VISTA OIL & GAS S.A.B. DE C.V.

Financial statements

Year ended December 31, 2017
with Report of Independent Auditors

VISTA OIL & GAS S.A.B. DE C.V.

Financial Statements

Year Ended December 31, 2017

Contents:

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# REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
Vista Oil and Gas, S.A.B. de C.V.

## *Opinion*

We have audited the accompanying financial statements of Vista Oil and Gas, S.A.B. de C.V., which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period from March 22 to December 31, 2017, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Vista Oil and Gas, S.A.B. de C.V. as at December 31, 2017, and its financial performance and cash flows for the period from March 22 to December 31, 2017 in accordance with International Financial Reporting Standards.

## *Basis for audit opinion*

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent from the Company within the meaning of the Code of Ethics for Accounting Professionals of the International Ethics Standards Board for Accountants (IESBA) and the ethical requirements applicable to our audit of the financial statements in Mexico established by the Code of Ethics of the Mexican Institute of Public Accountants (IMCP, Spanish acronym), and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the period from March 22 to December31 2017.These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### *Series "A" shares from initial public offering classified as debt financial instruments*

*Description of key audit matter*

As discussed in Note 6 to the accompanying financial statements, on July 28, 2017 the shareholders approved the creation of cash redemption rights over the series "A" shares issued as part of the IPO. On August 15, 2017, the Company completed the initial public offering (IPO) through which it raised Ps. 650,016,589 represented by 65,000,000 newly issued series "A" shares. All of the proceeds raised from the IPO were deposited into an escrow account and they bear interest that is payable to the series "A" shareholders.

We focused on this audit matter due to the significant judgment applied by management in classifying the IPO shares as debt financial instruments despite their legal form (shares) on the basis of the redemption rights that the series "A" shareholders maintain over the amounts deposited in the escrow account and their right to receive the interest earned on these funds. We also focused on the significant judgment we applied for our audit in assessing management's analysis of these financial instruments to determine this classification.

*How our audit addressed the key audit matter*

We verified the analysis prepared by management to determine the accounting treatment of the IPO proceeds as a debt instruments rather than equity instruments. In assessing management's analysis regarding this point, we considered the applicable accounting rules under IFRS for determining that a financial instrument is debt instrument and equity instrument, or both. We compared the guidance and criteria under IFRS to the aspects considered by management, focusing on the redemption rights granted to the series "A" shareholders, whose funds are currently in the escrow account, and considering as well the potential effect of the interest generated on these funds while the series "A" shareholders decide on the approval of the initial business combination.

We verified the accuracy of the Company's remeasurements of financial instruments classified as debt instruments in the financial statements considering IFRS accounting rules.

### *Other information*

Management is responsible for the other information. The other information comprises the information included in the annual report filed with the National Banking and Securities Commission (the Commission) and the annual report submitted to the shareholders, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report filed with the Commission, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to issue a statement on the Annual Report required by the Commission that contains a description of the matter.

*Responsibilities of Management and of those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Juan Carlos Castellanos López.

Our audit opinion and the accompanying financial statements and footnotes have been translated from the original Spanish version into English for convenience purposes only.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

Juan Carlos Castellanos López

April 3, 2018
Mexico City

VISTA OIL & GAS S.A.B. DE C.V.

Statement of Financial Position

(Amounts expressed in U.S. dollars)

| | | As of December 31, 2017 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents (Note 4 ) | $ | 2,666,352 |
| Total current assets | | 2,666,352 |
| Non-current assets | | |
| Prepaid expenses | | 128,176 |
| Cash Held in Escrow Account (Note 3b) | | 652,566,158 |
| Total non-current assets | | 652,694,334 |
| Total assets | $ | 655,360,686 |
| **Liabilities and equity** | | |
| Current liabilities: | | |
| Trade and other payables (Note 7) | $ | 276,089 |
| Payables to related party (Note 5) | | 990 |
| Current tax liabilities | | 9,132 |
| Total current liabilities | | 286,211 |
| Non-current liabilities: | | |
| Trade and other payables | | 550,000 |
| Deferred tax liability (Note 10) | | 38,146 |
| Labor obligations | | 85,507 |
| Redeemable Class A common stock net from offering expenses (Note 6) | | 642,080,312 |
| Interest payable to Class A shareholders | | 2,549,569 |
| Total non-current liabilities: | | 645,303,804 |
| Total liabilities | | 645,590,015 |
| Shareholders' equity (Note 9): | | |
| Share capital | | 25,424 |
| Sponsor warrants | | 14,840,000 |
| Net loss | | (5,094,753) |
| Total shareholders' equity | | 9,770,671 |
| Total liabilities and shareholders' equity | $ | 655,360,686 |

The accompanying notes are an integral part of these financial statements.

VISTA OIL & GAS S.A.B. DE C.V.

Statement of Profit or Loss

(Amounts expressed in U.S. dollars)

| | | Period from March 22 to December 31, 2017 |
|---|---|---|
| Administrative expenses | $ | (3,262,595) |
| Other income | | 1,000,000 |
| Other expenses | | (741,457) |
| Operating loss | ( | 3,004,052) |
| Financial expenses | | |
| Interest income from escrow account | | 2,549,569 |
| Interest expense | | (2,549,569) |
| Amortization of capitalized offering expenses | | (2,051,994) |
| Foreign exchange loss, net | | (292) |
| | | (2,052,286) |
| Loss before income taxes | | (5,056,337) |
| Income taxes | | (38,416) |
| Net loss | $ | (5,094,753) |
| Basic loss per common share (Notes 3e & 11) | $ | (0.5060) |
| Diluted loss per common share (Notes 3e & 11) | | (0.1169) |

The accompanying notes are an integral part of these financial statements.

VISTA OIL & GAS S.A.B. DE C.V.

Statement of Changes in Shareholders' Equity

For the period from March 22 to December 31, 2017

(Amounts expressed in U.S. dollars)

(Note 9)

| | Share capital | Sponsor warrants | Retained earnings | Total Stockholders' Equity |
|---|---|---|---|---|
| Initial capital contribution effective on March 22, 2017 | $ 157 | $ - | $ - | $ 157 |
| Capital increase due to issue of Series B Shares to founding shareholders | 25,000 | - | - | 25,000 |
| Capital increase due to issue of Series B Shares to independent board of directors members | 267 | - | - | 267 |
| Sponsor warrants | - | 14,840,000 | - | 14,840,000 |
| Net loss | - | - | (5,094,753) | (5,094,753) |
| Balance at December 31, 2017 | $ 25,424 | $ 14,840,000 | $ (5,094,753) | $ 9,770,671 |

The accompanying notes are an integral part of these financial statements.

VISTA OIL & GAS S.A.B. DE C.V.

Statement of Cash Flows

(Amounts expressed in U.S. dollars)

| | Period from March 22 to December 31, 2017 |
|---|---|
| Cash flows from operating activities | |
| Net loss | $ (5,094,753) |
| Items not affecting cash flows: | |
| Labor obligations | 85,507 |
| Foreign exchange loss | 292 |
| Other expenses | 38,124 |
| Items related with financing activities: | |
| Interest income from escrow account | (2,549,569) |
| Interest expense | 2,549,569 |
| Amortization of capitalized offering expenses | 2,051,994 |
| | (2,918,836) |
| Changes in operating assets and liabilities: | |
| Trade and other payables | 826,089 |
| Prepaid expenses | (128,176) |
| Payables to related parties | 990 |
| Tax liabilities | 9,132 |
| Net cash flows from operating activities | (2,210,801) |
| Financing activities: | |
| Capital contribution (Note 9) | 25,424 |
| Redeemable Class A common stock net from offering expenses (Note 6) | 640,028,318 |
| Interest income from escrow account | 2,549,569 |
| Sponsor Warrants (Note9) | 14,840,000 |
| Net cash flows from financing activities | 657,443,311 |
| Net increase in cash and cash equivalents | 655,232,510 |
| Cash and cash equivalents beginning of year | - |
| Total cash at the end of the period | $ 655,232,510 |

The accompanying notes are an integral part of these financial statements.

VISTA OIL & GAS S.A.B. DE C.V.

Notes to the financial statements

For the period from March 22, 2017 to December 31, 2017
(Amounts expressed in U.S. dollars, unless otherwise indicated)

## 1. Company's activities

Vista Oil & Gas, S.A.B. de C.V. (the ''Company'') is a public stock company (sociedad anónima bursátil de capital variable) recently organized under the laws of Mexico on March 22, 2017. The Company is a special purpose acquisition company established for the purpose of effecting a merger, asset acquisition, share purchase, share exchange, participation or interest purchase, combination, consolidation, reorganization or other similar business combination, however denominated, with one or more businesses (the ''Initial Business Combination''). The Company's corporate purpose is to (i) acquire, by any legal means, any type of assets, stock, equity interests or interests in any kind of commercial or civil companies, associations, partnerships, trusts, or any kind of entities within the energy sector, (ii) participate as a partner, shareholder or investor in all businesses or entities, whether commercial or civil, associations, trusts or of any other nature, (iii) issue and place shares representing its capital stock, publicly or privately, in domestic or foreign securities markets, (iv) issue and place warrants publicly or privately for shares representing its capital stock or any other kind of securities, in domestic or foreign securities markets, and (v) issue or place negotiable instruments, debt instruments or any other security, be it public or private, in domestic or foreign securities markets. The Company was formed by subsidiaries of Riverstone Investment Group LLC.

The registered address and executive office of the Company is located in Mexico City, Mexico, at Javier Barros Sierra No 540 Torre 2 floor, Lomas de Santa Fe, Delegación Álvaro Obregón, C.P. 01210 Mexico City.

As of December 31, 2017, all the activities since the Company's inception on March 22, 2017, relate to the Company's incorporation, the Initial Public Offering ("Initial Public Offering" as described below) and the efforts directed towards finding and consummating a suitable Initial Business Combination. The Company did not generate any operating revenues prior to December 31, 2017.

On August 15, 2017, the settlement date of the Initial Public Offering, the Company obtained the amount of $650,016,589 in proceeds (including the Deferred Underwriting Commissions, as defined in Note 6) from the Initial Public Offering and deposited them into an escrow account at Citibank N.A. London Branch, acting as escrow agent. The Company intends to use among other things the proceeds in the escrow account to finance the Initial Business Combination.

The Company’s financial statements and notes were authorized for issuance by the Company’s Chief Financial Officer Pablo Vera Pinto on March 22, 2018 and subsequent events have been considered through that date (See Note 28). These financial statements and notes will be presented at the Shareholders meeting and the Company’s Board of Directors meeting on April 25, 2018. The Company´s Board of Directors and Shareholders have the authority to approve or modify the Company´s financial statements.

## 2. Basis of preparation

### a) Statement of compliance

The financial statements of the Company for the period from March 22, 2017 to December 31, 2017 have been prepared in accordance with International Financial Reporting Standards (‘‘IFRS’’) issued by the International Accounting Standards Board (‘‘IASB’’).

### b) Basis of measurement and presentation

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company are presented in U.S. dollars, according to the provisions of the International Accounting Standard 21 (‘‘IAS 21’’). The Company’s functional and reporting currency is the U.S. dollar.

Presentation of the statement of profit and loss

The Company classifies its expenses per function in the statement of profit and loss, according to the Company’s industry practices.

Presentation of the statement of cash flows

The statement of cash flows of the Company is presented using the indirect method.

## 3. Significant accounting policies

### a) Cash and cash equivalents

Cash is valued at its nominal value and is deposited in bank accounts with no interest accrual.

b) Investment held in Escrow Account

The amounts held in the Escrow Account represent proceeds from the Initial Public Offering of $650,016,589 which were converted into U.S. dollars and invested in a U.K. based escrow account (the "Escrow Account") with Citibank N.A. London Branch acting as escrow agent, such resources are deposited in an interest-bearing account and are classified as restricted assets because such amounts can only be used by the Company in connection with the consummation of an Initial Business Combination.

As of December 31, 2017, the Escrow Account had a fair value of $652,566,158, from which $2,549,569 were a result of interest income and are held in the Escrow Account. Interest from the fund of the Escrow Account may be released to the Company to (i) pay tax obligations, (ii) fund working capital in an amount not to exceed $750,000 annually for a maximum of 24 months, and (iii) in the event of a failure to enter into an Initial Business Combination within 24 months from the closing of this Offering, pay up to $100,000 in dissolution expenses.

c) Administrative expenses

Administrative expenses mainly include fees for the professional services required for the administration of the Company during the reporting period.

d) Income tax

The income tax represents the addition of the current income tax to be paid and the deferred income tax. The income tax is charged to the net profit as it is being incurred, except when it is related to transactions that are being recognized in other comprehensive income or directly to the equity. In this case, the current and deferred income tax is also recognized in other comprehensive income or directly in the equity, as applicable.

Deferred income tax

The Company determines the deferred taxes using the assets-liability method. This method determines all of the differences that exist between the accounting and fiscal values, applying to those differences the applicable income tax rate to the date of the balance sheet, or the applicable income tax rate that will be in effect under the tax laws at the date when the assets or liabilities will be recovered or settled.

The assets of deferred income tax are periodically valued, creating, in this case, an estimation of those amounts that are considered most likely irrecoverable.

At December 31, 2017, the Company has generated a fiscal tax loss in the amount of $6,536,644, which has not been accounted as a deferred tax asset because there is no certainty of such loss' recovery.

e) Employee profit sharing

Current employee profit sharing (PTU) are presented as an ordinary expense in the statement of profit or loss.

The Mexican Income Tax Law (MITL) enacted in 2014 modified the basis at which entities can calculate their employee profit sharing and among other matters established new requirements to deduct certain expenses from the PTU basis.

f) Loss per share

The Company presents basic and diluted loss per share (LPS) data for its shares. As described in Note 11, the Company has potentially dilutive shares and therefore presents its basic and diluted loss per share. Basic Loss per Share (LPS) is calculated by dividing the net loss by weighted average number of ordinary outstanding shares during the year. Diluted Loss per Share (LPS) is calculated by dividing the net loss (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary outstanding shares during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

g) Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of its financial covenants. To maintain or adjust its capital structure, the Company may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is calculated by dividing net debt by the aggregate of total capital and net debt.

h) Financial risk management objectives and policies

The Company's principal financial liability is comprised of redeemable class A common stock net of offering expenses. The main purpose of these financial liabilities is to finance the Initial Business Combination. The Company's principal financial assets include cash and cash equivalents. The Company is exposed to market risks as described in Note 3 (i) below.

i) Market risks

Foreign currency risk results from volatility in the foreign currency market, which affects cash, cash equivalents, subscription and other rights, and payables to related parties.

j) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL, loans and borrowings or payables, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value less, directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, redeemable class A common stock to public net from offering expenses, see Note 6.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Redeemable Class A Common Stock

After initial recognition, Class A Shares Common Stock net of the offering expenses are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statements of income when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortization is included in financing expense in the statements of income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

k) New accounting pronouncements

The Company has not applied the following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements that are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IAS 7, *Disclosure Initiative*–Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Company has determined that this amendment does not have any impact on its financial statements as of December 31, 2017.

Amendments to IAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which such entity may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively; however, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. The Company has determined that this amendment does not have any impact on financial statements as of December 31, 2017.

IFRS 9, *Financial Instruments*, replacement of IAS 39 Financial Instruments: Recognition and Measurement

The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 does not replace the requirements for portfolio fair value hedge accounting for interest rate risk, consequently, the exception in IAS 39 for a fair value hedge of an interest rate exposure of a portfolio of financial assets or financial liabilities continues to apply.

IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). The Company has determined that this amendment does not have any impact on financial statements as of December 31, 2017 due to the fact that the Company currently does not have financial instruments.

IFRS 15, *Revenue from Contracts with Customers*, replacement of IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31

The Standard specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures.

Establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. There are exception of contracts regulated by IAS 17, IFRS 9, IFRS 10, IFRS 11, IAS 27, IAS 28 and IFRS 4. Application of the standard is mandatory for annual reporting periods starting from 1 January 2018 onwards. Earlier application is permitted. The Company has determined that this amendment does not have any impact on financial statements as of December 31, 2017 due to the fact that the Company will not generate operating revenue until it concludes their Initial Business Combination.

IFRS 16, *Leases*, replacement of IAS 17, IFRIC 4, SIC-15 and SIC-27

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

Leases applies to all leases, including subleases, except for: leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources and leases under the assumptions of IAS 41, IFRIC 12, IFRIC 15, and IAS 38. An entity applies IFRS 16 for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted if IFRS 15 Revenue from Contracts with Customers has also been applied. As of December 31, 2017 the Company is in the process to analyze the effects of this new standard.

## 4. Cash and cash equivalents

At 31 December 2017, of cash and cash equivalents is integrated as follows:

| | As of December 31, 2017 |
|---|---|
| Cash | $ 152 |
| Bank accounts | 2,622,200 |
| Escrow account | 652,566,158 |
| Total | $ 655,188,510 |
| Restricted cash | (652,566,158) |
| Cash and cash equivalents | $ 2,622,200 |

The restricted cash is in the bank account in Citibank NA London Branch who as custodian agent, cash in escrow account invested in the securities of the United States government.

## 5. Related parties

The statement of financial position includes the following amount with related party:

| | As of December 31, 2017 |
|---|---|
| Pasivos corrientes: | |
| Riverstone Holdings, LLC (Related party) | $ 990 |

| | Period from March 22 to December 31, 2017 |
|---|---|
| Transactions with related parties: | |
| Income: | |
| Other income (1) | $ 1,000,000 |
| Expenses: | |
| Reimbursement of offering expenses (2) | $ 687,450 |
| Leases (3) | 990 |

1. Forward Purchase Agreement

In August 2017 the Company entered into a forward purchase agreement ("FPA") pursuant to which Riverstone Vista Capital Partners, L.P. ("RVCP") agreed to purchase an aggregate of up to 5,000,000 shares of the Company's Class A common stock, plus an aggregate of up to 5,000,0000 warrants ("Forward Purchase Warrant"), for an aggregate purchase price of up to $50,000,0000 or $10.00 per unit (collectively, "Forward Purchase Units") in exchange for an upfront payment from RCVP as consideration for entering into FPA. Each Forward Purchase Warrant has the same terms as each of the Private Placement Warrants.

The obligations of RVCP to purchase the Forward Purchase Securities under the Forward Purchase Agreement would be subject to termination prior to the closing of the sale of such securities by the mutual written consent of the Company and RVCP, or automatically: (i) if we are unable to complete our Initial Business Combination within 24 months from the closing of the Global Offering, unless extended by up to one year in accordance with our bylaws; or (ii) if Riverstone Sponsor or the Company becomes subject to any voluntary or involuntary petition under the United States federal, Mexican or Canadian bankruptcy laws or any state insolvency law, in each case which is not withdrawn within sixty (60) days after being filed, or a receiver, fiscal agent or similar officer is appointed by a court for business or property of Riverstone Sponsor or the Company, in each case which is not removed, withdrawn or terminated within sixty (60) days after such appointment.

In addition, we expect that the obligations of RVCP to purchase the Forward Purchase Securities would be subject to fulfillment of customary closing conditions, including approval of our Initial Business Combination. In the event that RVCP does not fund its obligations under the Forward Purchase Agreement, we may not be able to obtain additional funds to account for such shortfall on terms favorable to us or at all. Any such shortfall would also reduce the amount of funds that we have available for future purchases of other companies or working capital of the post-business combination company.

2. Reimbursement of offering expenses

This amount is represented by the expenses that the administration incurred during the period from March 22, 2017 to August 15, 2017, related to the incorporation of the Company, including the subscription to the Mexican Stock Exchange which were paid by Riverstone and reimbursed during the period.

3. Other transactions with related parties

The Company has a sublease agreement with RSHM, S. de R.L. de C.V., an affiliate of Riverstone as the lessor, for a fixed monthly charge of $ 330.

As disclosed in Note 9, the Company received during the period capital contributions from their Shareholders for an amount of $ 25,157 including the emission of sponsor warrants for an amount of $ 14,840,000.

6. Initial Public Offering

In the IPO, the Company sold 65,000,000 Series A Shares and 65,000,000 warrants exercisable for such Series A Shares (the “Warrants”), generating gross proceeds to the Company of $650,016,589). Three Warrants entitle the holder thereof to purchase one whole share of Class A Common Stock, consequently such warrants have a diluted effect in the current earning per share.

As per unanimous shareholders resolutions dated July 28, 2017, certain capital decreases were approved and consequently Series A Shares could be reimbursed for cash and cancelled. Therefore gross proceeds obtained in the IPO are recognized as liabilities including the interest income held in the Escrow Account less directly attributable transaction costs.

## 7. Trade and other payables

As of December 31, 2017, the Company has accounts payable, due to payable items, creditors and reimbursements, which have a balance of $276,089.

## 8. Balance and transactions in foreign currency

The assets, liabilities and transactions nominated in foreign currency are those that were realized in currencies different from the Company's functional currency. At December 31, 2017, the assets, liabilities and transactions nominated in foreign currency, expressed in Mexican pesos (''Ps'') (contractual amounts), are:

| | Applicable Exchange rate[1] | | As of December 31, 2017 |
|---|---|---|---|
| Current assets: | | | |
| Petty cash | 0.050538 | Ps. | 3,000 |
| Banks | 0.050538 | | 124,800 |
| | | Ps. | 127,980 |

| | Applicable Exchange rate[1] | | As of December 31, 2017 |
|---|---|---|---|
| Current Liabilities: | | | |
| Payables to related party | 0.050538 | Ps. | 19,589 |

[1] U.S. dollar by Mexican pesos

At April 3, 2018, the issuance date of the accompanying financial statements, the exchange rate published by the Mexican Bank was $ 18.2967 by U.S. Mexican Peso.

9. Shareholders' Equity

The authorized common stock of the Company includes 65,000,000 shares of Class A Common Stock issued as part of the Initial Public Offering. Series A Shares are eligible to be completely reimbursed and cancelled for cash.

On December 31, 2017, the variable capital stock of the Company is represented by 16,250,000 issued and outstanding ordinary Series B nominative shares, without nominal value. The variable equity is unlimited.

The fixed is represented by two ordinary Series C nominative shares, without nominal value.

On August 15, 2017, the sponsors of the Company purchased an aggregate of 29,680,000 Private Placement Warrants for $14,840,000 in the aggregate in a private placement that occurred simultaneously with the closing of the Initial Public Offering. Three Private Placement Warrants is exercisable for one whole share of Class A Common Stock, consequently such warrants have a diluted effect in the current earning per share. The Private Placement Warrants are non-redeemable and exercisable and could be on a cashless basis so long as they are held by the Sponsor or its permitted transferees.

The Sponsor and the Company's officers and directors have agreed, subject to limited exceptions, not to transfer, assign or sell any of their Private Placement Warrants until 30 days after the completion of the Initial Business Combination.

On December 18, 2017 the Shareholders Meeting approved an increased in the variable capital stock for an amount of $ 1,000,000,000 through the subscription of 100,000,000 ordinary shares Class A as a result of a potential initial business combination disclosed in Note 13. At the day of the issuance of the financial statements such shares are not paid.

At December 31, 2017, the share capital of the Company is integrated as follows:

| | As of December 31, 2017 | Value |
|---|---|---|
| Serie of shares: | | |
| B | 16,250,000 | 25,267 |
| C | 2 | 157 |
| Total | $ 81,250,002 | $ 25,424 |

At December 31, 2017, there are 65,000,000 of redeemable class A common stock shares for which such shareholders have the preferent suscription right subject to the initial business combination.

In conformity with the Mexican Corporations Act, at least 5% of net income for the year must be appropriated by the Company to increase the legal reserve until it reaches 20% of the share capital at nominal value. This reserve is not susceptible to distribution to the Shareholders during the Company's existence, except in the form of dividends. At December 31, 2017, the Company has not created this reserve.

The retained earnings and other reserves will be distributed as dividends. Likewise, the effects of equity reductions will be subject to taxation for income tax purposes according to the applicable tax rate, except for the updated contributed share capital or if those distributions come from the net tax profit account (''CUFIN'').

Dividends that are distributed in excess of the CUFIN will cause the income tax to be taxed on a pyramid basis at the prevailing rate. This tax can be credited against the income tax of the same year, in which the dividends are paid, as well as in the following two years against the income tax and provisional payments. As of December 31, 2017, the Company does not have CUFIN and the balance of the Capital Contribution Account (''CUCA'') amounted to $236,866,065.

The Company will not be able to decree dividends until the future profits absorb the retained loss.

## 10. Income Tax

### a) Income Tax

The Mexican Income Tax Law (''MITL'') establishes a corporate income tax rate for Mexico of 30% for the fiscal year 2017.

The MITL establishes requirements and limits regarding certain deductions, including restrictions on the deductibility of payroll-related expenses that are considered tax-exempt for employees, contributions to create or increase pension fund reserves, and Mexican Social Security Institute dues that are paid by the Company (but that should be paid by the employees). The MITL also establishes that certain payments made to related parties shall not be deductible if they do not meet certain requirements.

For the year ended December 31, 2017, the Company has determined tax losses of $ 6,536,644, tax losses are redeemable against future profits for a period of up to 10 years.

b) Employee profit sharing

The MITL establishes that starting 2014, entities are to calculate their employee profit sharing on the basis of their taxable earnings for the year determined for income tax purposes, plus or minus the effects of certain adjustments specified in the MITL.

As of December 31, 2017 the Company do not generate employee profit sharing.

c) As of December 31, 2017 the Company analysis of income tax is as follows;

| | As of December 31, 2017 |
|---|---|
| Current income tax | $ - |
| Deferred income tax | (38,416) |
| Total income tax | $ (38,416) |

d) As of December 31, 2017 an analysis of deferred tax liability shown in the statement of financial position is as follows:

| Deferred tax liability: | 2017 |
|---|---|
| Prepaid expenses | $ (38,416) |
| Total deferred tax liability | $ (38,416) |

e) A reconciliation of the statuary income tax rate to the effective income tax rate recognized by the Company for financial reporting purpose is a follows:

| | As of December 31, 2017 |
|---|---|
| Statuary income tax | 30.0% |
| | |
| Reserve on deferred tax assets | (58.30) |
| Annual inflation tax adjustment | 34.56 |
| Non-deductible | (5.03) |
| Other | (0.47) |
| Effective income tax rate | 0.76 % |

b) Tax balances

As of December 31 2017, the Company has the following tax balances:

| | Amount |
|---|---|
| Capital contribution account | $ 236,866,065 |

## 11. Loss per share

Basic loss per share amounts are calculated by dividing net loss for the year by the weighted average number of shares outstanding during the period adjusted for the weighted average of own shares purchased in the period.

Diluted loss per share amounts are calculated by dividing net loss for the year by the weighted average number of shares outstanding during the period plus the weighted average number of shares for the effects of dilutive potential shares.

The calculated amounts of basic loss per share are as follows:

| | As of December 31, 2017 |
|---|---|
| Basic earning per share: | |
| Net loss | $ (5,094,753) |
| Weighted average of outstanding shares during the period | 10,069,446 |
| Basic loss per common share | (0.5060) |
| | |
| Diluted earning per share: | |
| Net loss | $ (5,094,753) |
| Weighted average of outstanding shares during the period plus the potential dilutive effect of redeemable Class A shares and Sponsor Warrants | 43,600,122 |
| Diluted loss per common share | (0.1169) |

## 12. Reconciliation of financial liabilities originated by financing activities

As of December 31, 2017, the Company has the following resources arising from financing activities due to the issuance of redeemable Series A common shares:

| | | Items that do not originated cash flow | |
|---|---|---|---|
| | IPO resources obtained on August 15th, 2017 | Amortization of capitalized offering expenses | Balance as of December 31, 2017 |
| Reedemable Class A common shares | $ 650,016,589 | $ – | $ 650,016,589 |
| Offering expenses at IPO | (9,988,271) | 2,051,994 | (7,936,277) |
| Resources obtained from financing activities related to issuance of redeemable Class A common shares | $ 640,028,318 | $ 2,051,994 | $ 642,080,312 |

## 13. Commitments

As per the underwriting agreement celebrated with Citibank and Credit Suisse ("the Mexican Underwriters") an amount of $19,500,000 plus value added tax for an amount of $3,120,000 which may be deductible in the future of underwriting compensation, such amounts will be released to Mexican Underwriters only on completion of the Company´s Initial Business Combination, such amount will be released from the funds held in the Escrow Account.

### Commitment letter

On February 12th, 2018, the Company executed a Commitment Letter with Citigroup Global Markets Inc., Credit Suisse AG y Morgan Stanley Senior Funding, Inc. (collectively referred to as the "Lenders"). Pursuant to the terms of the Commitment Letter, the Lenders have committed to provide the Bridge Facility for a total up to $300,000,000, which we intend to use as a backstop for the financing of the Initial Business Combination, to the extent necessary.

## 14. Subsequent events

On December 21, 2017, we celebrated an intention agreement with Pampa Energía S.A. with regards to the acquisition of (i) 58.88% of the shares in Petrolera Entre Lomas (PELSA), (ii) 3.85% of direct participation interest in the Exploitation Concessions operated by PELSA, and (iii) 100% participation interest in the Exploitation Concessions of Medanito 25 de Mayo-Jagüel de los Machos, located in Neuquina basin, both located in the province of Río Negro, Argentina, this transaction is subject to precedent conditions, which among others include the approval of our shareholders, the release of the funds held in the escrow account and the final closing of the transaction through the settlement of the final purchase price which is estimated to occur in April.

On January 8th, 2018, we celebrated an intention agreement with Pluspetrol with regards to the acquisition of 100% of the shares of APCO Oil & Gas Internacional and 5% of shares of APCO Argentina, S.A., this transaction is subject to precedent conditions, which among others include the approval of our shareholders, the release of the funds held in the escrow account and the final closing of the transaction through the settlement of the final purchase price which is estimated to occur in April.

If the Company finalize the acquisitions mentioned above, the Company would acquire:

(i) In the Neuquina Basin

- a) A 100% operating interest in the exploitation concessions Medanito-25 de Mayo and Jagüel de los Machos (as operator);
- b) A 99.77% operating interest in the exploitation concessions Entre Lomas, Bajada del Palo y Agua Amarga (as operator)
- c) A 55% operating interest in the exploitation concessions Coiron Amargo Norte (as operator); and
- d) A 45% non-operating interest in the assessment block Coirón Amargo Sur Oeste (operated by Shell);

(ii) In the Golfo San Jorge basin

- e) A 16.9% non-operating interest in the exploitation concessions Sur Río Deseado Este (operated by Roch); and
- f) A 44% non-operating interest in the exploitation agreement Sur Río Deseado Este (operated by Quintana).

(iii) In the Noroeste basin

- g) A 1.5% non-operating interest in the exploitation concessions Acambuco (operated by Pan American Energy).

On March 22, 2018, the Shareholders of the Company approved to continue with the acquisition process of the aforementioned transactions.

At the date of the issuance of the financial statements the Company is in the process to close such transactions.