



Petróleos Mexicanos

(A Decentralized Public Entity of the Federal Government of the United Mexican States)

U.S. \$1,000,000,000 5.50% Notes due 2021

Issued Under U.S. \$22,000,000,000 Medium-Term Notes Program, Series C

jointly and severally guaranteed by

Pemex-Exploración y Producción, Pemex-Refinación and Pemex-Gas y Petroquímica Básica

The payment of principal of and interest on the 5.50% Notes due 2021 (the "Notes") will be unconditionally and irrevocably guaranteed jointly and severally by Pemex-Exploración y Producción, Pemex-Refinación and Pemex-Gas y Petroquímica Básica (each a "Guarantor" and, collectively, the "Guarantors"), each of which is a decentralized public entity of the Federal Government (the "Mexican Government") of the United Mexican States ("Mexico"). The payment obligations of the Issuer (as defined below) under the Notes, and the payment obligations of the Guarantors under their respective guaranties of the Notes, will at all times rank equally with each other and with all other present and future unsecured and unsubordinated public external indebtedness of the Issuer or such Guarantor. Neither the Notes nor the obligations of the Guarantors constitute obligations of, or are guaranteed by, the Mexican Government or Mexico.

Petróleos Mexicanos (the "Issuer" and, together with the Guarantors and their consolidated subsidiaries, "PEMEX"), a decentralized public entity of the Mexican Government, will pay interest on the Notes on January 21 and July 21 of each year, commencing on January 21, 2012. Unless previously redeemed or purchased and cancelled, the Notes will mature at their principal amount on January 21, 2021. The Notes are subject to redemption in whole, at par, at the option of the Issuer, at any time, in the event of certain changes affecting Mexican taxes as described under "Description of Notes—Redemption—Tax Redemption" in the accompanying Offering Circular dated December 22, 2010 (the "Offering Circular"). In addition, the Issuer may redeem any of the Notes in whole or in part, at any time, by paying the principal amount of the applicable Notes plus a "make-whole" amount plus, in each case, accrued interest. See "Description of Notes—Redemption at the option of the Issuer (other than tax redemption)" in this Preliminary Terms. The Issuer has applied to list the Notes on the Luxembourg Stock Exchange and to have the Notes trade on the Euro MTF market of the Luxembourg Stock Exchange.

The Notes will contain provisions regarding acceleration and future modifications to their terms that differ from those applicable to certain of the Issuer's and the Guarantors' other outstanding public external indebtedness issued prior to October 2004. Under these provisions, which are commonly referred to as "collective action clauses" and are described under "Description of Notes—Modification and Waiver" in the Offering Circular, in certain circumstances, the Issuer may amend the payment and certain other provisions of the Notes with the consent of the holders of 75% of the aggregate principal amount of the Notes.

The portion of the Notes that is offered and sold outside the United States in accordance with Regulation S ("Regulation S") under the Securities Act will be consolidated to form a single series with, and be fully fungible with, the Issuer's outstanding 5.50% Notes due 2021 originally sold in accordance with Regulation S and issued on July 21, 2010, as of the Consolidation Date (as defined below).

The Issuer has agreed to file an exchange offer registration statement or, under specified circumstances, a shelf registration statement, pursuant to an exchange and registration rights agreement with respect to its offer to exchange (the "Exchange Offer") the Notes for 2021 Exchange Notes (as defined below). Following the consummation of the Exchange Offer, the Exchange Notes will be consolidated to form a single series with, and be fully fungible with, the 5.50% Notes due 2021 (CUSIP No. 71654QAX0 and ISIN No. US71654QAX07) originally issued by the Issuer in the exchange offers commenced by the Issuer on August 31, 2010, approximately U.S. \$1,997,607,000 of which are outstanding on the date hereof. If the Issuer fails to comply with specified obligations under the exchange and registration rights agreement, it will pay additional interest to the holders of the Notes.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 9 of the Offering Circular.

The Notes have not been registered under the Securities Act of 1933 or any state securities laws and are being offered and sold only (a) to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A and (b) outside the United States in accordance with Regulation S. For a description of certain restrictions on resale and transfer of the Notes, see "Plan of Distribution" in this Preliminary Terms and "Notice to Investors" and "Offering and Sale" in the Offering Circular.

The information contained herein and in the Offering Circular is the exclusive responsibility of the Issuer and the Guarantors and has not been reviewed or authorized by the Comisión Nacional Bancaria y de Valores (the National Banking and Securities Commission, or the "CNBV") of Mexico. The characteristics of the offering will be notified to the CNBV under Article 7, second paragraph, of the Ley del Mercado de Valores (the "Securities Market Law") solely for information purposes and such notice does not imply any certification as to the investment quality of the Notes, the solvency of the Issuer or the Guarantors, or the accuracy or completeness of the information contained herein or in the Offering Circular. The Notes have not been and will not be registered with the Registro Nacional de Valores (the "National Securities Registry") maintained by the CNBV and may not be offered or sold publicly in Mexico. Furthermore, the Notes may not be offered or sold in Mexico, except through a private placement made to institutional or qualified investors conducted in accordance with Article 8 of the Securities Market Law.

Issue Price of the Notes: 105.011% plus accrued interest from and including July 21, 2011.

The Managers expect to deliver the Notes on or about July 26, 2011.

Joint Lead Managers and Joint Bookrunners

HSBC

Morgan Stanley

Santander

July 20, 2011

This Preliminary Terms is supplemental to the Offering Circular. This document should be read in conjunction with the Offering Circular and all information incorporated therein by reference. Information contained in this Preliminary Terms updates and/or revises comparable information contained in the Offering Circular. Terms defined in the Offering Circular have the same meaning when used in this Preliminary Terms.

You should rely only on the information contained in this Preliminary Terms and the Offering Circular. None of the Issuer or the Guarantors have authorized anyone to provide you with different information. None of the Issuer, the Guarantors or the Managers (as defined below in “Plan of Distribution”) are making an offer of these Notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Preliminary Terms and the Offering Circular is accurate as of any date other than the dates on the front of this Preliminary Terms and the Offering Circular.

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This Preliminary Terms and the Offering Circular have been prepared by the Issuer solely for use in connection with the proposed offering of the Notes. This Preliminary Terms and the Offering Circular are personal to each offeree and do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Preliminary Terms and the Offering Circular to any other person other than the offeree and any person retained to advise such offeree with respect to its purchase is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Each prospective investor, by accepting delivery of this Preliminary Terms and the Offering Circular, agrees to the foregoing and to make no photocopies of this Preliminary Terms and the Offering Circular or any documents referred to herein.

The Managers make no representation or warranty, express or implied, as to the accuracy or the completeness of the information contained in this Preliminary Terms and the Offering Circular. Nothing in this Preliminary Terms or the Offering Circular is, or shall be relied upon as, a promise or representation by the Managers as to the past or future. The Issuer has furnished the information contained in this Preliminary Terms and in the Offering Circular.

Neither the United States Securities and Exchange Commission (the “Commission”), any state securities commission, nor any other U.S. regulatory authority, has approved or disapproved the Notes nor have any of the foregoing authorities passed upon or endorsed the merits of this Preliminary Terms or the Offering Circular. Any representation to the contrary is a criminal offense.

No representation or warranty is made or implied by the Managers or any of their respective affiliates, and neither the Managers nor any of their respective affiliates makes any representation or warranty, or accepts any responsibility, as to the accuracy or completeness of the information contained in the Offering Circular, as supplemented by this Preliminary Terms. Neither the delivery of the Offering Circular, this Preliminary Terms nor any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in the Offering Circular, as supplemented by this Preliminary Terms, is true subsequent to the date hereof or that there has been no adverse change in the financial situation of the Issuer or the Guarantors since the date hereof or that any other information supplied in connection with the U.S. \$22,000,000,000 Medium-Term Notes Program, Series C, is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In making an investment decision, prospective investors must rely on their own examination of the Issuer, the Guarantors and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this Preliminary Terms or the Offering Circular as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Preliminary Terms and the Offering Circular contain summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such references. Copies of documents referred to herein will be made available to prospective investors upon request to the Issuer or the Managers.

Neither this Preliminary Terms nor the Offering Circular constitutes an offer of, or an invitation by or on behalf of the Issuer or the Guarantors to subscribe for or purchase any of the Notes. The distribution of this Preliminary Terms and the Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Preliminary Terms and the Offering Circular come are required by the Issuer, the Guarantors and the Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Notes and distribution of this Preliminary Terms and the Offering Circular, see “Plan of Distribution” in this Preliminary Terms and “Offering and Sale” in the Offering Circular.

All references in this Preliminary Terms to “U.S. dollars,” “USD” or “U.S. \$” are to the lawful currency of the United States of America and all references to “pesos” or “Ps.” are to the lawful currency of Mexico.

In connection with the issue of the Notes, HSBC Securities (USA) Inc. (the “Stabilizing Manager”) (or any person acting on behalf of the Stabilizing Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or any person acting on behalf of the Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Stabilizing Manager (or any person acting on behalf of the Stabilizing Manager) in accordance with all applicable laws and rules.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

DESCRIPTION OF NOTES

The following items under this heading “Description of Notes” are the particular terms which relate to the tranche of the Notes that is the subject of this Preliminary Terms.

1. Series No.: 2
2. Principal Amount: U.S. \$1,000,000,000
3. Fungibility with other Notes:

On or after the 40th day after the later of the commencement of this offering and the issue date (the “Consolidation Date”), the portion of the Notes that is offered and sold outside the United States in accordance with Regulation S under the Securities Act will be consolidated to form a single series with, and be fully fungible with, the Issuer’s outstanding 5.50% Notes due 2021 originally issued on July 21, 2010 and originally represented by a Regulation S Global Note (CUSIP No. 71656MAD1 and ISIN No. US71656MAD11), U.S. \$1,849,000 principal amount of which is currently outstanding.

In addition, following the consummation of the Exchange Offer, the Exchange Notes issued pursuant to the Exchange Offer (or a shelf registration statement in lieu thereof) will be consolidated to form a single series with, and be fully fungible with, the 5.50% Notes due 2021 issued by the Issuer in the exchange offers commenced by it on August 31, 2010 (CUSIP No. 71654QAX0 and ISIN No. US71654QAX07) (the “Original Exchange Notes.” Approximately U.S. \$1,997,607,000 of the Original Exchange Notes are outstanding on the date hereof.
4. Issue Price: 105.011% plus accrued interest from and including July 21, 2011 to but not including July 26, 2011
5. Issue Date: July 26, 2011
6. Form of Notes: Registered Notes
7. Authorized Denomination: U.S. \$10,000 and integral multiples of U.S. \$1,000 in excess thereof
8. Specified Currency: U.S. dollars
9. Stated Maturity Date: January 21, 2021
10. Interest Basis: Fixed Rate Notes
11. Interest Commencement Date (if different from the Issue Date): July 21, 2011
12. Fixed Rate Notes:
 - (a) Interest Rate: 5.50% per annum, payable semi-annually in arrears
 - (b) Interest Payment Dates: January 21 and July 21 of each year, commencing on January 21, 2012

	(c) Fixed Rate Day Count Fraction:	30/360
13.	Discount Notes:	No
14.	Redemption at the option of the Issuer (other than tax redemption):	<p>The Issuer will have the right at its option to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus the Make-Whole Amount (as defined below), plus accrued interest on the principal amount of the Notes to the date of redemption. "Make-Whole Amount" means the excess of (i) the sum of the present values of each remaining scheduled payment of principal and interest on the applicable Notes (exclusive of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points over (ii) the principal amount of such Notes.</p> <p>"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (as defined below), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (as defined below) for such redemption date.</p> <p>"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Notes.</p> <p>"Independent Investment Banker" means one of the Reference Treasury Dealers (as defined below) appointed by the Issuer.</p> <p>"Comparable Treasury Price" means, with respect to any redemption date, the average of the Reference Treasury Dealer Quotations (as defined below) for such redemption date.</p> <p>"Reference Treasury Dealer" means any of Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc. and RBS Securities Inc. or their affiliates which are primary United States government securities dealers, and their respective successors; <i>provided</i> that if any of the foregoing shall cease to be a primary United States government securities dealer in the City of New York (a "Primary Treasury Dealer"), the Issuer will substitute therefor another Primary Treasury Dealer.</p>

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m. New York City time on the third business day preceding such redemption date.

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| 15. | Repayment at the option of the holders: | No |
| 16. | Indexed Notes: | No |
| 17. | Registration Rights; Exchange Offer: | <p>Pursuant to an exchange and registration rights agreement to be entered into among the Issuer and the Managers (the “Registration Rights Agreement”), the Issuer will agree to use its best efforts to (a) file with the Commission a registration statement (an “Exchange Offer Registration Statement”) on an appropriate form under the Securities Act, with respect to an offer to exchange (the “Exchange Offer”) the Notes for new notes of the Issuer (the “Exchange Notes”) with terms substantially identical to the Notes (subject to certain exceptions), on or before September 30, 2011, (b) have such registration statement declared effective under the Securities Act on or before March 1, 2012 and (c) consummate the Exchange Offer on or before April 5, 2012. In the event that applicable law, regulation or policy of the Commission does not allow the consummation of the Exchange Offer, or upon the occurrence of certain other conditions, the Issuer will use its best efforts to file a “shelf” registration statement covering resales of the Notes by the holders thereof; <i>provided</i> that the Issuer shall not be required to file a “shelf” registration statement during any period prior to August 1 or after September 30 of any calendar year. With respect to any Notes, if a Registration Default (as defined below) relating to the filing or declaration of effectiveness of a registration statement or the Exchange Offer occurs, the per annum interest rate on all outstanding Notes or, in the case of all other Registration Defaults, the per annum interest rate on the Notes to which such Registration Default relates, will increase by 0.25% per annum with respect to each 90-day period during the existence of such failure, until all Registration Defaults are cured, up to an aggregate maximum of 1.00% per annum over the relevant rate shown on the cover page of this Preliminary Terms; <i>provided</i> that any such additional interest on the Notes will cease to accrue at the later of (i) the date on which the Notes become freely transferable pursuant to Rule 144 under the Securities Act and (ii) the date on which the Barclays Capital Inc. Aggregate Bond Index is modified to permit the inclusion of freely transferable securities that have not been registered with the Commission. See “Exchange Offer; Registration Rights” below.</p> |

18. Additional provisions relating to the Notes: The Issuer reserves the right to increase the size of the Notes from time to time without the consent of the holders of the Notes, create and issue additional securities having substantially the same terms and conditions thereof, except for the Issue Price, Issue Date and amount of the first payment of interest, which additional securities may be consolidated and form a single series with the Notes; *provided* that such additional securities do not have, for purposes of U.S. federal income taxation, a greater amount of original issue discount than the Notes have on the date of issue of such additional securities.
19. Ranking of the Notes: The payment obligations of the Issuer under the Notes, and the payment obligations of the Guarantors under their respective guaranties of the Notes, will at all times rank equally with each other and with all other present and future unsecured and unsubordinated public external indebtedness of the Issuer or such Guarantor.

Other Relevant Terms

20. Listing/Trading: Listing: Luxembourg Stock Exchange
Trading: Euro MTF market of the Luxembourg Stock Exchange
21. Syndicated: Yes
22. If Syndicated:
- (a) Lead Managers: HSBC Securities (USA) Inc.
Morgan Stanley & Co. LLC
Santander Investment Securities Inc.
- (b) Stabilizing Manager: HSBC Securities (USA) Inc.
23. Identity of Managers: See “Plan of Distribution” below.
24. Listing Agent: KBL European Private Bankers S.A.
25. Provisions for Registered Notes:
- (a) Rule 144A eligible: Yes
- (b) Regulation S Global Note deposited with or on behalf of DTC: Yes
- (c) Restricted Global Note deposited with or on behalf of DTC: Yes
- (d) Regulation S Global Note deposited with Common Depositary: No

- 26.** Codes:
- (a) Common Code: 065358565 (Restricted Global Note)
- 065346877 (Regulation S Global Note—Before the Consolidation Date)
- 052748224 (Regulation S Global Note—After the Consolidation Date)
- (b) ISIN: US71656LAJ08 (Restricted Global Note)
- US71656MAJ80 (Regulation S Global Note—Before the Consolidation Date)
- US71656MAD11 (Regulation S Global Note—After the Consolidation Date)
- (c) CUSIP: 71656LAJ0 (Restricted Global Note)
- 71656MAJ8 (Regulation S Global Note—Before the Consolidation Date)
- 71656MAD1 (Regulation S Global Note—After the Consolidation Date)
- 27.** Use of Proceeds (if different from Offering Circular): N/A

EXCHANGE OFFER; REGISTRATION RIGHTS

Pursuant to the Registration Rights Agreement, the Issuer will agree to use its best efforts to file with the Commission the Exchange Offer Registration Statement on an appropriate form under the Securities Act with respect to its offer to exchange any of the Notes for Exchange Notes. Upon the effectiveness of the Exchange Offer Registration Statement, the Issuer will offer to the holders of such Notes who are able to make certain representations the opportunity to exchange their Notes for Exchange Notes. The Exchange Notes will have terms substantially identical to the Notes, except that the Exchange Notes (1) will not contain the restrictions on transfer that are applicable to the Notes and (2) will not contain any provisions for additional interest.

The Exchange Notes will be consolidated to form a single series with, and be fully fungible with, the Original Exchange Notes.

The Registration Rights Agreement will provide that: (i) unless the Exchange Offer would not be permitted by applicable law or Commission policy, the Issuer will use its best efforts (a) to file an Exchange Offer Registration Statement with the Commission on or before September 30, 2011, (b) to have the Exchange Offer Registration Statement declared effective by the Commission on or before March 1, 2012, and (c) to commence promptly the Exchange Offer after such declaration of effectiveness and to issue, on or before April 5, 2012, Exchange Notes in exchange for all Notes tendered prior to the expiration of the Exchange Offer, and (ii) if obligated to file the Shelf Registration Statement (as defined below), the Issuer will use its best efforts to file the Shelf Registration Statement prior to the later of March 1, 2012 or 30 days after such filing obligation arises (but in no event prior to August 1 or after September 30 of any calendar year) and the Issuer will use its best efforts to have such Shelf Registration Statement declared effective by the Commission on or prior to the 60th day after such filing was required to be made (but in no event prior to August 1 or after September 30 of any calendar year); *provided* that if the Issuer has not consummated the Exchange Offer on or before April 5, 2012, then the Issuer will file the Shelf Registration Statement with the Commission on or before April 5, 2012 (but in no event prior to August 1 or after September 30 of any calendar year). The Issuer will use its best efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended until the first anniversary of the effective date of the Shelf Registration Statement or such shorter period that will terminate when all the Registrable Notes (as defined below) covered by the Shelf Registration Statement have been sold pursuant thereto or may be sold pursuant to Rule 144(d) under the Securities Act if held by a non-affiliate of the Issuer; *provided* that the Issuer shall not be obligated to keep the Shelf Registration Statement effective, supplemented or amended during any period prior to August 1 or after September 30 of any calendar year.

If (i) the Issuer is not permitted to file the Exchange Offer Registration Statement or to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy, (ii) the Exchange Offer is not consummated by April 5, 2012, or (iii) any holder of Notes notifies the Issuer within a specified time period that (a) due to a change in law or Commission policy it may not resell the Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such holder, (b) it is a Manager and owns Notes acquired directly from the Issuer or an affiliate of the Issuer or (c) the holders of a majority in aggregate principal amount of the Notes may not resell the Exchange Notes acquired by them in the Exchange Offer to the public without restriction under applicable blue sky or state securities laws, then the Issuer will use its best efforts (1) to file with the Commission a shelf registration statement (the "Shelf Registration Statement") to cover resales of all Registrable Notes (as defined below) by the holders thereof and (2) to have the applicable registration statement declared effective by the Commission on or prior to 60 days after such filing was required to be made; *provided* that the Issuer shall not be obligated to file a Shelf Registration Statement, or to cause a Shelf Registration Statement to remain effective, during any period prior to August 1 or after September 30 of any calendar year. For purposes of the foregoing, "Registrable Notes" means each Note until (i) the date on which such Note is exchanged by a person other than a broker-dealer for an Exchange Note in the Exchange Offer, (ii) following the exchange by a broker-dealer in the Exchange Offer of a Note for an Exchange Note, the date on which such Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of a prospectus, (iii) the date on which such Note is effectively registered under the Securities Act and disposed of in accordance with a Shelf Registration Statement, (iv) the date on which such Note is freely transferable pursuant to Rule 144 under the Securities Act (or any similar provision then in force, but not

Rule 144A), (v) the date on which such Note is otherwise transferred by the holder thereof and a new Note not bearing a legend restricting further transfer is delivered by the Issuer in exchange therefor or (vi) the date on which such Note ceases to be outstanding.

Under existing Commission interpretations, the Exchange Notes would, in general, be freely transferable after the Exchange Offer without further registration under the Securities Act; *provided* that any broker-dealer participating in the Exchange Offer must deliver a prospectus meeting the requirements of the Securities Act upon any resale of Exchange Notes. Subject to certain exceptions, the Issuer has agreed, for a period of 180 days after consummation of the Exchange Offer, to make available a prospectus meeting the requirements of the Securities Act to any such broker-dealer for use in connection with any resale of any Exchange Note acquired in the Exchange Offer. A broker-dealer that delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by the provisions of the Registration Rights Agreement, including certain indemnification obligations.

Each holder of Notes that wishes to exchange Notes for Exchange Notes in the Exchange Offer will be required to make certain representations, including representations that (i) any Exchange Notes to be received by it will be acquired in the ordinary course of its business, (ii) it has no arrangement with any person to participate in a distribution of the Exchange Notes and it does not intend to participate in any such distribution and (iii) it is not an “affiliate,” as defined in Rule 405 of the Securities Act, of the Issuer, or if it is an affiliate, it will comply (at its own expense) with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

If the holder is a broker-dealer that will receive Exchange Notes for its own account in exchange for Notes that were acquired as a result of market-making activities or other trading activities, it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes.

If (i) the Exchange Offer Registration Statement (or a Shelf Registration Statement in lieu thereof) is not filed on or before September 30, 2011, (ii) the Exchange Offer Registration Statement (or a Shelf Registration Statement in lieu thereof) is not declared effective by the Commission on or before March 1, 2012, (iii) the Exchange Offer is not consummated on or before April 5, 2012, (iv) a Shelf Registration Statement required to be filed is not filed on or before the date specified above for such filing, (v) a Shelf Registration Statement otherwise required to be filed is not declared effective on or before the date specified above for effectiveness thereof or (vi) a Shelf Registration Statement is declared effective but thereafter, subject to certain exceptions, ceases to be effective or usable in connection with resales of Registrable Notes during the periods specified in the Registration Rights Agreement (each such event referred to in clauses (i) through (vi) above, a “Registration Default”), then, with respect to any Notes, in the case of a Registration Default referred to in clause (i), (ii) or (iii) above, the interest rate on all Notes or, in the case of a Registration Default referred to in clause (iv), (v) or (vi) above, the interest rate on the Notes to which such Registration Default relates, will increase by 0.25% per annum with respect to each 90-day period that passes until all such Registration Defaults have been cured, up to a maximum amount of 1.00% per annum; *provided* that any such additional interest on the Notes will cease to accrue at the later of (i) the date on which the Notes become freely transferable pursuant to Rule 144 under the Securities Act and (ii) the date on which the Barclays Capital Inc. Aggregate Bond Index is modified to permit the inclusion of freely transferable securities that have not been registered with the Commission. Following the cure of any Registration Default, the accrual of such additional interest related to such Registration Default will cease, and the interest rate applicable to the affected Notes will revert to the original rate.

RECENT DEVELOPMENTS

Recent developments regarding PEMEX are included in Petróleos Mexicanos' annual report on Form 20-F filed with the Commission on June 30, 2011 and its report furnished to the Commission on Form 6-K on May 25, 2011, which are incorporated by reference in the Offering Circular.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the terms agreement dated as of July 20, 2011, which incorporates by reference a distribution agreement with respect to the Notes, HSBC Securities (USA) Inc., Morgan Stanley & Co. LLC and Santander Investment Securities Inc. (collectively, the “Managers”) have severally agreed to purchase, and the Issuer has agreed to sell to the Managers, the principal amount of the Notes set forth opposite such Manager’s name in the following table.

Manager	Principal Amount
HSBC Securities (USA) Inc.....	U.S. \$ 333,334,000
Morgan Stanley & Co. LLC.....	333,333,000
Santander Investment Securities Inc.	333,333,000
Total.....	<u>U.S. \$ 1,000,000,000</u>

The terms agreement and distribution agreement provide that the obligations of the Managers to purchase the Notes are subject to various conditions. The Managers must purchase all the Notes if they purchase any of the Notes.

The Issuer has been advised that the Managers propose to resell the Notes initially at the issue price set forth on the cover page of this Preliminary Terms. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Managers.

The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Issuer has been advised by the Managers that the Managers propose to resell the Notes, directly or through their selling agents, only (i) to qualified institutional buyers (as such term is defined in Rule 144A under the Securities Act) in reliance on Rule 144A and (ii) outside the United States in offshore transactions in reliance on Regulations S under the Securities Act. See “Notice to Investors” and “Offering and Sale” in the Offering Circular.

Accordingly, in connection with Notes offered outside the United States in offshore transactions, each Manager has agreed that, except as permitted by the terms agreement and the distribution agreement and as set forth in “Notice to Investors” in the Offering Circular, it will not offer, sell or deliver any Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of this offering and the original issue date for the Notes, and that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Terms used in the four preceding paragraphs have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

The 5.50% Notes due 2021 previously sold by the Issuer on July 21, 2010 and the Original Exchange Notes trade on the Euro MTF market of the Luxembourg Stock Exchange. The Issuer has applied to list the Notes on the Luxembourg Stock Exchange and to have the Notes trade on the Euro MTF market of the Luxembourg Stock Exchange. However, the Issuer cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The Managers have advised the Issuer that they currently intend to make a market in the Notes. However, they are not obligated to do so and they may discontinue any market-making activities with

respect to the Notes at any time without notice. Accordingly, no assurance can be given as to the liquidity of the trading market for the Notes.

In connection with the offering, the Managers (or, in the United Kingdom, HSBC Bank plc.) may purchase and sell the Notes in the open market. These transactions may include over-allotment, covering transactions and stabilizing transactions. Over-allotment involves sales of Notes in excess of the principal amount of the Notes to be purchased by the Managers in this offering, which creates a short position for the Managers. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Managers may conduct these transactions in the over-the-counter market or otherwise. If the Managers commence any of these transactions, they may discontinue them at any time. Stabilization activities in the United Kingdom, if any, must be brought to an end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by a Stabilizing Manager (or any person acting on behalf of such Stabilizing Manager) in accordance with all applicable laws and rules.

The Managers may receive offers to buy Notes from certain of their affiliates in Mexico. No assurance can be given that such offers will be received or that the Notes will be sold to such persons by the Managers. Any Notes sold to such affiliates will be sold at the Issue Price.

Sales of the Notes by the Managers outside of the United States may be effected through any of their respective affiliates in accordance with applicable law.

The net proceeds to the Issuer from the sale of the Notes will be approximately U.S. \$1,047,439,000 excluding accrued interest and after the deduction of the underwriting discount and the Issuer's share of expenses in connection with the sale of the Notes. See "Use of Proceeds" in the Offering Circular.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Managers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer or one or more of the Guarantors, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Issuer and the Guarantors have agreed to indemnify the Managers against certain liabilities, including liabilities under the Securities Act. The Managers have agreed to reimburse the Issuer for certain of its expenses in connection with the offering of the Notes.

The Notes are offered for sale in those jurisdictions in the United States, Canada, Europe, Asia, Mexico and elsewhere where it is lawful to make such offers.

Each of the Managers has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver any Notes, directly or indirectly, or distribute this Preliminary Terms, the Offering Circular or any other offering material relating to the Notes in or from any jurisdiction, except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set forth in the terms agreement and the distribution agreement.

European Economic Area

In relation to each member state of the European Economic Area (Iceland, Norway and Liechtenstein in addition to the member states of the European Union) which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Managers; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes to the public shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

The above selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

Each Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Manager has acknowledged and agreed, on behalf of itself and its respective selling agent, if any, that (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent) or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and (b) it has not issued or had in its possession for the purpose of issue and will not issue or have in its possession for the purpose of issue any invitation, advertisement or document relating to the Notes in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes

intended to be disposed of to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Future Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Mexico

The Notes have not been and will not be registered with the National Securities Registry maintained by the CNBV and may not be offered or sold publicly in Mexico. Each Manager has represented and agreed that it has not offered and will not offer the Notes publicly in Mexico and that it has not and will not distribute the Offering Circular and this Preliminary Terms or any other materials relating to the Notes publicly in Mexico except through a private placement made to institutional or qualified investors in accordance with Article 8 of the Securities Market Law. The Issuer will notify the characteristics of the offering to the CNBV under Article 7, second paragraph, of the Securities Market Law, for information purposes only. Such notice does not imply any certification as to the investment quality of the Notes, the solvency of the Issuer or the Guarantors or the accuracy or completeness of the information contained in the Offering Circular or this Preliminary Terms. Furthermore, the information contained in the Offering Circular and this Preliminary Terms has not been reviewed or authorized by the CNBV of Mexico and is the exclusive responsibility of the Issuer and the Guarantors. The Notes may not be offered or sold in Mexico except through a private placement made to institutional or qualified investors in accordance with Article 8 of the Securities Market Law. Any Mexican investor who acquires these Notes from time to time must rely on its own examination of the Issuer and Guarantors.

Singapore

The Offering Circular and this Preliminary Terms have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not circulated or distributed nor will it circulate or distribute this Preliminary Terms, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes nor has it offered or sold or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act (the “SFA”), (b) to a sophisticated investor and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

France

Each Manager has represented and agreed that (i) no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the *Autorité des marchés financiers* or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area (Iceland, Norway and Lichtenstein in addition to the member states of the European Union) and notified to the *Autorité des marchés financiers*, and (ii) it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Preliminary Terms, the Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties, qualified investors (*investisseurs qualifiés*) and/or a restricted circle of investors (*cercle restreint d’investisseurs*), in each case investing for their own account, all as defined in

Articles L. 411-2, D. 411-1, D. 411-2, D. 411-4, D. 734-1, D.744-1, D. 754-1 and D. 764-1 of the *Code monétaire et financier*. The direct or indirect distribution to the public in France of any so acquired Notes may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

Germany

Each Manager has represented and agreed that the Notes have not been and will not be offered to the public within the meaning of the German Sales Prospectus Act (*Verkaufsprospektgesetz*) or the German Investment Act (*Investmentgesetz*). The Notes have not been and will not be listed on a German exchange. No sales prospectus pursuant to the German Sales Prospectus Act has been or will be published or circulated in Germany or filed with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) or any other governmental or regulatory authority in Germany. The Offering Circular and this Preliminary Terms do not constitute an offer to the public in Germany and they do not serve for public distribution of the Notes in Germany. Neither the Offering Circular, this Preliminary Terms nor any other document issued in connection with this offering, may be issued or distributed to any person in Germany except under circumstances which do not constitute an offer to the public within the meaning of the German Sales Prospectus Act or the German Investment Act

Switzerland

The Offering Circular and this Preliminary Terms, as well as any other material relating to the Notes which are the subject of the offering contemplated by the Offering Circular and this Preliminary Terms, do not constitute an issue prospectus pursuant to Article 652a or Article 1,156 of the Swiss Code of Obligations. The Notes will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Notes, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The Notes are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached by us from time to time. This document, as well as any other material relating to the Notes, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

See “Offering and Sale” in the Offering Circular for additional restrictions on the offer and sale of the Notes in certain jurisdictions.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the Notes in Canada is being made only on a private placement basis exempt from the requirement that the Issuer prepares and files a prospectus with the securities regulatory authorities in each province where trades of the Notes are made. Any resale of the Notes in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the Notes.

Representations of Purchasers

By purchasing the Notes in Canada and accepting a purchase confirmation a purchaser is representing to the Issuer and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the Notes without the benefit of a prospectus qualified under those securities laws,
- where required by law, that the purchaser is purchasing as principal and not as agent, and
- the purchaser has reviewed the text above under “—Resale Restrictions.”

Rights of Action—Ontario Purchasers Only

Under Ontario securities legislation, a purchaser who purchases a security offered by this Preliminary Terms during the period of distribution will have a statutory right of action for damages, or while still the owner of the Notes, for rescission against the Issuer in the event that this Preliminary Terms contains a misrepresentation. A purchaser will be deemed to have relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the Notes. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the Notes. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Issuer. In no case will the amount recoverable in any action exceed the price at which the Notes were offered to the purchaser and if the purchaser is shown to have purchased the Notes with knowledge of the misrepresentation, the Issuer will have no liability. In the case of an action for damages, the Issuer will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the Notes as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

Enforcement of Legal Rights

All of the Issuer’s directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Issuer or those persons. All or a substantial portion of the Issuer’s assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Issuer or those persons in Canada or to enforce a judgment obtained in Canadian courts against the Issuer or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of the Notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the Notes in their particular circumstances and about the eligibility of the Notes for investment by the purchaser under relevant Canadian legislation.

VALIDITY OF THE NOTES

The validity under New York law of the Notes, the Guaranties and the Guaranty Agreement will be passed upon by Cleary Gottlieb Steen & Hamilton LLP, New York counsel for the Issuer and the Guarantors, and by Shearman & Sterling LLP as New York counsel for the Agents. Certain legal matters governed by Mexican law will be passed upon by the General Counsel of the Issuer, and by Ritch Mueller, S.C., special Mexican counsel for the Agents.

GENERAL INFORMATION

1. The Ministry of Finance and Public Credit authorized the Issuer to issue the Notes and issued such authorization in an Official Communication dated July 20, 2011.
2. Except as disclosed herein, there has been no material adverse change in the consolidated financial position of the Issuer or the Guarantors since March 31, 2011.
3. Except as disclosed herein, none of the Issuer or any of the Guarantors is involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Notes. None of the Issuer or any of the Guarantors is aware of any such litigation or arbitration proceeding pending or threatened.
4. The Issuer and the Guarantors accept responsibility for the information contained in this Preliminary Terms. To the best of the knowledge and belief of each of the Issuer and the Guarantors (each of which has taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in the Offering Circular, as supplemented by this Preliminary Terms, is in accordance with the facts and does not omit anything likely to affect the import of such information.
5. The Issuer has applied to list the Notes on the Luxembourg Stock Exchange and to have the Notes trade on the Euro MTF market of the Luxembourg Stock Exchange. The Notes are being issued under the program of U.S. \$22,000,000,000 Medium-Term Notes, Series C, of the Issuer, which commenced on January 27, 2009 and was recommenced and updated on December 22, 2010.
6. This Preliminary Terms is supplementary to, and should be read in conjunction with, the Offering Circular dated December 22, 2010. Terms used but not defined herein have the same meanings as in the Offering Circular.

Petróleos Mexicanos

(A Decentralized Public Entity of the Federal Government of the United Mexican States)

Medium-Term Notes, Series C

jointly and severally guaranteed by

**Pemex-Exploración y Producción, Pemex-Refinación and Pemex-Gas y
Petroquímica Básica**



PRELIMINARY TERMS NO. 2

July 20, 2011

Joint Lead Managers and Joint Bookrunners

HSBC

Morgan Stanley

Santander
