# New Guidelines for Mixed Development Schemes of PEMEX

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On April 22, 2025, the Board of Directors of PEMEX approved, through the order CA-025/2025, the Guidelines for the Mixed Development Schemes of the State-Owned Company, Petróleos Mexicanos (the "Guidelines"). The purpose of the Guidelines is to establish provisions for the development and execution of projects so that private companies can enhance PEMEX's technical, operational, financial, or execution capabilities in hydrocarbon exploration and extraction activities, as well as for the selection of participants in such projects.

This document arises from the new Hydrocarbon Sector Law, published in the Federal Register on March 18, 2025, which established the following allocation schemes for the development of hydrocarbon exploration and extraction activities in the country:

- a) Assignment for Own Development. Through which the Ministry of Energy ("SENER") grants PEMEX the exclusive right to carry out hydrocarbon exploration and extraction activities in an assigned area, for a specific tern, and in which PEMEX carries out its activities with its own capabilities.
- b) Assignment for Mixed Development. Through which SENER grants PEMEX the exclusive right to carry out hydrocarbon exploration and extraction activities in an assigned area, for a specific term, and in which PEMEX enhances its technical, operational, financial, or execution capabilities with the support of third parties.

The Guidelines provide the legal and factual ground for the creation of Mixed Development Schemes, regulating the two situations in which they may be created: (i) by requesting a new Mixed Development Assignment; and (ii) by replacing an Assignment for Own Development with an Assignment for Mixed Development.

# Drafting, Evaluation, and Approval of Mixed Development Schemes

According to the Guidelines, Mixed Development Schemes must be approved by the Board of Directors of PEMEX. To this end, the creation of the Exploration and Extraction Assignment Group ("GAEE") is provided. This group is the collegiate body that defines the technical, operational, economic, and financial parameters that will govern PEMEX's partnerships with private entities under the aforementioned schemes. It will prepare the requests for Mixed Development Schemes.

These requests must include the so-called Supporting Document, which contains the technical, economic, financial, and operational elements for determining an assignment, as well as the Mixed Contract model, which regulates, among other things, the equity participation, cooperation, rights and responsibilities, along with the mechanisms for decision-making concerning technical, operational, and budgetary aspects of the parties' involvement in the operation.

Requests for Mixed Development Assignments are, in all cases, submitted to SENER, which may define relevant changes and shall authorize them. The GAEE handles requests for modifications to conventional provisions inherent to Mixed Contracts that govern Mixed Development Schemes that may be submitted by SENER and, ultimately, defines the continuation or termination of projects based on guidelines issued by said Minister. The GAEE is composed of Pemex personnel and individuals appointed by the President of the Republic, as well as representatives of SENER and the Ministry of Finance and Public Credit.

The Guidelines establish that Mixed Development Schemes must prove their economic benefits and consider, among others, operational synergies to maximize production, optimize resources, reduce costs, and improve profitability through efficient process integration, technical efficiency, or cost efficiency.

The "Strategy and Investment Committee" of the Board of Directors of PEMEX is established. It will be responsible for monitoring the execution of the Mixed Development Schemes and their Mixed Contracts through the analysis of periodic project reports. This Committee will report to the Board on the results and suggest actions if a project's financial health deteriorates. The Schemes must be aligned with PEMEX's Development Program.

### **Economic and Financial Model**

Each Mixed Development Scheme must be supported by an economic and financial model that integrates all economic, financial, and technical variables to evaluate its benefits.

It is established that the Participation Interest (i.e., the economic or production share that corresponds to each of the parties according to the Mixed Contract) of PEMEX in each scheme will be at least 40%, and this proportion may be adjusted according to the risk and profitability analysis of the project.

# **Technical and Operational Requirements**

Each scheme's technical and operational solution shall aim to optimize hydrocarbon recovery within the assigned area and must be defined in accordance with best industry practices and technologies compatible with those employed by Pemex.

## **Payment Mechanism**

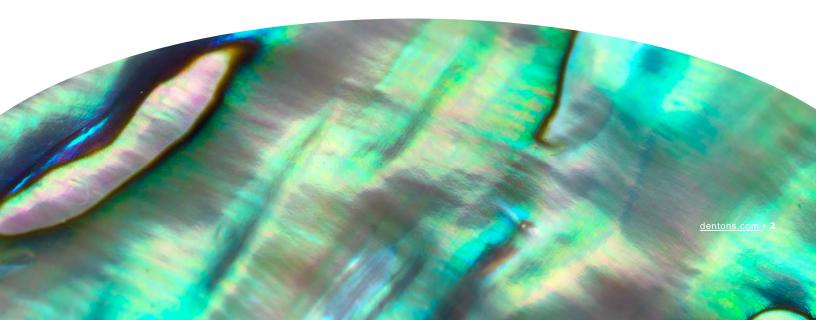
Moreover, the incorporation of special-purpose vehicles for the execution of payments in accordance with the applicable payment order is provided; however, in-kind payments to private participants are also allowed.

# Selection of Participants in Mixed Development Schemes

The Guidelines set forth the applicable selection process, which shall be conducted electronically and is subject to final authorization by SENER

As a general rule, Schemes will be awarded through public tender, although there are several exceptions:

- It will be a restricted invitation when the public tender has been declared void due to a lack of qualified proposals;
- ii. Competitive award procedures will apply: a) when public tender and restricted invitation procedures are declared void; b) in cases where the country's sovereignty, energy security, sustainability, self-sufficiency, or energy justice are compromised; c) when it is impossible to enter into contracts with private parties for reasons attributable to the latter; and d) in the event of early termination of the corresponding Mixed Contract, prior to the effective date of the Mixed Development Scheme term.
- iii. Direct awards may be granted under the following circumstances: a) when previous selection procedures have been declared void; b) in the event of early termination of the relevant mixed contract prior to the effective date of the Mixed Development Scheme assignment; and c) when updated operational synergies are identified to enhance production, optimize resource use, reduce costs, and increase overall project profitability.



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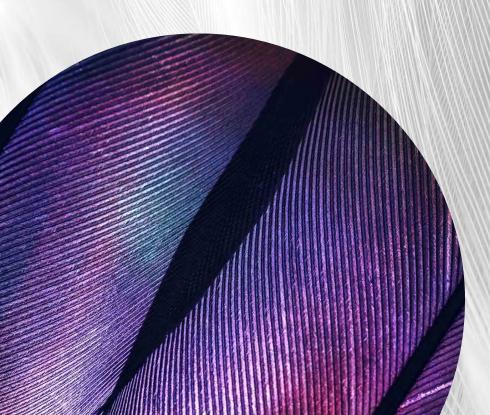
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