Fourth Quarter 2013
Financial Results

February 27, 2013

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Outline

- Fourth-quarter and full-year 2013 financial results
- Status of projects under development and construction
- Energy reform and growth opportunities
- 2014 guidance

Fourth quarter 2013 results

(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Adjusted EBITDA	$ 65	$ 84	$ 303	$ 330
Profit for the period	$ 5	$ 47	$ 142	$ 194
One-time impact on deferred tax liability due to tax reform	$ (15)		$ (15)	
Tax impact of deconsolidation due to tax reform	$ (21)		$ (21)	
Profit for the period, excluding impacts due to tax reform	$ 41	$ 47	$ 178	$ 194

- Full year 2013 Adjusted EBITDA was $303 million, within our guidance range
- Profit for the fourth quarter 2013 was $5 million, compared to $47 million in 2012; profit for the full year 2013 was $142 million, compared to $194 million in 2012
- The decrease in profit for both the quarter and the year were mainly due to higher income taxes as a result of the tax reform; impacts of the tax reform were recorded in the fourth quarter 2013 resulting in a non-recurring negative impact of $36 million
- Excluding the one-time effects of the tax reform, profit for the fourth quarter was $41 million, compared to $47 million in the same period in 2012 and profit for the full year 2013 was $178 million, compared to $194 million for 2012

Gas segment pre-tax profit

(Unaudited; dollars in millions)	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Gas segment profit before income tax and share of profit of the joint venture	$ 49	$ 53	$ 203	$ 215

- Gas segment profit before tax and share of profit of the joint venture was $49 million for the fourth-quarter 2013, compared to $53 million in the same period of 2012
- For the full year 2013, the Gas segment had a profit before income tax and share of profit of the joint venture of $203 million, compared to $215 million for the year 2012
- The decrease in profit for both the quarter and the year were mainly due to a change in commercial arrangements[1] and higher administrative and other expenses, partially offset by the interest capitalization related to the Sonora pipeline project

(1) In January 2013, we executed a new long-term LNG sale and purchase agreement with Sempra Natural Gas. A description of this contract and the main differences with the previous contract may be found within the equity prospectus, available on the company's website.

Power segment pre-tax profit

(Unaudited; dollars in millions)	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Power segment profit before income tax	$ (5)	$ 3	$ (1)	$ 4

- Power segment loss before income tax was $5 million in the fourth-quarter 2013, compared to a profit before income tax of $3 million in the fourth-quarter of 2012 mainly due to a change in commercial arrangements[1] and higher administrative and other expenses related to scheduled power plant maintenance
- For the year 2013, loss before income tax for the Power segment was $1 million, compared to a profit before income tax of $4 million in 2012 due to higher cost associated with carbon allowance obligations and higher administrative and other expenses, mainly scheduled power plant maintenance, partially offset by higher electricity prices

1) We are parties to an energy management services agreement with our affiliate, Sempra Generation. Pursuant to this agreement, which is effective as of January 1, 2012, Sempra Generation acts as marketing and scheduling coordinator for our electricity sales from our Termoeléctrica de Mexicali power plant and performs other related administrative, hedging and U.S. regulatory support tasks on our behalf. This agreement replaced an agreement that we previously had in place with Sempra Generation for the full capacity of the Termoeléctrica de Mexicali power plant.

Project Updates

Project	CapEx (USD, millions)	Target COD[1]	Contract Term	Update
Wholly-owned projects				
Sonora pipeline	$1,000	Q4 2014 Q3 2016	25 years 25 years	• Construction proceeding on schedule • Nearly 100% of the rights-of-way have been acquired for the first segment
Energía Sierra Juárez (ESJ)	$300	Q1 2015	20 years	• Construction proceeding on schedule • Expect to close project financing and partnership by second-quarter 2014
Pemex-JV projects				
Los Ramones I pipeline	$500	Q4 2014	25 years	• 50% indirect IEnova interest • Construction proceeding on schedule • 100% of the rights-of-way have been acquired
Los Ramones II North pipeline	$1,000	Q4 2015	25 years	• 25% indirect IEnova interest • Completing commercial and partnership agreements
Ethane pipeline	$330	Q1 2015	21 years	• 50% indirect IEnova interest • Construction delayed due to an issue not attributable to the JV, new COD Q1-2015 • Impact to 2014 financial results is immaterial

(1) Commercial Operations Date

Energy reform

- The most important reform to the Mexican energy sector in the last 75 years was passed by congress and signed into law by the president in December 2013
- This reform modifies three articles of the Mexican constitution and allows broad participation by private companies in the energy sector

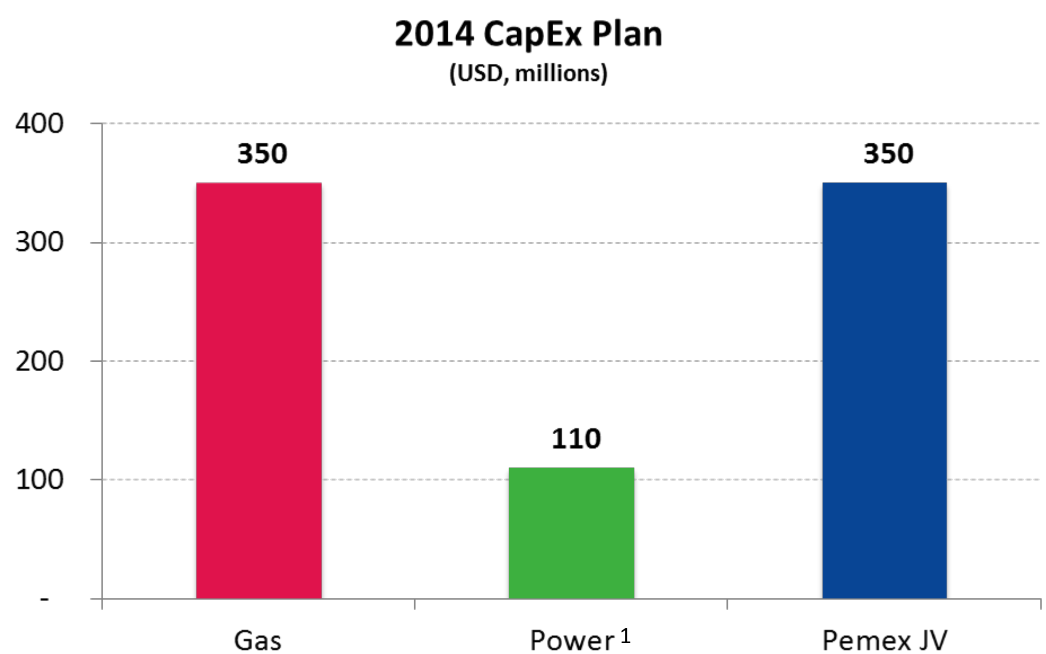
	Impact to the sector
Exploration & Production	▪ New contract types include: profit sharing contracts, production sharing contracts, and license contracts; concessions remain prohibited ▪ Contract structures will allow for recognition of reserves for accounting purposes
Midstream & Downstream	▪ Permits private sector participation in natural gas gathering and processing, crude oil refining, basic petrochemical production, crude oil, refined products and petrochemical transportation, storage and distribution
Power	▪ Fully opens the generation and marketing of electricity allowing for direct contracts between generators and end-users ▪ Permits private sector participation in transmission and distribution through contracts with the CFE

IEnova growth opportunities

	Independent of reform	Dependent on reform
Gas Segment	▪ CFE & Pemex pipeline tenders ▪ Underground natural gas storage ▪ Select M&A transactions ▪ LNG liquefaction at ECA	▪ Transportation and storage of oil, refined products and petrochemicals ▪ Gathering & processing of natural gas ▪ New gas transportation requirements resulting from increasing hydrocarbon production
Power Segment	▪ 300MW renewable energy tender in Baja (CFE) ▪ Renewable energy tenders in the US ▪ IPP and co-generation tenders	▪ Direct power purchase agreements with end users ▪ Electric transmission ▪ Electric distribution

2014 EBITDA guidance and CapEx plan

Guidance			
(USD, millions)	Low		High
2014 Adjusted EBITDA	**330**	**-**	**350**
Guidance range includes the following assumptions:			
Gas segment	247	-	257
Power segment	28	-	36
Corporate	1	-	1
Adjustment for 50% interest in EBITDA of Pemex JV	54	-	56



(1) Reflects expected 50% interest in the first phase of the Energia Sierra Juarez wind project

Summary

- Financial and operating performance in-line with expectations
- Excellent progress in construction activities
- New investment opportunities expected to materialize in gas transportation and electricity generation over the near-term
- Energy reform will provide incremental investment opportunities spanning new lines of business

Appendix

Quantifying new infrastructure opportunities

Subsector	Detail	Investment
Oil & Gas		
Exploration & Production	Estimated crude oil reserves: 54.7 BBOE Estimated shale gas reserves: 545 Tcf	$60 billion / year
Refining	Potential capacity additions of 500 MBD and reconfiguration of existing refineries	> $60 billion
Refined products transportation	Jet fuel, gasoline, diesel and other refined products pipelines	> $8 billion
Gathering & Processing	More than 2.5 Bcfd of new gathering & processing systems	> $8 billion
Gas pipelines	Plans for 16 new pipelines covering more than 10,000km	$23 billion
Gas storage	Estimated market need for 500 Bcf of underground storage	> $10 billion
Electricity		
Electricity generation	47GW of capacity additions over the next 15 years	$60 billion
Electricity transmission	More than 21,000 miles of transmission and distribution lines required (2013-2027)	$16 billion
Electricity distribution		$22 billion

Source: SENER, Pemex, CFE, IEnova estimates

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