PRESS RELEASE

PEMEX and CYDSA sign contract for the Underground Storage of LP Gas in a Salt Cavern.

December 15, 2014

- The estimated investment is $US 130 million.
- This is the first project of its kind in Latin America

PEMEX Gas and Basic Petrochemical (PGPB) and Cydsa signed a contract for the Underground Storage of LP gas in the area of Coatzacoalcos, Veracruz. The project consists in the development of a salt cavern with a capacity of 1.8 million barrels (volume equivalent to two Torres Latinoamericanas)[1] and the construction of surface infrastructure for the handling and transport of 120,000 barrels per day of LP Gas.

It is expected that the commercial operation will start in the year 2016.

With this project PEMEX will improve the efficiency and reliability in the supply of LP Gas that is utilized in eight of every 10 Mexican homes. Having underground storage permits Petroleos Mexicanos to guaranty the availability of the product in order to satisfy in an effective and low cost manner the national demand and to reduce the imported spot purchases at high prices due to variations in supply and demand in the international market; additionally, it will permit us to improve the price conditions in the long term LP Gas supply agreements, generating stable purchases at competitive prices.

The salt cavern will also allow having strategic reserves for national security so that in critical situations and/or unplanned events in the market, it is possible to store the national demand without setbacks.

From the operational point of view, it enables PEMEX-Gas and Basic Petrochemical to have greater operational flexibility in the system and facing any eventuality in the

[1] NOTE: This is a reference to the Torre Latinoamericana (or Latin American Tower) on Reforma Avenue.

production and distribution systems, to minimize the impairment of other material activities of the company. From the point of view of the customers, it enables a level of satisfactory attention by having availability of product for supply.

Even though this concerns the first project in Mexico and Latin America to store LP Gas in a salt cavern, this technology is widely used for more than 50 year in more industrialized countries, this technology being the safest and the lowest cost to store large volumes of LP Gas and other hydrocarbons.

Globally there exist more than 1,500 salt caverns in operation, those which are utilized not only for the storage of LP Gas, but also to store other products such as: crude oil and its mixtures, natural gas, gasoline, diesel, fuel oil, ethanol and hydrogen, among other products.

As examples of underground storage in salt caverns in operation, there exist near the city of Houston in the area known as Mont Belvieu, 120 salt caverns storing LP Gas and a wide variety of other products. To the south of France in the area of Manosque, near the Mediterranean Sea, there exist 34 salt caverns that store natural gas and other hydrocarbons.