to risk, 35.9% higher as compared to 4Q21.

Likewise, the severity index in 2022 for PEMEX's personnel recorded 29 lost days per million man-hours worked with exposure to risk, 45.0% higher as compared to 2021.

Safety initiatives

During the fourth quarter, the implementation of the following SSPA initiatives continued:

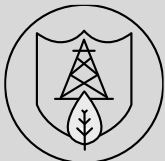
- Follow-up of the Critical Risks Attention Program A1. Progress is as follows:

Year	Risks addressed (no NRS)	Risks addressed NRS
2019	100%	97.53%
2020	92.76%	89.52%
2021	63.85%	89.12%
2022	48.76%	42.00%

- As part of the program for the Evaluation of Conformity with the Official Mexican Standard NOM-020-STPS-2011 "Recipients subject to pressure, cryogenic receptacles and steam generators or boilers - Operation - Safety Conditions", 318 opinions were issued in 2022.
- Technical and regulatory opinions were issued on Industrial Safety of the Atasta Gas Transportation and Processing Center and the Dos Bocas Maritime Terminal.
- An audit was carried out to evaluate the comprehensive performance in risk management at the Cangrejera Petrochemical Complex.
- Coordination of the Root Cause Analysis of relevant events (fire in the Cactus-Cangrejera and Cactus-Pajaritos ethane pipelines, machinery blow in the Cactus-Cangrejera ethane pipeline and acid gas leak in the vent head of the Cadereyta Refinery).

² Refers to the number of accidents with incapacitating injuries per million man-hours worked (MMhh) with risk exposure during the relevant period. An incapacitating injury is an injury, functional damage or death that is caused, either immediately or subsequently, by a sudden event at work or during work-related activities. Man-hours worked with risk exposure represent the number of hours worked by all personnel, including overtime hours.

³ Refers to the total number of days lost per million man-hours worked with risk exposure during the relevant period. The number of days lost is based on medical leaves of absence for injuries stemming from accidents at work, plus the number of corresponding days on which compensation is paid for partial or total disability or death.



Social responsibility

With the participation of communities and local authorities located in oil areas, PEMEX implements social responsibility actions that promote stable social environments and in turn favor the operational continuity and safety of our facilities.

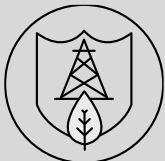
The granting of donations of petroleum products is carried out to strengthen the capacities of municipalities or states for the provision of public services. The implementation of programs, works and/or actions (PROAs) is carried out through strategic axes of attention: Education and Sports, Infrastructure, Environmental Protection, Productive Projects, Health and Public Safety and Civil Protection.

In the fourth quarter of 2022, MXN 977.53 million in donations of asphalt and fuels were authorized and 123 PROAs were delivered for an amount of MXN 515.27 million, which were distributed in entities with the largest presence of the Pemex activities.

In 2022, PEMEX's social investment amounted to MXN 2.24 billion, 49.9% more than in 2021. The investment was allocated to 64 donations of asphalt and fuel by MXN 1.4 billion and 215 PROAs for an amount of MXN 843.33 million. Of these social responsibility actions, 95.5% was allocated to territories with the highest operational activity of PEMEX, and 4.5% to the rest of the country.

Among the PROAs carried out during 2022, the following actions stand out:

- Educational services were strengthened by delivering new school furniture to 152 schools located in Campeche and Tabasco.
- The infrastructure of 10 basic schools was improved with the construction of classrooms, bathrooms, perimeter fences, dining rooms, and domes in Hidalgo, Oaxaca, Tabasco, and Veracruz.
- To improve health services, 11 Clinics and Health Centers were rehabilitated, expanded, and equipped in municipalities Campeche, Nuevo León, Tabasco, and Veracruz.
- The PEMEX Mobile Medical Unit provided general medicine and dental services, in addition to free medication, in towns in Campeche, Hidalgo, Oaxaca, Tabasco, Tamaulipas and Veracruz.
- 8,000 mammography studies were applied free of charge to Tabasco women through the operation of specialized Mobile Medical Units.
- 79 packages of tools and implements were granted to strengthen agricultural production in various municipalities of Tabasco.
- To improve the road infrastructure, rehabilitation, construction, paving, and resurfacing actions were carried out on more than 60 km of roads and highways in the municipalities of Campeche, Chiapas, Tabasco, and Veracruz.
- To strengthen the services in terms of Public Safety and Civil Protection in Campeche, Chiapas, Guanajuato, Hidalgo, Nuevo León, Oaxaca, Tabasco, Tamaulipas and Veracruz, the following were donated:
 - 53 patrol vehicles and 10 motorcycle patrols
 - 7 specialized trucks for firefighters
 - 18 pieces of equipment for firefighters and civil protection personnel
 - 4 mobile security and video surveillance structures



Governance

Compliance Program

To continue strengthening ethical chains with its employees, suppliers, contractors, service providers and clients with whom it enters into commercial agreements, PEMEX continues with the implementation of its Compliance Program called "*Pemex Cumple*".

This program was authorized by the Board of Directors of Petróleos Mexicanos (CAPEMEX) and is made up of four strategic axes: 1) Ethics and Integrity, 2) Anti-corruption, 3) Legal Compliance and 4) Transparency and Protection of Personal Data. Each of the axes is based on strategies, lines of action and indicators to promote a culture of compliance and progress is reported quarterly to the CAPEMEX.

The Ethics and Integrity axis seeks to promote the ethical behavior of personnel through training actions on values, ethical principles, expected behaviors, and content related to the *Pemex Cumple* Program for all PEMEX personnel. For 2022, a goal was to train 12,000 workers. By the fourth quarter of 2022, 18,388 workers were trained, surpassing the established goal by 53%:

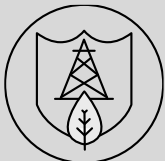
Course	Trained personnel in 4Q22	Trained personnel 2022
Our Codes	701	2,001
Anti-corruption Policy	1,762	5,118
Podcast Conflict of Interest	1,937	4,700
Induction Pemex Complies	402	3,356
Induction Conflict of Interest	113	2,691
Due Diligence Workshop	99	522
Total trained staff	5,014	18,388

In the fourth quarter of 2022, the staff was able to make their Conflict of Interest declaration in a quick and efficient manner through the "Pemex ASISTE" App, reaching a total of 44,447 affiliated workers at the end of 2022.

We continued to provide advice and attend to the reports received through the Ethics Line. During 2022, 85 disciplinary measures were applied for non-compliance with the Codes of Ethics and Conduct.

Through actions of the anti-corruption axis, 3,838 Due Diligence (DD) processes were applied to third parties and a total of 4,091 requests for legal opinions on the feasibility of entering into commercial agreements were addressed, which promotes the development of compliance programs of third parties with whom the company does or intends to do business. Legal feasibility opinions issued are published on the official PEMEX website ([Commercial viability](#)).

In order to promote compliance with the legal provisions that are applicable to PEMEX, the compliance risks identified and reported by the institutional processes and support areas were monitored. Likewise, requirements formulated by the auditing, reviewing and external auditors were met. As PEMEX is an issuer of securities in international markets, DD processes applied by rating companies, investment funds and financial institutions were attended to.



In 2022, through the Transparency and Personal Data Protection axis, 8,061 public servants of PEMEX were trained in matters of Transparency, Access to Public Information, Personal Data and Related Topics, successfully surpassing the training program scheduled for 2022.

For the third consecutive year, PEMEX, its EPS and indirect reporting entities obtained 100% in compliance reports, a rating granted by the National Institute for Transparency, Access to Information and Protection of Personal Data (INAI) having verified that the Information included in the SIPO (INAI Transparency Portal System) is complete, published and updated in a timely manner.

The INAI granted the recognition of Proactive Transparency Practices to PEMEX ASISTE and the endorsement of the public Institutional Database ([eBDI](#)).

Regarding the Policy of Transparency, Open Government and Open Data and according to the evaluation issued by the Ministry of Public Administration, 100% was achieved in the implementation of the policy on the PEMEX website.

Additional Information Related to ESG issues

PEMEX-SSPA training

In 2022, 41 workshops called "Online SSPA (Safety, Health and Environmental Protection) Wednesdays" were held at PEMEX, in which a total of 8,214 workers participated and where various issues of environmental protection, and health at work, and the PEMEX-SSPA system were addressed.

Commemoration of the World Day for the Reduction of Carbon Dioxide Emissions

On January 29, 2023, in the Jaguaroundi Ecological Park, various activities were carried out to commemorate the World Day for the Reduction of Carbon Dioxide Emissions. Through environmental education workshops, the community is made aware of greenhouse gases, which cause climate change, with environmental consequences and impacts.

Incidents

PEMEX reaffirms its commitment to the safety of its workers and the communities where it operates to act in a safe and timely manner in dealing with these risky events. The corresponding root-cause analysis of these incidents will be carried out.

Maya Combined Plant of the Minatitlán Refinery

On February 23, 2023, a fire broke out in the bank of heat exchangers of the Combined Maya plant of the Minatitlán Refinery, which was extinguished by the operating and fire-fighting personnel.

Unfortunately, of the five injured, the two who were seriously injured died; the other three workers are still being treated at the Hospital Central Sur and Hospital Regional de Minatitlán. PEMEX deeply regrets these events and sympathizes with the families of the workers.

This incident did not affect the operation of the plant and there is no record of damage to the facilities.

Tuzandepetl Strategic Storage Plant

On February 23, 2023, a fire was recorded in the PM-119 drilling rig, which provided maintenance to the Tuzandepetl-331 Cavity, in the municipality of Ixhuatlán del Sureste, Veracruz.



The Emergency Care and Management Group (GRAME) was immediately activated to control and extinguish the fire. Due to this event, two workers lost their lives, three workers were injured and are being treated at the PEMEX Hospital, and exhaustive activities are being carried out to locate three more workers. PEMEX deeply regrets these events and stands in solidarity with the families of the workers.

Distillation unit at Deer Park refinery

On the night of February 23, 2023, a fire was reported at one of the distillation units of the Deer Park refinery which was extinguished by the site's emergency response team after about an hour.

Air monitoring activities were conducted inside and outside of this facility. PEMEX made all required regulatory notifications. No injuries were reported and there is no threat to the community or to the environment.

Clean-up is ongoing and initial scope appears to be around 12 days' worth of work. The rest of the complex is running well currently. No impact on the supply chain is expected.



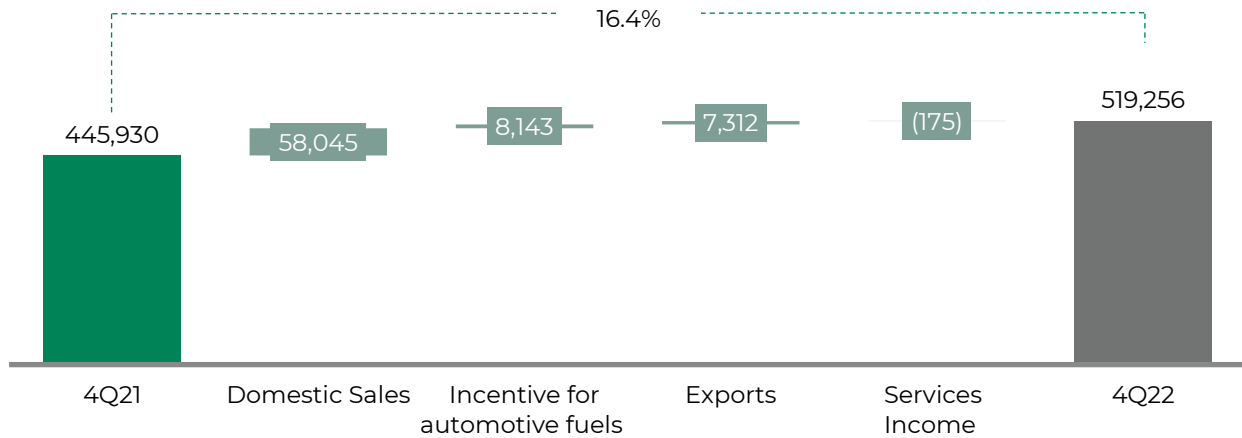
9.1 Consolidated Income Statement from October 1 to December 31, 2022

Total Sales

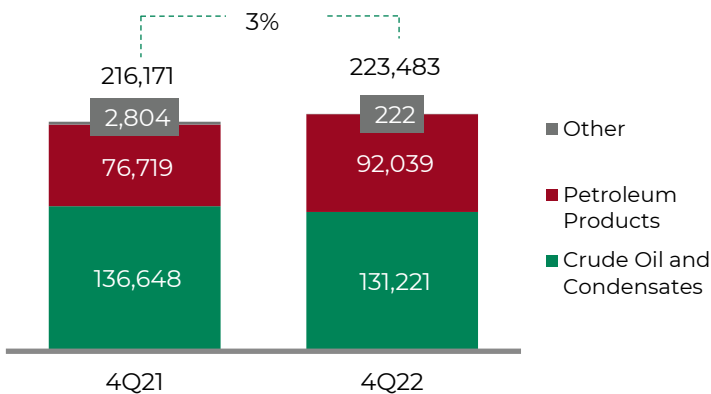
Total sales and service revenues increased 16.4% as compared to 4Q21. This was mainly due to:

- an 25.4% increase in domestic sales, mainly explained by growth in the prices of gasoline, diesel, fuel oil, gasoline and natural gas due to the recovery in the price of hydrocarbons worldwide, an increase in the volume sold of magna gasoline, premium gasoline, diesel, and jet fuel; and
- a 3.4% increase in export sales, mainly due to the rise in the average price of the Mexican crude oil mix (the price went from an average of USD 73.21 per barrel in 4Q21 to USD 75.42 per barrel in 4Q22), in addition to the recognition of the export sales of the Deer Park subsidiary in 2022, which amounted to MXN 49.4 billion in 4Q22.

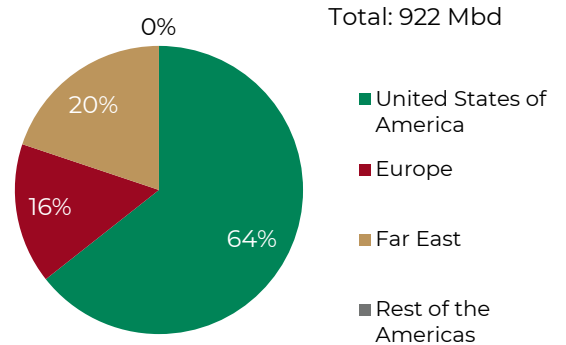
Sales Evolution
(MXN million)

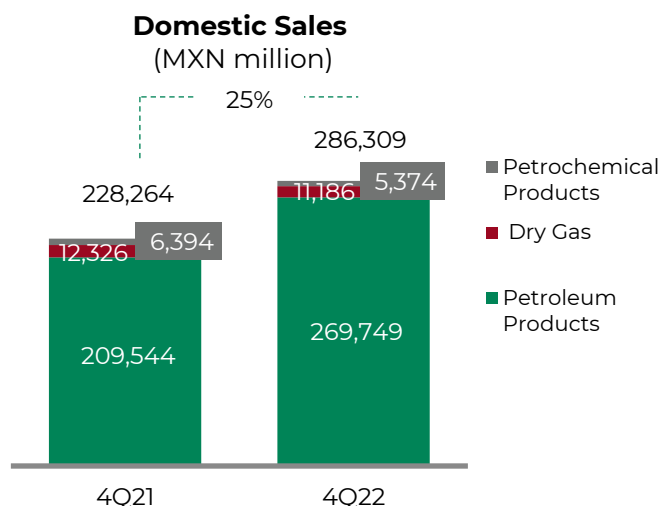


Exports
(MXN million)

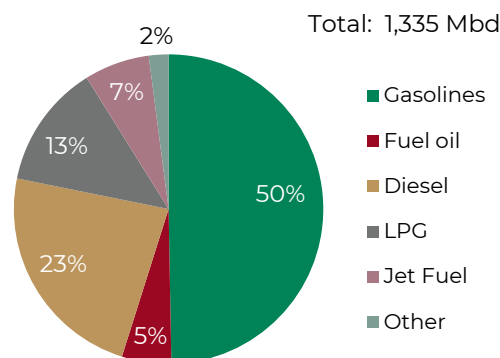


Crude Exports by Region





Domestic Sales of Petroleum Products



Cost of sales and Operating Income

Cost of sales including asset impairment reversal increased by 54.7% as compared to 4Q21, mainly due to:

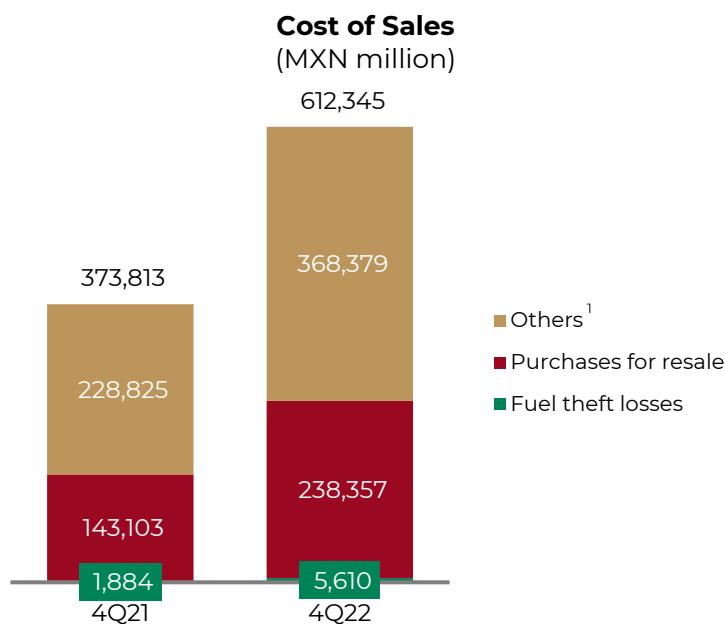
- higher purchases for resale during the quarter. These purchases amounted to MXN 238.4 billion in 4Q22, compared to MXN 143.1 billion in the same period of the previous year. This increase is mainly explained by the recognition of the Deer Park subsidiary purchases by MXN 38.5 billion and by the increase in gasoline, diesel and jet fuel prices, as well as an increase in the volume sold of magna gasoline and diesel;
- a MXN 6.4 billion increase in the unsuccessful wells item as compared to the same period of the previous year; and
- an increase in fixed assets impairment. In 4Q22, this item recorded MXN 146.7 billion as compared to a MXN 39.5 billion impairment in the same period of the previous year.

As a result, gross loss recorded MXN 58.9 billion, as compared to a MXN 72.1 billion gross income in 4Q21.

A MXN 29.4 billion decrease in other expenses of was recorded in 4Q22 as compared to the same period of the previous year, mainly due to lower fixed asset disposals.

On the other hand, general expenses (administration, distribution, transportation and selling expenses) decreased by 8.2%, mainly in the net cost of the period for employee benefits.

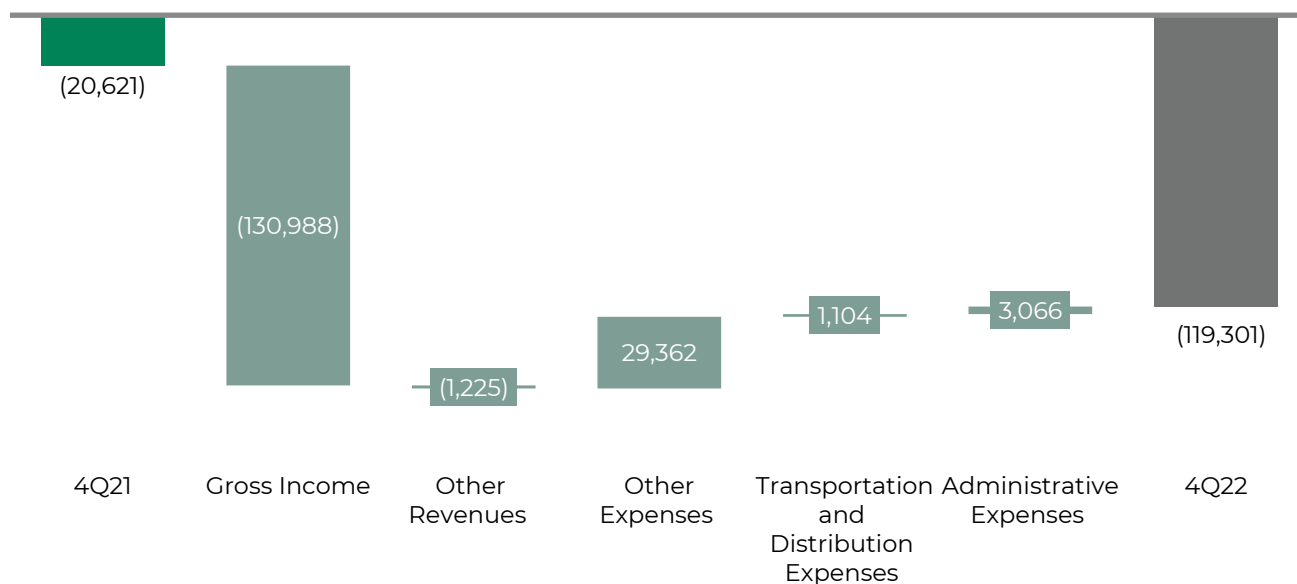
As a result, the operating loss recorded MXN 119.3 billion in 4Q22, compared to a MXN 20.6 billion operating loss of in the same period of the previous year.



¹ Includes Depreciation and amortization expenses, Subsidiary entities consolidation net effect, Operating expenses, Hydrocarbon exploration taxes and duties, Preservation and maintenance, Net cost for the period of employee benefits, Exploration expenses and Inventories variation..

Operating Income Evolution

(MXN million)



Taxes and Duties

In 4Q22, total taxes and duties amounted to MXN 81.7 billion, a 15.0% decrease as compared to 4Q21 despite the recovery in the price of the Mexican Export Mix. This decrease was mainly driven by the reduction in the Profit-Sharing Duty (DUC) applicable rate from 54% to 40% in 2022. Likewise, the DUC, the most important right paid by the company in terms of amount, decreased by 9.2% compared to 4Q21.



Evolution of Taxes and Duties (MXN million)



Evolution of Net Income (Loss)

In 4Q22 PEMEX recorded an MXN 172.6 billion net loss, as compared to a MXN 194.5 billion net loss in 4Q21.

Among the factors that drove this result were the increase in the impairment and in the cost of sales, this was partially offset by an increase in revenues and in the foreign exchange gain due to the appreciation of the Mexican peso against the US dollar recorded in 4Q22.

A foreign exchange gain by MXN 57.6 billion was recorded, as compared to a MXN 22.3 billion foreign exchange loss in 4Q21. This change was due to an appreciation of the Mexican peso against the U.S. dollar in 4Q22 as compared to 4Q21. The exchange rate went from MXN 20.3058 per USD 1.00 at September 30, 2022, to MXN 19.4143 per USD 1.00 at December 31, 2022, a 4.4% decrease.

A MXN 14.6 billion financial derivatives income was recorded, compared to a MXN 3.6 billion financial derivatives cost in 4Q21. This increase is mainly explained by the variation in the fair value of cross-currency swaps.

Additionally, a higher fixed asset impairment of MXN 107.2 billion was recognized in 4Q22 as compared to the same period of the previous year.

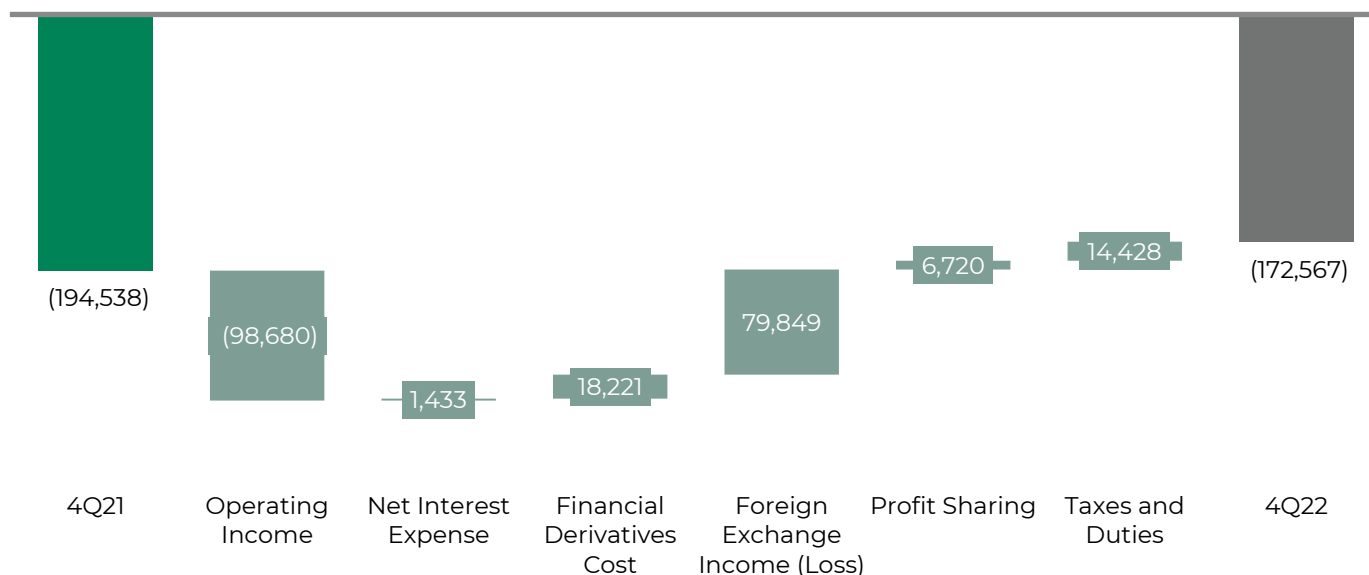


9. Financial Results

4Q 22

Evolution of Net Income (Loss)

(MXN million)

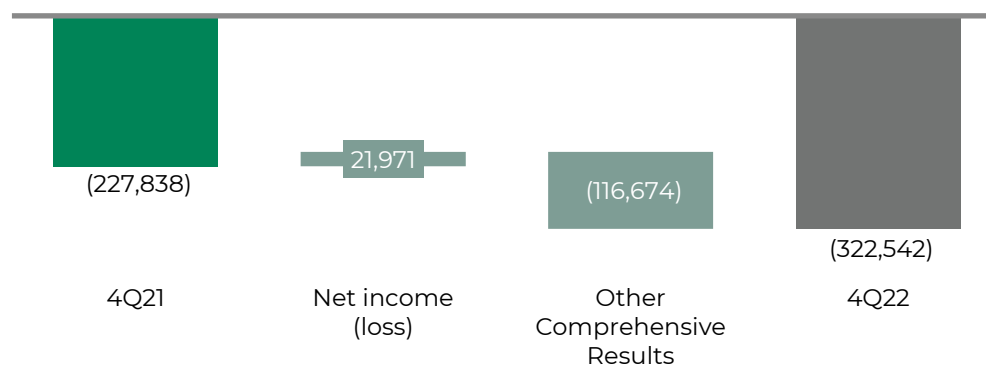


Comprehensive Income (Loss)

In 4Q22 a MXN 322.5 billion comprehensive loss was recorded, mainly driven by the actuarial loss by MXN 136.4 billion as a result of the decrease in the discount rate for determining the liability for employee benefits at the end of the 2022 fiscal year, which was 9.39% compared to a rate of 9.98%, as of September 30, 2022.

Evolution of Comprehensive Income (Loss)

(MXN million)



9.2 Consolidated Balance Sheet as of December 31, 2022

Total Sales

Total sales and service revenues increased 59.6% as compared to 2021. This was mainly due to:

- an 56.8% increase in domestic sales, mainly explained by an increase in the prices of gasoline, diesel, fuel oil, gasoline, jet fuel, and natural gas due to the recovery in the price of hydrocarbons worldwide;
- the application of an incentive for automotive fuels for MXN 111.9 billion due to the recognition of the fiscal stimulus published by decree on March 4, 2022 on the Special Tax on Production and Services; and



- a 47.5% increase in export sales, mainly caused by the recovery in the average price of the Mexican crude oil mix. The price went from an average of USD 65.78 per barrel in 2021, to USD 89.35 per barrel in 2022, as well as the recognition of the export sales of the Deer Park subsidiary in 2022, which amounted to MXN 238.6 billion.

Cost of sales and Operating Income

Cost of sales including asset impairment reversal increased by 68.2%, mainly due to: i) higher purchases by MXN 576.9 billion, including Deer Park purchases which amounted to MXN 175.0 billion in 2022; and ii) the increase in gasoline, jet fuel, diesel, LPG, and natural gas prices; and iii) a MXN 48.6 billion increase in taxes and duties to the extraction and exploration of hydrocarbons as a result of a recovery in the hydrocarbons prices.

Taxes and Duties

In 2022, total taxes and duties amounted to MXN 390.0 billion, a 26.9% increase as compared to 2021. This increase was mainly driven by the Mexica crude oil basket, in spite of the reduction in the Profit-Sharing Duty (DUC) applicable rate from 54% to 40% in 2022. Similarly, the DUC, the most important right paid by the company in terms of amount, increased by 29.9% as compared to 2021.

Evolution of Net Income (Loss)

At the end of the 2022 fiscal year, a net income of MXN 23.0 billion was recorded, as compared to a net loss of MXN 294.8 billion in 2021. This result is mainly explained by the following factors:

- a MXN 891.5 billion increase in sales;
- a MXN 175.4 billion increase in foreign exchange profit;
- a MXN 27.0 billion decrease in other expenses;
- a MXN 728.1 billion increase in cost of sales, including the impairment effect; and
- a MXN 82.6 billion increase in taxes and duties.

Comprehensive Income (Loss)

In 2022 a MXN 117.9 billion comprehensive income was recorded, as compared to a MXN 81.6 billion comprehensive loss in 2021. This result was mainly driven by the recognition of actuarial gains for employee benefits, due to the change in the discount rate which went from 8.46% in 2021 to 9.39% in 2022.

Working Capital

As of December 31, 2022, negative working capital amounted to MXN 391.7 billion, compared to a negative working capital of MXN 464.3 billion as of December 31, 2021. This improve by MXN 72.6 billion is mainly explained by:

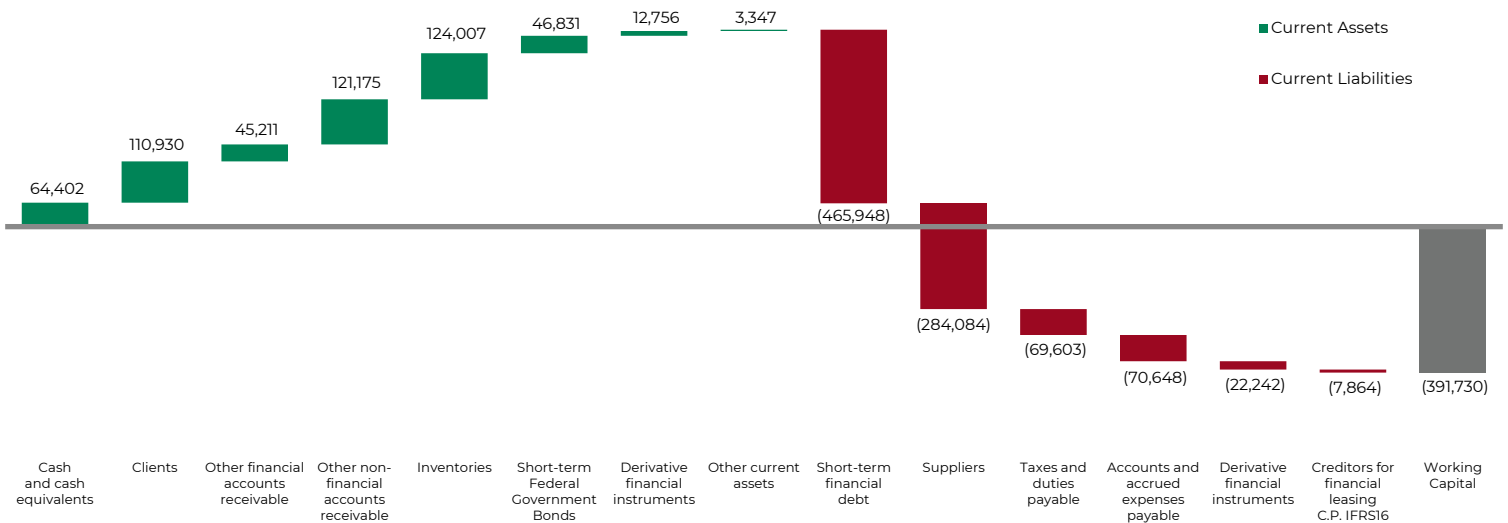
- a MXN 9.7 billion increase in clients and other financial and nonfinancial accounts receivable;
- a MXN 37.9 billion increase in inventories;
- a MXN 45.6 billion increase in short term Federal Government Bonds;
- a MXN 10.7 billion decrease in other accounts receivable;
- a MXN 26.3 billion decrease in short-term financial debt;
- a MXN 20.0 billion increase in suppliers;
- a MXN 43.2 billion decrease in taxes and duties payable; and
- a MXN 47.2 billion increase in accounts and accrued expenses payable and derivative financial instruments.



9. Financial Results

4Q 22

Working Capital (MXN million)



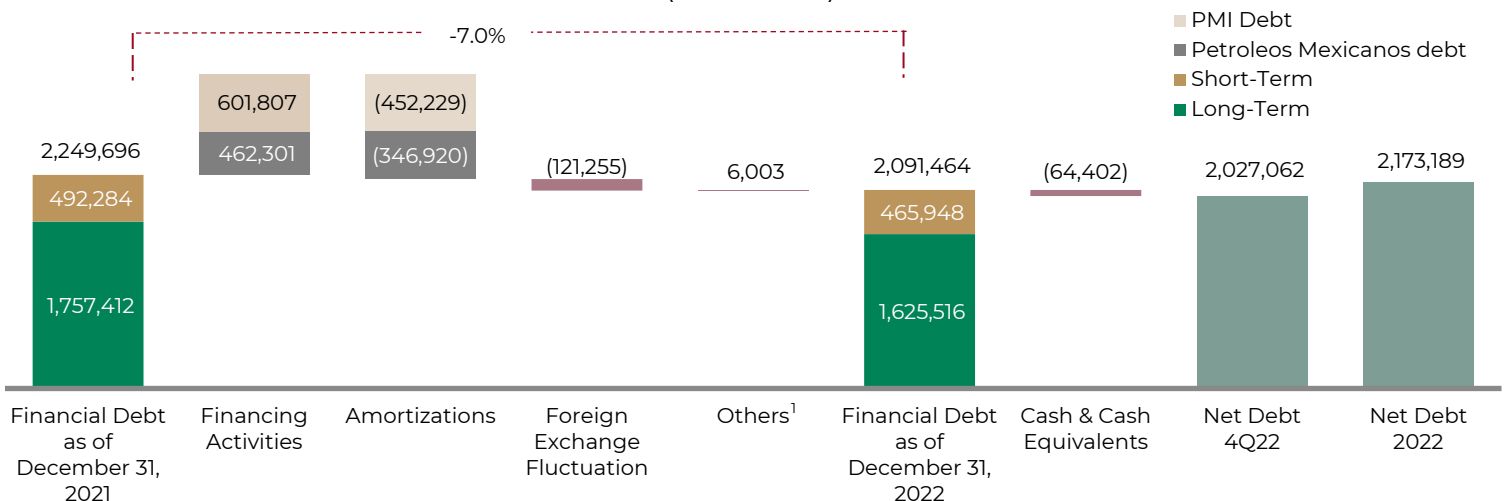
9.3 Debt

Financial resources

As of December 31, 2022, *Petróleos Mexicanos*, its *Productive Subsidiary Companies* and subsidiaries carried out financing activities (including short-term bank loans) for a total of MXN 1,064.1 billion (USD 54.8 billion). Total amortizations recorded were MXN 1,107.1 billion (USD 57.0 billion).

Approximately 85% of the debt is denominated in currencies other than MXN, mainly in USD, and for recording purposes, it is translated into MXN at the closing exchange rate.

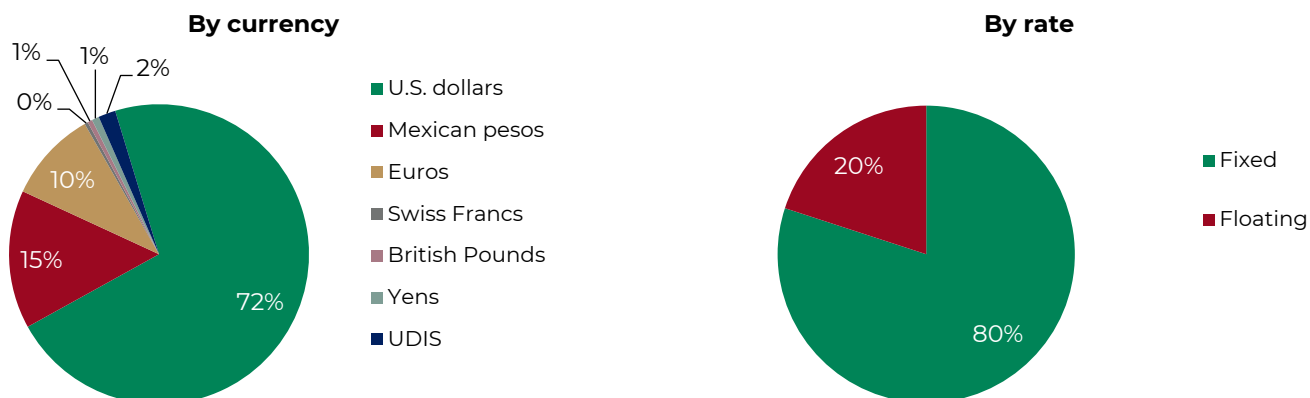
Financial Debt (MXN billion)



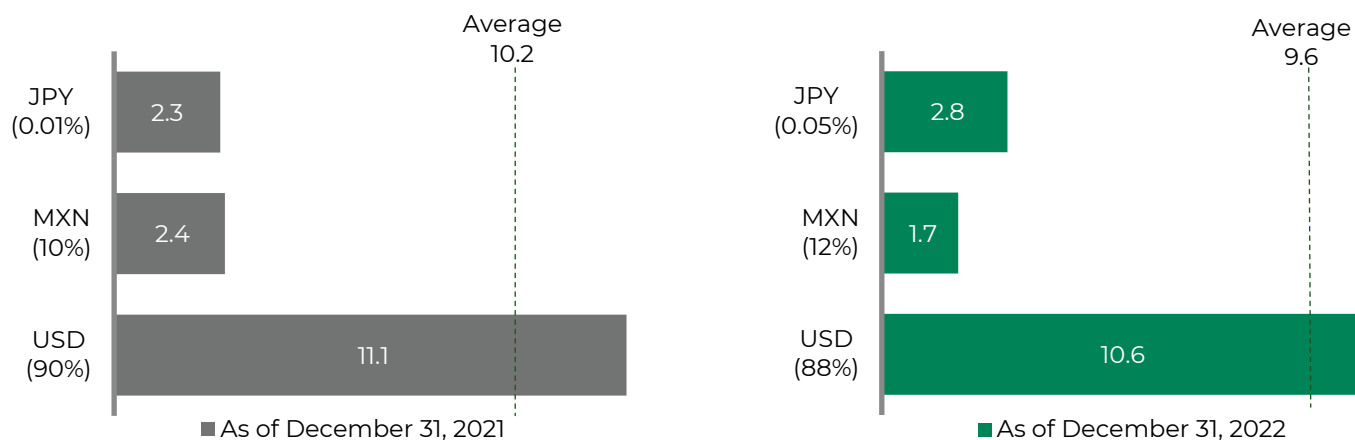
¹) Includes reclassification of financial leases and accrued



Financial Debt Exposure as of December 31, 2022



Average Life of Financial Debt Exposure (Years)



9.4 Financing Activities

In line with the Business Plan of Petróleos Mexicanos and its Subsidiary Productive Companies 2023-2027, we will continue with the strategy of convergence to zero net indebtedness.

Capital Markets

- On October 7, 2022, PEMEX entered into a 180-day promissory note for an amount of MXN 1,500 million.
- On October 17, 2022, PEMEX entered into a 179-day promissory note for an amount of MXN 1,000 million.
- On October 28, 2022, PEMEX entered into a 179-day promissory note for an amount of MXN 500 million.
- On November 9, 2022, PEMEX entered into an agreement for a new revolving credit facility in the amount of MXN 15,500 million, with a 3-year term. On November 28, 2022, PEMEX entered into an amendment agreement to increase the facility to MXN 20,500 million.
- On November 14, 2022, PEMEX signed a promissory note for an amount of MXN 1,300 million, with a 91-day term.



- On December 21, 2022, PEMEX entered into an agreement for an uncommitted revolving credit facility in the amount of USD 150 million, with a term of 191 days.
- On December 29, 2022, PEMEX entered into a promissory note for an amount of MXN 2,000 million, with a 90-day term.

Revolving credit facilities

The PEMEX group has revolving credit lines for liquidity management of up to USD 7.7 billion and MXN 29.5 billion. As of February 24, 2023, USD 250 million and MXN 5,000 million were available.

9.5 Budgetary Investment Activities

2022 Exercise

The investment exercised at the end of 2022 amounted to MXN 467.3 billion (USD 24.1 billion⁴), which represents an 18.8% increase in investment with respect to the exercise in 2021 (USD 19.3 billion⁵). The programmed budget investment exercised in 2022 is distributed as follows:

Exercised Investment As of December 31, 2022 (MXN billion)	
Exploration and Production ⁶	286.6
Industrial Transformation	150.8
Logistics	6.3
Corporate	23.6
Total	467.3

Budgetary investment has been oriented to support the extraction of hydrocarbons and their processing in refineries for the production of oil and gas liquids. In the E&P segment, resources continue to be channeled to accelerate the entry into operation of fields in new developments, which continue to contribute new production flows, which have allowed not only to compensate for the decline of mature fields, but also to increase the total extraction profile.

Of the amount exercised in 2022, MXN 108.2 billion are considered for the new refinery in Dos Bocas, as well as MXN 4.9 billion for the capitalization of subsidiaries in the fertilizer business line and MXN 22.7 billion for the acquisition of the Deer Park refinery.

⁴ The exchange rate conversion from MXN to USD was made at the average exchange rate from January 1 to December 31, 2022: MXN 19.4113 = USD 1.00.

⁵ The exchange rate conversion from MXN to USD was made at the average exchange rate from January 1 to December 31, 2021: MXN 20.3523 = USD 1.00.

⁶ MXN 49.5 billion were allocated to exploration activities.



Consolidated Income Statement

	Fourth quarter (Oct.-Dec.)			Change	2022 (USD million)
	2021 (MXN million)	2022			
Total sales	445,930	519,256	16.4%	73,326	26,746
Domestic sales	228,264	286,309	25.4%	58,045	14,747
Incentive for automotive fuels	-	8,143		8,143	419
Exports	216,171	223,483	3.4%	7,312	11,511
Services income	1,495	1,321	-11.7%	(175)	68
Impairment (reversal) of wells, pipelines, property, plant and equipment	39,453	146,670	271.8%	107,217	7,555
Cost of sales	334,360	431,457	29.0%	97,097	22,224
Gross income	72,117	(58,871)	-181.6%	(130,988)	(3,032)
Other revenues	5,252	4,027	-23.3%	(1,225)	207
Other expenses	47,400	18,038	-61.9%	(29,362)	929
Transportation and distribution expenses	5,648	4,543	-19.6%	(1,104)	234
Administrative expenses	44,942	41,876	-6.8%	(3,066)	2,157
Operating income (loss)	(20,621)	(119,301)	-478.5%	(98,680)	(6,145)
Financial Cost	(54,160)	(51,944)	4.1%	2,215	(2,676)
Financial Income	8,823	8,040	-8.9%	(783)	414
Income (cost) due to financial derivatives	(3,592)	14,629	507.3%	18,221	754
Foreign exchange profit (loss)	(22,267)	57,582	358.6%	79,849	2,966
Profit sharing in non-consolidated subsidiaries and affiliates	(6,625)	95	101.4%	6,720	5
Income before taxes and duties	(98,442)	(90,899)	7.7%	7,543	(4,682)
Taxes and duties	96,096	81,669	-15.0%	(14,428)	4,207
Duties	92,937	84,392	-9.2%	(8,545)	4,347
Current Taxes	2,149	1,416	-34.1%	(733)	73
Deferred Taxes	1,010	(4,140)	-510.0%	(5,150)	(213)
Net income (loss)	(194,538)	(172,567)	11.3%	21,971	(8,889)
Other comprehensive results	(33,300)	(149,975)	-350.4%	(116,674)	(7,725)
Actuarial profits (losses) due to employee benefits	(36,120)	(136,385)	-277.6%	(100,265)	(7,025)
Conversion effect	2,820	(13,589)	-581.9%	(16,409)	(700)
Comprehensive income (loss)	(227,838)	(322,542)	-41.6%	(94,704)	(16,614)



Consolidated Balance Sheet

As of December 31, As of December 31,

	<u>2021</u>	<u>2022</u>		<u>2022</u>	
	(MXN million)		Change	(USD million)	
Total assets	2,052,098	2,174,050	5.9%	121,952	111,982
Current assets	458,394	528,658	15.3%	70,264	27,230
Cash and cash equivalents	76,506	64,402	-15.8%	(12,104)	3,317
Clients	101,259	110,930	9.6%	9,671	5,714
Other financial accounts receivable	40,787	45,211	10.8%	4,424	2,329
Other non-financial accounts receivable	136,350	121,175	-11.1%	(15,175)	6,242
Inventories	86,113	124,006	44.0%	37,893	6,387
Short-term Federal Government Bonds	1,253	46,831	3636.2%	45,578	2,412
Derivative financial instruments	12,474	12,756	2.3%	282	657
Other current assets	3,651	3,347	-8.3%	(304)	172
Non-current assets	1,593,704	1,645,392	3.2%	51,688	84,752
Permanent investments in shares of associated companies and others	2,255	2,023	-10.3%	(232)	104
Net wells, pipelines, properties, plant and equipment	1,274,533	1,365,397	7.1%	90,864	70,329
Long-term document receivables	1,646	1,334	-19.0%	(312)	69
Restricted cash	92,256	96,747	4.9%	4,491	4,983
Intangible assets	20,016	35,489	77.3%	15,473	1,828
Other assets	39,113	30,028	-23.2%	(9,085)	1,547
Long-term Federal Government Bonds	109,602	65,229	-40.5%	(44,373)	3,360
Right-of-use asset	54,283	49,145	-9.5%	(5,138)	2,531
Total liabilities	4,222,099	4,014,891	-4.9%	(207,208)	206,801
Current liabilities	922,648	920,388	-0.2%	(2,260)	47,408
Short-term financial debt	492,284	465,948	-5.3%	(26,336)	24,000
Suppliers	264,056	284,084	7.6%	20,027	14,633
Taxes and duties payable	112,754	69,603	-38.3%	(43,151)	3,585
Accounts and accrued expenses payable	32,016	70,648	120.7%	38,632	3,639
Derivative financial instruments	13,636	22,242	63.1%	8,606	1,146
Creditors for financial leasing C.P. IFRS16	7,903	7,864	-0.5%	(39)	405
Long-term liabilities	3,299,451	3,094,503	-6.2%	(204,948)	159,393
Long-term financial debt	1,757,412	1,625,516	-7.5%	(131,896)	83,728
Reserve for employee benefits	1,384,072	1,306,866	-5.6%	(77,206)	67,315
Reserve for diverse credits	92,398	92,634	0.3%	236	4,771
Other liabilities	10,779	23,723	120.1%	12,944	1,222
Deferred taxes	3,341	2,126	-36.4%	(1,215)	110
Long-term creditors for financial leasing C.P.	51,449	43,638	-15.2%	(7,811)	2,248
Total equity	(2,170,001)	(1,840,840)	15.2%	329,160	(94,819)
Holding	(2,170,129)	(1,840,514)	15.2%	329,616	(94,802)
Certificates of contribution "A"	841,286	1,029,592	22.4%	188,307	53,033
Federal Government Contributions	43,731	66,731	52.6%	23,000	3,437
Legal Reserve	1,002	1,002	0.0%	-	52
Comprehensive accumulated results	(38,140)	56,669	248.6%	94,809	2,919
Retained earnings (accumulated losses)	(3,018,008)	(2,994,508)	0.8%	23,500	(154,242)
From prior years	(2,723,476)	(3,018,008)	-10.8%	(294,532)	(155,453)
For the year	(294,532)	23,500	108.0%	318,033	1,210
Participation of non-holding entities	129	(327)	-354.3%	(455)	(17)
Total liabilities and equity	2,052,098	2,174,050	5.9%	121,952	111,982



Consolidated Statements of Cash Flows

	As of December 31,		Change	2022	
	2021	2022		(MXN million)	(USD million)
Operating activities					
Net income (loss)	(294,776)	23,049	107.8%	317,824	1,187
Income taxes and duties	307,348	389,980	26.9%	82,632	20,087
Items related to investing activities	224,774	277,725	23.6%	52,951	14,305
Depreciation and amortization	133,431	140,229	5.1%	6,798	7,223
Amortization of intangibles	403	433	7.4%	30	22
Impairment of properties, plant and equipment	1,211	89,796	7317.5%	88,585	4,625
Unsuccessful wells of intangible assets	9,730	7,110	-26.9%	(2,620)	366
Unsuccessful wells capitalized	12,566	13,911	10.7%	1,346	717
Retirement of property, plant and equipment	47,300	25,628	-45.8%	(21,672)	1,320
Amortization of right-of-use	6,408	5,951	-7.1%	(457)	307
Impairment of rights of use	(87)	-	100.0%	87	-
Profit on business acquisition	-	(1,271)		(1,271)	(65)
Reclassification by translation effect	-	(10,383)		(10,383)	(535)
Effects of non-consolidated subsidiaries and affiliates	3,088	(328)	-110.6%	(3,416)	(17)
Effects of net present value of reserve for well abandonment	4,454	4,647	4.3%	193	239
Activities related to financing activities	180,150	2,530	-98.6%	(177,620)	130
Interest expense	164,572	161,735	-1.7%	(2,837)	8,331
Interest income	(28,907)	(28,998)	-0.3%	(91)	(1,494)
Unrealized foreign exchange loss (income)	44,485	(130,207)	-392.7%	(174,692)	(6,707)
Subtotal	417,497	693,284	66.1%	275,787	35,710
Funds provided by (used in) operating activities	(228,262)	(331,449)	-45.2%	(103,187)	(17,072)
Income taxes paid	-	-			
Duties for shared utility paid	(265,884)	(431,445)	-62.3%	(165,561)	(22,223)
Financial instruments for negotiation	17,792	8,324	-53.2%	(9,468)	429
Accounts and notes receivable	(48,409)	10,249	121.2%	58,658	528
Inventories	(7,961)	(29,056)	-265.0%	(21,095)	(1,497)
Accounts payable and accrued expenses	1,306	38,632	2857.3%	37,326	1,990
Suppliers	(5,614)	12,154	316.5%	17,768	626
Reserve for diverse credits	6,185	16,410	165.3%	10,225	845
Reserve for employees benefits	67,887	57,839	-14.8%	(10,047)	2,979
Other taxes and duties	6,436	(14,556)	-326.2%	(20,992)	(750)
Net cash flow from operating activities	189,235	361,836	91.2%	172,600	18,638
Investment activities					
Acquisition of property, plant and equipment	(209,592)	(320,445)	-52.9%	(110,853)	(16,506)
Interest charged	459	2,046	346.1%	1,587	105
Intangible assets	(25,814)	(40,524)	-57.0%	(14,710)	(2,087)
Other assets	(31,688)	9,520	130.0%	41,208	490
Business acquisition	-	(30,012)		(30,012)	(1,546)
Net cash flow from investing activities	(262,236)	(379,415)	-44.7%	(117,180)	(19,543)
Cash needs related to financing activities	(73,000)	(17,580)	75.9%	55,421	(906)
Financing activities					
Increase of contributions from the Federal Government	316,354	188,307	-40.5%	(128,047)	9,699
FONADIN subvention	-	23,000		23,000	1,185
Interest charged for the document received from the Federal Government	7,127	7,456	4.6%	329	384
Principal payments for finance leases	(7,622)	(6,949)	8.8%	674	(358)
Interest payments for finance leases	(3,646)	(3,201)	12.2%	445	(165)
Loans obtained from financial institutions	1,636,217	1,064,107	-35.0%	(572,109)	54,810
Amortization of loans	(1,707,582)	(1,107,087)	35.2%	600,494	(57,024)
Interest paid	(157,257)	(156,072)	0.8%	1,184	(8,039)
Net cash flow from financing activities	99,380	9,561	-90.4%	(89,819)	492
Net Increase (decrease) in cash and cash equivalents	26,379	(8,019)	-130.4%	(34,398)	(413)
Effect of change in cash value	10,137	(4,085)	-140.3%	(14,223)	(210)
Cash and cash equiv. at the beginning of the period	39,990	76,506	91.3%	36,517	3,941
Cash and cash equivalents at the end of the period	76,506	64,402	-15.8%	(12,104)	3,317



Carlos Cortez | Acting Chief Financial Officer

Ángel Cid | General Director at Pemex Exploration & Production

Reinaldo Wences | Deputy Director of Evaluation and Regulatory Compliance
at Pemex Industrial Transformation

will present the financial and operating results of PEMEX as of December 31, 2022

Monday, February 27, 2023
at 11:00 a.m. (CT) / 12:00 p.m. (ET)

A question-and-answer session will follow the presentation. Participants will be able to ask questions via telephone and electronically via the webcast interface.

To connect through telephone, [access this link](#).

To connect through Internet, access [webcast](#).

The teleconference and webcast replay will be available on February 27, 2023, at 2:00 p.m. (ET) and until April 30, 2023, through this [link](#). As of March 8, 2023, the conference call replay will be available at [Unaudited Financial Results 2022](#).

Additionally, the Spanish version of the conference call will take place at 10:00 a.m. (CT) / 11:00 p.m. (ET), please follow this link to find the instructions to connect: [Información Financiera / Calendario financiero / Reporte de Resultados al 31 de diciembre de 2022](#).

SEC Filings

Review the latest 20-F, F-4 and 6-K forms filed by PEMEX with the SEC.

INVESTOR RELATIONS

[Investor Relations](#)

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Twitter: [@PemexGlobal](#)





12. Contact the Investor Relations Team

4Q 22

If you would like to be included in our distribution list, please register on <http://www.pemex.com/en/investors/Paginas/list-distribution-signup.aspx>

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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 December 31, 2022, the exchange rate of MXN 19.4143 = USD 1.00 is used.

Fiscal Regime

Starting January 1, 2016, Petróleos Mexicanos' fiscal regime is ruled by the Ley de Ingresos sobre Hidrocarburos (Hydrocarbons Income Law). Since January 1, 2006 and until December 31, 2015, 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.

The Special Tax on Production and Services (IEPS) applicable to automotive gasoline and diesel is established in the Production and Services Special Tax Law "Ley del Impuesto Especial sobre Producción y Servicios". As an intermediary between the Ministry of Finance and Public Credit (SHCP) and the final consumer, PEMEX retains the amount of the IEPS and transfers it to the Mexican Government. The IEPS rate is calculated as the difference between the retail or "final price," and the "producer price" of products. If the "final price" is higher than the "producer price," the IEPS is paid by the final consumer. If the opposite occurs, the "negative IEPS" amount can be credited against certain of PEMEX's tax liabilities and included in "Other income (expenses)" in its Income Statement. PEMEX's "producer price" is calculated in reference to that of an efficient refinery operating in the Gulf of Mexico. Until December 31, 2017, the Mexican Government may continue issuing pricing decrees to regulate the maximum prices for the retail sale of gasoline and diesel fuel, taking into account transportation costs between regions, inflation and the volatility of international fuel prices, among other factors. Beginning in 2018, the prices of gasoline and diesel fuel will be freely determined by market conditions. However, the Federal Commission for Economic Competition, based on the existence of effective competitive conditions, can declare that prices of gasoline and diesel fuel are to be freely determined by market conditions before 2018.

Production-sharing

In accordance with Production-sharing Agreements signed by Petróleos Mexicanos, due to its participation in bidding rounds organized by the National Hydrocarbons Commission (CNH), in addition to the migration of blocks, Petróleos Mexicanos will disclose only its share of production for blocks Ek-Balam, Block 2 Tampico-Misantla (Round 2.1), Block 8 Southeastern Basins (Round 2.1), Santuario, Misión, Block 16 Tampico-Misantla-Veracruz (Round 3.1), Block 17 Tampico-Misantla-Veracruz (Round 3.1), Block 18 Tampico-Misantla-Veracruz (Round 3.1), Block 29 Southeastern Offshore Basins (Round 3.1), Block 32 Southeastern Basins Marino (Round 3.1), Block 33 Southeastern Offshore Basins (Round 3.1) y Block 35 Southeastern Offshore Basins (Round 3.1).

Hydrocarbon Reserves

In accordance with the Hydrocarbons Law, published in the Official Gazette of the Federation on August 11, 2015, 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.

As of 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.