

Investor Presentation

September 26, 2013

Information Regarding Forward-Looking Statements



This presentation contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words like “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “may,” “will,” “would,” “could,” “should,” “potential,” “target,” “outlook”, “depends,” “pursue,” “goals” or similar expressions, or discussions of our guidance, strategies, plans, goals, initiatives, objectives or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the Mexican Energy Ministry (Secretaría de Energía), the Mexican Energy Regulatory Commission (Comisión Reguladora de Energía), the Mexican Environmental Protection Ministry (Secretaría de Medio Ambiente y Recursos Naturales), Mexican Federal Electricity Commission (Comisión Federal de Electricidad), the California Public Utilities Commission, California State Legislature, Federal Energy Regulatory Commission, U.S. Department of Energy, California Energy Commission, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and Mexico; capital market conditions, including the availability of credit and the liquidity of our investments; inflation, interest and exchange rates; the impact of benchmark interest rates on our cost of capital; the timing and success of business development efforts and construction, maintenance and capital projects, including risks inherent in the ability to obtain, and the timing of granting of, permits, licenses, certificates and other authorizations; energy markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas, including disruptions caused by failures in the electric transmission grid, pipeline explosions and equipment failures; weather conditions, natural disasters, catastrophic accidents, and conservation efforts; wars, terrorist attacks and cybersecurity threats; business, regulatory, environmental and legal decisions and requirements; governmental expropriation of assets and title and other property disputes; the inability or determination not to enter into long-term supply and sales agreements; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to update or revise those forward looking statements whether as a result of new information, future events or otherwise. These risks and uncertainties are further discussed in the draft prospectus that IEnova has filed with the Mexican National Banking and Securities Commission. These reports are also available through the Mexican National Banking and Securities Commission’s website, www.cnbv.gob.mx, and on the company’s website at www.ienova.com.mx.

IEnova develops, constructs, owns and operates energy infrastructure and is active in all areas of the Mexican energy sector where private participation is currently permitted

IEnova is the largest private energy company in Mexico with more than 15 years of experience in the country and is the only energy company to be listed on the Mexican stock exchange

IEnova's business is built upon a strategy of long-term, take-or-pay and primarily dollar denominated contracts providing stable and predictable cash flows

Mexico requires new energy infrastructure in order to support growing energy demand and future economic growth and IEnova is ideally positioned to capture new infrastructure investment opportunities

Corporate structure and assets in operation



Gas Segment



Wholly-owned Pipelines

- 360km of pipelines and three compression stations

Joint-Venture with Pemex (50%)

- 151km of pipelines
- 190km LPG transportation pipelines and 120,000Bbl of LPG storage
- Three compression stations



Energía Costa Azul

- One LNG receipt, storage and regasification terminal with a send-out capacity of 1,000 MMcfd



Ecogas

- Natural gas distribution utility with more than 93,000 customers

Power Segment



Termoeléctrica de Mexicali

- 625MW natural gas combined-cycle electricity generation plant

IEnova asset overview

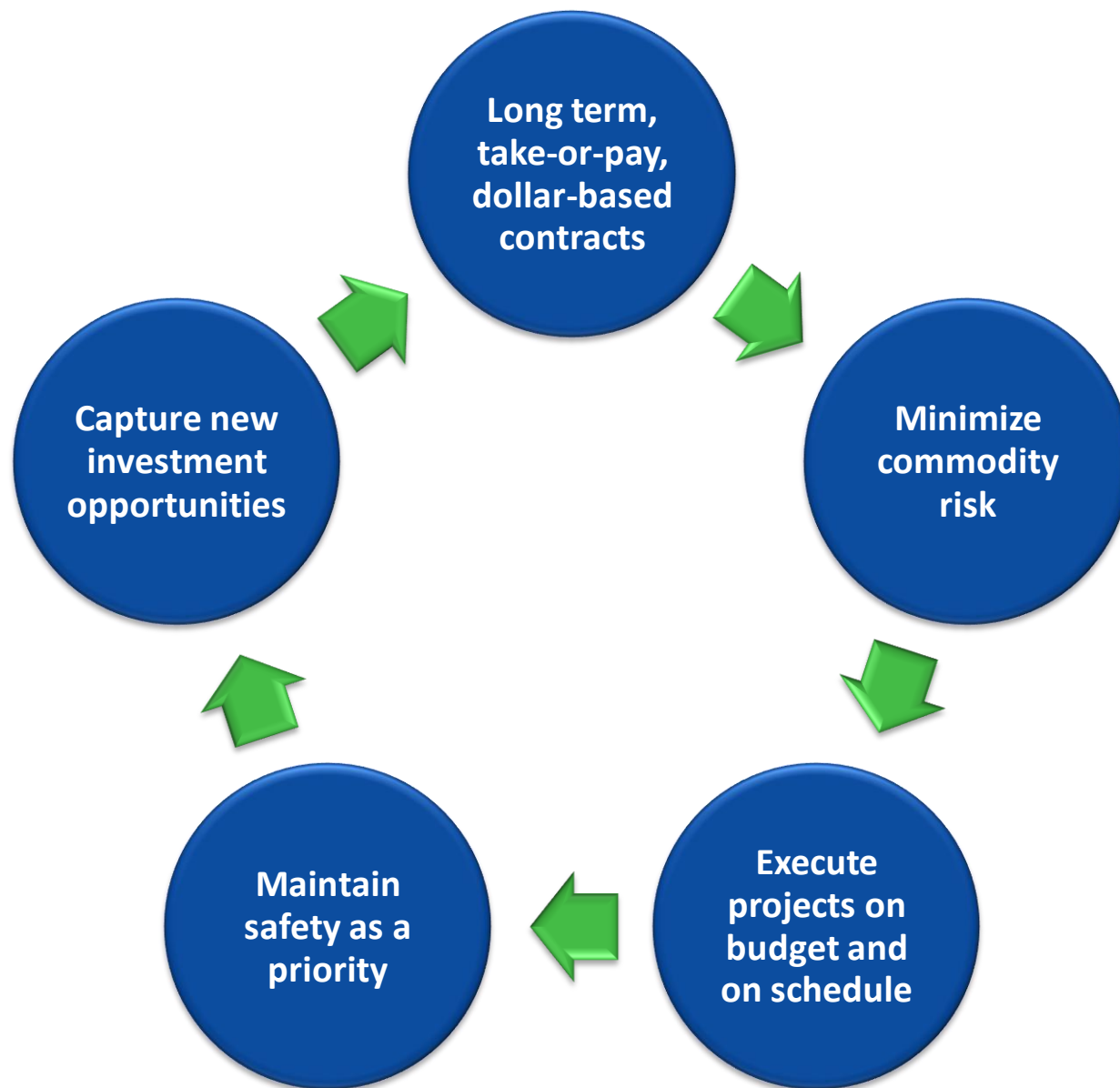


(1) Adjusted EBITDA accounts for proportional 50% share in Pemex JV. Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to profit or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity

(2) As of December 31, 2012, after proforma issuance of approximately US\$408mm of debt in the Mexican public market and repayment of approx.US\$376mm owed to affiliates.

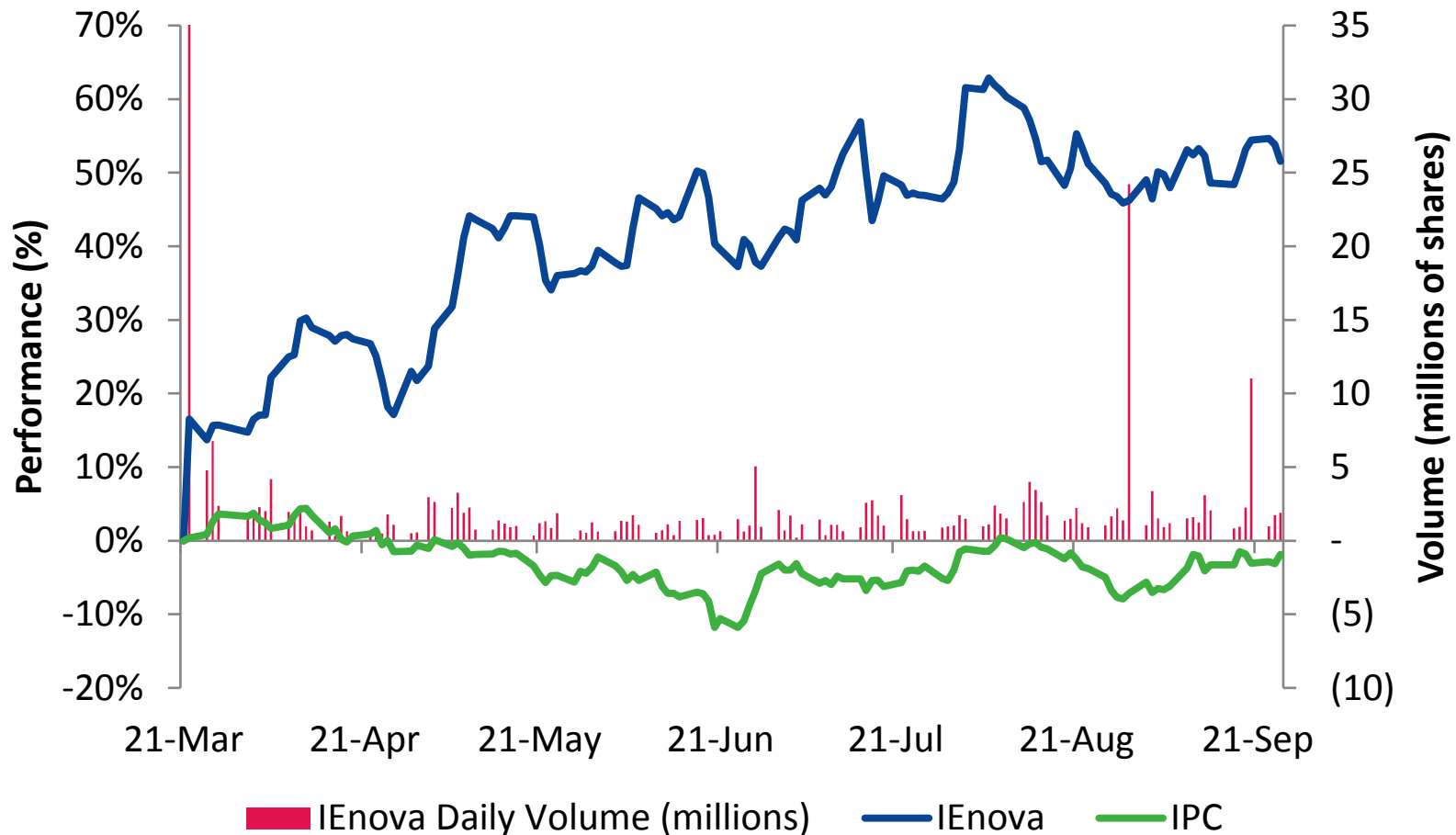
(3) Does not include 78 employees employed by our joint venture with Pemex.

IEnova business strategy



IEnova is the only energy company in the BMV

Stock price performance since IPO



As of September 2, IEnova is included in the benchmark equity index (IPC) of the Mexican stock exchange

Contracted growth projects currently underway

Gas Segment – wholly-owned assets



Sonora natural gas pipeline system

- **835km** natural gas pipeline extending from the U.S. border near Nogales, AZ to the town of El Oro in the Mexican state of Sinaloa
- In-service dates second-half 2014 (Sásabe-Guaymas) and second-half 2016 (Guaymas-El Oro)

Joint venture with Pemex – IEnova (50%)



Los Ramones-I natural gas pipeline

- **110km** natural gas pipeline extending from the U.S. border near Rio Grande, TX to the town of Los Ramones in the Mexican state of Nuevo Leon
- In-service year-end 2014

Ethane pipeline

- **226km** ethane pipeline located in the states of Tabasco, Chiapas and Veracruz
- In-service mid-2014

Power Segment



Energía Sierra Juárez wind project

- **155 MW** wind project with 47 turbines located near the U.S. border in the state of Baja California
- In-service early 2015

Energy reform proposals – PAN and PRI*

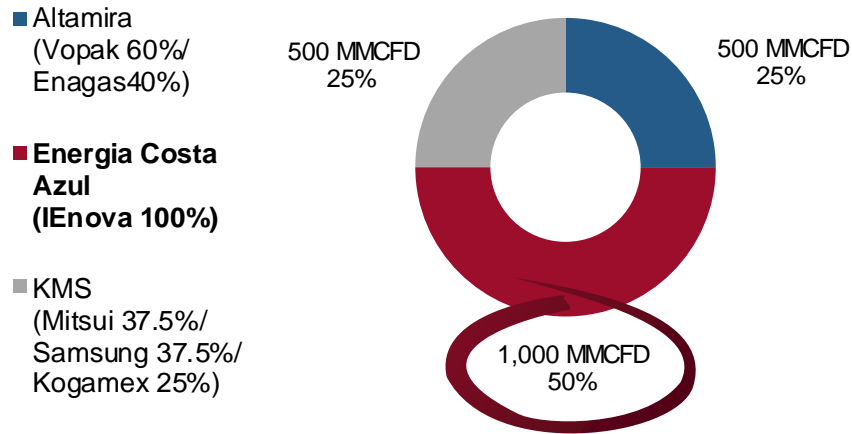
	PAN	PRI
E&P Concessions and Contracts	<ul style="list-style-type: none"> ■ Concession model: There will be a round “zero” where PEMEX will have preference. Beyond round “zero” PEMEX competes freely for concessions. Concessions will be granted by the CNH. ■ New constitutionally autonomous body to administer oil rent (<i>Fondo Mexicano del Petróleo</i>) 	<ul style="list-style-type: none"> ■ The state enters into profit sharing agreements with private companies for E&P in selected areas not assigned to PEMEX in round “zero”.
Petrochemicals & Midstream Oil Products	<ul style="list-style-type: none"> ■ Refining , petrochemicals and transport & storage of liquid oil products, to be regulated services provided by private companies. 	<ul style="list-style-type: none"> ■ Refining , petrochemicals and transport & storage of liquid oil products, to be regulated services provided by private companies.
Electricity	<ul style="list-style-type: none"> ■ Legally separate the areas of generation, dispatch, transmission and distribution. ■ Creates free energy generation market. ■ Allow transmission and distribution expansions by the private sector. ■ Unclear if state will retain control of retail electricity sales. ■ State retains control of the electricity grid. 	<ul style="list-style-type: none"> ■ Legally separate the areas of generation, dispatch, transmission and distribution. ■ Creates free energy generation market. ■ Allow transmission and distribution expansions by the private sector. ■ Maintains state control over retail electricity sales. ■ State retains control of the electricity grid.
Regulators	<ul style="list-style-type: none"> ■ CRE and CNH as constitutionally autonomous bodies. 	<ul style="list-style-type: none"> ■ No changes to regulators at the constitutional level.

*Preliminary interpretations, subject to further definition in secondary legislation

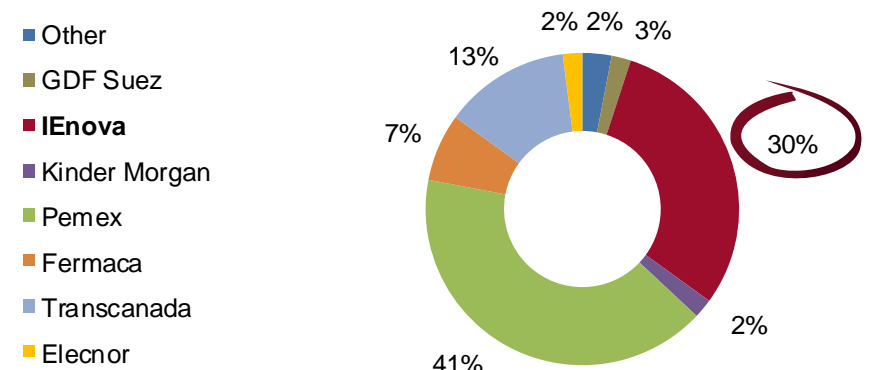
Appendix

Competitive landscape

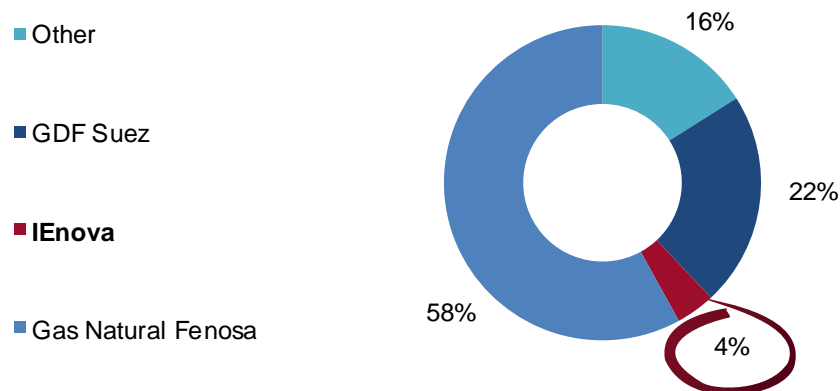
LNG Terminals⁽¹⁾



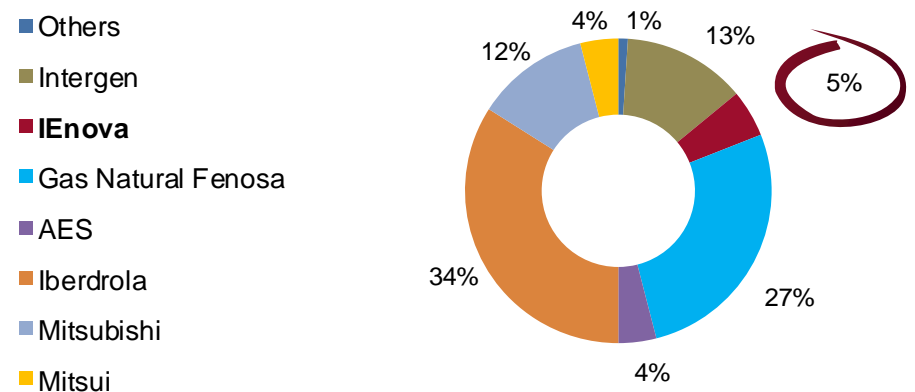
Natural Gas Pipelines⁽¹⁾



Natural Gas Distribution (proportional # of clients)



Electricity Generation Plants (MW)



Source: "Prospectiva de Gas Natural 2010–2025"; "Prospectiva del Sector Eléctrico 2010–2025", CFE

Note: Natural Gas Pipelines breakdown includes Los Ramones pipeline.

(1) Million cubic feet per day.

Stable regulatory framework

Regulatory Agencies



- In charge of defining the country's energy policy



- Regulates gas and electricity industries
- Approves rates, general terms and conditions for service

State-owned Companies

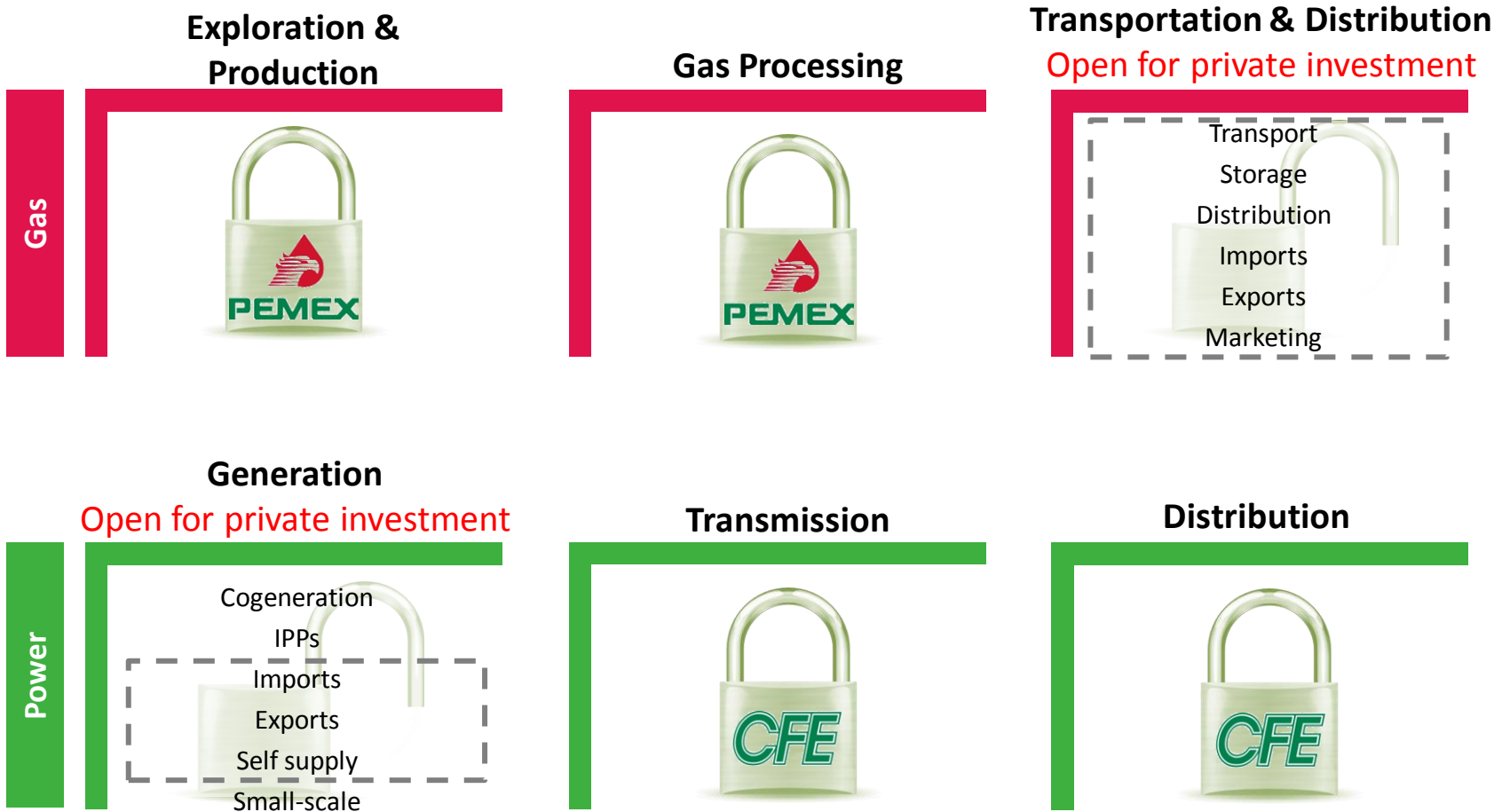


- Stated-owned electricity company
- The only player in the industry allowed to engage in transmission and distribution activities
- Counterparty to majority of new natural gas pipeline projects



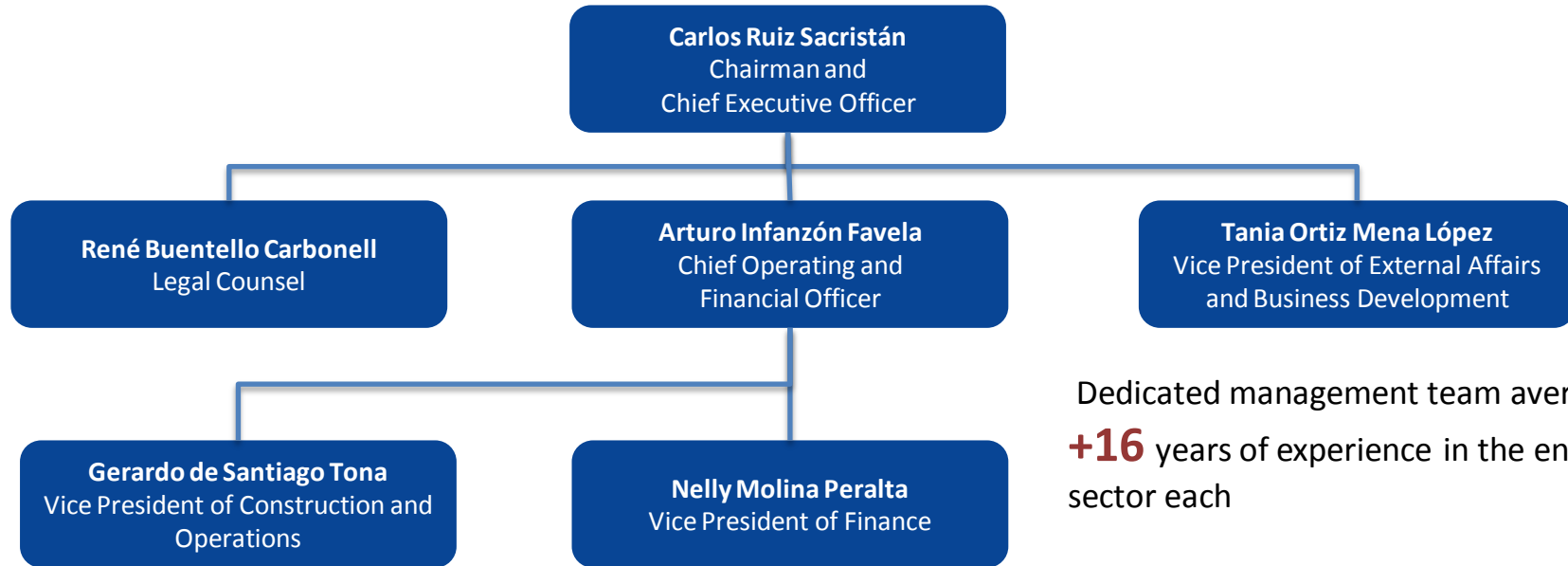
- State-owned oil and gas company
- The only player in the industry allowed to engage in oil and gas exploration and production, refining and production of basic petrochemicals

Existing Mexico regulatory framework overview



  participation

Experienced management team



Dedicated management team averaging **+16** years of experience in the energy sector each

Board of Directors⁽¹⁾

3 of **9** independent board members

- Carlos Ruiz Sacristán (*Chairman*)
- George Liparidis
- Mark Snell
- Joseph Householder
- Eduardo Pawluszek
- Arturo Infanzón (CP)
- Andres Conesa (IM/CP/AC)
- Aaron Dychter (IM/CP/AC)
- Jeffrey Davidow (IM/CP/AC)

Note: IM – Independent Member, CP – Corporate Practices, AC – Audit Committee.

(1) James Lambright serves as Alternate Director to Mark Snell. Randall Clark, René Buentello and Rodrigo Cortina serve as non-member Secretary, Pro-Secretary and Pro-Secretary, respectively.

IEnova – natural gas portfolio

	Ownership	Length of Pipelines (km)	Capacity	% of Capacity under Long Term Contract	Contract term (yrs)	Commercial Operational Date	Customers
Natural Gas Systems							
Baja East Pipeline System	100%	302	3,450MMcfd	90%	20	Aug-02	Shell, Gazprom, Sempra LNG Marketing Mexico, InterGen, North Baja Pipeline (TransCanada), TdM power generating facility (affiliate company)
Baja West Pipeline System	100%	45	940MMcfd	100%	20	Jun-00	
Aguaprieta Pipeline	100%	13	200MMcfd	25%	25	Nov-02	Kinder Morgan
San Fernando Pipeline*	50%	114	1,000MMcfd	100%	20	Nov-03	Pemex Gas
Samalayuca Pipeline*	50%	37	272MMcfd	51%	Annual	Dec-97	Pemex Gas, CFE
Naco Compression Station	100%	NA	90MMcfd	100%	20	Sep-01	Pemex Gas
Gloria a Dios Compression Station	50%	NA	60MMcfd	100%	20	Oct-01	CFE
Los Ramones ⁽¹⁾	50%	110	2,100MMcfd		20	2H 2014	Pemex Gas
LPG System							
TDF Pipeline*	50%	190	30,000 Bld	100%	20	Dec-07	Pemex Gas
LPG Storage Facilities							
Guadalajara LPG Storage Terminal*	50%	NA	80,000 Bbld	100%	15	1H13	Pemex Gas
Sonora Pipeline Expansion							
Sasabe-Guaymas	100%	505	770MMcfd	100%	25	Oct-14	CFE
Guaymas-El Oro	100%	330	510 MMcfd	100%	25	Oct-16	CFE
LNG Facilities							
Energia Costa Azul	100%	NA	1 Bcf/d	100%	20	May-08	Sempra LNG Marketing (who sells to CFE), Gazprom and Shell
Ethane Transportation							
Ethane Pipeline	50%	226	152 MMcfd	100%	21	3Q 2014	Pemex Gas

*Assets under 50%JV with Pemex Gas

(1) Represents phase 1 of Los Ramones project only.

Historical annual financials - income statement

(US\$ in millions)	2010	2011	2012
Revenue	\$799.7	\$822.5	\$607.6
Cost of natural gas	436.7	422.7	253.3
Gross income	363.1	399.8	354.3
Administrative and other expenses	80.9	73.8	76.4
Depreciation and amortization expenses	62.9	63.1	61.3
Interest income	0.5	0.9	1.0
Finance costs	26.6	18.2	11.3
Other losses	13.7	16.1	8.8
Profit before income tax and share of profits in JV	179.5	229.5	197.4
Income tax expense	26.4	76.0	40.8
Share of profits in JV, net of income tax	18.5	21.6	37.4
Net income	\$171.6	\$175.1	\$194.0

Historical annual financials - balance sheet

(US\$ in millions)	2010	2011	2012
Assets			
Current assets:			
Cash and cash equivalents	\$54.4	\$27.4	\$85.1
Other current assets	161.0	122.6	151.9
Total current assets	\$215.4	\$149.9	\$237.0
Non-current assets:			
Investments in joint venture	272.6	294.2	331.6
Property, plant and equipment	1,937.9	1,886.0	1,884.7
Other non-current assets	58.2	53.8	47.4
Total non-current assets	\$2,268.6	\$2,233.9	\$2,263.8
Total assets	\$2,484.0	\$2,383.8	\$2,500.7
Liabilities			
Current liabilities:			
Total current liabilities	\$86.7	\$88.0	\$160.2
Non-current liabilities:			
Long-term indebtedness	534.7	334.7	331.8
Other non-current liabilities	228.6	265.9	245.6
Total non-current liabilities	\$763.3	\$600.6	\$577.4
Total liabilities	\$850.1	\$688.6	\$737.6
Shareholders' equity			
Total shareholders' equity	\$1,634.0	\$1,695.3	\$1,763.1
Total equity and liabilities	\$2,484.0	\$2,383.8	\$2,500.7

Historical annual financials - cash flow statement

(US\$ in millions)	2010	2011	2012
Cash flows from operating activities			
Profit for the year	\$171.6	\$175.1	\$194.0
<i>Adjustments for:</i>			
Income tax expense	26.4	76.0	40.8
Share of profits of joint ventures	(18.5)	(21.6)	(37.4)
Finance costs	26.6	18.2	11.3
Depreciation of non-current assets	62.8	62.9	61.2
Other adjustments	16.2	3.4	0.4
Total adjustments	285.1	314.0	270.3
Movements in working capital:	(6.4)	45.4	(61.3)
Cash generated from operations	\$278.7	\$359.4	\$208.9
Income taxes paid	(71.5)	(61.5)	(35.5)
Net cash generated by operating activities	\$207.2	\$297.9	\$173.4
<i>Cash flows from investing activities</i>			
Effects of combining Semptra Gasoductos México	15.3	–	–
Interest received	0.5	0.9	1.0
Payments for property, plant and equipment	(37.8)	(20.5)	(47.3)
Payments for long-term service agreements	(5.5)	(6.1)	(3.0)
Net cash (used in)/ generated by investing activities	(\$27.4)	(\$25.8)	(\$49.3)
<i>Cash flows from financing activities</i>			
Interest paid	(25.7)	(18.0)	(9.4)
Proceeds from loans from related parties	816.2	488.1	209.0
Repayment of loans to related parties	(931.5)	(688.1)	(128.7)
Dividends paid	–	(80.0)	(140.1)
Net cash used in financing activities	(\$141.0)	(\$298.1)	(\$69.2)
Net (decrease)/ increase in cash and cash equivalents	38.7	(25.9)	54.9
Cash and cash equivalents at the beginning of the year	14.3	54.4	27.4
Effects of FX rate changes on the cash held in foreign currencies	1.4	(1.1)	2.8
Cash and cash equivalents at the end of the year	54.4	27.4	85.1