

Petróleos Mexicanos Announces Measures To Strengthen Its Financial Condition:

- PRICING OF GLOBAL NOTES
- private exchange offers

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Petróleos Mexicanos →

Sep 13, 2019, 00:06 ET

MEXICO CITY, Sept. 13, 2019 /PRNewswire/ -- **Petróleos Mexicanos ("PEMEX")** announced today the pricing of global notes denominated in U.S. Dollars (the "New Money Securities"), and the commencement of two liability management transactions consisting of fifteen separate exchange offers targeting certain series of PEMEX outstanding short-term maturity notes due 2022 through 2025 and long-term maturity bonds due 2041 through 2048 (the "Exchange Offers").

The offering of New Money Securities and the Exchange Offers are part of a series of measures recently announced by PEMEX intended to improve its financial condition. The Exchange Offers are separate from and in addition to the cash tender offers announced earlier today by PEMEX.

New Money Securities

The New Money Securities will be issued under PEMEX's U.S. \$102,000,000,000 Medium-Term Notes Program, Series C, will constitute unsecured obligations of PEMEX and will be jointly and severally guaranteed by Pemex Exploración y Producción, Pemex Transformación Industrial and Pemex Logística, and their respective successors and assignees.

PEMEX intends to use the net proceeds from the sale of the New Money Securities for general corporate purposes, including the repayment of short-term loans.

PEMEX priced an issue of:

- 6.490% Notes due 2027 (the "2027 Notes"), for an aggregate principal amount of U.S. \$1,250,000,000. The 2027 Notes were issued at a price of 99.954%, *plus* accrued interest (if any) from September 23, 2019. Interest is payable on January 23 and July 23 of each year, commencing on January 23, 2020. The 2027 Notes will mature on January 23, 2027.
- 6.840% Notes due 2030 (the "2030 Notes"), for an aggregate principal amount of U.S. \$3,250,000,000. The 2030 Notes were issued at a price of 99.939%, *plus* accrued interest (if any) from September 23, 2019. Interest is payable on January 23 and July 23 of each year, commencing on January 23, 2020. The 2030 Notes will mature on January 23, 2030.
- 7.690% Bonds due 2050 (the "2050 Bonds"), for an aggregate principal amount of U.S. \$3,000,000,000. The 2050 Bonds were issued at a price of 99.899%, *plus* accrued interest (if any) from September 23, 2019. Interest is payable on January 23 and July 23 of each year, commencing on January 23, 2020. The 2050 Bonds will mature on January 23, 2050.

Exchange Offers*Any and All Exchange Offers*

The first liability management transaction consists of nine separate offers to exchange (the "Any and All Offers") any and all of PEMEX's outstanding securities set forth in the table below (i) under the heading "Group A" (the "Group A Securities"), for, at the election of Eligible Holders (as defined below) of Group A Securities, either newly-issued 6.490% Notes due 2027 (the "New 2027 Notes") or newly-issued 7.690% Bonds due 2050 (the "New 2050 Bonds") and (ii) under the heading "Group B" (the "Group B Securities" and, together with the Group A Securities, the "Any and All Securities") for, at the election of Eligible Holders of Group B Securities, either newly-issued 6.840% Notes due 2030 (the "New 2030 Notes" and together with the New 2027 Notes and the New 2050 Notes, the "New Securities") or newly-issued New 2050 Bonds:

Group	Series of Securities ⁽¹⁾	Principal Amount		New Securities Offered as Late Participation Consideration ⁽³⁾	Early Participation Premium ⁽³⁾
		Outstanding	Exchange Options ⁽²⁾		
Group A	4.875% Notes due 2022	U.S. \$2,100,000,000	6.490% Notes due 2027	U.S. \$987.50	U.S. \$50
	8.625% Bonds due 2022	U.S. \$160,245,000		U.S. \$1,060.00	U.S. \$50
	Floating Rate Notes due 2022	U.S. \$1,000,000,000	OR	U.S. \$986.25	U.S. \$50
	5.375% Notes due 2022	U.S. \$1,500,000,000	7.690% Bonds due 2050	U.S. \$998.75	U.S. \$50
Group B	3.500% Notes due 2023	U.S. \$2,100,000,000		U.S. \$946.25	U.S. \$50
	4.625% Notes due 2023	U.S. \$2,069,302,000	6.840% Notes due 2030	U.S. \$976.25	U.S. \$50
	8.625% Guaranteed Bonds due 2023	U.S. \$131,003,000	OR	U.S. \$1,062.50	U.S. \$50
	4.875% Notes due 2024	U.S. \$1,500,000,000		U.S. \$973.75	U.S. \$50
	4.250% Notes due 2025	U.S. \$1,000,000,000	7.690% Bonds due 2050	U.S. \$923.75	U.S. \$50

(1) CUSIPs and ISINs set forth in the table below under "Securities Codes."

(2) Eligible Holders of Group A Securities are eligible to exchange into New 2027 Notes or New 2050 Bonds and Eligible Holders of Group B Securities are eligible to exchange into New 2030 Notes or New 2050 Bonds.

(3) Offered as exchange consideration per U.S.\$1,000 principal amount of the applicable series of Any and All Securities tendered and accepted for exchange. Amount does not include Accrued Interest (as defined below) on such Any and All Securities.

(4) Includes the applicable Early Participation Premium.

Waterfall Exchange Offers

The second liability management transaction consists of six separate offers to exchange (the "Waterfall Offers") PEMEX's outstanding securities set forth in the table below (the "Waterfall Securities" and, together with the Any and All Securities, the "Securities") for newly-issued New 2050 Bonds for an aggregate principal amount of New 2050 Bonds to be issued as consideration in the Waterfall Offers (which does not include Accrued Interest) (the "Waterfall Exchange Consideration"), not to exceed U.S. \$3.5 billion (the "Waterfall Exchange Cap"):

Series of Securities ⁽¹⁾	Principal Amount Outstanding	Acceptance Priority Level	Principal Amount of New 2050 Bonds Offered		Principal Amount of New 2050 Bonds C
			as Late Participation Consideration ⁽²⁾	Early Participation Premium ⁽²⁾⁽³⁾	
6.500% Bonds due 2041	U.S. \$3,000,000,000	1	U.S. \$880.00	U.S. \$50	U.S. \$93
5.500% Bonds due 2044	U.S. \$1,703,533,000	2	U.S. \$797.50	U.S. \$50	U.S. \$84
6.375% Bonds due 2045	U.S. \$3,000,000,000	3	U.S. \$858.75	U.S. \$50	U.S. \$90
5.625% Bonds due 2046	U.S. \$1,976,447,000	4	U.S. \$797.50	U.S. \$50	U.S. \$84
6.750% Bonds due 2047	U.S. \$6,000,000,000	5	U.S. \$890.00	U.S. \$50	U.S. \$94
6.350% Bonds due 2048	U.S. \$3,328,663,000	6	U.S. \$862.50	U.S. \$50	U.S. \$91

- (1) CUSIPs and ISINs set forth in the table below under "Securities Codes."
- (2) Offered as exchange consideration per U.S.\$1,000 principal amount of the applicable series of Waterfall Securities tendered and accepted for exchange. Amount does not include Accrued Interest on such Waterfall Securities.
- (3) Includes the applicable Early Participation Premium.

If the exchange of all Waterfall Securities tendered at or prior to the Early Participation Date (as defined below) would cause us to issue an aggregate principal amount of New 2050 Bonds that would result in an aggregate Waterfall Exchange Consideration in excess of the Waterfall Exchange Cap, then the Waterfall Offers will be oversubscribed at the Early Participation Date, and we will not accept for exchange any Waterfall Securities tendered after the Early Participation Date and will (assuming satisfaction or, where applicable, the waiver of the conditions to the Waterfall Offers) accept for exchange on the Early Acceptance Date (as defined below) (or, if there is no Early Acceptance Date, the Expiration Date (as defined below)) the Waterfall Securities tendered at or prior to the Early Participation Date pursuant to the acceptance priority procedures described below (the "Acceptance Priority Procedures"). If the Waterfall Offers are not oversubscribed at the Early Participation Date and the exchange of all Waterfall Securities validly tendered at or prior to the Expiration Date would cause us to issue an aggregate principal amount of New 2050 Bonds that would result in an aggregate Waterfall Exchange Consideration in excess of the Waterfall Exchange Cap, then the Waterfall Offers will be oversubscribed at the Expiration Date, and we will (assuming satisfaction or, where applicable, the waiver of the conditions to the Waterfall Offers), accept for exchange all Waterfall Securities tendered at or prior to the Early Participation Date and then accept for exchange any Waterfall Securities tendered after the Early Participation Date pursuant to the Acceptance Priority Procedures.

In the Waterfall Offers, subject to the satisfaction of the conditions to the Waterfall Offers, we will accept for exchange validly tendered Waterfall Securities in the order of the related Acceptance Priority Level set forth in the table above (the "Acceptance Priority Level"), beginning with the lowest numerical value of Acceptance Priority Level first.

Subject to the procedures described below for undersubscribed Waterfall Offers by the Early Participation Date, if the aggregate principal amount of New 2050 Bonds to be issued in exchange for all validly tendered Waterfall Securities corresponding to an Acceptance Priority Level, when added to the aggregate principal amount of New 2050 Bonds to be issued in exchange for all Waterfall Securities accepted for exchange corresponding to each higher Acceptance Priority Level (lower numerical value), if any, would cause us to issue an aggregate principal amount of New 2050 Bonds that would result in an aggregate Waterfall Exchange Consideration that does not exceed the Waterfall Exchange Cap, then we will

accept for exchange all such Waterfall Securities of this series and will then apply the foregoing procedure to the next lower Acceptance Priority Level (next higher numerical value). If the condition described in the foregoing sentence is not met, we will accept for exchange the maximum aggregate principal amount of tendered Waterfall Securities of such series (on a prorated basis) such that the aggregate principal amount of New 2050 Bonds issued in exchange for the series of Waterfall Securities with the lowest Acceptance Priority Level (the highest numerical value) accepted, when considered together with the aggregate principal amount of New 2050 Bonds issued in exchange for Waterfall Securities with higher Acceptance Priority Levels (lower numerical values), comes as close as possible to the amount of the Waterfall Exchange Cap without exceeding such amount.

Tendered Waterfall Securities with an Acceptance Priority Level lower than the Acceptance Priority Level that would cause us to issue an aggregate principal amount of New 2050 Bonds that would result in an aggregate Waterfall Exchange Consideration in excess of the Waterfall Exchange Cap will not be accepted for exchange, provided that, if the Waterfall Offers are not fully subscribed as of the Early Participation Date, tendered Waterfall Securities at or before the Early Participation Date will be accepted for exchange in priority to other Waterfall Securities tendered after the Early Participation Date, even if such Waterfall Securities tendered after the Early Participation Date have a higher Acceptance Priority Level than Waterfall Securities tendered prior to the Early Participation Date.

If proration of a series of tendered Waterfall Securities is required, we will determine the final proration factor as soon as practicable after the Early Participation Date or Expiration Date, as applicable, and will inform Eligible Holders of such series of Waterfall Securities of the results of the proration. In the event proration is required with respect to a series of Waterfall Securities, we will multiply the principal amount of each valid tender of such series of Waterfall Securities by the applicable proration rate and round the resulting amount down to the nearest U.S. \$1,000 principal amount (or, in the case of the 8.625% Guaranteed Bonds due 2023 under CUSIPs 71654XAC1 and 71654YAB1, U.S. \$10,000 principal amount) in order to determine the principal amount of such tender that will be accepted pursuant to the applicable Waterfall Offer. The excess principal amount of Waterfall Securities not accepted from the tendering Eligible Holders will be promptly returned to such Eligible Holders. If, after applying such proration factor, any Eligible Holder would be entitled to a credit or return of a portion of tendered Waterfall Securities of a series that is less than the authorized denominations set forth in the table below under "Securities Codes," then, in our sole discretion, (i) all of the Waterfall Securities of such series tendered by such Eligible Holder will be accepted without proration, (ii) a portion of the Waterfall Securities of such

Series tendered by such Eligible Holder will be rejected such that only Waterfall Securities of such series in the Authorized Denominations are credited or returned or (iii) none of the Waterfall Securities of such series tendered by such Eligible Holder will be accepted.

Common Terms Applicable to the Exchange Offers

The New 2027 Notes, the New 2030 Notes and the New 2050 Bonds will constitute an additional issuance of 2027 Notes, 2030 Notes and 2050 Notes, respectively. Any New 2027 Notes, New 2030 Notes and New 2050 Bonds will constitute a single series with, and are expected to be assigned the same CUSIP, ISIN and common code numbers and have the same terms and conditions as, the 2027 Notes, 2030 Notes and 2050 Bonds, respectively, priced earlier today by PEMEX.

The Exchange Offers are being made on the terms and subject to the conditions set forth in the Exchange Offer Statement, dated September 12, 2019 (the "Exchange Offer Statement" and together with the related eligibility letter and the letter of transmittal, the "Offer Documents"), which sets forth in more detail the terms and conditions of the Exchange Offers.

The Exchange Offers will expire at 11:59 p.m., New York City time, on October 9, 2019 unless earlier terminated or extended by PEMEX (such time and date with respect to each Exchange Offer, as it may be extended with respect to such Exchange Offer, the "Expiration Date"). Securities tendered may be withdrawn at any time prior to 5:00 p.m., New York City time, on September 25, 2019, unless extended, but not thereafter.

Eligible Holders of Securities validly tendered on or prior to 5:00 p.m., New York City time, on September 25, 2019 (such date and time, as the same may be extended, the "Early Participation Date") and accepted for exchange pursuant to the Exchange Offers will be eligible to receive the applicable early participation consideration reflected in the tables above (the "Early Participation Consideration"), which includes the early participation premium applicable to the relevant series of Securities as set forth in the tables above (the "Early Participation Premium"). Eligible Holders of Securities validly tendered after the Early Participation Date and on or prior to the Expiration Date and accepted for exchange pursuant to the Exchange Offers will be eligible to receive the late participation consideration reflected in the tables above (the "Late Participation Consideration") applicable to the relevant series of Securities, which is equal to the applicable Early Participation Consideration less the applicable Early Participation Premium. Eligible

other Exchange Offers, and PEMEX may withdraw or modify any Exchange Offer without withdrawing or modifying other Exchange Offers. PEMEX reserves the right, subject to applicable law, to waive any and all conditions to any Exchange Offer.

If PEMEX terminates any Exchange Offer with respect to one or more series of Securities, it will give prompt notice to the Information and Exchange Agent and all Securities tendered pursuant to such terminated Exchange Offer will be returned promptly to the tendering Eligible Holders thereof. With effect from such termination, any Securities blocked in The Depository Trust Company ("DTC") will be released.

Securities Codes

Series	Registered Securities ⁽¹⁾		Rule 144A Securities		Reg S Securities	
	CUSIP	ISIN	CUSIP	ISIN	CUSIP	ISIN
4.875% Notes due 2022	71654QBB7	US71654QBB77	71656LAL5	US71656LAL53	71656MAL3	US71656MAL37
8.625% Bonds due 2022	706451AG6	US706451AG65	70645JAH5	US70645JAH59	70645KAH2	US70645KAH23
Floating Rate Notes						
due 2022	71654QCF7	US71654QCF72	71656LBN0	US71656LBN01	71656MBN8	US71656MBN83
5.375% Notes due 2022	71654QCE0	US71654QCE08	71656LBP5	US71656LBP58	71656MBP3	US71656MBP32
3.500% Notes due 2023	71654QBG6	US71654QBG64	71656LAP6	US71656LAP67	71656MAP4	US71656MAP41
4.625% Notes due 2023	71654QCD2	US71654QCD25	71656LBL4	US71656LBL45	71656MBL2	US71656MBL28
8.625% Guaranteed Bonds	706451BC4	US706451BC43	706451AV3	US706451AV33	U70577AR9	-
due 2023	-	-	71654XAC1	US71654XAC11	71654YAB1	US71654YAB11
			71656LAQ4	US71656LAQ41	71656MAX7	US71656MAX74
4.875% Notes due 2024	71654QBH4	US71654QBH48	71656LAX9	US71656LAX91	71656MAQ2	US71656MAQ24
4.250% Notes due 2025	71654QBV3	US71654QBV32	71656LBA8	US71656LBA89	71656MBA6	US71656MBA62
6.500% Bonds due 2041	71654QAZ5	US71654QAZ54	71654QAY8	US71654QAY89	P78628BQ9	USP78628BQ91
5.500% Bonds due 2044	71654QBE1	US71654QBE17	71656LAN1	US71656LAN10	71656MAM1	US71656MAM10
			71656LAM3	US71656LAM37	71656MBB4	US71656MBB46
			71656LBB6	US71656LBB62	71656MAN9	US71656MAN92
6.375% Bonds due 2045	71654QBR2	US71654QBR20	71656LAY7	US71656LAY74	71656MAY5	US71656MAY57
5.625% Bonds due 2046	71654QBX9	US71654QBX97	71656LBE0	US71656LBE02	71656MBE8	US71656MBE84
6.750% Bonds due 2047	71654QCC4	US71654QCC42	71656LBM2	US71656MBM01	71656MBT5	US71656MBT53
			71656LBT7	US71656LBT70	71656MBM0	US71656MBM01
6.350% Bonds due 2048	71654QCL4	US71654QCL41	71654QCJ9	US71654QCJ94	P78625DE0	USP78625DE05

(1) The security codes associated with the registered series of Securities were generated in connection with exchange offers conducted for such Securities pursuant to registration rights agreements that were executed in connection with the offering of such Securities.

Global Bondholder Services Corporation will also act as the Information and Exchange Agent for the Exchange Offers. Questions or requests for assistance related to the Exchange Offers or for additional copies of the Offer Documents may be directed to Global Bondholder Services Corporation at +1 (866) 470-4500 (toll free) or (212) 430-3774 (collect). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offers.

PEMEX has retained Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, BofA Securities, Inc., Credit Agricole Securities (USA) Inc. and Mizuho Securities USA LLC to act as dealer managers in connection with the Exchange Offers (the "Dealer Managers").

Eligible Holders are advised to check with any bank, securities broker or other intermediary through which they hold Securities as to when such intermediary would need to receive instructions from such Eligible Holder in order for that Eligible Holder to be able to participate in, or withdraw their instruction to participate in, an Exchange Offer, before the deadlines specified herein and in the Offer Documents. The deadlines set by any such intermediary and DTC for the submission and withdrawal of tender instructions will also be earlier than the relevant deadlines specified herein and in the Offer Documents.

The New Money Securities are being sold to qualified institutional buyers in the United States in accordance with Rule 144A under the Securities Act, and to persons outside the United States in accordance with Regulation S under the Securities Act. The New Securities are being offered for exchange only (1) to holders of Securities who are "qualified institutional buyers" as defined in Rule 144A under the Securities Act in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (2) outside the United States, to holders of Securities other than "U.S. persons" (as defined in Rule 902 under the Securities Act) and who are not acquiring New Securities for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are non-U.S. qualified offerees (as defined under "Transfer Restrictions on the New Securities" in the Exchange Offer Statement). **Only holders who have returned a duly completed eligibility letter certifying that they are within one of the categories described in the immediately preceding sentence are authorized to receive and review the Exchange Offer Statement and to participate in the Exchange Offers (such holders, "Eligible Holders"). The eligibility letter can be accessed at the following link: <https://gbsc-usa.com/eligibility/pemex>**

The New Money Securities and the New Securities have not been registered under the Securities Act or any state or other jurisdiction's securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. The New Money Securities and the New Securities will be issued with registration rights.

This announcement is for informational purposes only. This press release shall not constitute an offer to sell or buy or the solicitation of an offer to buy or sell any securities, nor shall there be any offer, solicitation or sale of any securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful.

The Exchange Offers are being made solely pursuant to the Offer Documents. The Exchange Offers are not being made to holders of Securities in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Exchange Offers to be made by a licensed broker or dealer, the Exchange Offers will be deemed to be made on behalf of PEMEX by the Dealer Managers for the Exchange Offers or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

The communication of this press release and any other documents or materials relating to the Exchange Offers is not being made and such documents and/or materials have not been approved by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being directed at and made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")), or high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order (all such persons together being referred to as "relevant persons"). The Exchange Offers were only available to, and the Exchange Offers were engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on any document relating to the Exchange Offers or any of their contents.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. No assurance can be given that the transactions described herein will be consummated or as to the ultimate terms of any such transactions. PEMEX undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

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