PREPARING FOR MEXICO UPSTREAM INVESTMENTS

PART F: PROJECT ECONOMICS OF TYPE PROJECTS

COMPONENT OVERVIEW

FIRST EXTERNAL RELEASE DATE:
APRIL 30, 2015

EXPECTED FINAL DELIVERABLE:
DEPENDENT ON CNH ROUND 1**

** *Note: There may be delays in issuing final deliverables if industry feedback—in light of project economics and current low resource prices—influences Mexican authorities to adjust 2015 Round One contract bidding parameters, especially in higher cost play areas. This in turn may require Alconsult to adjust economic model parameters.*

The **PROJECT ECONOMICS COMPONENT (PART F)** assesses economic performance measures and the economic viability of each of six (6) crude oil and natural gas exploration/development project cases based on representative type projects in Mexico's sedimentary basins defined as follows:

*Models account for a range of likely variation in these parameters.
EUR = Expected Ultimate Recovery

Actual cases offered and their details can be discussed by contacting Stephen Balog or Gerry Angevine. Background thinking and rationale behind the selection of the six (6) cases above, and parameter justification and research results for data inputs is included with deliverables.

Net revenue forecasts are developed for representative pool sizes and field developments that reflect producing rates characteristic of historical production performance of similar pools and field developments. "Point of sale" crude oil, condensate and natural gas prices are defined for assumed "base case" reference price scenarios. Price-sensitivity analyses are performed in addition to "base case" assessments. The royalty, fiscal terms and contractor revenue adjustment factors applicable to bidding rounds for which detailed information, including the form of contract, has been announced are applied. To the maximum possible extent, capital and operating costs for the "type pool" analyses are grounded with historical available operating information.

For each project scenario an economic evaluation summary report is provided listing various profitability measures both before and after tax. These include: NPVs and ratios, time to payout, DCF rate of return, and operating netbacks. In addition, the results of sensitivity analyses with respect to price and other key variables are reported.

Additional sensitivity/ input parameter runs (additional scenarios) for existing cases and/ or the development of sponsored new cases can be and will be provided on a proprietary and confidential basis as requested by Alconsult clients for a fee.

The final deliverables are characterized as preliminary economic models or "scoping economics" and will be very useful for planning and understanding the sensitivity of target Mexican E&P projects to key input parameters and expected uncertainties.

FOR MORE INFORMATION PLEASE CONTACT US

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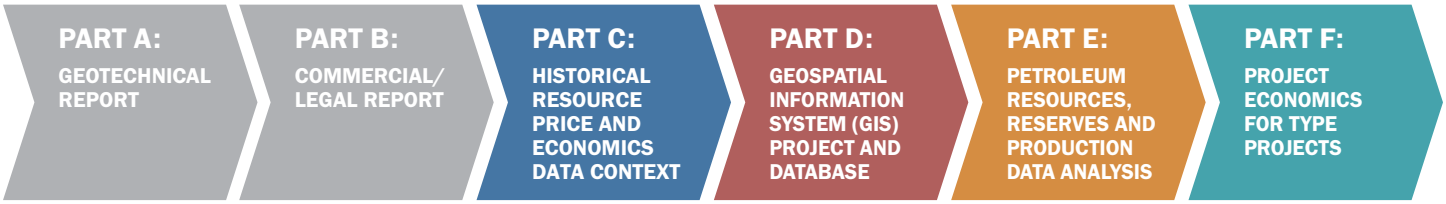

SYNERGY WITH OTHER COMPONENTS FROM ALCONSULT'S 2015 MEXICO STUDY

1. Reference hydrocarbon prices and their historical relationships are available in our **HISTORICAL NORTH AMERICAN (MEXICO, US AND CANADA) RESOURCE PRICE AND ECONOMICS DATA CONTEXT (PART C)** product. Such can be used to benchmark and assist in formulating forward looking price assumptions for economic modeling. This product is delivered in a Spotfire Data Analytics Webplayer format, or via direct interactive access.

2. Alconsult's **MEXICO GEOSPATIAL INFORMATION SYSTEM (GIS) PROJECT (PART D)** product is a platform utilized to assemble relevant Mexico map-based geotechnical data. We have included data and maps of discovered and producing Mexico pools and pool groupings with associated characteristics (API gravity, reservoir geologic age and depth) relative to Mexico Round 0 and Round 1 land blocks and Contract Types. The product facilitates the ability of multi-disciplinary teams to display combinations of geoscience, production, infrastructure and surface geography/cultural information in order to understand, illustrate and communicate existing trends of interest and to predict future opportunities in Mexico.

3. Existing Mexico hydrocarbon pools/CNH reserves entities and their locations, hydrocarbon type, API and GOR characteristics, producing history, reserves, producing reservoirs by geologic age, depths, etc. are available as an interactive database in our **MEXICO PETROLEUM RESOURCES, RESERVES AND PRODUCTION DATA ANALYSIS (PART E)** product. This product is delivered in a Spotfire Data Analytics Webplayer format, or via direct interactive access.