

R-0061-ENG

BISELL Construcciones e Ingeniería S.A. de C.V. / MWS MANAGEMENT, INC

Work residence
Contract No. 424042803
Activo Integral Aceite Terciario del Golfo.
Production Subdirection of North Region
Present:

Reference: Contract 424042803
No. Bisell-MWS-021-2014
Poza Rica, Veracruz, November 12, 2014

Attention:
Luis Gómez Herrera

Subject: **Notice of Termination of Contract 424042803**

Regarding the work, under the protection of contract No. 424042803, referring to: "Production restitution work in the Northern Region Assets (Package 111)", entered into with my client, the companies Bisell Construcciones e Ingeniería, S.A de C.V and MWS Management, Inc., and Pemex Exploration and Production Northern Region, I inform you of the following.

In response to the official letter GSAPRN-GMSCP RCGSAPRN-2601-2014 dated September 23, 2014, and based on Article 64 of the Law on Public Works and Related Services, I hereby notify and deliver to that Work Residence the Contract Termination Notice in question, according to the following information:

A. General Data.

Contract Number:	424042803 The contract was assigned through International Public Bid No. 18575051-582-11, which was carried out in accordance with the Free Trade Agreements signed by the United Mexican States, based on articles 51, 54 and 55 of the Petróleos Mexicanos Law. , 50 section I and 53 section II of its Regulations and in accordance with the Administrative Contracting Provisions regarding Acquisitions, Leasing, Works and Services of Substantive Activities of a Productive Nature of Petróleos Mexicanos and Subsidiary Entities.
Resident:	Luis Gómez Herrera

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Supervisor:	Ayud Antonio Vicente
Original Amount of the Contract USD:	The total amount of the works object of this contract is: USD: \$48,000,000.00 USD (Forty-eight million US dollars 00/100 USD)
Full contract term:	An Execution period of 681 (Six Hundred and Eighty-one) calendar days, counted from February 20, 2012 to December 31, 2013.
Executed amount:	\$26,550,014.03 USD (Twenty-six Million five hundred fifty thousand fourteen US dollars 03/100 USD)
Amount available:	\$21,449,985.97 USD (Twenty-one Million four hundred forty-nine thousand nine hundred eighty-five US dollars 97/100 USD)

The total amount of the Contract was not exercised, due to the lack of issuance of Work Orders by that Contract Residence. The last Work Order to carry out Interventions with Repair Equipment received by my clients corresponds to November 6, 2013.

Subsequently, on December 26, 2013, my clients were notified, by means of official letter 227 21000-21600-3676-2013, the safeguarding of our base equipment, indicating that Well Design and Engineering would not issue any more internal requests, that result in Work Orders, so that Contract Residence did not generate Work Orders for Interventions with Repair Equipment, under the protection of the Contract in question. Remaining an amount available, pending exercise whose amount is established in the following tables.

B. Agreements made.

[...]

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H. PAYMENT OF EXPENSES PAID during the term of the contract by my client in terms of what was agreed in the call for tenders and formalized in contract number 424042803, my client after the suspension of the last work order that was delivered was disbursing various expenses on a monthly basis, which were necessary as part of the obligation of my client to maintain the conditions agreed in the contract and to be able to execute the multi-cited work orders, the expenses incurred amount to \$113,512,076.96 (ONE HUNDRED THIRTEEN MILLION FIVE HUNDRED TWELVE THOUSAND SEVENTY-SIX PESOS 96/100 M.N.) PLUS VALUE ADDED TAX.

For everything narrated in advance and being fully accredited that:

- a) Contract number 424042803 was signed between my client and PEP.
- b) That both parties assumed rights and obligations to comply with the object of the contract until its total termination and the corresponding payment.
- c) That during the term of execution my principal complied with all the work orders that were requested and was with all the personnel and equipment available to execute the entire contracted amount; PEP de facto suspended the work orders and the term of the contract has expired, as a result of PEP's omissive attitude, by not giving my client more work orders corresponding to reaching the total amount of the contract.
- d) That my represented perform all the necessary activities tending to fulfill the obligation under his responsibility.
- e) Consequently, the contractors have the right to be recognized and reimbursed in addition to the amount \$113,512,076.96 (ONE HUNDRED THIRTEEN MILLION FIVE HUNDRED TWELVE THOUSAND SEVENTY-SIX PESOS 96/100 M.N.) PLUS THE VALUE ADDED TAX for necessary expenses incurred during the term of the aforementioned contract.

Without further, best regards.

Atte.

Raúl López Gallegos
Legal Representative
Bisell Construcciones e Ingeniería S.A. de C.V.
Company common representative of the companies
MWS MANAGEMENT INC Y
BISELL CONTRUCCIONES E INGENIERIA S.A. DE C.V.