Report of Significant Policies and Accounting Criteria

To the General Assembly of Shareholders of Vista Oil & Gas, S.A.B. de C.V.

Under the terms of Article 172, paragraph b) of the General Law of Commercial Companies, the report is presented on the main policies and accounting and information criteria followed by Vista Oil & Gas, S.A.B. of C.V. ("Company"), for the preparation of financial information

(1) Basis of measurement and preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")

The financial statements include all assets, liabilities and operation results of the Company.

The preparation of the financial statements in accordance with IFRS requires that certain critical accounting estimates should been made. Also requires management to exercise its judgment in the process of applying the accounting policies. Changes in assumptions can have a significant impact on the financial statements of the period. Management considers that the assumptions are appropriate. The areas that require greater judgment or complexity, or the areas in which the estimates and assumptions are important for the financial statements.

(2) Functional and reporting currency

The items included in the financial statements are determined using the currency of the primary economic environment in which the entity operates ("Functional Currency"). The functional and reporting currency of the financial statements is the US dollar. Compliance with the legal and tax obligations of the Company in Mexico is carried out in Mexican pesos in accordance with the provisions of Mexican legislation.

Balances and Transactions

Transactions in foreign currency are converted to the functional currency using the prevailing exchange rates on the dates of the transactions or valuation if they are remeasured. The gains and losses from exchange fluctuations resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as part of comprehensive financial result.

(3) Cash and cash equivalents

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

(4) Cash held in escrow account

The amounts held in the Escrow Account represent proceeds from the Initial Public Offering 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.

Cash held in escrow account is recognized at fair value, changes in fair value that came from interest held in the escrow account are recognized in profit and loss. 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.

(5) Sundry creditors and payable wages

Sundry creditors and payable wages are obligations to pay for goods or services that have been acquired in the normal course of business. These sundry creditors and payable wages are classified as current liabilities if the obligation to pay is one year or less (or in the normal business cycle of the business if this is greater). Otherwise, they are presented as non-current liabilities

(6) Employee profit sharing

Employee profit sharing, requires to be paid in Mexico under certain circumstances and is recognized in the income statement of the year in which they are incurred as a direct benefit to employees.

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.

(7) Income Taxes

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.

Income taxes are calculated based on the tax laws promulgated or substantially enacted as of the date of the statement of financial position in which the Company operates. Management periodically evaluates the criteria assumed in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. In its case, it establishes provisions based on the amounts that are estimated to be paid to the tax authorities.

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.

(8) Financial liabilities and equity instruments

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.

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. Sponsor warrants are considered capital instruments since they are not redeemable and can be exercised and may have a cash basis provided they are in the hands of the Sponsor or its permitted assignees.

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.

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 income statements 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 income statements.

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

(9) Comprehensive income

Comprehensive income includes the net income for the period presented in the income statement, plus other comprehensive income for the period presented in the statement of comprehensive income.

(10) Administrative expenses

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

(11) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Asset leases in which the Company has substantially all the risks and rewards of ownership are classified as finance leases

Leases in which a significant part of the risks and benefits is held by the lessee are classified as operating leases. The rentals are charged to the income statement in a straight line in the period of the lease.

(12) Loss per share

The Company presents basic and diluted loss per share (BLPS) data for its shares. 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 (DLPS) 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.

Yours sincerely,

Miguel Galuccio
Chairman of the Board of Directors
of Vista Oil & Gas S.A.B.