

Latina Desarrollos Energéticos, S.A. de C.V. (Latina)

Press Release

Latina extends the expiration date of its current contracts, strengthening its position on the drilling activity.

Mexico City, June 30, 2021

Latina, a leading Mexican oil and gas services company with 43 years of experience is glad to inform of the extension of its three existing offshore leasing contracts with PEMEX, providing cash-flow visibility and affirming Pemex's strong commitment to the company.

Latina currently develops four contracts in the offshore activity and one contract in onshore drilling activity.

Latina is one of Mexico's most efficient and reliable supplier for Pemex, with a fleet of two self-owned Jack ups and one modular rig with a 99.9% of security and efficiency performance. The company is also involved in a turn-key offshore project and develops a 35-year onshore project in the Pitepec Oilfield.

Offshore Contracts

a) Lease Contracts

The Jack-ups (Santa María and Covadonga) and the Modular are leased on long-term exploration, drilling and maintenance contracts. La Santa Maria commenced operations on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016. Since we started operations with these Jack-ups in 2014 Pemex has renewed our contracts, given our strong performance ratios over the last years. La Covadonga and the Modular are drilling wells in the Gulf of Mexico; Pokche and Xanab fields, respectively. On the other side, La Santa Maria is drilling Ixtal field.

The contracts were extended as follows: La Santa Maria from April 1st, 2023 to March 31st, 2024; La Covadonga from March 14th, 2023 to March 13th, 2024; and the Modular from March 16th, 2021 to December 31st, 2022.

b) Turn-key Contract

On May 10, 2019, Latina signed a contract in the amount of USD\$254M for a drilling and completion offshore turn-key project. The activity started in January 2020 in the oil fields Cahua, Koban and Tetl at the Gulf of Mexico, delivering 5 completed wells. As a result of its operational and security efficiency that reaches a 95% ratio, Latina is in the process to

formalize the award increasing the Contract in the amount of USD\$15M. Currently we are working in two wells, have 3 wells as a firm backlog with the expectation to keep drilling activities for the coming years, securing the Gulf Driller VI and VIII leased jack-ups for such purpose.

Onshore Contract

Latina develops an onshore project which commenced in January 2015, in an area of 252 kms with rights to explore all different depths, increasing its production from 40 to a record of 1700 bpd, the current production is 950 bpd with 40 drilling wells and accumulated production of 1.5 million barrels delivered to Pemex, with a target to reach 1700 barrels in 2021 drilling 5 wells.

We are confident of our strong position as one of Pemex's most reliable suppliers and continue to see an improving environment in the off-shore oil drilling space, including in Mexico where Pemex has committed to work closely with local suppliers to continue developing off-shore fields.

Disclaimer

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