

PEMEX PRIORITIES AND ACCOMPLISHMENTS

Pemex performed surveys in a number of its facilities in 2015 and earlier, but has not yet screened facilities for all nine core methane source categories considered in the CCAC. To ensure compatibility of methods, results of these surveys therefore are not included in this report. In 2016, Pemex will complement the previous surveys in some of its participating facilities for the presence of all nine core sources.

A program for reducing greenhouse gas emissions in PEMEX began long before the CCAC/OGMP. There have been intensive measuring campaigns, undertaken thanks to the support throughout the years of the Global Gas Flaring Reduction Partnership (GGFR), Global Methane Initiative (GMI), and Environment and Climate Change Canada (ECCC). The company's implementation plan under CCAC continued the primary focus on venting, gas flaring and fugitive emissions reductions, and will be revised and updated according to further evaluations.

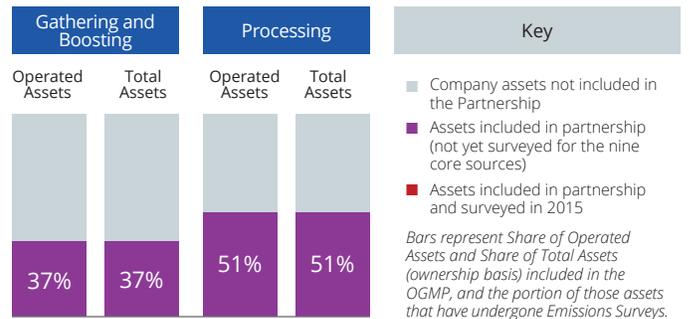
Pemex has been prioritizing flare reductions because the main cost-effective opportunity to reduce emissions and conserve energy at facilities reviewed under our various partnerships has been the recovery of condensable hydrocarbons from waste associated gas. (Some flares can have poor efficiency and are an important source of both methane and black carbon emissions.)

PEMEX's implementation plan is based on an objective screening process. It includes review of third party measurement campaigns done in previous years and complemented in 2015, focusing on methane gas reduction opportunities in terms of large-scale applications or smaller facilities that may have significant replicability across our oil and natural gas system.

Significant reductions opportunities especially for venting, flaring and fugitive emissions have been identified at facilities as part of a first screening to identify the most representative emissions sources in Pemex facilities.

The nine facilities considered in PEMEX's implementation plan were selected based on an expert judgment screening process that considered representative sites having large flaring rates and fugitive emissions including boosting and gathering facilities such as Atasta Gas Gathering Compressor Station or Dos Bocas Oil Terminal (the most important terminal of the country) and

SCOPE OF PARTICIPATING ASSETS AND EMISSIONS SURVEY PROGRESS



gas processing plants such as Cactus, which processes half of the country's natural gas. Surveyed facilities also included Petroleum Refineries that very well represent the problems seen in other refineries, and highly replicable production facilities such as oil batteries that have low to moderate flaring and venting rates.

During 2015, the major oil terminal and a gas gathering compressor station were revisited to evaluate undertaken actions and to analyze more closely control strategies in these key facilities. In addition, the three oil batteries and an additional refinery were surveyed. The identification and analysis of alternative options of flare gas reduction, in terms of viable technologies and business schemes was done, as well as a prefeasibility assessment of investment projects in the form of specific "case studies" appropriate for the most suitable technologies.

PEMEX, a state own company, is committed to move forward in the implementation of emissions reductions and it is looking to unlock financial schemes that could benefit from win-win opportunities and translate identified opportunities into business cases for its implementation.

ABOUT THE PARTNERSHIP

The Climate and Clean Air Coalition (CCAC) has created a voluntary initiative to reduce methane emissions in the oil and gas sector: the CCAC Oil & Gas Methane Partnership. The CCAC officially launched the Partnership at the UN Secretary General's Climate Summit in New York in September 2014. To learn more about this Partnership, visit www.ccacoalition.org/en/content/ccac-oil-gas-methane-partnership.