

IENOVA REACHES AGREEMENTS WITH THE FEDERAL ELECTRICITY COMMISSION (CFE) IN RELATION TO THE GUAYMAS – EL ORO PIPELINE AND THE SUR DE TEXAS – TUXPAN MARINE PIPELINE

Mexico City, August 27, 2019 – Infraestructura Energética Nova, S.A.B. de C.V., (“**IEnova**”) reached an agreement with the Federal Electricity Commission (“**CFE**”) in relation to the Transportation Service Agreements corresponding to the Guaymas – El Oro pipeline, and the Sur de Texas – Tuxpan marine pipeline, the latter jointly developed with TC Energy.

These agreements arise from both parties’ commitment to adequately utilize existing infrastructure that is essential for the industry and millions of Mexicans.

Reaching these agreements would not have been possible without the direct and personal intervention of the President of Mexico, Andrés Manuel López Obrador, as well as the presidents of the Business Coordination Council (CCE) and the Mexican Business Council (CMN), Carlos Salazar Lomeli and Antonio del Valle Perochena, as well as the assistance of Alejandro Esquer, Assistant Secretary to the President of Mexico, that acted as observer of the conciliation process, and officials of the CFE.

It is worth noting the important intervention of other business chambers such as the Confederation of Industrial Chambers (Concamin), the Confederation of National Chambers of Commerce, Services and Tourism (Concanaco), and the Confederation of Mexican Employers (Coparmex), who advanced the resolution to this conflict.

The agreements establish a new tariff structure and consider a 10-year extension for both contracts. These agreements satisfy both parties’ interests and allow a benefit for the CFE, while maintaining the overall integrity of the original contracts.

Additionally, CFE has committed to provide support to resume operations in the Guaymas – El Oro pipeline, including the respectful dialogue with the Yaqui community, as well as the commitment for the immediate start of commercial operations of the Sur de Texas – Tuxpan marine pipeline.

With these agreements, the parties will work together to take all the necessary legal actions to end the international arbitration processes corresponding to the beforementioned pipelines, as well as to provide certainty to their corresponding contracts.

IEnova affirms its commitment to continue investing in Mexico's energy infrastructure, as well as to contribute to the country's economic development and well-being of the Mexican people.