

## FINAL TERM SHEET

U.S. \$2,500,000,000 5.350% Notes due 2028 (the “2028 Notes”)

February 1, 2018

<b>Issuer:</b>	Petróleos Mexicanos
<b>Guarantors:</b>	Pemex Exploración y Producción Pemex Transformación Industrial Pemex Perforación y Servicios Pemex Logística Pemex Cogeneración y Servicios
<b>Ratings:<sup>1</sup></b>	Baa3 (Moody’s)/ BBB+ (S&P)/ BBB+ (Fitch)
<b>Format:</b>	Rule 144A/Regulation S with Registration Rights
<b>Joint Lead Managers and Joint Bookrunners:</b>	BNP Paribas Securities Corp. Citigroup Global Markets Inc. Merrill Lynch, Pierce, Fenner & Smith Incorporated SMBC Nikko Securities America, Inc.
<b>Currency:</b>	U.S. Dollars
<b>Principal Amount:</b>	U.S. \$2,500,000,000
<b>Maturity Date:</b>	February 12, 2028
<b>Coupon Rate:</b>	5.350% per annum
<b>Interest Basis:</b>	Payable semi-annually in arrears
<b>Day Count:</b>	30/360
<b>Interest Payment Dates:</b>	February 12 and August 12
<b>First Interest Payment Date:</b>	August 12, 2018
<b>Gross Proceeds:</b>	U.S. \$2,500,000,000
<b>Issue Price:</b>	100.000% plus accrued interest, if any, from and including February 12, 2018, the expected delivery date
<b>Benchmark Treasury:</b>	UST 2.250% due November 15, 2027

<b>Benchmark Treasury Spot and Yield:</b>	95-13, 2.790%
<b>Spread to Benchmark Treasury:</b>	UST + 256 bps
<b>Yield:</b>	5.350%
<b>Make-whole Call Spread:</b>	UST + 40 bps
<b>Pricing Date:</b>	February 1, 2018
<b>Settlement Date:</b>	February 12, 2018 (T+7)
<b>Listing:</b>	Luxembourg Stock Exchange
<b>Trading:</b>	Euro MTF Market of the Luxembourg Stock Exchange
<b>Denominations:</b>	U.S. \$10,000 and integral multiples of U.S. \$1,000 in excess thereof
<b>Registration Rights; Exchange Offer:</b>	Pursuant to the Registration Rights Agreement (as defined in the Offering Document), the Issuer will agree to use its best efforts to (a) file with the Securities and Exchange Commission (the “ <u>Commission</u> ”) a registration statement with respect to its Exchange Offer (as defined in the Offering Document) to exchange the 2028 Notes for new notes with terms substantially identical to the 2028 Notes (subject to certain exceptions), on or before September 30, 2018, (b) have such registration statement declared effective under the Securities Act of 1933, as amended (the “ <u>Securities Act</u> ”), on or before March 1, 2019 and (c) consummate the Exchange Offer on or before April 5, 2019. In the event that applicable law, regulation or policy of the Commission does not allow the consummation of the Exchange Offer, or upon the occurrence of certain other conditions, the Issuer will use its best efforts to file a “shelf” registration statement covering resales of the 2028 Notes by the holders thereof; however, the Issuer shall not be required to file a “shelf” registration statement during any period prior to August 1 or after September 30 of any calendar year. See “Exchange Offer; Registration Rights” in the Offering

Document.

**Concurrent Transactions:**

On the date hereof, the Issuer also priced U.S. \$1,500,000,000 of its 6.350% Bonds due 2048 (the “2048 Bonds”) under Rule 144A/Regulation S with Registration Rights.

On the date hereof, the Issuer also announced the commencement of exchange offers (the “Exchange Offers”) and tender offers for cash (the “Retail Tender Offers”) for certain series of the Issuer’s outstanding debt securities (the “Existing Securities”). The Exchange Offers and the Retail Tender Offers will expire following the settlement of the offerings of the 2028 Notes and the 2048 Bonds.

On the date hereof, the Issuer also announced the commencement of cash tender offers (the “General Tender Offers”) for certain series of the Issuer’s Existing Securities. The General Tender Offers will expire following the settlement of the offerings of the 2028 Notes and the 2048 Bonds.

Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as the dealer managers for the General Tender Offers, the Exchange Offers and the Retail Tender Offers. The settlement of the Exchange Offers and Retail Tender Offers is conditioned upon the consummation of the offerings of the 2028 Notes and the 2048 Bonds.

**Use of Proceeds:**

The Issuer intends to use the net proceeds from the issuance of the 2028 Notes to repurchase notes validly tendered and accepted for purchase in the General Tender Offers, and the remainder, if any, to finance the Issuer’s investment program and working capital needs.

**Security Identifiers:**

CUSIP  
144A: 71654Q CH3  
Regulation S: P78625 DD2

ISIN

<sup>1</sup> A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revisions or withdrawal at any time.

\*Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the 2028 Notes prior to the second business day preceding the date of delivery of the 2028 Notes will be required, by virtue of the fact that the 2028 Notes initially will settle in seven business days (T+7), to specify an alternative settlement arrangement at the time of any such trade to prevent a failed settlement.

The information contained in this notice is subject to, and in making an investment decision you should rely on, the detailed description of the securities contained in the Preliminary Terms No. 7 dated February 1, 2018 and the accompanying Offering Circular dated February 9, 2017 (together, the “Offering Document”) relating to the securities, as supplemented by this final term sheet. The Offering Document contains, among other things, a description of the risks involved in investing in the securities.

On June 16, 2017, the Issuer increased the aggregate amount of securities that may be issued from time to time under the Medium-Term Notes Program to U.S. \$92,000,000,000 from U.S. \$72,000,000,000. All references in the Offering Document to “U.S. \$72,000,000,000” shall be deemed to be amended accordingly, as applicable.

This notice shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful. The securities will be offered to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended, and to non-U.S. persons in offshore transactions outside the United States in accordance with Regulation S thereunder. The securities have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from the registration requirements.

The 2028 Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For the purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, “IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the 2028 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the 2028 Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The information in this notice is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, (iv) fall within Article 43 (“Members and creditors of certain bodies corporate”) of Financial Promotion Order, or (v) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This information is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this presentation relates is available only to relevant persons and will be engaged in only with relevant persons.

The Issuer, the Guarantors, the Managers or any other dealer participating in the offering will arrange to send you the Offering Document if you request it to BNP Paribas Securities Corp. at 787 Seventh Avenue, 7<sup>th</sup> Fl., New York, New York 10019 (tel: +1 (800) 854-5674), to Citigroup Global Markets Inc., c/o Broadridge Financial Solutions at 1155 Long Island Avenue, Edgewood, New York 11717 (tel: +1 (800) 831-9146), to Merrill Lynch, Pierce, Fenner & Smith Incorporated at NC1-004-03-43 200 North College Street, 3<sup>rd</sup> Floor, Charlotte, North Carolina 28255, Attention: Prospectus Department (tel: +1 (800) 294-1322) or to SMBC Nikko Securities America, Inc. at 277 Park Avenue, New York, New York 10172 (tel: +1 (888) 868-6856).