



As part of the implementation stage of the Energy Reform, on August 13th, 2014, the Mexican Government revealed a first estimate of the areas and fields that will be tendered in the coming months for private companies to participate in hydrocarbon exploration and extraction projects.

The main objective to be accomplished with this and future rounds is to increase oil production in the short term. The contracts that will be tendered during this bidding round include:

1. The fields and/or blocks that Pemex has received as entitlements, which it wishes to migrate into contracts, and
2. New exploration or extraction areas and fields that were not requested by nor granted to Pemex.

Round One was defined according to the following criteria:

- The potential to increase oil and gas production in the short term.
- The potential to book new reserves only for accounting purposes.
- The potential to increase Mexico's prospective resources.

Round One First Approach: Reserves and Prospective Resources

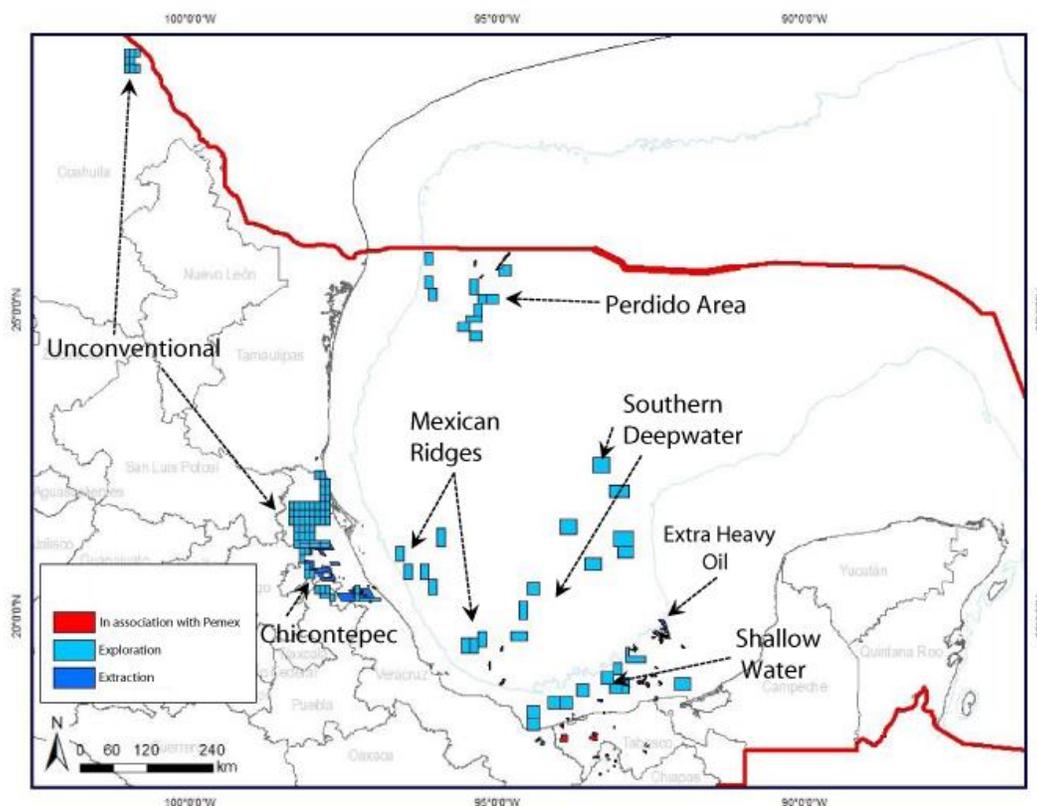
Type	Volume (Mmboe)	Fields	Surface Km <sup>2</sup>	4yr projected investment	Projected annual investment
<b>Exploration (Prospective)</b>	14,606	108	25,903	19,000	4,750
<b>Extraction (2P Reserves)</b>	3,782	60	2,597	15,100	3,775
<b>Associations with Pemex (farm-outs)</b>					
<b>2P Reserves:</b>	1,557	14*	ND	16,400	4,100
<b>3P Reserves:</b>	2,664				
			<b>Total:</b>	<b>50,500</b>	<b>12,625</b>

Round one includes 109 blocks for exploration and 60 for production. Together, these blocks cover approximately 28,500 km<sup>2</sup>, and represent an annual investment of close to **8,525 million dollars during the next four years.**

If PEMEX’s associations are included, the annual investment could reach **12,625 million dollars on a yearly basis.**

## Round One

The Round One proposal consists of a balanced and diversified portfolio of blocks. It includes currently producing areas, relatively new or scarcely explored areas, and areas with conventional resources, as well as unconventional fields with high prospective potential.



## Round One Resource and Reserves

The following table summarizes the overall opportunities included in Round One.

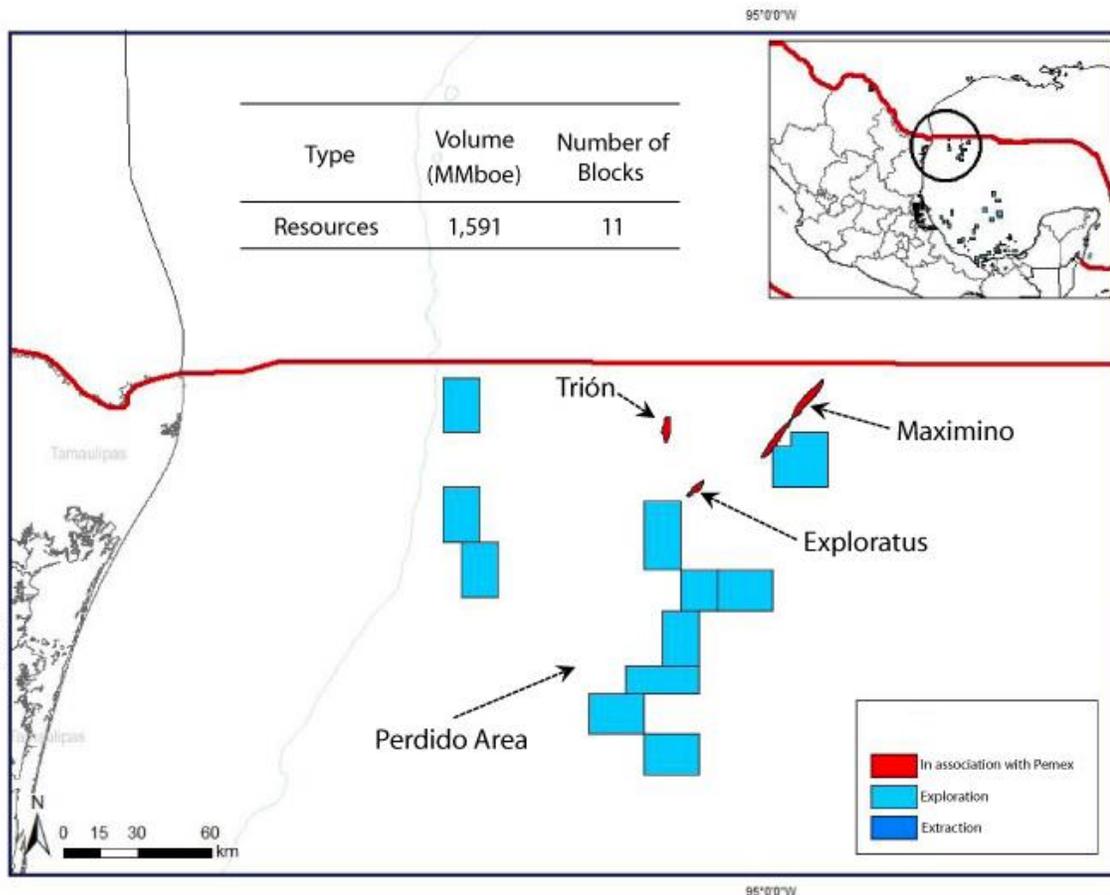
Area	Type	Volume (Mmboe)	Blocks / Fields
Deep Water Perdido area	Resources	1,591	11
Deep Water South	Resources	3,222	17
Chicontepec and Non Conventional	Reserves 2P	2,678	28
	Resources	8,927	62
Land, Shallow Waters and extra heavy oils	Reserves 2P	1,104	32
	Resources	724	11
Non Conventional	Resources	142	8

As shown in the table above, the areas being offered vary in size and type of resource. They include onshore conventional fields, shallow waters, fields rich in extra-heavy oil, and Chicontepec fields, as well as areas with conventional and unconventional prospective resources.

The volume of 2P reserves and prospective resources located in these areas amount to 3,882 and 14,606 million barrels of oil crude equivalent (MMboe), respectively.

Estimates show that these projects could represent an annual investment of approximately \$8,525 million dollars, between 2015 and 2018.

## Deepwater: Perdido Area



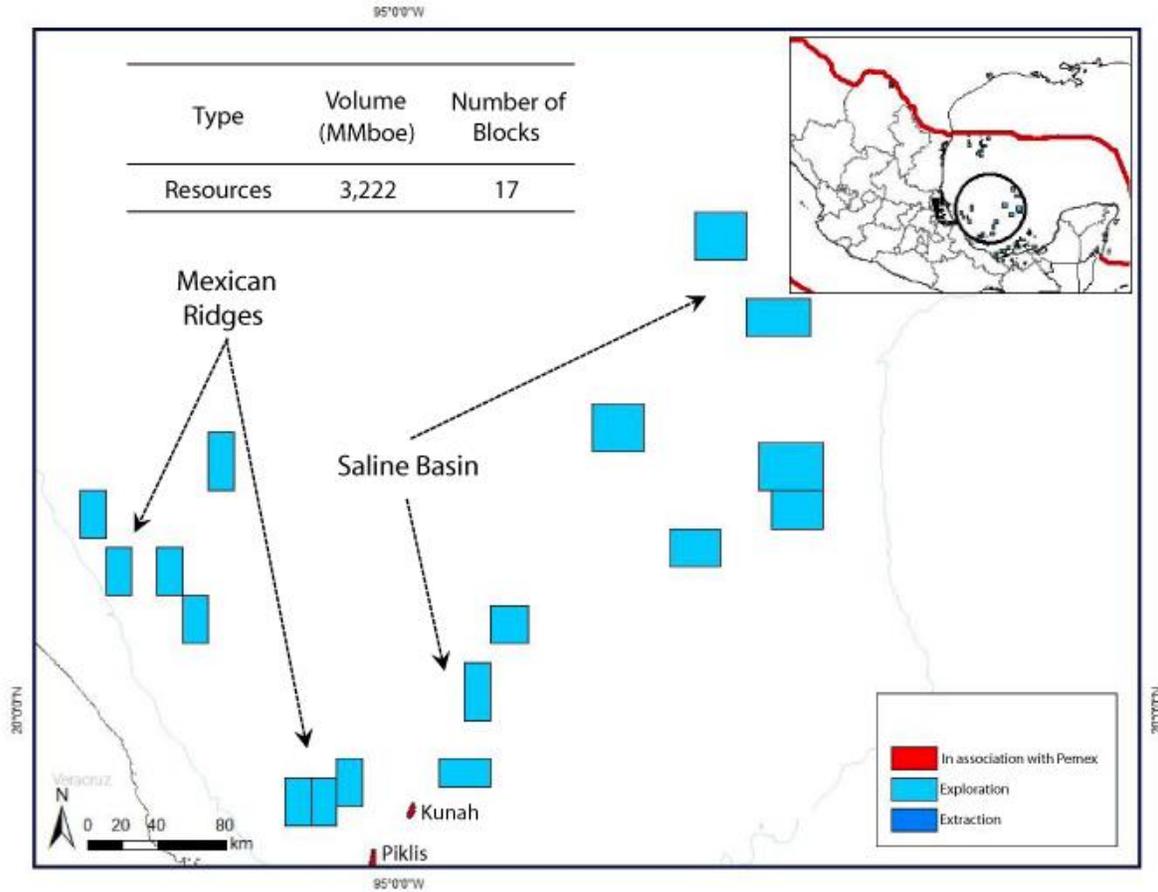
The Round One proposal includes 11 blocks in the Perdido Area. Eight of them are located in the Plegado Belt. Each of these blocks measure between 224 and 409 Km<sup>2</sup>, and in total they contain an estimated prospective resource of 1,591 MMboe.

Perdido is located in a folded system that is adjacent with the United States system where the Baha, Trident and Great White fields are located. On the Mexican side, this system hosts the Trión-1, Supremus-1, PEP-1 and Maximino-1 fields. The reverse fault system and its associated fractures affect the anticlinal structures resulting in migration routes that may increase the pressure and facilitate the achievement of the hydrocarbon extraction targets.

Important structures containing light oil and wet gas have been identified west from the Perdido Area. Therefore, 3 blocks will be offered to evaluate the hydrocarbon traps associated with these allochthonous salt sheets.

Round One blocks are defined as strategic to promote the continuous exploration of priority areas within this region as its potential resources guarantee a continuous and sustainable increase in reserves, as well as hydrocarbons production in the medium term.

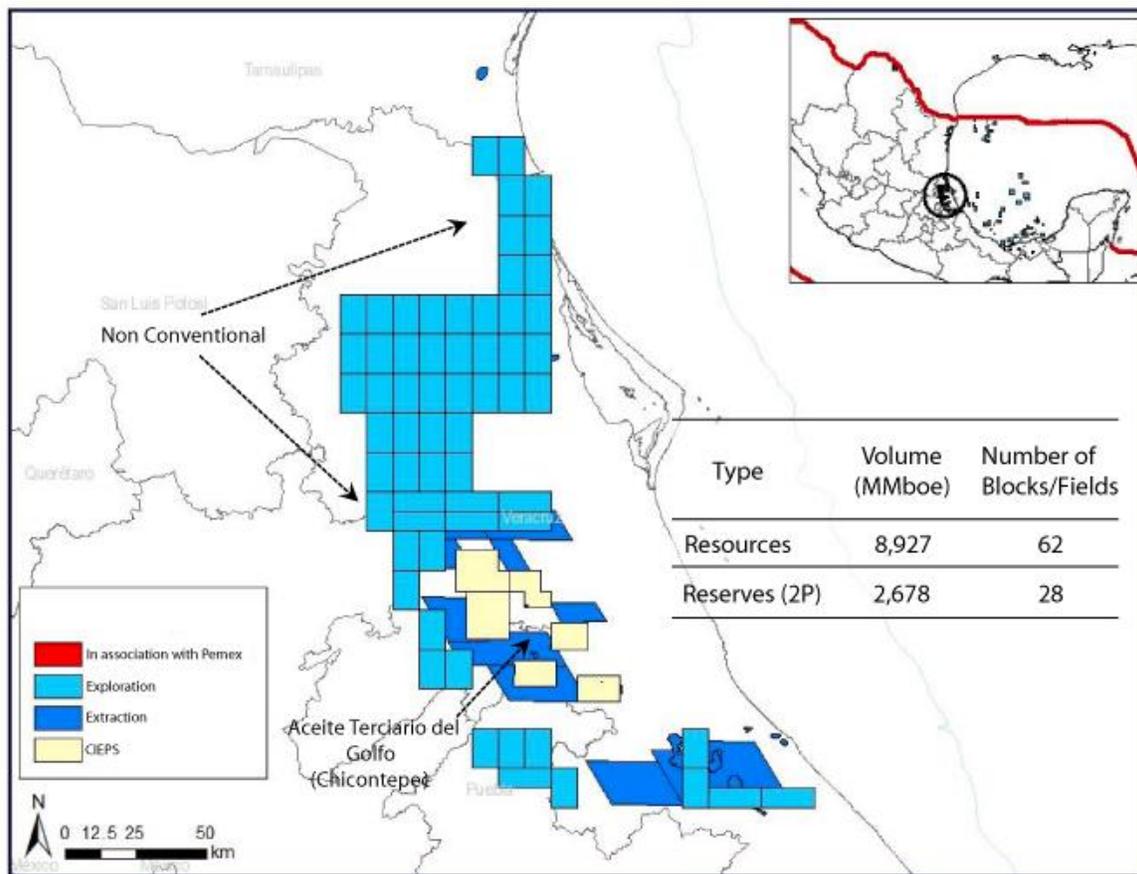
Deepwaters: South



Round One blocks located in the province of *Cordilleras Mexicanas* will strengthen this gas region, and contribute towards the incorporation of deepwater reserves in the Salina Basin, where encouraging signs of finding liquid hydrocarbons have been identified.

The proposed blocks have a surface ranging from 390 to 960 km<sup>2</sup>, depending on their exploration stage and the region's depth. The estimated prospective resources in these blocks amount to 3,222 MMboe.

## Chicontepec and Unconventionals



The unconventional potential resources in the Tampico-Misantla Basin are promising. The blocks proposed for Round One located in this region have an average area of 120 km<sup>2</sup>, and total an estimated prospective resource of close to **8,927 MMboe**.

This proposal aims to attract investment for the development of full cycle projects, covering the exploration – characterization – drilling – development – and intensive production of unconventional oil and gas, to be completed within the global oil industry standard timeframes.

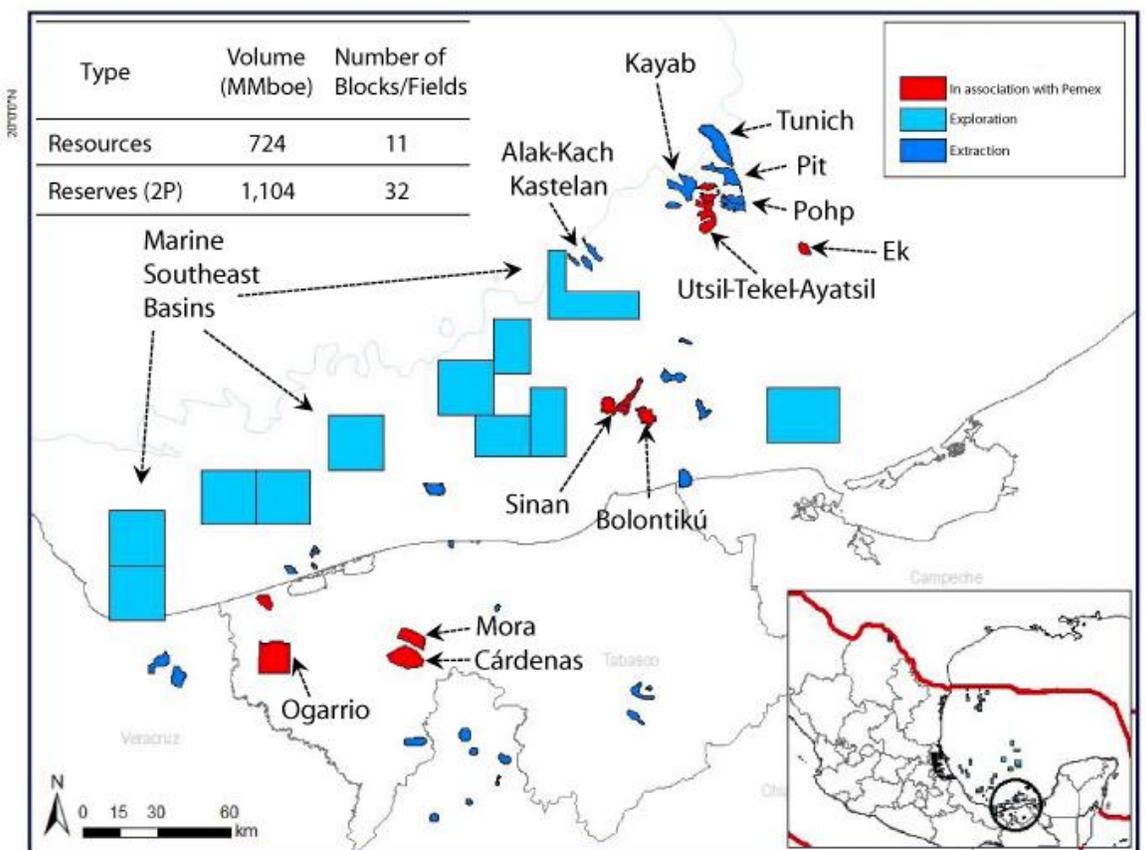
The Chicontepec fields to be included in Round One are related to the areas covered by Pemex's current Comprehensive Exploration and Production Contracts (CIEPs). The objective is to foster synergies between Pemex and its current CIEP partners, and Round One potential-participating companies.

### Onshore fields, Shallow Waters, Extra-Heavy Oil

Oil and gas fields have been identified in shallow waters of the South East Basin. These enquiries have provided information about the geology and potential resources contained in the region.

Round One blocks' proposal aims to shorten the timeframe between discoveries and the production kick-off. The size of the 11 proposed blocks varies between 313 and 630 km<sup>2</sup>, and the total prospective resource amounts to of **724 MMboe**.

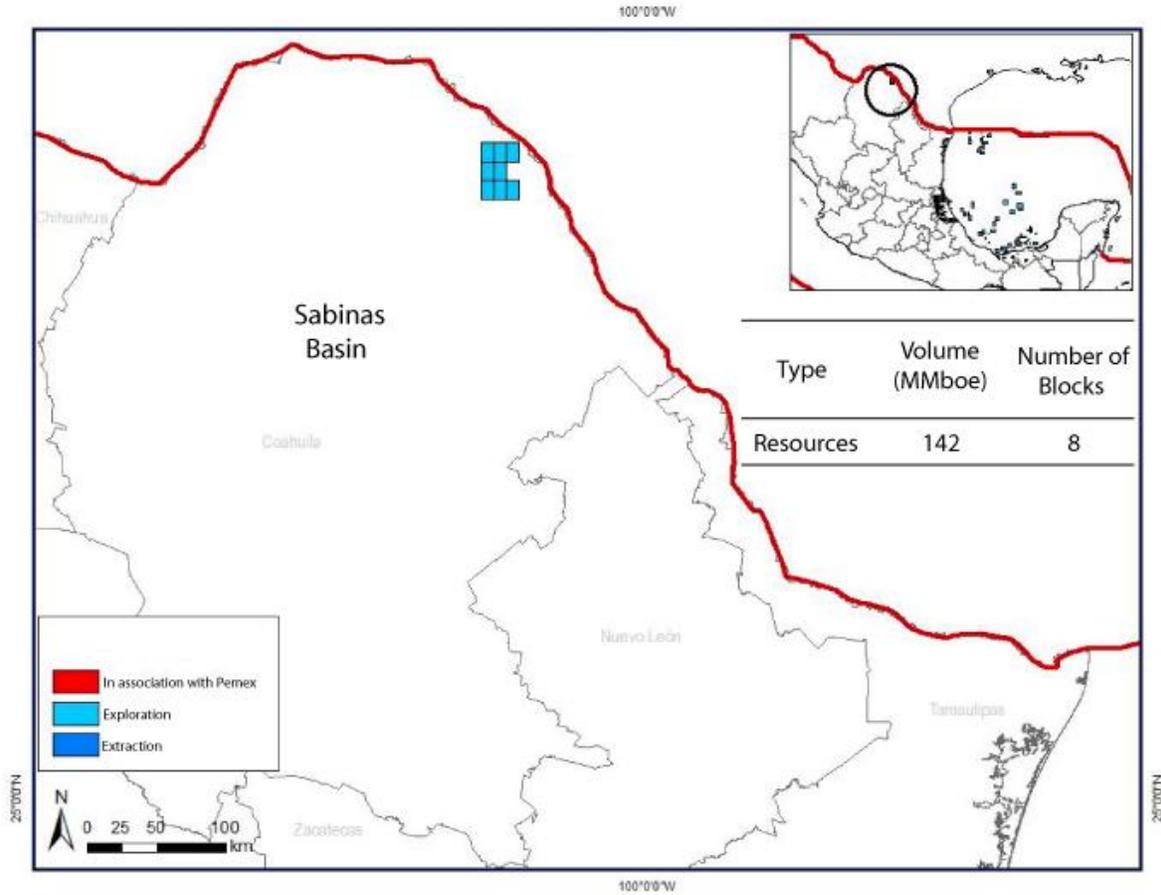
Regarding heavy and extra-heavy oil fields, Round One includes fields like Pit, Pohp and Tson, Alak, Kach and Kastelan, which present an excellent opportunity for development, and could increase production levels by the end of the current Administration. The proposal also includes the Kayab field containing 2P certified reserves.



### Unconventionals in the Sabinas Basin

The objective of this region’s proposal is to promote the development of unconventional gas projects, to be completed within industry standard timeframes for this type of plays.

The average size of the 8 proposed blocks is of 112 km<sup>2</sup> and in total they represent close to **142 MMboe** of potential resources.



### Summary of Round One's first approach

In Round One, 169 blocks will be offered, 109 of them for exploration and 60 for production.

In total, the proposed blocks cover a surface of 28,500 Km<sup>2</sup>. From that amount, 91% represent exploration areas, and the remaining 9% is related to extraction projects.

The related 2P reserves and prospective resources amount to 3,782 and 14,606 MMboe, respectively.

It is estimated that these projects will represent an annual investment of close to **8,525 million dollars from 2015 to 2018**.

Campos	Extracción		Exploración	
	Reserva 2P		Recurso prospectivo	
	(mmbpce)	%	(mmbpce)	%
Convencional	<b>3,782</b>	<b>15.2</b>	<b>5,537</b>	<b>11</b>
Terrestres	61	0.2	-	
Chicontepec	2,671	10.8	-	
Aguas someras	293	1.2	724	7.0
Aceites pesados	757	3.0	-	
Aguas profundas	-		4,813	21.0
No convencional	-		<b>9,069</b>	15.0
<b>Total</b>	<b>3,782</b>	<b>15</b>	<b>14,606</b>	<b>13</b>