

DISCLOSURE DOCUMENT (FOLLETO INFORMATIVO)



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

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Ticker Symbol: "VISTA"

February 19, 2018

**STATEMENT REGARDING OUR CORPORATE REORGANIZATION**

This disclosure document (*folleto informativo*) is being submitted by Vista Oil & Gas, S.A.B. de C.V. ("we," "us" or "Vista") pursuant to Article 104-IV of the LMV, and Article 35 and Exhibit P of the Ancillary Securities Market Regulations. Capitalized terms used in this disclosure document have the meanings assigned to them in "Glossary of Defined Terms" below.

We hereby advise our shareholders and the public that our board of directors has authorized us to submit the Transaction (as defined below) to our shareholders for approval at an ordinary general shareholders' meeting thereof. The Transaction will constitute the "Initial Business Combination" referred to in our corporate bylaws, the Warrant Indenture, the Warrant Global Certificate, the Shareholders' Resolutions, the Strategic Partners Agreement, the Shareholders' Agreement and other related documents.

**Summary of the Transaction**

Upon recommendation from our board of directors, we hereby advise our shareholders and the public investors that we propose to enter into the following Transaction (as defined below):

- (i) The acquisition from Pampa Energía S.A. ("Pampa") of: (a) 58.88% of the capital stock of Petrolera Entre Lomas S.A. ("PELSA" or the "PELSA Shares," as the context may require), an Argentine company that holds a 73.15% operating interest in three exploitation concessions in the Neuquina basin in the provinces of Neuquén and Río Negro, Argentina, one of which extends into the core of the Vaca Muerta unconventional play; (b) a 3.85% direct interest in the concessions described in (a) above; and (c) a 100% interest in the exploitation concessions 25 de Mayo-Medanito ("Medanito") and Jagüel de los Machos ("Jagüel" or "JDM") in the Neuquina basin in the province of Río Negro, Argentina; and
- (ii) The acquisition from Pluspetrol Resources Corporation ("Pluspetrol") of: (a) 100% of the capital stock of APCO Oil & Gas International Inc. ("APCO International" or the "APCO O&G Shares," as the context may require); and (b) 5% of the capital stock of APCO Argentina S.A. ("APCO Argentina" or the "APCO Argentina Shares," as the context may require). APCO International, a Cayman Islands company, holds (a) 39.22% of the capital stock of PELSA; (b) 95% of the capital stock of APCO Argentina; and (c) through its Argentine branch, (1) a 23% interest in the three exploitation concessions operated by PELSA as described in sub-paragraph (i) above; (2) a 45% non-operating interest in an assessment block in the Neuquina basin in the province of Neuquén, Argentina, that extends into the core of the Vaca Muerta unconventional play; (3) a 55% operating interest in an exploitation concession in the Neuquina basin in the province of Neuquén, Argentina; (4) a 1.5% non-operating interest in an exploitation concession in the Noroeste basin in the province of Salta, Argentina; (5) a 16.9% non-operating interest in an exploitation concession in the Golfo San Jorge basin in the province of Santa Cruz, Argentina; and (6) a 44% non-operating interest in an exploration agreement for a site located in the Golfo San Jorge basin in the province of Santa Cruz, Argentina. APCO Argentina, a company incorporated in Argentina, holds a 1.58% equity interest in PELSA, which, together with APCO International's equity interest in PELSA account for 40.80% of the capital stock of PELSA. APCO International has entered into a share purchase agreement pursuant to which it has agreed to sell to a third party 100% of the capital stock of APCO Austral S.A., a wholly-owned subsidiary of APCO International (directly and, indirectly, through APCO Argentina). The consummation of such sale remains pending and, accordingly, such shares are excluded from the Transaction. Pluspetrol, which will receive the proceeds from such sale, has agreed to indemnify us against, and hold us harmless from, any liability that may arise in connection therewith.

The transactions described in sub-paragraphs (i) and (ii) above are individually referred to in this disclosure document as "Acquisitions" and, collectively, as the "Transaction." Upon its approval by our shareholders at a general shareholders' meeting, the Transaction will constitute the "Initial Business Combination" for the purposes of our corporate bylaws, the Warrant Indenture, the Warrant Global Certificate, the Shareholders' Resolutions, the Strategic Partners Agreement, the Shareholders' Agreement and other related documents.

Upon successful consummation of the Transaction, we would hold:

- a) Capital stock in the following entities (collectively, the "Equity Interests"), either directly or indirectly:
  - 99.68% of the capital stock of PELSA;
  - 100% of the capital stock of APCO International; and
  - 100% of the capital stock of APCO Argentina S.A.
- b) Direct interests in the following exploitation concessions (collectively, the "Direct Interests"):
  - A 100% interest in the exploitation concessions Medanito and Jagüel (the "25M-JM Interest"); and
  - A 3.85% interest in the exploitation concessions Entre Lomas ("Entre Lomas"), Bajada del Palo ("Bajada del Palo"), and Agua Amarga ("Agua Amarga") (the "EL-AA-BP Interest").

Upon the acquisition of the Equity Interests and the Direct Interests, we will hold, directly or indirectly, the following interests in the following exploitation concessions, assessment blocks and exploration agreements in Argentina, with most of them located in the Neuquina basin:

- (i) In the Neuquina basin:
  - a) A 100% operating interest in the exploitation concessions Medanito and Jagüel;
  - b) A 100% operating interest in the exploitation concessions Entre Lomas, Bajada del Palo, and Agua Amarga;
  - c) A 55% operating interest in the exploitation concession Coirón Amargo Norte (“Coirón Amargo Norte”);
  - d) A 45% non-operating interest in the assessment block Coirón Amargo Sur Oeste (“Coirón Amargo Sur Oeste”) (which is operated by Shell through its Argentine affiliate O&G Developments LTD S.A.); and
- (ii) In the Golfo San Jorge basin:
  - a) A 16.9% non-operating interest in the exploitation concession Sur Río Deseado Este (which is operated by Roch<sup>1</sup>);
  - b) A 44% non-operating interest in the exploration agreement Sur Río Deseado Este (which is operated by Quintana); and
- (iii) In the Noroeste basin:
  - a) A 1.5% non-operating interest in the exploitation concession Acambuco (which is operated by Pan American Energy LLC through its Argentine branch).

Upon consummation of the Transaction, we believe that Vista will become one of the main oil and gas producers in Argentina, with an attractive balance between current profitable production and a significant opportunity to develop the Vaca Muerta unconventional play. Our combined business on a pro forma basis would include proved reserves of 55.7 MMBoe (based on information as of December 31, 2016), average daily production of 27,472 boed (based on information for the first nine months of 2017), and in excess of 137,000 acres in the Vaca Muerta unconventional play. Our Vaca Muerta acreage on a pro forma basis would include approximately 54,000 net acres in the core unconventional play, adjacent to blocks that have already completed their pilot tests or are already under development, and contain Vista-operated hydrocarbon treatment and transport infrastructure with sufficient spare capacity to start the initial development phase immediately. We intend for Vista to operate almost all of its proved reserves and production, and approximately 90% of its core Vaca Muerta net acreage. Upon consummation of the Transaction, based on the average daily production information accumulated from January 1, 2017 through September 30, 2017 published by ME&M, Vista would become the fifth largest oil producer and operator in Argentina.

#### Conditions Precedent for the Consummation of the Initial Business Combination

Pursuant to Mexican law and our bylaws, the consummation of the Initial Business Combination is subject to the approval of the Transaction by the affirmative vote of the simple majority of the shares present or represented at the general shareholders’ meeting, whereas the existing funds in the Escrow Account, together with any other additional funds that Vista may have available, shall be sufficient to fund the purchase price and costs related with such Initial Business Combination. For additional information with respect thereto, see “Information Relating to the Acquisitions—Description of the Transaction.”

#### Characteristics of Our Securities Prior to and Following the Transaction and the Approval of the Initial Business Combination

The rights of Series A Shareholders will not change as a result of the approval of the Transaction at our general shareholders’ meeting; provided, that only to the extent the Initial Business Combination is approved and consummated:

- The full amount held in the Escrow Account will be used to (i) reimburse or pay in cash any amounts due to those Series A Shareholders who have elected to have their Series A Shares reimbursed, as notified to us no later than two Business Days prior to the general shareholders’ meeting at which the Initial Business Combination is approved, for a *pro rata* share pursuant to our Shareholders’ Resolutions; and (ii) after all cash reimbursements and payments described in clause (i) have been made, (a) pay US\$19,500,000.00 to the Initial Purchasers and Mexican Underwriters for their deferred initial purchaser and underwriting compensation under the Purchase Agreement and the Underwriting Agreement, respectively, plus the VAT attributable to such deferred compensation; and (b) finance all or a portion of the Initial Business Combination with the remaining proceeds in the Escrow Account. After making the foregoing payments, the Escrow Account will be closed and any remaining proceeds in the Escrow Account will be distributed to us;
- Should 5,000,000 Forward Purchase Shares and an equal number of Forward Purchase Warrants to fund the Initial Business Combination be subscribed and paid, the ownership interest held in our company by any shareholder who is not a party to the Forward Purchase Agreement will be diluted;
- To the extent 10,000,000 Series A Shares out of the 100,000,000 Series A shares issued in accordance with the resolutions approved at the general shareholders’ meeting held on December 18, 2017 to finance in full or in part the Initial Business Combination are subscribed and paid (either by investors who have entered into a Subscription Agreement with us or through the Exercise of Shareholders’ Preemptive Rights), the ownership interest held in our company by any shareholder who does not purchase a *pro rata* number of such shares will be diluted;
- All of the Series B Shares currently outstanding will be converted into Series A Shares on a one-for-one basis upon completion of the Initial Business Combination. Subject to the consummation of the Initial Business Combination, the Series B Shareholders have waived their anti-dilution right to maintain their 20% ownership of the outstanding shares after any additional equity issuances, thereby limiting the dilutive effects of such conversion;
- The Exercise Period of the Warrants shall commence 30 calendar days after the closing date of the Initial Business Combination and expire on the earlier of (a) the Early Termination Date, and (b) the fifth anniversary of the Initial Business Combination Closing Date;
- The non-joint and several obligation of each of Riverstone Sponsor and Management Holdings under the Strategic Partners Agreement to indemnify us for certain third party claims for services rendered or products sold to us, or by a prospective target business with which we have discussed entering into a transaction agreement, will terminate; and

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<sup>1</sup> In accordance with the relevant fact submitted by Roch to the Securities and Exchange Commission of Argentina (*Comisión Nacional de Valores*) on January 3, 2018 and the news release by Pentanova Energy Corp of the same date, Alianza Petrolera Argentina (a subsidiary of Pentanova Energy Cop) and Roch executed an agreement by means of which the former acquired from Roch its interest in Sur Río Deseado Este.

- The Shareholders' Agreement will be terminated.

If we do not consummate the Initial Business Combination, we will not be required to take any of the aforementioned actions and both the approval of the Transaction and the exercise of the cash reimbursement right by the Series A Shareholders will cease to be valid for all legal purposes and we will not be required to make any such cash reimbursement or payments.

For additional information regarding the effects of the consummation of the Initial Business Combination, see "Executive Summary—Consequences of the Consummation of the Initial Business Combination."

#### **Important Information**

Our Shares were originally registered with the RNV maintained by the CNBV, under file number 3573-1.00-2017-001. By means of official communication number 153/11056/2017, dated November 24, 2017 and official communication number 153/11202/2017, dated December 18, 2017, the CNBV approved the re-registration of our Shares with the RNV. As a result, our Shares are currently registered with the RNV under file number 3573-1.00-2017-003 and listed with the BMV.

Registration with the RNV does not imply any certification as to the investment quality of the securities, the solvency of Vista, or the accuracy or truthfulness of the information contained in this disclosure document, and does not validate any act undertaken in contravention of the law.

We will furnish a copy of this disclosure document to any of our shareholders upon request made in writing to the attention of Investor Relations, c/o Alejandro Cheriñacov, at Torre Virreyes, Pedregal 24, Piso 24, Col. Molino del Rey, Ciudad de México, México,, or at +52 (55) 9177-2038 or [ir@vistaoilandgas.com](mailto:ir@vistaoilandgas.com).

This disclosure document will be available for inspection in electronic format on the Mexican Stock Exchange's website at [www.bmv.com.mx](http://www.bmv.com.mx).

# TABLE OF CONTENTS

	Page
PRESENTATION OF FINANCIAL AND OTHER INFORMATION.....	3
DEFINED TERMS.....	6
SUMMARY TERM SHEET.....	16
QUESTIONS AND ANSWERS ABOUT THE TRANSACTION .....	20
SUMMARY OF THE DISCLOSURE DOCUMENT .....	27
INFORMATION RELATING TO THE COMBINED ENTITY UPON CONSUMMATION OF THE INITIAL BUSINESS COMBINATION.....	41
INFORMATION RELATING TO THE ACQUISITIONS.....	55
Description of the Transaction.....	55
Acquisition of PELSA and Direct Interests .....	56
Relevant aspects of the 25M-JM Interest Assignment Agreement (the “25M-JM Interest AA”) .....	63
Acquisition of APCO O&G Shares and APCO Argentina Shares .....	66
Relevant aspects of the Share Purchase Agreement of the APCO O&G Shares and APCO Argentina Shares (APCO SPA) .....	67
Purpose of the Acquisitions.....	70
Capital Resources; Expenses Associated with the Acquisitions.....	70
Capital Resources; Use of Proceeds (Table 12).....	71
Pro Forma Ownership Structure (Table 13).....	71
Date of Approval of the Transaction.....	71
Issuance of New Shares; Exchange Date.....	72
Changes in the Rights Conferred by Our Securities .....	72
Recognition of the Transaction for Accounting Purposes .....	73
Additional Costs in the Operation.....	74
Determination of the Cost of Acquisitions .....	74
Tax Consequences of the Transaction.....	74
INFORMATION RELATING TO THE PARTIES TO THE ACQUISITIONS.....	75
Company’s Name .....	75
Company Overview .....	75
Company’s History .....	75
Capital Structure.....	75
Financial Statements.....	76
Company Following the Consummation of the Transaction.....	76
Pampa Overview .....	76
Pluspetrol Overview.....	77
MACROECONOMIC AND POLITICAL CONTEXT IN ARGENTINA.....	79
ARGENTINA’S OIL & GAS SECTOR OVERVIEW .....	84
RISK FACTORS.....	111

LONG TERM INCENTIVE PLAN .....	129
PROPOSALS THAT WILL BE SUBMITTED FOR APPROVAL AT THE SHAREHOLDERS' MEETING	131
CONDENSED AND COMBINED PRO FORMA UNAUDITED FINANCIAL INFORMATION.....	133
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE TRANSACTION.....	134
MATERIAL AGREEMENTS.....	136
RESPONSIBLE PARTIES .....	138
EXHIBITS.....	139
1. HISTORICAL FINANCIAL STATEMENTS; REPORT OF THE INDEPENDENT AUDITOR .....	140
2. PRO FORMA FINANCIAL STATEMENTS; REPORT OF THE INDEPENDENT AUDITOR .....	141
3. PRESENTATION FOR INVESTORS .....	142
4. RESERVES REPORT .....	143

## FORWARD-LOOKING STATEMENTS

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No declaration regarding past tendencies or activities should be considered as a declaration that such tendencies or activities will continue to happen in the future. Consequently, such tendencies or declarations should not be relied upon. Vista and its affiliates, advisors, or representatives will not be liable (as a result of negligence or any other motive) should any losses or damages result from the use of this document or its contents, or in any other way related to this document. Any recipient of this disclosure document, upon receiving it, recognizes that the contents of this disclosure document are merely

informative and do not cover or pretend to cover all the information that is necessary to evaluate an investment, make an investment decision or recommend an investment to a third party, and therefore such persons waive any right they might have or that might result from, or related to the information contained herein. This disclosure document is not aimed at, or destined to be distributed or used by any person or entity that is a citizen or resident in any state, country or other jurisdiction in which its use or distribution are prohibited by law or where any additional registration or license is required. Neither the National Banking and Securities Commission (“CNBV”), nor any other authority have approved or disapproved the information herein, as well as its accuracy or sufficiency.

This disclosure document and other relevant documents will be available to the shareholders of Vista, in accordance with our bylaws and applicable regulation. Vista shareholders and other interested persons are advised to read this disclosure document in connection with the Initial Business Combination.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this disclosure document (*folleto informativo*), the terms “Vista,” “Vista Oil & Gas,” “Company,” “we,” “us” and “our” refer to Vista Oil & Gas, S.A.B. de C.V., a corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico and “Riverstone” refers to “Riverstone Investment Group LLC”, a Delaware limited liability company, together with its affiliates and affiliated funds.

In addition, the term “Mexico” refers to the United Mexican States, the term “United States” refers to the United States of America, and the term “Argentina” refers to the Republic of Argentina. Moreover, the phrase “Mexican government” refers to the federal government of Mexico, the phrase “U.S. government” refers to the federal government of the United States, and the phrase “Argentine government” refers to the federal government of Argentina.

### Currency Information

In this disclosure document, all references to (i) “peso,” “pesos” and “Ps.” are to Mexican pesos, the official currency of Mexico; (ii) “dollar,” “dollars,” “U.S. dollars,” “US\$” and “USD” are to U.S. dollars, the official currency of the United States; and (iii) “ARS”, or “AR\$” are to Argentine pesos, the official currency of Argentina.

### Financial Statements

We were incorporated on March 22, 2017 and, accordingly, our operating history is limited. Our main activities since inception have been organizational activities and those necessary to prepare for the Global Offering and the potential consummation of the Initial Business Combination.

This disclosure document includes our historical financial statements as of June 30, 2017 and for the period from our incorporation on March 22, 2017 to June 30, 2017 (the “Unaudited Financial Statements”), as filed with the Mexican Stock Exchange and the CNBV on August 11, 2017 in compliance with applicable law. The Financial Statements included in this disclosure document have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), and should be read in conjunction with the notes thereto.

This disclosure document also includes our condensed and combined pro forma unaudited financial statements as of and for the nine-month period, and twelve-month period ended September 30, 2017 and for the year ended December 31, 2016, respectively, including our condensed and combined pro forma unaudited income statements and balance sheets, which give effect to the Acquisitions. The Unaudited Financial Statements are presented in U.S. dollars, and have been prepared based on the complied unaudited information of each Acquisition. Given the financial statements of Medanito and Jagüel were prepared in Argentine pesos, the financial information in the balance sheets was converted into U.S. dollars using a 17.25-to-one and 16.10-to-one exchange rate as of September 30, 2017 and December 31, 2016, respectively, whereas that in the income statements was converted into U.S. dollars using 17.21-to-one and 14.78-to-one average exchange rates for the nine-months period and the twelve-month period, respectively, for comparison purposes, as described in Note 3 to such condensed and combined pro forma unaudited financial statements attached hereto as Exhibit 2.

Shareholders are advised to consult their professional advisors for an understanding of: (i) the differences between IFRS and other systems of generally accepted accounting principles and how those differences might affect the financial information included in this disclosure document; and (ii) the impact that future additions to, or amendments of, IFRS principles may have on our results of operations or financial condition.



## **Rounding**

Certain amounts and percentages included in this disclosure document have been subject to rounding adjustments and, accordingly, certain totals presented in this disclosure document may not correspond to the arithmetic sum of the amounts or percentages that precede them.

## **Market Estimates**

Certain industry, demographic, market and competitive data, including market forecasts, used throughout this disclosure document were obtained from internal surveys, market research, publicly available information and industry publications.

We have made these statements on the basis of information from third party sources that we believe are reliable, including among others:

- Argentine National Institute of Statistics and Censuses (*Instituto Nacional de Estadística y Censos de la República Argentina*, or “INDEC”);
- Argentine Oil and Gas Institute (*Instituto Argentino de Petróleo y Gas*, or “IAPG”);
- Baker Hughes;
- Bloomberg LP;
- Capital IQ;
- FactSet;
- ME&M;
- Texas Railroad Commission;
- The Mexican Central Bank (*Banco de México*);
- U.S. Energy Information Administration (“EIA”);
- WDVG – Petroleum Engineering Laboratories;
- Wood Mackenzie Ltd. (“Wood Mackenzie”);
- World Bank; and
- YPF S.A.

In general, industry and government publications state that the information presented therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Although we, have no reason to believe that any of this information or these reports are inaccurate in any material respect, such information has not been independently verified and, therefore, we cannot guarantee its accuracy or completeness.

Some data are also based on our estimates, which are derived from our review of internal surveys and analyses, as well as from independent sources. Although we believe that these sources are reliable, we have not independently verified the information and cannot guarantee their accuracy or completeness. In addition, these sources may use different definitions of the relevant markets than those we present. Data

regarding our industry are intended to provide general guidance but are inherently imprecise. Though we believe these estimates were reasonably derived, you should not place undue reliance on such estimates, as they are inherently uncertain. Nothing in this disclosure document should be interpreted as a market forecast.

### **Other Information**

This disclosure document contains conversions of certain amounts denominated in U.S. dollars to Mexican pesos or Argentine pesos, as applicable, based on certain exchange rates and are provided solely for the convenience of shareholders. These conversions should not be construed as evidence, implication or representation that the amounts provided in U.S. dollars have a real equivalent with the amounts denominated in Mexican pesos or Argentine pesos, nor that they can be converted to Mexican pesos or Argentine pesos at the exchange rate as of the dates referenced herein or at any other exchange rate.

### **Description of Certain Agreements**

This disclosure document contains a summary of the main provisions of various agreements and other documents. Such descriptions do not purport to be complete. Investors should be mindful that the terms of the agreements or legal instruments described in this disclosure document might be subject to various interpretations or could have been prepared in a language different to that of this disclosure document.

## DEFINED TERMS

Capitalized terms used in this disclosure document have the following meanings, which are applicable to both the singular and plural forms of such terms:

“**25M-JM Interest**” has the meaning assigned to such term in “Summary of the Transaction.”

“**25M-JM Interest AA**” means the assignment agreement executed in respect of the 25M-JM Interest.

“**3P Reserves**” means the estimated total amount of reserves of oil and gas available for access, calculated as the sum of all proved and unproved reserves. Proved reserves are referred to as 1P. Unproved reserves are broken into two segments: those based on geological and engineering estimates from proved sources (probable, also referred to as 2P) and those that are less likely to be extracted due to financial or technical difficulties (possible, also referred to as 3P). Therefore, 3P Reserves refers to proved, plus probable, plus possible reserves ( $3P = 1P+2P+3P$ ).

“**Acceptance Date**” means, in relation to the Bridge Facility, the date on which the Commitment Letter was executed.

“**Acquisition**” has the meaning assigned to such term in the “Executive Summary.”

“**Administrator of the Plan**” has the meaning assigned to such term in “Long Term Incentive Plan.”

“**AFIP**” means the Public Revenues Federal Administration of Argentina (*Administración Federal de Ingresos Públicos*).

“**Affiliate**” means (i) with respect to any person other than an individual, any person who directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such person (within the meaning assigned to “control” pursuant to the LMV); and (ii) with respect to any individual, any former, current or future spouse and any direct or indirect ascendant or descendant of such individual, including his or her parents, grandparents, children, grandchildren and siblings, and any trust or similar arrangement entered into for the benefit of any such individual.

“**Alianza Petrolera Argentina**” means Alianza Petrolera Argentina S.A.

“**Ancillary Securities Market Regulations**” means Mexico’s General Regulations Applicable to Issuers and Other Market Participants (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a Otros Participantes del Mercado de Valores*), published in the Mexican Federal Official Gazette on March 19, 2003 and issued by the CNBV, as amended and/or supplemented from time to time.

“**APCO Argentina**” means APCO Argentina, S.A.

“**APCO International**” means APCO Oil and Gas International, Inc.

“**APCO Shares**” means, collectively, the APCO O&G Shares and the APCO Argentina Shares.

“**APCO O&G Shares**” has the meaning assigned to such term in “Summary of the Transaction.”

“**APCO Argentina Shares**” has the meaning assigned to such term in “Summary of the Transaction.”

“**APCO SPA**” means the share purchase agreement executed in respect of the APCO O&G Shares and the APCO Argentina Shares.

“**API**” means API gravity, a measure of the density of crude oil set by the American Petroleum Institute.

“**Availability Period**” has the meaning assigned to such term in “Material Agreements.”

“**Backstop Credit Agreement**” means the credit agreement executed in relation to the Bridge Loans.

“**Baker Hughes**” means Baker Hughes Argentina, S.R.L.

“**Base Price**” has the meaning assigned to such term in “Oil & Gas Regulatory Framework in Argentina – Gas Market.”

“**Base Volume**” has the meaning assigned to such term in “Oil & Gas Regulatory Framework in Argentina – Gas Market.”

“**bbbl**” means barrel.

“**BnBoe**” means billion barrels of oil equivalent.

“**Bncf**” means billion cubic feet.

“**Bncfd**” means billion cubic feet per day.

“**boe**” means barrel of oil equivalent. A thousand cubic meters of natural gas is equivalent to 6,289 barrels of oil.

“**boed**” means barrel of oil equivalent per day.

“**Bridge Loans**” means the loans to be provided by the Lenders under the Bridge Facility.

“**Bridge Facility**” means the senior secured bridge term loan facility in an aggregate amount of up to US\$300,000,000.00 to be entered into between Vista and the Lenders in accordance with the terms of the Commitment Letter.

“**Business Day**” means any day except Saturdays, Sundays, and any other day on which the principal office of commercial banks located in Mexico are authorized or required to remain closed by law, regulation or executive order in accordance with the calendar issued by the CNBV from time to time.

“**Buyer Approval**” means, (i) the approval by the shareholders’ meeting of Vista of the Initial Business Combination through the affirmative vote of the simple majority of the present shareholders at said meeting, in accordance with Vista’s bylaws; and (ii) the then-remaining funds in the Escrow Account, together with any other additional funds that Vista may have available, shall be sufficient to fund the purchase price and costs related with such Initial Business Combination.

“**Capital IQ**” means the financial and market information platform that forms part of S&P Market Intelligence, a division of S&P Global Inc.

“**CAPSA**” means Compañías Asociadas Petroleras S.A.

“**Chevron**” means Chevron Argentina S.R.L.

“**CNBV**” means the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*).

“**CNDC**” means the Argentine Anti-Trust Commission (*Comisión Nacional de Defensa de la Competencia de la República Argentina*).

**“Commitment Letter”** means the commitment letter, dated as of February 12, 2018, among Vista and the Lenders for the commitment by the Lenders to provide a senior secured bridge term loan facility to Vista in an aggregate amount of up to US\$300,000,000.00.

**“Company”** means Vista Oil & Gas, S.A.B. de C.V., a corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico.

**“Condition for Early Termination”** means the condition that shall be satisfied if, once the Exercise Period has commenced, the US\$ Closing Price of the Series A Shares for any 20 of the last 30 Trading Days commencing on (and including) the third Business Day prior to the occurrence of the Early Termination Notice Date is equal to or greater than US\$18.00.

**“Direct Interests”** has the meaning assigned to such term in “Summary of the Transaction.”

**“DJAI”** means sworn pre-import statements (*declaraciones juradas anticipadas de importación*).

**“DLS”** means DLS Argentina Limited, Argentina branch

**“Dow Chemical”** means Dow Chemical Company.

**“E&P”** means exploration and production.

**“Early Termination Date”** means the Business Day, if any, upon which we cause the early termination of the Series A Warrants. We may cause the early termination of all, but not less than all, Series A Warrants once the Exercise Period has commenced, and so long as the Condition for Early Termination is deemed fulfilled, upon at least 30 calendar days’ prior notice.

**“EBITDA”** means earnings before interest, taxes, depreciation, and amortization.

**“Effective Date”** means January 1, 2018, for each (i) PELSA & EL-AA-BP Interest SPAA; (ii) APCO SPA; and (iii) 25M-JM Interest AA, as applicable.

**“EIA”** means the Energy Information Administration, a statistics and analysis agency of the Department of Energy of the United States.

**“Edenor”** means *Empresa Distribuidora y Comercializadora del Norte S.A.*

**“EL-AA-BP Interest”** has the meaning assigned to such term in “Summary of the Transaction.”

**“EMISNET”** means the Electronic Information Filing and Disclosure System (*Sistema Electrónico de Envío y Difusión de Información*) approved by the CNBV.

**“ENARGAS”** means the Argentine Gas Regulatory Authority (*Ente Nacional Regulador del Gas de la República Argentina*).

**“ENARSA”** means Energía Argentina S.A.

**“ENAP Sipetrol”** means ENAP Sipetrol Argentina, S.A.

**“ENRE”** means the National Electricity Regulator of Argentina (*Ente Nacional Regulador de la Electricidad*).

**“Ensign”** means Ensign Argentina, S.A.

**“Equity Interests”** has the meaning assigned to such term in the Cover Page.

**“Escrow Account”** means the U.K.-based escrow account into which the proceeds that we received from the Global Offering, together with certain proceeds of the private placement of the Sponsor Warrants, were deposited, with Citibank N.A. London Branch acting as Escrow Agent.

**“Escrow Agent”** means, Citibank N.A., London Branch.

**“Escrowed Proceeds”** means the net proceeds from the Global Offering together with certain proceeds of the private placement of the Sponsor Warrants.

**“EUR”** means estimated ultimate recovery.

**“Exercise of Shareholders’ Preemptive Rights”** means the subscription of Series A Shares by those Series A Shareholders that exercised their preemptive rights in connection with the issuance of shares and capital increase approved at the general shareholders’ meeting held on December 18, 2017.

**“Exercise Period”** means with respect to the Warrant Indenture, the period (i) commencing on the later of (a) the 30th calendar day following the Initial Business Combination Closing Date and (b) the date on which 12 months after the Offering settlement date have elapsed; and (ii) ending at 12:00 p.m. (Mexico City time) on the earlier of (a) the Early Termination Date, and (b) the fifth anniversary of the Initial Business Combination Closing Date; provided, that if any of such days or dates occur on any non-Business Day, then the Exercise Period shall commence or end, as the case may be, on the following Business Day.

**“FactSet”** means a company that provides financial research solutions and investment analytic tools.

**“Federalization Law”** means the Law 26.197 of the Argentine Republic published in the Official Gazette on January 3, 2007, that amended the Hydrocarbons Law.

**“Forward Purchase Agreement”** means the agreement we entered into with RVCP providing for the sale of our Forward Purchase Shares and Forward Purchase Warrants to RVCP and its permitted transferees in a private placement that will close substantially concurrently with the closing of our Initial Business Combination.

**“Forward Purchase Securities”** means the Forward Purchase Shares and the Forward Purchase Warrants, together.

**“Forward Purchase Shares”** means the Series A Shares to be issued pursuant to the Forward Purchase Agreement.

**“Forward Purchase Warrants”** means the Series A Warrants to be issued pursuant to the Forward Purchase Agreement.

**“GyP”** means Gas y Petróleo del Neuquén, S.A.

**“H&P”** means HP Argentina, S.A. (Helmrich & Payne Argentina Drilling Co.)

**“Halliburton”** means Halliburton Argentina S.A.

**“Holdout Bondholders”** has the meaning assigned to such term in “*Risk Factors*” section.

**“HSE”** means health, security and environment.

**“Hydrocarbons Law”** means, the Argentine Law 17.319 as amended and restated as of the date hereof.

**“IASB”** means the International Accounting Standard Board.

**“Independent Reservoir Engineering Firm”** means Gaffney, Cline & Associates.

**“Indeval”** means S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V, a privately owned securities depository that acts as a clearinghouse, depository, and custodian, as well as a settlement, transfer, and registration agent for Mexican Stock Exchange transactions.

**“Initial Business Combination”** means any 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, of any kind of commercial or civil companies, partnerships, corporations, trusts or any other entities, executed by the Company and which are referenced in the by-laws of the Company, the Warrant Indenture, the Warrant Global Certificate, the Shareholders’ Resolutions, the Strategic Partners Agreement, the Shareholders’ Agreement, and other related documents.

**“Initial Business Combination Closing Date”** means the date on which the Initial Business Combination is consummated as announced by us through EMISNET.

**“Initial Purchasers”** means Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC, together.

**“Lenders”** means, in relation to the Bridge Facility, the joint reference to Citigroup Global Markets Inc., Credit Suisse AG, and Morgan Stanley Senior Funding, Inc.

**“LMV”** means the Mexican Securities Market Law (*Ley del Mercado de Valores*).

**“LNG”** mean liquefied natural gas.

**“Loan Agreement”** means the loan agreement executed by Pluspetrol as lender and Pluspetrol Black River Corporation (absorbed by APCO International) as borrower dated January 21, 2015.

**“LTIP”** means the Long Term Incentive Plan.

**“Management Holdings”** means Vista Management International Company, an entity organized in the British Virgin Islands and owned and controlled by the members of the Management Team.

**“Management Team”** means the management team of the Company that is comprised of Miguel Galuccio, Pablo Vera Pinto, Juan Garoby, and Alejandro Cheriñacov. As such term is used in this disclosure document, our Management Team does not include our General Counsel, Javier Rodríguez Galli, who is seconded to us by an external law firm and does not dedicate full time to the Company.

**“ME&M”** means the Argentine Ministry of Energy and Mining (*Ministerio de Energía y Minería de la República Argentina*).

**“Mexican Federal Official Gazette”** means the *Diario Oficial de la Federación* of Mexico.

**“Mexican Securities Market Law”** means the Securities Market Law of Mexico (*Ley del Mercado de Valores*), as amended and/or supplemented from time to time.

**“Mexican Stock Exchange”** means Bolsa Mexicana de Valores, S.A.B. de C.V.

**“Mexican Underwriters”** means Acciones y Valores Banamex, S.A. de C.V., Casa de Bolsa, Integrante del Grupo Financiero Banamex and Casa de Bolsa Credit Suisse (México), S.A. de C.V., Grupo Financiero Credit Suisse (México), collectively.

**“MMbbl/d”** means million barrels per day.

**“MMbbl”** means million barrels of oil.

**“MBoed”** means thousands of barrels of oil equivalent per day.

**“MMBoe”** means millions of barrels of oil equivalent.

**“MMBtu”** means millions of British thermal units.

**“MMcfd”** means millions of cubic feet per day.

**“Nabors”** means Nabors International Argentina S.R.L.

**“Natural Gas Stimulus Program”** has the meaning assigned to such term in “Regulation.”

**“Offering” or “Global Offering”** means, collectively, (i) our sale of Series A Shares and Warrants in Mexico, and (ii) our sale of Series A Shares and Warrants in the United States pursuant to Rule 144A under the U.S. Securities Act of 1933, and in other countries outside of Mexico and the United States in reliance on Regulation S thereunder and in accordance with the applicable laws of the relevant jurisdiction, in each case on August 10, 2017.

**“Oil Break-Even Price”** means such price per barrel of oil that generates a 10% of internal rate of return throughout the life of a hydrocarbon project.

**“P50”** means the median estimate.

**“PAE” or “Pan American Energy”** means Pan American Energy LLC (Argentina branch).

**“Pampa” or “Pampa Energía”** means Pampa Energía S.A.

**“PELSA”** means Petrolera Entre Lomas S.A.

**“PELSA & EL-AA-BP Interest SPAA”** means the agreement executed in connection with the purchase of the PELSA Shares and the assignment of the EL-AA-BP Interest.

**“PELSA Shares”** has the meaning assigned to such term in “Summary of the Transaction.”

**“Permissible Interest Expenditures”** means interest earned on the Escrowed Proceeds that may be released to us to (i) pay income tax obligations arising after the closing of the Global Offering, (ii) fund working capital in an amount not to exceed US\$750,000 annually for a maximum of 24 months from the completion of the Global Offering, and (iii) in the event of a failure to enter into an Initial Business Combination within 24 months from the closing of the Global Offering, pay up to US\$100,000 in dissolution expenses.

**“Pérez Companc”** means Petrolera Pérez Companc, S.A.

**“Petrobras Argentina”** means Petrobras Argentina S.A.

**“Petronas”** means National Petroleum, Limited.

**“Plan” or “Incentive Plan”** has the meaning assigned to such term in “Long Term Incentive Plan.”

**“Pluspetrol”** has the meaning assigned to such term in “Summary of the Transaction.”

**“Priority Demand”** means household and small retailers.



**“Promotional Regime”** means the Promotional Investment Regime (*Régimen de Promoción de Inversión para la Explotación de Hidrocarburos*) created pursuant to Decree No. 929/2013 of Argentina.

**“Puma”** means Puma Energy, a midstream and downstream-focused energy company majority owned by Trafigura Beheer BV and Sonangol Group.

**“Purchase Agreement”** means the purchase agreement relating to the purchase and sale of the Series A Shares and Warrants by the Initial Purchasers, dated August 10, 2017, by and between the Company and the Initial Purchasers.

**“Quintana”** means Quintana E&P Argentina S.R.L.

**“Registry”** means the Registry of Imports of Petroleum and Petroleum Products (*Registro de Operaciones de Importación de Petróleo Crudo y sus Derivados*) in the Argentina Republic.

**“Reserves Report”** means the report prepared by the Independent Reservoir Engineering Firm, for more information refer to Exhibit 4.

**“Resolution 46-E/2017 Stimulus Program”** has the meaning assigned to such term in “Regulation.”

**“Riverstone”** means Riverstone Investment Group LLC, a Delaware limited liability company, together with its Affiliates and affiliated funds.

**“Riverstone Sponsor”** means Vista Sponsor Holdings, L.P., a limited partnership organized under the laws of Ontario, Canada.

**“RNIH”** means the National Registry of Hydrocarbon Investments (*Registro Nacional de Inversiones Hidrocarburíferas*) of Argentina.

**“RNV”** means the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the CNBV.

**“Roch”** means Roch S.A.

**“RSU”** has the meaning assigned to such term in the section entitled “Long Term Incentive Plan.”

**“RVCP”** means Riverstone Vista Capital Partners, L.P., a limited partnership organized under the laws of Ontario, Canada, and an Affiliate of Riverstone Sponsor.

**“San Antonio Internacional”** means San Antonio Internacional S.A.

**“SE”** means the former Secretariat of Energy of Argentina, now with its functions merged into the ME&M.

**“Servicios Especiales San Antonio”** means Servicios Especiales San Antonio S.A., a subsidiary of San Antonio Internacional.

**“SC”** means the Argentine Secretariat of Commerce (*Secretaría de Comercio*) subject to the jurisdiction of the Production Ministry (*Ministerio de Producción*) of Argentina.

**“Schlumberger”** means Schlumberger Limited.

**“Series A Shareholders”** means holders of Series A Shares.

**“Series A Shares”** means series A ordinary shares, no par value, representing the variable portion of the capital stock of Vista Oil & Gas, S.A.B. de C.V., registered with the RNV and listed on the Mexican Stock Exchange.

**“Series A Warrants”** means the Warrants offered and sold concurrently with the Series A Shares in connection with the Global Offering.

**“Series B Shareholders”** means holders of Series B Shares.

**“Series B Shares”** means the series B ordinary shares, no par value, representing the variable portion of the capital stock of Vista Oil & Gas, S.A.B. de C.V., registered with the RNV and listed on the Mexican Stock Exchange, which are automatically convertible into Series A Shares.

**“Series C Shareholder”** means Vista SH, L.L.C., Riverstone Sponsor or any other person or entity that is a holder of Series C Shares.

**“Series C Shares”** means the series C ordinary shares, no par value, representing the fixed portion of the capital stock of Vista Oil & Gas, S.A.B. de C.V., registered with the RNV and listed on the Mexican Stock Exchange, that are not subject to rights of withdrawal.

**“Shareholders’ Agreement”** means the agreement entered into by Riverstone Sponsor, Vista SH, LLC and the Management Team, each in its capacity as a shareholder of Vista.

**“Shareholders’ Resolutions”** means the resolutions approved by the unanimous consent of our shareholders in lieu of a general ordinary and extraordinary meeting on July 28, 2017, as evidenced by public instrument 80,566, dated July 28, 2017, issued by Roberto Nuñez y Bandera, Esq. in his capacity as Notary Public No. 1 for Mexico City.

**“Shares”** means the Series A Shares, Series B Shares and Series C Shares, collectively.

**“Shell”** means Royal Dutch Shell plc.

**“SIMI”** means the Argentine Integrated Imports Monitoring System (*Sistema Integral de Monitoreo de Importaciones de la República de Argentina*) of the Argentina Republic.

**“Sinopec”** means Sinopec Argentina Exploration & Production Inc.

**“SPAC”** means Special Purpose Acquisition Company.

**“Sponsor”** means Riverstone Sponsor and our Management Team, collectively.

**“Sponsor Shares”** means the Series B Shares that are held by our Sponsor, and those Series A Shares that are issued once such Series B Shares have been converted pursuant to the respective share certificate.

**“Sponsor Warrants”** means the warrants to purchase Series A Shares that are identical to and fungible with the Series A Warrants, except for certain differences set forth in the Strategic Partners Agreement, and which will be offered and issued in a private placement with the Sponsor.

**“Statoil”** means Statoil ASA.

**“Strategic Partners Agreement”** means the agreement dated August 1, 2017, entered into by Vista, Riverstone, and the Management Team, with the acquiescence of Management Holdings, in connection with the private placement of the Sponsor Warrants pursuant to Article 367-IV of the LMV.

**“Subscription Agreement”** has the meaning assigned to such term in the “Executive Summary.”

**“Surplus Injection”** means any injection volume in excess of the Base Volume.

**“Tecpetrol”** means Tecpetrol S.A.

**“Texas Railroad Commission”** means a Texas regulatory agency, which provides information about Texas alternative energy, natural gas, crude oil, surface mining and reclamation.

**“TGN”** means Transportadora de Gas del Norte S.A.

**“TGS”** means Transportadora de Gas del Sur S.A.

**“Total Austral”** or **“Total”** means Total Austral S.A.

**“Trading Day”** means each Business Day on which the Series A Shares can be traded on the Mexican Stock Exchange

**“Trafigura”** means Trafigura Argentina, S.A.

**“Transaction”** has the meaning assigned to such term in the “Executive Summary.”

**“Transener”** means *Compañía de Transporte de Energía Eléctrica en Alta Tensión TRANSENER S.A.*

**“Underwriting Agreement”** means the underwriting agreement (*contrato de colocación*) entered into by Vista and the Mexican Underwriters in connection with the Offering in Mexico.

**“US\$ Closing Price of the Series A Shares”** means, for any Trading Day, the dollar equivalent of the closing price of the Series A Shares for such Trading Day, which shall be determined by applying the fixed exchange rate (*tipo de cambio* FIX) published by the Mexican Central Bank on its webpage on such Trading Day.

**“VAT”** means the value added tax in Argentina or Mexico, as applicable.

**“Warrants”** means the Series A Warrants, the Sponsor Warrants and the Forward Purchase Warrants, together, whose underlying securities are the Series A Shares, and which are listed under the symbol “VTW408A-3C001.”

**“Warrant Global Certificate”** means the global certificate executed by Vista for the Warrants issued pursuant to the Warrant Indenture, which will be held in deposit at Indeval.

**“Warrant Holders”** means the individuals or entities, Mexican or foreign, when expressly approved by their investment regime, that hold the Series A Warrants, the Sponsor Warrants or the Forward Purchase Warrants.

**“Warrant Indenture”** means the warrant issuance indenture, contained in public instrument 80,625, dated August 7, 2017 issued by Roberto Núñez y Bandera, notary public number 1 of Mexico City, pursuant to which we issued the Series A Warrants and the Sponsor Warrants.

**“WDVG – Petroleum Engineering Laboratories”** means a consulting company that provides a range of petroleum engineering, geological services, and petrophysical modeling support to domestic and international oil and gas companies, midstream companies, and financial institutions.

**“Weatherford”** means Weatherford International de Argentina S.A.

**“Wintershall”** means Wintershall Holding GmbH.

**“Wood Mackenzie”** means Wood Mackenzie Ltd.

**“WTI”** means West Texas Intermediate.

**“WTO”** means World Trade Organization.

**“YPF”** means YPF S.A.

## SUMMARY TERM SHEET

This Summary, together with the sections entitled “Questions and Answers about the Transaction” and “Summary of the Disclosure Document,” summarizes certain information contained in this disclosure document, but does not contain all of the information that is important to the shareholders. You should carefully read this entire disclosure document, including the attached exhibits, for a more complete understanding of the matters to be considered at the shareholders’ meeting of Vista shareholders.

- Vista Oil & Gas, S.A.B. de C.V. is a corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico. We are a SPAC 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. We refer to such business combination throughout this disclosure document as our “Initial Business Combination”.
- We were formed by Riverstone Sponsor, which, together with our Management Team, is our Sponsor. Riverstone is one of the largest global energy-focused private equity firms. Our Management Team is led by Miguel Galuccio, the former Chairman and Chief Executive Officer of YPF and current independent member of the Board of Directors of Schlumberger Ltd.
- As of February 19, 2018, the variable portion of our capital stock was comprised by (i) 65,000,000 Series A Shares, registered with the RNV and listed on the Mexican Stock Exchange; and (ii) 16,250,000 Series B Shares, registered with the RNV and listed on the Mexican Stock Exchange, with 16,118,000 being held by our Sponsor and the remaining 132,000 by our independent directors. The variable portion of our capital stock is of unlimited amount pursuant to our bylaws and the applicable laws, whereas, the fixed portion of our capital stock is divided into two Series C Shares, registered with the RNV and listed on the Mexican Stock Exchange. For additional information regarding our capital structure, see “Information Relating to the Parties to the Acquisitions—Information Relating to Vista—Capital Structure.”
- As of the date hereof, we have issued 102,680,000 Warrants, of which (i) 65,000,000 were sold in connection with the Global Offering; (ii) 29,680,000 were purchased by the Sponsor in a private placement simultaneous with the closing of the Global Offering; (iii) 5,000,000 are currently held in treasury and are available for sale to RVCP, an Affiliate of Riverstone Sponsor, pursuant to our Forward Purchase Agreement (the “*Forward Purchase Warrants*”); and (iv) 3,000,000 were issued and are held in our treasury pursuant to the Shareholders’ Resolutions, and are available for sale to secure any additional financing Vista might require.
- Three Warrants may be exercised to purchase one Series A Share at a price of US\$11.50 per share. The Warrants may only be exercised in lots comprised of three Warrants to purchase one Series A Share; a single Warrant may not be exercised to purchase Series A Shares. The exercise price of our Warrants is in U.S. dollars. However, investors may pay the exercise price in Mexican pesos on the Business Day prior to the applicable exercise date at the exchange rate reported by the Mexican Central Bank (*Banco de México*) in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*). The Warrants may (i) be exercised beginning on the later of (a) 30 days after the completion of an Initial Business Combination or (b) 12 months from the closing of the Global Offering, and (ii) the earliest of (a) the Early Termination Date or (b) the fifth anniversary of the Initial Business Combination Closing Date, or earlier if, after exercisability, the closing price for a Series A Share for any 20 trading days within an applicable 30-trading day period shall equal or exceed US\$18.00. The Warrants are subject to certain additional adjustments, terms and conditions.
- Vista proposes to enter into the following Transaction:
  - (i) The acquisition from Pampa of: (a) 58.88% of the capital stock of PELSAs, an Argentine company that holds a 73.15% operating interest in three exploitation concessions in the Neuquina basin in the provinces of Neuquén and Río Negro, Argentina, one of which extends into the core of the Vaca

Muerta unconventional play; (b) a 3.85% direct interest in the 3 exploitation concessions operated by PELSA described in (a) above, and (c) a 100% interest in the exploitation concessions Medanito and Jagüel in the Neuquina basin in the province of Río Negro, Argentina; and

(ii) The acquisition from Pluspetrol of: (a) 100% of the capital stock of APCO International; and (b) 5% of the capital stock of APCO Argentina. APCO International, a Cayman Islands company, holds (a) 39.22% of the capital stock of PELSA; (b) 95% of the capital stock of APCO Argentina; and (c) through its Argentine branch, (1) a 23% interest in the three exploitation concessions operated by PELSA as described in sub-paragraph (i) above; (2) a 45% non-operating interest in an assessment block in the Neuquina basin in the province of Neuquén, Argentina, that extends into the core of the Vaca Muerta unconventional play; (3) a 55% operating interest in an exploitation concession in the Neuquina basin in the province of Neuquén, Argentina; (4) a 1.5% non-operating interest in an exploitation concession in the Noroeste basin in the province of Salta, Argentina; (5) a 16.9% non-operating interest in an exploitation concession in the Golfo San Jorge basin in the province of Santa Cruz, Argentina; and (6) a 44% non-operating interest in an exploration agreement for a site located in the Golfo San Jorge basin in the province of Santa Cruz, Argentina. APCO Argentina, a company incorporated in Argentina, holds a 1.58% equity interest in PELSA which, together with APCO International's equity interest in PELSA, account for 40.80% of the capital stock of PELSA. APCO International has entered into a purchase agreement pursuant to which it has agreed to sell to a third party 100% of the capital stock of APCO Austral S.A., a wholly-owned subsidiary of APCO International (directly and, indirectly, through APCO Argentina). The consummation of such sale remains pending and, accordingly, such shares are excluded from the Transaction. Pluspetrol, which will receive the proceeds from such sale, has agreed to indemnify us against and hold us harmless from any liability that may arise in connection therewith.

- On January 16, 2018, Vista and Pampa entered into (i) the PELSA & EL-AA-BP Interest SPAA and (ii) the 25M-JM Interest AA, the effectiveness of each of which is subject to the satisfaction of certain conditions precedent, including the approval of such Acquisition by our shareholders at a general shareholders' meeting. For more information about the terms of these agreements, please refer to the "Information Relating to the Acquisitions—Description of the Transaction—Acquisition of PELSA and the Direct Interests" section in this disclosure document.
- On January 8, 2018, Vista and Pluspetrol entered into the APCO SPA, the effectiveness of which is subject to the satisfaction of certain conditions precedent, including the approval of such Acquisition by our shareholders at a general shareholders' meeting. For more information about the terms of the APCO SPA, please refer to the "Information Relating to the Acquisitions—Description of the Transaction—Acquisition of the APCO O&G Shares and the APCO Argentina Shares" section in this disclosure document.
- In the aforementioned agreements, Vista has assumed the obligation to call a shareholders' meeting for purposes of obtaining the approval of each of the Acquisitions, collectively referred to herein as the Transaction. If the shareholders do not approve the Transaction at the shareholders' meeting, such agreements will terminate with no consequences for Vista.
- Upon consummation of the Transaction, we believe that Vista will become one of the main oil and gas producers in Argentina, with an attractive balance between current profitable production and a significant opportunity to develop the Vaca Muerta unconventional play. Our combined business on a pro forma basis would include proved reserves of 55.7 MMBoe (based on information as of December 31, 2016), average daily production of 27,472 boed (based on information for the first nine months of 2017), and in excess of 137,000 acres in the Vaca Muerta unconventional play. Our Vaca Muerta acreage on a pro forma basis would include approximately 54,000 net acres in the core unconventional play, adjacent to blocks that have already completed their pilot tests or are already under development, and contain Vista-operated hydrocarbon treatment and transport infrastructure with sufficient spare capacity to start the initial development phase immediately. We intend for Vista to operate almost all of its proved reserves and production, and approximately 90% of its core Vaca Muerta net acreage. Upon consummation of the Transaction, based on the average daily production information accumulated from January 1, 2017 through

September 30, 2017 published by ME&M, Vista would become the fifth largest oil producer and operator in Argentina. For more information about the Acquisition, see the sections entitled “*Information Relating to the Acquisitions*” and “*Information Relating to the Parties of the Acquisitions*” in this disclosure document.

- Upon successful consummation of the Initial Business Combination, (i) the full amount held in the Escrow Account will be released, (ii) the ownership interest held in the Company by any shareholder who elects not to purchase a *pro rata* share of the new Series A Shares described in this disclosure document will become diluted, (iii) our Series B Shares will be converted into Series A Shares, (iv) the expiration date of the Exercise Period of the Warrants will become certain, unless earlier terminated (v) the non-joint and several obligation of each of Riverstone Sponsor and Management Holdings to indemnify us against the claims of prospective target businesses with which we have entered into an acquisition agreement or claims of any third party for services rendered or products sold to us, will terminate, and (vi) the Shareholders’ Agreement will terminate. For additional information about the effects of the consummation of the Initial Business Combination, please refer to the “Executive Summary—Effects of the Consummation of the Initial Business Combination” section in this disclosure document.
- The Transaction and each of the Acquisitions involve numerous risks. For information about these risks, please refer to the “Risk Factors” section in this disclosure document.”
- Pursuant to the Shareholders’ Resolutions, subject to the consummation of the Initial Business Combination, the Series A Shareholders may elect to receive cash reimbursement and payments for their shares. If a shareholder exercises its reimbursement rights, then their public shares will be cancelled and they will no longer own shares of Vista following the completion of the Transaction and will not participate in the future growth of Vista, if any. Such a holder will be entitled to receive cash for its public shares only if it properly elects to be reimbursed no later than two Business Days prior to the shareholders’ meeting approving our Initial Business Combination. In the event that a group of Series A Shareholders is deemed to constitute a “group” (*grupo de personas*) under the Mexican Securities Market Law, such shareholders will only be entitled to the reimbursement of an aggregate number of Series A Shares which does not exceed 20% of the total number of Series A Shares issued and outstanding on the date of exercise of such right. Notwithstanding the foregoing, in the event that, after deducting the amount necessary to reimburse and cancel the Series A Shares of those Series A Shareholders that elected to receive such cash reimbursements and payments, the amount of cash available to complete the Initial Business Combination is insufficient, then we will not make such cash reimbursements or payments, we will not cancel any such Series A Shares and the Initial Business Combination will not be approved, and we may continue to search for a target business until expiration of the 24-month period after closing of the Global Offering. For more information about reimbursement rights, please read “Executive Summary—Cash Reimbursement of the Series A Shares Upon Consummation of the Initial Business Combination.”
- We intend to sell 10,000,000 Series A Shares, for an aggregate purchase price of US\$100,000,000.00, to certain investors pursuant to certain Subscription Agreements executed with Vista and the Exercise of Shareholders’ Preemptive Rights. We will use a portion of the net proceeds to pay for the transaction expenses incurred in connection with such sale. We have previously issued and currently hold as treasury shares the Series A Shares that we intend to sell in connection with the aforementioned agreements. Our Series A Shares are listed for trading on the Mexican Stock Exchange. The relevant capital increase and the issuance of the additional Series A Shares were approved by our shareholders at the ordinary general shareholders’ meeting held December 18, 2017. The sale and delivery of the Series A Shares pursuant to the Subscription Agreements and the Exercise of Shareholders’ Preemptive Rights, which will occur immediately prior to the consummation of the Transaction, is subject to our completion of the Transaction. Consistent with the registration of the corresponding capital increase in our books, we will report the purchase price in Mexican pesos in our accounting records. Except as provided in the Forward Purchase Agreement, our obligations under these arrangements will rank senior to any other indebtedness that we may incur in the future. The purchase price for the Series A Shares will be due and payable by the investors party to the Subscription Agreements, in U.S. dollars, no later than three days prior to the closing of the Transaction, and will be held in an escrow account until the closing date of the Transaction and consummation of the Initial Business Combination. Immediately prior to the closing of the Transaction and

consummation of the Initial Business Combination, the escrowed proceeds will be transferred to us in order to pay the purchase price of the Transaction, and we will transfer the Series A Shares to the corresponding parties through Indeval.

- We have entered into the Commitment Letter with certain banks pursuant to which such banks have committed to provide the Bridge Facility which shall be used as backstop in case the sum of the amounts obtained through the Subscription Agreements, the Exercise of Shareholders' Preemptive Rights, the Forward Purchase Agreement, and the amounts deposited in the Escrow Account, minus the amounts corresponding to the Series A Shareholders' exercise of their cash reimbursement right, is not sufficient to cover the costs of the Transaction.
- All of the Series B Shares currently outstanding will be converted into Series A Shares on a one-for-one basis upon completion of the Initial Business Combination. Subject to the consummation of the Initial Business Combination, the Series B Shareholders have waived their anti-dilution right to maintain their 20% ownership of the outstanding shares after any additional equity issuances, thereby limiting the dilutive effects of such conversion.
- It is anticipated that, upon successful consummation of the Initial Business Combination, the ownership of Vista will be as follows:
  - The public shareholders that acquired their shares directly or indirectly through the Global Offering, will own 65,000,000 Series A Shares, or approximately 67.53% of our outstanding shares;
  - Riverstone Vista Capital Partners, L.P. will own 5,000,000 Series A Shares, or approximately 5.19% of our outstanding shares, pursuant to the Forward Purchase Agreement;
  - The investors that have executed the Subscription Agreements and who have subscribed the relevant shares through the Exercise of Shareholders' Preemptive Rights will own 10,000,000 Series A Shares, or approximately 10.39% of our outstanding shares;
  - Our Sponsor and independent directors, upon conversion of the Series B Shares, will own 16,250,000 Series A Shares, or approximately 16.88% of our outstanding shares; and
  - Vista SH, LLC and Vista Sponsor Holdings, L.P. will each hold one Series C Share.

The ownership interests set forth above assume (i) no public shareholders elect to have their public shares reimbursed; and (ii) 10,000,000 Series A Shares are subscribed and paid for by investors executing Subscription Agreements or through the Exercise of Shareholders' Preemptive Rights at a price of US\$10.00 per share.

For more information about our capital structure, please refer to the "Information Relating to the Parties to the Acquisitions—Information Relating to Vista—Capital Structure" section in this disclosure document.

In compliance with the aforementioned agreements and as authorized by the board of directors of the Company, we have agreed to submit the relevant Acquisitions and, accordingly, the Transaction, to our shareholders for approval at a general shareholders' meeting. In addition to the approval of the Transaction and, accordingly, the Initial Business Combination, at the relevant shareholders' meeting, our public shareholders will be asked to vote upon the approval of the LTIP. For more information with respect thereto, please refer to the "Proposals that will be submitted for Approval at the Shareholders' Meeting—Initial Business Combination Proposal" and to the "Proposals that will be Submitted for Approval at the Shareholders' Meeting—Long-Term Incentive Plan Proposal" section in this disclosure document.



## QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

*The following questions and answers briefly address some commonly asked questions about the Transaction to be presented for approval including the Initial Business Combination. The following questions and answers do not include all the information that is important to Vista shareholders. We urge Vista shareholders to read carefully this entire disclosure document, including the exhibits and other documents referred to herein.*

**Q: Why am I receiving this disclosure document?**

**A:** We are asking our shareholders to consider and vote upon, among other things, a proposal to approve the Transaction as the basis for the consummation of the Initial Business Combination. This disclosure document contains what we believe to be material information that will enable our shareholders to make an informed decision with regard to their votes. You should read this disclosure document carefully and in its entirety.

**Q: What is being voted on at the general shareholders' meeting?**

**A:** Vista shareholders will vote on the following:

- the approval of the Transaction as a basis for the consummation of the Initial Business Combination as described in our bylaws, the Warrant Indenture, the Warrant Global Certificate, the Shareholders' Resolutions, the Strategic Partners Agreement, the Shareholders' Agreement, and other related documents; and
- the approval of the LTIP.

**Q: What does the Initial Business Combination entail?**

**A:** The consummation of the Transaction, subject to the shareholders' approval and the availability of sufficient resources to fund it.

**Q: How will I be asked to vote?**

**A:** We recommend that our shareholders vote in favor of the approval of the LTIP and the Transaction, which includes the two Acquisitions described in this disclosure document.

**Q: Are the proposals conditioned on one another?**

**A:** The approval of the Initial Business Combination is not contingent on the approval of any other proposal. However, the approval of the LTIP is conditioned on the consummation of the Initial Business Combination.

**Q: When does Vista expect to consummate the Initial Business Combination?**

**A:** Pursuant to the documents governing each of the Acquisitions, each closing is subject to the approval of the Transaction by our shareholders at a general shareholders' meeting and to the availability of sufficient funds in the Escrow Account, together with any other additional funds that Vista may have available, to fund the purchase price and costs related with such Initial Business Combination. Once our shareholders approve the Transaction, thus satisfying the conditions precedent set forth in the Acquisitions' governing documents, we will instruct the Escrow Agent to release the amounts payable to each seller and will close each of the Acquisitions included in the Transaction. For additional information, please refer to the "Information Relating to the Acquisitions" section in this disclosure document.

**Q: What will happen as a result of the Initial Business Combination?**

**A:** If our shareholders approve the Transaction, we will acquire, directly or indirectly, the Equity Interests and the Direct Interests, as further described in the cover of this disclosure document, and will hold the following:

In the Neuquina basin:

- a) A 100% operating interest in the exploitation concessions Medanito and Jagüel;
- b) A 100% operating interest in the exploitation concessions Entre Lomas, Bajada del Palo, and Agua Amarga;
- c) A 55% operating interest in the exploitation concession Coirón Amargo Norte;
- d) A 45% non-operating interest in the assessment block Coirón Amargo Sur Oeste which is operated by Shell through its Argentine affiliate O&G Developments LTD S.A.); and

In the Golfo San Jorge basin:

- a) A 16.9% non-operating interest in the exploitation concession Sur Río Deseado Este (which is operated by Roch);
- b) A 44% non-operating interest in the exploration agreement Sur Río Deseado Este (which is operated by Quintana); and

In the Noroeste basin:

- a) A 1.5% non-operating interest in the exploitation concession Acambuco (which is operated by Pan American Energy LLC through its Argentine branch).

As a result of the above, we would become a company with cash-generating assets and significant growth opportunities through the development of conventional and unconventional hydrocarbon reserves and resources. The aforementioned would enable us to achieve our vision of expanding our regional footprint in our target countries.

**Q: What conditions must be satisfied to consummate the Initial Business Combination?**

**A:** The Initial Business Combination shall have been approved by our shareholders as evidenced by the resolutions adopted at the corresponding shareholders' meeting. In addition, before proceeding with the Initial Business Combination, we must satisfy our reimbursement obligations to those Series A Shareholders who have elected to exercise their cash reimbursement right pursuant to the Shareholders' Resolutions; provided, that if the remaining funds available in the Escrow Account, together with any other funds available to us, are not sufficient to fund the purchase price for and the costs associated with the Initial Business Combination, we will not reimburse the Series A Shares or proceed with the Transaction and we will continue to search for another target business until August 10, 2019. For additional information regarding the conditions precedent to the consummation of the Acquisitions, see "Information Relating to the Acquisitions—Description of the Transaction."

**Q: Are there any arrangements to help ensure that Vista will have sufficient funds, together with the proceeds in its Escrow Account, to fund the cash requirements of the Transaction?**

**A:** We estimate the Transaction will require US\$800 million, which will be funded with equity and, if necessary, debt. For such purposes, in addition to those funds currently in the Escrow Account and the funds available to Vista pursuant to the Forward Purchase Agreement, we have secured (i) a private placement commitment for US\$100 million, through the execution of certain Subscription Agreements and the Exercise

of Shareholders' Preemptive Rights; and (ii) the Commitment Letter with certain banks pursuant to which such banks have committed to provide the Bridge Facility which shall be used as backstop in case the sum of the amounts obtained through the Subscription Agreements, the Exercise of Shareholders' Preemptive Rights, the Forward Purchase Agreement, and the amounts deposited in the Escrow Account, minus the amounts corresponding to the Series A Shareholders' exercise of their cash reimbursement right, is not sufficient to cover the costs of the Transaction.

**Q: What ownership interests will current Vista shareholders, the investors that execute Subscription Agreements and investors who subscribed to shares through the Exercise of Shareholders' Preemptive Rights, and the Sponsor hold upon consummation of the Initial Business Combination?**

**A:** It is anticipated that, upon successful consummation of the Initial Business Combination, the ownership of Vista will be as follows:

- The public shareholders that directly or indirectly acquired their shares through the Global Offering, will own 65,000,000 Series A Shares, or approximately 67.53% of our outstanding shares;
- Riverstone Vista Capital Partners, L.P. will own 5,000,000 Series A Shares, or approximately 5.19% of our outstanding shares, pursuant to the Forward Purchase Agreement;
- The investors that have executed the Subscription Agreements and who have subscribed the relevant shares through the Exercise of Shareholders' Preemptive Rights will own 10,000,000 Series A Shares, or approximately 10.39% of our outstanding shares;
- Our Sponsor and independent directors, upon conversion of the Series B Shares, will own 16,250,000 Series A Shares, or approximately 16.88% of our outstanding shares; and
- Vista SH, LLC and Vista Sponsor Holdings, L.P. will each hold one Series C Share.

The ownership interests set forth above assume (i) no public shareholders elect to have their public shares reimbursed; and (ii) 10,000,000 Series A Shares are subscribed and paid for by investors executing Subscription Agreements and the Exercise of Shareholders' Preemptive Rights at a price of US\$10.00 per share.

**Q: What happens if I sell or transfer my Series A Shares prior to the shareholders' meeting?**

**A:** If you transfer your shares in our company prior to the shareholders' meeting, you will not be able to vote at the meeting, and you will not be able to seek reimbursement of your Series A Shares because you will no longer be able to deliver them for cancellation upon consummation of the business combination. The notice for such shareholders' meeting will set forth the procedure you must follow in anticipation of the shareholders' meeting and the Indeval certificates or other certifications you must submit in order to evidence your share ownership.

**Q: Why must our shareholders approve the Initial Business Combination at a general shareholders' meeting?**

**A:** Pursuant to our bylaws, any transaction or series of transactions involving one or more mergers, acquisitions of assets, acquisitions of shares, exchanges of shares, acquisitions of equity interests, business combinations or consolidations, reorganizations or other similar transactions relating to one or more of the lines of business of any type of civil or commercial entity, association, company, trust or other concern, whether incorporated or unincorporated, into which we propose to enter, must be approved by our shareholders at a general ordinary or extraordinary shareholders' meeting, as applicable.

**Q: Have any of our Sponsor and members of the board of directors exercised their preemptive right to purchase additional shares?**

**A:** Our Sponsor and the non-independent members of the board of directors have waived their preemptive right to purchase any new shares in connection with the capital increase approved at the shareholders' meeting held December 18, 2017, additionally they have also waived their anti-dilution right with respect to their Series B Shares, as converted into Series A Shares upon consummation of the Initial Business Combination, to maintain their 20% ownership of the outstanding shares after any additional equity issuances, thereby limiting the dilutive effects of such conversion.

**Q: How many votes do I have at the general shareholders' meeting?**

**A:** Vista's shareholders are entitled to one vote at the general meeting for each Series A Share, Series B Share or Series C Shares. As of the close of business on February 16, 2018, there were a combined 81,250,002 outstanding Series A Shares, Series B Shares and Series C Shares.

**Q: What constitutes a quorum at the general shareholders' meeting?**

**A:** Pursuant to our bylaws, ordinary shareholders' meetings called upon first notice are deemed legally convened if at least 50% of our total number of shares outstanding is represented, and the actions taken are valid if approved by a majority of the voting shares present. Ordinary general shareholders' meetings held upon second or subsequent notice are deemed legally convened regardless of the number of shares present, and the actions taken are valid if approved by a majority of the voting shares present.

**Q: How will Vista's Sponsor vote?**

**A:** Pursuant to the Shareholders' Resolutions, the Strategic Partners Agreement, the Shareholders' Agreement and other Transaction related documents, the Sponsor has agreed to vote its Series B Shares, in addition to any Series A Shares acquired by the Sponsor during, or after, the Global Offering, in favor of the approval of the Initial Business Combination. The Series C Shareholders have also agreed to vote their Series C Shares in favor of the approval of any Initial Business Combination proposed.

Consequently, in addition to the votes of all Series B Shares (excluding those owned by our independent board members) and of all Series C Shares in favor, in a general shareholders' meeting called upon first notice and with all outstanding shares represented, we would require the favorable vote of 24,507,000 Series A Shares, or 37.70% of the 65,000,000 Series A Shares acquired through the Global Offering, in order to obtain the approval of our Initial Business Combination at such meeting.

**Q: What interests do the current officers and directors have in the Transaction?**

**A:** In considering the recommendation of our board of directors to vote in favor of the Transaction, shareholders should be aware that, aside from their interests as shareholders, our Sponsor and certain of our directors and officers have interests in the Transaction that are different from, or in addition to, those of other shareholders. Our directors and board members were aware of and considered these interests, among other matters, in evaluating the Transaction and in recommending to shareholders that they approve it. Shareholders should consider these interests when deciding whether to approve the Transaction. These interests include, among others:

- the fact that our Sponsor has agreed to vote its shares in our company in favor of the approval of the Transaction;
- the fact that our Sponsor paid an aggregate of US\$25,000 for its Sponsor Shares and such securities will have a significantly higher value at the time of the Transaction (based on the closing price for our Series A Shares on February 16, 2018, these shares would be valued at approximately Ps. \$185.00 if unrestricted and freely tradable);

- the fact that our Sponsor holds 29,680,000 Warrants purchased in a private placement that closed simultaneously with the consummation of the Global Offering that would expire worthless if the Initial Business Combination is not consummated;
- the continuation of the members of our Management Team and of Miguel Galuccio as our Chairman of the Board and Chief Executive Officer;
- the continuation of some or all of our existing directors, Susan Segal, Anthony Lim, Mauricio Doehner Cobián and Mark Bly, as directors of Vista;
- the fact that each of our independent directors owns 33,000 Series B Shares, which if unrestricted and freely tradable would be valued at approximately Ps. \$185.00, based on the closing price for our Series A Shares on February 16, 2018;
- the fact that the non-joint and several indemnification obligations of each of Riverstone Sponsor and Management Holdings under the Strategic Partners Agreement will terminate upon (a) a successful Initial Business Combination, or (b) if the Escrow Account is liquidated;
- the fact that our Sponsor, officers and directors may not participate in the formation of, or become a director or officer of, any other SPAC until we have entered into a definitive agreement regarding an Initial Business Combination or fail to complete an Initial Business Combination within the required time;
- the fact that Riverstone and the Sponsor have agreed not to form any other SPAC to acquire any oil or gas company in Mexico or any other country in Latin America until we have entered into a definitive agreement regarding an Initial Business Combination or fail to complete an Initial Business Combination within the required time;
- the fact that our Sponsor, officers and directors will lose their entire investment in us if an Initial Business Combination is not completed, which as of the date of this disclosure document amounts to US\$14,865,157.00; and
- the fact that the Shareholders' Agreement will be terminated upon completion of the Initial Business Combination.

**Q: What happens if I vote against the Initial Business Combination proposal?**

**A:** If the Initial Business Combination is not approved and we do not otherwise consummate an alternative Initial Business Combination by August 10, 2019, we will be required to dissolve and liquidate the Escrow Account by cash reimbursement of the then-remaining funds in such account to our public shareholders, minus up to US\$100,000 in dissolution expenses.

**Q: Will my vote affect my ability to exercise cash reimbursement rights?**

**A:** No. Our shareholders will retain their cash reimbursement rights whether or not they vote in favor of the approval of the Initial Business Combination. Accordingly, votes in favor of the approval of the Initial Business Combination could include votes cast by shareholders who elect to exercise their cash reimbursement right and to exit their investment in connection with the consummation of the Initial Business Combination.

**Q: How do I exercise my cash reimbursement rights?**

**A:** Any Series A Shareholder wishing to exercise his or her right to a reimbursement must notify us in writing no later than two Business Days prior to the date of the general shareholder's meeting at which the Initial Business Combination will be submitted for approval. Upon delivery of such notice the shareholder will

become obligated to deliver to us the corresponding Series A Shares for cancellation. All reimbursements and payments will be paid in cash based on the aggregate amount then on deposit in the Escrow Account as of two Business Days prior to the consummation of the Initial Business Combination.

Pursuant to the Shareholders' Resolutions, upon consummation of the Initial Business Combination, the Series A Shareholders will be entitled to request the reimbursement and payment in cash of such number of Series A Shares as they may elect in accordance with such resolutions; provided, that any such Series A Shares must be delivered to us for cancellation. In the event that a group of Series A Shareholders is deemed to constitute a "Group of Persons" in accordance with the meaning described in the LMV, such shareholders will only be entitled to the reimbursement of an aggregate number of Series A Shares which does not exceed 20% of the aggregate number of Series A Shares issued and outstanding on the date of exercise of such right. The payment of any reimbursement to the Series A Shareholders shall be subject to the condition that the balance available in the Escrow Account, together with any other amounts that are then available to us, is sufficient to pay the relevant purchase price and the costs associated with the Initial Business Combination, absent which we will not be required to make any such reimbursement or payment to such Series A Shareholders. If such balance is insufficient, the election to receive a cash reimbursement made by any of such Series A Shareholders and the approval of such Initial Business Combination will lose validity for all legal effects and we will not proceed with the Initial Business Combination and we will continue searching for companies to consummate the Initial Business Combination with during the term provided for such effects. For additional information regarding such cash reimbursement, see "Executive Summary—Reimbursement of the Series A Shares Upon Consummation of the Initial Business Combination."

The amount per Series A Share due and payable to each shareholder who has given us proper notice of the exercise of his or her right to the aforementioned cash reimbursement, which amount will be due and payable in either Mexican pesos or U.S. dollars at the election of such shareholder, will be determined by dividing (i) the amount of funds available in the Escrow Account, including any accrued interest not previously disbursed to finance the Permissible Interest Expenditures, by (ii) our aggregate number of Series A Shares issued and outstanding, in each case as of two Business Days prior to the consummation of our Initial Business Combination.

**Q: What are the tax consequences of exercising my cash reimbursement and payment rights?**

**A:** Cash reimbursements and payments will be classified, for tax purposes, as follows: (i) two-thirds, as a reimbursement of capital contributions for future capital increases (contributed in U.S. Dollars and for which applicable reimbursement and payment will be payable in U.S. Dollars or in Pesos at the applicable exchange rate); and (ii) one-third, as a reimbursement resulting from a capital reduction in Pesos, adding or subtracting the amount of the currency hedge approved in the Shareholders' Resolutions. Given that contributions for future capital increases are considered as debt for tax purposes, the reimbursements described in (i) above will not result in tax consequences for Vista or the Series A Shareholders under Mexican tax law. On the other hand, cash reimbursements resulting from capital reductions will be paid out of our CUCA (Paid-in capital account) balance, in which case no tax implications would arise for either the Company or the shareholders under Mexican law. Finally, the amount of the currency hedge approved in the Shareholders' Resolutions that may be added or subtracted from the reimbursement of the capital reduction will not result in tax consequences for the Company or for the shareholders pursuant to Mexican law.

**Q: If I am a Warrant Holder, can I exercise reimbursement rights with respect to my Warrants?**

**A:** No. The holders of our Warrants have no reimbursement rights with respect to our Series A Shares.

**Q: What happens to the funds deposited in the Escrow Account after consummation of the Initial Business Combination?**

**A:** Pursuant to the Shareholders Resolutions, the funds being held in the Escrow Account will be used to fund the Initial Business Combination, the reimbursements and cash payments described in this disclosure document, the deferred underwriting fees of US\$19,500,000.00 due and payable to the Mexican

Underwriters and the Initial Purchasers under the Underwriting Agreement and the Purchase Agreement, respectively, and the VAT attributable to these deferred underwriting fees. If there are funds remaining in the Escrow Account after payment of the foregoing amounts and consummation of the Initial Business Combination, such funds will be released to the Company to be used for working capital and the Escrow Account will be closed. If we do not consummate the Initial Business Combination or another initial business combination within the 24-month period that will expire on August 10, 2019, we will use up to US\$100,000 to finance our dissolution expenses and the remaining proceeds will be distributed to our public shareholders.

**Q: What should I do now?**

**A:** You should read all of the information contained in this document and its exhibits, including the information included in the section entitled “Risk Factors,” to understand the manner in which the Transaction and, accordingly, the Initial Business Combination, may impact you as a shareholder. You should then execute and deliver to us a proxy in the manner stipulated in the notice for the shareholders’ meeting; provided, that in order to exercise your voting rights at such meeting you must attend in person or by a representative.

**Q: How do I vote?**

**A:** Each of our shares entitles its holder to cast one vote at the shareholders’ meeting. In order to be admitted to the shareholders’ meeting you must deliver the applicable certificates of deposit of your shares issued by Indeval, together, if applicable, with the supplemental list referred to in the LMV. You may attend the shareholders’ meeting in person, by a representative appointed pursuant to the proxy that we will prepare and distribute to such effect in accordance with Article 49-III of the LMV, by a duly authorized legal representative or by an attorney-in-fact appointed in accordance with the applicable law.

**Q: What happens if I execute and deliver a proxy card without indicating how I wish to vote?**

**A:** If you do not indicate the manner in which you wish to vote your shares, your representative will not be able to vote your shares on your behalf and therefore you will abstain by default. Please refer to the next question in order to understand the consequences of abstention.

**Q: What will happen if I abstain from voting or fail to vote at the shareholders’ meeting?**

**A:** Your abstention will not be construed as a vote against or in favor of the approval of the matter at hand. However, it will be taken into consideration for both quorum and tally purposes. If you do not vote because neither you nor your representative are able to attend the meeting, your shares will not be taken into consideration for either quorum or tally purposes.

**Q: May I change my vote after I have submitted my proxy?**

**A:** Yes. At the shareholders’ meeting, you or your representative will be required to state the manner in which you wish to vote for tally purposes. You may provide voting instructions to your representative at any time prior to the shareholders’ meeting, through a proxy card or otherwise, including new instructions which may constitute a departure from your original instructions. Nevertheless, the only votes that will be binding and will be taken into account for tally purposes will be the votes that are actually cast at the shareholders’ meeting.

**Q: Who can help answer my questions?**

**A:** All inquiries must be addressed to us at our corporate headquarters located at Javier Barros Sierra No. 540, Torre 2, Piso 2, Colonia Lomas de Santa Fe, C.P. 01210, Álvaro Obregón, Ciudad de México, Mexico, or at +52 (55) 9177-2038 or [ir@vistaoilandgas.com](mailto:ir@vistaoilandgas.com), attention: Investor Relations c/o Alejandro Cheriñacov.

## SUMMARY OF THE DISCLOSURE DOCUMENT

*This summary highlights selected information from this disclosure document (folleto informativo) and does not contain all of the information that is important to you. To better understand the Initial Business Combination and the proposals to be considered at the special meeting, you should read this entire disclosure document carefully, including the exhibits. This disclosure document includes certain terms commonly used in the oil and natural gas industry, which are defined in the “Glossary of Defined Terms”.*

### **Our Company**

We are a corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico. We are a SPAC 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. We refer to such business combination throughout this disclosure document as our “Initial Business Combination”.

We hereby advise our shareholders and the public investors that our board of directors has authorized us to submit the Transaction to our shareholders for approval at an ordinary general shareholders’ meeting. The Transaction will constitute the Initial Business Combination for the purposes of our corporate bylaws, the Warrant Indenture, the Global Warrant Certificate, the Shareholders Resolutions, the Strategic Partners Agreement, the Shareholders’ Agreement and other related documents.

### **Our Company Following the Consummation of the Initial Business Combination**

The consummation of the Initial Business Combination will represent the conclusion of the second phase of our strategy, which ultimately seeks to achieve our long-term vision of becoming the leading next-generation independent oil and gas exploration and production company in Latin America and the local partner of choice in the region for companies in the industry and investors. We developed this vision at the Company’s inception and it has guided our strategy ever since.

In August 2017, we completed the first phase of our plan through the completion of our US\$650 million Global Offering and the execution of a Forward Purchase Agreement with RVCP, an Affiliate of Riverstone Sponsor, for an additional US\$50 million.

Since then, we began the process of identifying suitable investment opportunities to maximize risk-adjusted returns and create a platform for future growth. Our business development efforts were guided by the investment criteria set out at our Global Offering, which provided a framework for the assessment of potential investments. We believe that the Transaction meets our investment criteria in the following manner:

- Complies with the geographic focus of Vista, with Argentina, Mexico, Colombia and Brazil as its main target countries;
- Allows Vista to immediately reach a significant scale in Argentina;
- Represents a solid and profitable production base that generates significant cash flows;
- Delivers a significant core acreage position in Vaca Muerta, the largest commercial shale formation outside North America;
- Includes assets that we believe are underperforming their potential and would benefit from Vista’s operational expertise and capital, particularly for the Vaca Muerta development to achieve its maximum potential;



- Comprises assets that can leverage the extensive network and knowledge of Vista's Sponsor, in particular its experience with unconventional assets in North America and Vaca Muerta;
- Grants Vista a controlling stake in the entities, as well as an operator role in most of the exploitation concessions;
- Provides Vista with sufficient operational scale to qualify and participate in future tenders of oil and gas exploration and production blocks in Mexico and other target countries; and
- Results in a solid balance sheet, with a net cash position, maximizing financial flexibility.

As of the date of this disclosure document, we have also executed Subscription Agreements pursuant to which certain investors have agreed to subscribe for Series A Shares. Together with the Exercise of Shareholders' Preemptive Rights, these investors have agreed to subscribe for a total of 10,000,000 Series A Shares for an aggregate purchase price of US\$100,000,000.00, the net proceeds of which we will use to fund the Transaction.

Upon consummation of the Transaction, we expect that our platform will enable us to grow profitably due to the following:

1. **Premium assets in the Neuquina basin:** The platform would be mainly concentrated in the Neuquina basin, one of the most prolific in Latin America and the most competitive in Argentina, in a cluster that would comprise approximately 538,000 acres. It would have a proven conventional reserve base of approximately 55 Mmboe (64% oil), with an estimated break-even oil price of US\$30 per barrel. It would also have a production of 27,472 boed (60% oil) with an EBITDA margin of 41%, based on the results for the nine-month period ended September 30, 2017. In addition, the platform would include approximately 54,000 net acres in the core of the Vaca Muerta unconventional play, adjacent to blocks under development or that have been pilot-tested, where more than 600 wells have been drilled as of September 30, 2017. Companies with operations adjacent to our acreage would include YPF, Chevron, Shell, Petronas, Schlumberger, and Wintershall. We estimate that this acreage has approximately 311 MMBoe of risked EUR (P50), translating into significant growth potential in the following years. The proximity between blocks, combined with the overlap of the Vaca Muerta shale play with our current conventional operations, would allow us to consolidate an operational cluster that would increase the efficiency and facilitate the execution of our development plan.
2. **Balanced financial position:** Our conventional assets could generate significant low-risk cash flows, with projected EBITDA of approximately US\$190 million in 2018. In addition, the platform would have no leverage as of the Transaction's closing date, assuming no borrowings under the Bridge Facility are needed to fund the Transaction. We estimate that the foregoing, combined with the resources we expect to obtain through the execution of the Subscription Agreements and the subscription of shares through the Exercise of Shareholders' Preemptive Rights, will be sufficient to fund an accelerated development plan for the next 18 months.
3. **Actionable and profitable growth plan:** We expect that the platform would be fully functional from an operating standpoint upon completion of the transaction, with approximately 168 employees and a sound track-record with respect to HSE metrics (including ISO14001 and OSHAS 18001 certifications). In addition, by operating and holding a 100% interest in most of the exploitation concessions, and by having minimal capital investment requirements, we believe that we would have full discretion and flexibility to define our development plans. In addition, we would operate oil and gas treatment and transport infrastructure with sufficient spare capacity that we could leverage during the initial phase of the development plan. As part of such development plan, we expect that Vista would have a considerable and highly profitable drilling inventory in its Vaca Muerta acreage, including 413 locations in its base plan, with potential for over 1,100 locations.

4. **Optimal platform for regional expansion:** We would expect to leverage the acquired organization to continue our regional expansion efforts, through acquisitions, partnerships, or tenders for oil and gas exploration and production blocks. For example, we expect that our operational scale would allow us to qualify and participate in future tenders in Mexico, Brazil, or Colombia, and our team would have enough technical and operational qualifications to create value in other geographies. Additionally, we anticipate having access to a pipeline of actionable opportunities that could deliver attractive risk-adjusted returns, and our immediate focus is to develop an initial platform in Mexico and to consolidate our current position in Argentina through additional transactions.

Additionally, going forward, Vista would continue to seek opportunities to create shareholder value and to pursue our vision of regional leadership in the oil and gas exploration and production sector via the following plan:

1. **Integration and optimization of the acquired entities and assets:** Following completion of the Transaction, we intend to take control over the operations in order to ensure business continuity while building strong operating teams. Additionally, we intend to implement an efficient corporate structure and implement better reporting and information management systems, as well as operational standards.
2. **Full-scale development of the Vaca Muerta unconventional play:** We intend to complete a first-class team with experience in the Vaca Muerta play, hiring already-identified specialists within the Neuquina basin. Additionally, by leveraging existing information, including 3D seismic imaging of the formation, core analyses, petrophysical analysis, and production history of existing wells in the area, we intend to undertake an accelerated development plan which can be immediately implemented as a result of the in-depth knowledge of the management team of the development of these resources and the existence of treatment and transport infrastructure with spare capacity, which will permit a fast-track development without the need of waiting for the construction of new production facilities construction. During the second half of 2018, we plan to drill and complete four horizontal wells and bring them into production in early 2019.
3. **Limit the decline of conventional production:** We intend to review the existing subsurface models and redefine the existing portfolio of exploration and production projects, prioritizing projects based on risk-adjusted internal rates of return. Additionally, we intend to continue with the drilling of new and infill wells during 2018, focusing on increasing primary recovery in the short term.
4. **Focus on the efficiency of conventional operations.** We intend to (i) take advantage of the increase in our unconventional operations to transfer conventional resources onto unconventional resources, and therefore reduce the conventional fixed cost base to lower extraction costs of the conventional operations; (ii) merge contracts of the acquired entities and implement a new contracting system with pay-for-performance mechanisms; and (iii) work in close collaboration with different stakeholders, including authorities and labor unions, in order to improve efficiency and productivity of our work force.
5. **Implement Vista's regional expansion plan:** We intend to continue strategic dialogues with the aim of establishing a solid operating platform in Mexico while simultaneously evaluating additional opportunities to consolidate the operations of the Company in Argentina, and to selectively evaluate investment opportunities in Colombia and Brazil.

As a result of the Transaction, we believe that Vista will be highly attractive to investors due to our:

- World-class Management Team;
- High-growth and profitable development plan;
- Development-ready, core Vaca Muerta shale oil position;

- Cash-flow generating asset base;
- Balanced financial position;
- Attractive entry valuation; and
- Solid platform for future regional expansion.

Moreover, Vista would become, upon completion of the Transaction, the fifth largest oil producer and operator in Argentina, based on the average daily production information accumulated from January 1, 2017 through September 30, 2017 published by the ME&M.

The following Table 1 contains selected pro forma operating and financial data for such platform for the twelve-month period ended December 31, 2016, and the nine-month period ended September 30, 2017:

	<b>Twelve Months Ended December 31, 2016</b>	<b>Nine Months Ended September 30, 2017</b>
<b>Operating data:</b>		
Average daily production (Mboed).....	29.8	27.5
Oil (Mbbld) .....	18.3	16.6
Gas (MMcfd) .....	64.8	61.0
<b>Financial data:</b>		
Net sales (thousands of U.S. dollars) .....	\$ 574,558	\$ 333,939
EBITDA (thousands of U.S. dollars) .....	240,275	136,469
Net profit (thousands of U.S. dollars) .....	30,900	13,751

**Table 1 Operational and Accounting Information of the platform**

Vista would hold an interest in eight exploitation concessions with remaining terms of seven or more years, all of which are renewable for additional 10-year periods; as well as in one exploration agreement and one assessment block, both of them entitling Vista to apply for 25-year conventional or 35-year unconventional exploitation concessions in accordance with the Hydrocarbons Law. These assets are located in some of Argentina's main hydrocarbon basins, namely:

- The Neuquina basin: (i) six Vista-operated exploitation concessions, and (ii) one non-operating assessment block;
- The Golfo San Jorge basin: (i) one non-operating exploitation concession and (ii) one non-operating exploration agreement; and
- The Noroeste basin: one non-operating exploitation concession.

For the nine-month period ended September 30, 2017, these assets reported an average daily oil and gas production of 16.6 Mboed and 61 MMcfd, respectively, which accounted for 3% and 1% of Argentina's total oil and gas production, respectively, which implies that the combined platform would be the fifth largest producer of oil in the country. The largest concessions in terms of average net daily production are Entre Lomas and Bajada del Palo in the Neuquina basin, which together account for 35% and 40% of the aggregate production of oil and gas of Vista on a pro forma basis, respectively. Upon a successful Initial Business Combination, Vista would focus primarily on the Neuquina basin, which is one of the most prolific basins in Latin America and is currently considered the most competitive in Argentina, when factoring in its resources, access to oil and gas treatment and transport infrastructure, availability of oil and gas field services and human capital.

The majority of the conventional production fields are considered to be mature. The recovery factor in the exploitation concession operated by PELSAs is approximately 15% (compared with approximately 30% for similar operations), which provides an opportunity for value creation with methods such as infill drilling and secondary and tertiary recovery techniques.

In addition, upon completion of the Transaction, we would hold more than 137,000 acres in the Vaca Muerta unconventional play, including approximately 54,000 net acres which we believe are located in the play's core. This acreage is spread across two blocks: (i) Bajada del Palo, in which we would operate and hold an almost 100% interest; and (ii) Coirón Amargo Sur Oeste, in which we would hold a 45% non-operating interest, with Shell as the operator. As a result, we would operate approximately 90% of our net acreage in the core of Vaca Muerta, which is adjacent to blocks that are already under development or have been pilot tested, and in which more than 600 wells have been drilled as of September 30, 2017. The activity in this adjacent acreage would allow us to immediately implement our development plan with a high degree of confidence in the productivity of our type wells, thus reducing development risks. This reduction in risk combined with the fact that we would be operating infrastructure with sufficient spare capacity, and the fact that we would hold a 100% operating interest in Bajada del Palo through PELSAs, would give us full flexibility and discretion to define a development plan in terms of size, timing, and operating design, in line with our objectives.

As of December 31, 2016, this platform had combined proved, probable and possible net reserves of 83 MMBoe, including 52 MMbbl of crude oil and condensate and 175 Bncf of natural gas according to the certifications filed with ME&M. Proved reserves amounted to 56 MMBoe, of which oil and gas accounted for approximately 64% and 36%, respectively. Based on 2016 net production figures, the estimated proved reserves as of December 31, 2016, would result in an average life of approximately 5.3 years for oil and approximately 4.8 years for gas, with a combined duration of approximately 5.1 years. As a result, upon completion of the Transaction, our combined conventional and unconventional assets would be expected to yield a risked estimated ultimate recovery (EUR) of 395 MMBoe, providing us with a platform that we expect will allow us to achieve significant growth over the next several years.

Assuming successful consummation of the Transaction, our strategy going forward would focus on value creation by identifying and developing profitable hydrocarbon exploration and production projects in the region with risk-reward profiles in line with our cost of capital, as well as on production increases and the addition of new oil and gas reserves in a socially and environmentally-friendly manner. We would expect to seek to consolidate our position in Argentina growing through the development of our assets acquired in the Transaction and via new acquisitions. Moreover, we would expect to seek to expand into other countries in the region through acquisitions, joint ventures, and bidding rounds, with special emphasis on building an initial platform in Mexico and gaining exposure to Brazil, and Colombia, although potentially also in other countries where we might identify attractive opportunities on a risk-adjusted basis.

#### **Main Conditions Precedent for the Consummation of the Acquisitions**

- Buyer Approval shall have been obtained;
- All of the representations and warranties contained in the documents governing each Acquisition (other than those which refer to a specific date, which shall be true and correct as of such date) shall be true and correct as of the date of acceptance and as of the closing date;
- All of the covenants and obligations to be fulfilled on or prior to the relevant closing date for the relevant Acquisition shall have been duly fulfilled in all material respects as and when due by the parties;
- No action seeking to preclude or challenge the validity of the relevant Acquisition shall have been brought and remain pending; and
- No event which could have a material adverse effect on the relevant Acquisition shall have occurred.

## **Other Agreements**

In connection with the Initial Business Combination, Vista and certain investors have entered into subscription agreements (“Subscription Agreements”) pursuant to which such investors have agreed to subscribe for Series A Shares. Together with the Exercise of Shareholders’ Preemptive Rights, these investors have agreed to subscribe for a total of 10,000,000 Series A Shares for an aggregate purchase price of US\$100,000,000.00, the net proceeds of which we will use to fund the Transaction.

We have previously issued and currently hold as treasury shares the Series A Shares that we intend to sell in connection with the aforementioned Subscription Agreements and the Exercise of Shareholders’ Preemptive Rights. On December 18, 2017, our shareholders authorized us to issue up to 100,000,000 Series A Shares at an ordinary general shareholders’ meeting. Our Series A Shares are registered with the RNV and listed on the Mexican Stock Exchange.

The sale and delivery of the Series A Shares pursuant to the Subscription Agreements is subject to the closing of the Transaction and will occur immediately prior to the consummation of the Initial Business Combination. The purchase price for the Series A Shares will be due and payable by the relevant purchasers, in U.S. dollars, no later than three days prior to closing of the Transaction, and will be held by us in an escrow account until the closing date for the Transaction. Immediately prior to the closing of the Transaction, the escrowed proceeds will be transferred to us in order to enable us to fund the purchase price for the Acquisitions, whereas we will transfer the Series A Shares through Indeval.

On February 12, 2018, we executed a Commitment Letter with Citigroup Global Markets Inc., Credit Suisse AG and 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 of up to US\$300,000,000.00, which we intend to use as a backstop for the financing of the Transaction, to the extent necessary.

For more information regarding the Subscription Agreements and the Bridge Facility, please refer to the section entitled “Material Agreements.”

## **Interest of Certain Persons in the Initial Business Combination**

In considering the recommendation of our board of directors to vote in favor of the Transaction and, accordingly, the Initial Business Combination, you should take into consideration that the Sponsor has certain interests that are different from, or in addition to, those of other shareholders. Our directors were aware of and considered these interests, among other matters, in evaluating the Initial Business Combination and in recommending to shareholders that they approve it. Shareholders should consider these interests when deciding whether to approve the business combination. These interests include, among others:

- the fact that our Sponsor has agreed to vote its shares in our company in favor of the approval of the Transaction;
- the fact that our Sponsor paid an aggregate of US\$25,000 for its Sponsor Shares and such securities will have a significantly higher value at the time of the Transaction (based on the closing price for our Series A Shares on February 16, 2018, these shares would be valued at approximately Ps. \$185.00 if unrestricted and freely tradable);
- the fact that our Sponsor holds 29,680,000 Warrants purchased in a private placement that closed simultaneously with the consummation of the Global Offering that would expire worthless if the Initial Business Combination is not consummated;
- the continuation of the members of our Management Team and of Miguel Galuccio as our Chairman of the Board and Chief Executive Officer;

- the continuation of some or all of our existing directors, Susan Segal, Anthony Lim, Mauricio Doehner Cobián and Mark Bly, as directors of Vista;
- the fact that each of our independent directors own 33,000 Series B Shares, which if unrestricted and freely tradeable would be valued at approximately Ps. \$185.00, based on the closing price of our Series A Shares on February 16, 2018;
- the fact that the non-joint and several indemnification obligations of each of Riverstone Sponsor and Management Holdings under the Strategic Partners Agreement will terminate upon (a) a successful Initial Business Combination, or (b) if the Escrow Account is liquidated;
- the fact that our Sponsor, officers and directors may not participate in the formation of, or become a director or officer of, any other SPAC until we have entered into a definitive agreement regarding an Initial Business Combination or fail to complete an Initial Business Combination within the required time;
- the fact that Riverstone and the Sponsor have agreed not to form any other SPAC to acquire any oil or gas company in Mexico or any other country in Latin America until we have entered into a definitive agreement regarding an Initial Business Combination or fail to complete an Initial Business Combination within the required time;
- the fact that our Sponsor, officers and directors will lose their entire investment in us if an Initial Business Combination is not completed, which as of the date of this disclosure document amounts to US\$14,865,157.00; and
- the fact that the Shareholders' Agreement will be terminated upon completion of an Initial Business Combination.

### **Series A Shareholders' Rights to obtain Cash Reimbursements upon Consummation of the Initial Business Combination**

Each Series A Shareholder, pursuant to the terms provided in our Shareholders' Resolutions, will be entitled to obtain cash reimbursements for each Series A Share for which they elect to seek reimbursement, provided that we will cancel all the Series A Shares in respect of which cash reimbursements and payments are made as described above pursuant to the terms set forth in our Shareholders' Resolutions.

In the event that a group of Series A Shareholders is deemed to constitute a "group" (*grupo de personas*) under the Mexican Securities Market Law, such shareholders will only be entitled to the reimbursement of an aggregate number of Series A Shares which does not exceed 20% of the total number of Series A Shares issued and outstanding on the date of exercise of such right. Notwithstanding the foregoing, in the event that, after deducting the amount necessary to reimburse and cancel the Series A Shares of those Series A Shareholders that elected to receive such cash reimbursements and payments, the amount of cash available to complete the Initial Business Combination is insufficient, then we will not make such cash reimbursements or payments, we will not cancel any such Series A Shares and the Initial Business Combination will not be approved, and we may continue to search for a target business within the applicable period.

The amount of reimbursement that each Series A Shareholder would receive is the amount per share equal to (i) the aggregate amount on deposit at the time the Initial Business Combination is consummated, including interest earned on the funds held in the Escrow Account and not previously released to us to pay Permissible Interest Expenditures, divided by (ii) the number of then outstanding Series A Shares. The Series A Shareholder may elect, at the time of the notification of the exercise of the reimbursement right, to receive such amounts in either U.S. dollars or Mexican pesos.

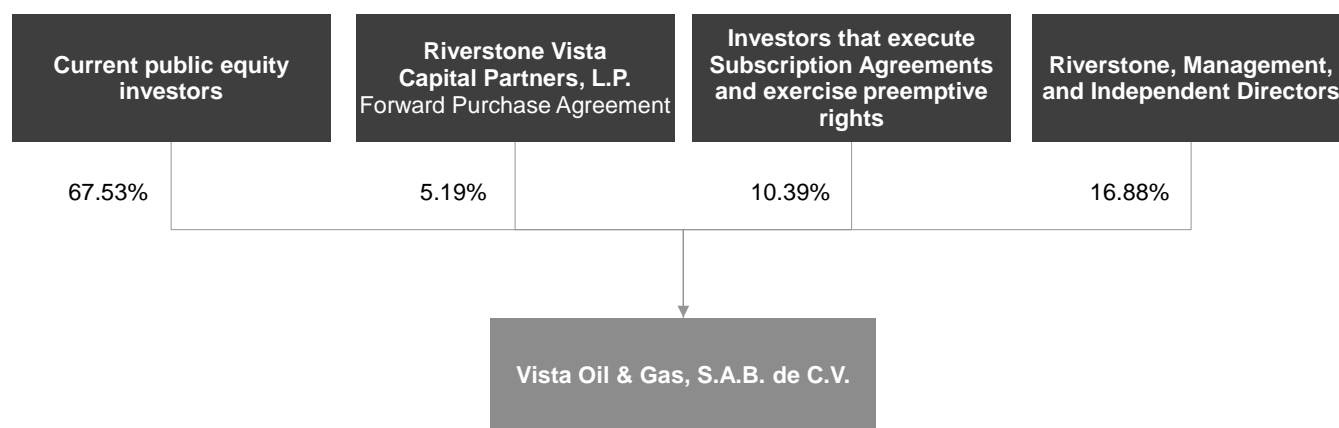
The election of such right to receive such reimbursements and payments must be made no later than two Business Days prior to the shareholders' meeting approving our Initial Business Combination or such amendment

to our bylaws or Shareholders' Resolutions, as applicable. Such reimbursements and payments will be paid in cash based on the aggregate amount then on deposit in the Escrow Account as of two Business Days prior to the consummation of our Initial Business Combination, or a shareholders' meeting to amend the bylaws or Shareholders' Resolutions, as applicable, including interest earned on the Escrowed Proceeds and not previously released to us as Permissible Interest Expenditures.

## Our Ownership Structure upon Consummation of the Initial Business Combination

### Ownership Structure

The following diagram (**Figure 1**) illustrates our ownership structure immediately following the consummation of the Initial Business Combination, assuming (i) no public shareholders elect to have their public shares reimbursed; and (ii) 10,000,000 Series A Shares are subscribed and paid for by investors executing Subscription Agreements and the Exercise of Shareholders' Preemptive Rights at a price of US\$10.00 per share.



**Figure 1 – Vista Ownership Structure upon Consummation of the Initial Business Combination**

### Consequences of the Consummation of the Initial Business Combination

The rights of Series A Shareholders will not change as a result of the approval of the Transaction at our general shareholders' meeting; provided, that only to the extent the Initial Business Combination is approved and consummated:

- The full amount held in the Escrow Account will be used to (i) reimburse or pay in cash any amounts due to those Series A Shareholders who have elected to have their Series A Shares reimbursed, as notified to us no later than two Business Days prior to the general shareholders' meeting at which the Initial Business Combination is approved, for a *pro rata* share pursuant to our Shareholders' Resolutions; and (ii) after all cash reimbursements and payments described in clause (i) have been made, (a) pay US\$19,500,000.00 to the Initial Purchasers and Mexican Underwriters for their deferred initial purchaser and underwriting compensation under the Purchase Agreement and the Underwriting Agreement, respectively, plus the VAT attributable to such deferred compensation; and (b) fund all or a portion of the Initial Business Combination with the remaining proceeds in the Escrow Account. After making the foregoing payments, the Escrow Account will be closed and any remaining proceeds in the Escrow Account will be distributed to us;
- Should 5,000,000 Forward Purchase Shares and an equal number of Forward Purchase Warrants to fund the Initial Business Combination be subscribed, the ownership interest held in our company by any shareholder who is not a party to the Forward Purchase Agreement will be diluted;
- To the extent 10,000,000 Series A Shares out of the 100,000,000 Series A shares issued in accordance with the resolutions approved at the general shareholders' meeting held on December

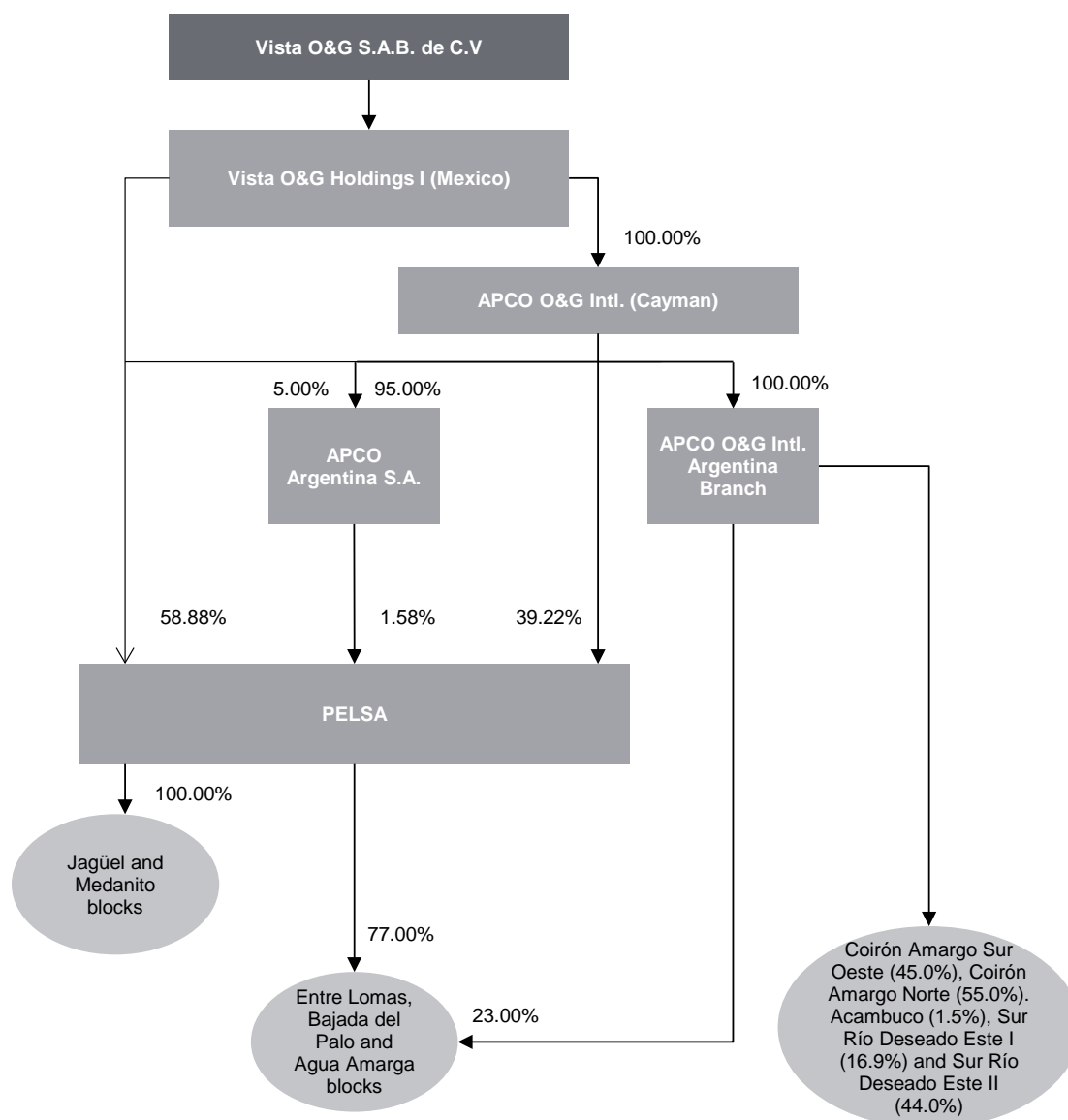
18, 2017 to finance in full or in part the Initial Business Combination are subscribed and paid (either by investors who have entered into a Subscription Agreement with us or through the Exercise of Shareholders' Preemptive Rights), the ownership interest held in our company by any shareholder who does not purchase a *pro rata* number of such shares will be diluted;

- All of the Series B Shares currently outstanding will be converted into Series A Shares on a one-for-one basis upon completion of the Initial Business Combination. Subject to the consummation of the Initial Business Combination, the Series B Shareholders have waived their anti-dilution right to maintain their 20% ownership of the outstanding shares after any additional equity issuances, thereby limiting the dilutive effects of such conversion;
- The Exercise Period of the Warrants shall commence 30 calendar days after the closing date of the Initial Business Combination and expire on the earlier of (a) the Early Termination Date, and (b) the fifth anniversary of the Initial Business Combination Closing Date;
- The non-joint and several obligation of each of Riverstone Sponsor and Management Holdings under the Strategic Partners Agreement to indemnify us for certain third-party claims for services rendered or products sold to us, or for claims from companies with which we may have discussed the prospective consummation of a business combination, will terminate; and
- The Shareholders' Agreement will be terminated.

If we do not consummate the Initial Business Combination, we will not be required to take any of the aforementioned actions, and both the approval of the Transaction and the exercise by the Series A Shareholders of their cash reimbursement rights will cease to be valid for all legal purposes, and we will not be required to carry out any such cash reimbursements or payments.



**Simplified Organizational Structure (Figure 2)**



**Figure 2 - Simplified Organizational Structure Following the Consummation of the Initial Business Combination**

**Composition of Our Board of Directors Following the Consummation of the Initial Business Combination**

Our board of directors comprises Ms. Susan Segal and Messrs. Miguel Galuccio, Ken Ryan, Mark Bly, Anthony Lim, and Mauricio Doehner Cobián, all of whom were elected on July 28, 2017. Mr. Miguel Galuccio is the Chairman of the Board and also serves as Chief Executive Officer. Two-thirds of our directors (i.e., Susan Segal, Mark Bly, Anthony Lim, and Mauricio Doehner Cobián) qualify as independent, thus exceeding the 25% requirement prescribed by Mexican law. These independent directors make up our Audit and Corporate Governance committees. Our board of directors and its committees hold regular meetings to carry out their duties under applicable Mexican law and our bylaws.

In accordance with our bylaws, the directors elected on July 28, 2017 will remain in office for at least 24-months from the publication of the notice of the Global Offering (i.e., August 10, 2017). For more information and their biographies, please refer to the “Directors” section in this disclosure document.

### **Other Proposals**

In addition to the approval of the Initial Business Combination, our shareholders will be asked to vote on the approval of the LTIP described in this disclosure document. For a detailed description of this plan, see “Long Term Incentive Plan.”

### **Date, Time, and Place of Our General Shareholders’ Meeting**

We have called our shareholders to an ordinary general shareholders’ meeting, at which we will submit for approval the Initial Business Combination and the other matters described in this disclosure document. This shareholders’ meeting will be held at Blvd. de los Virreyes 24, Piso 24, Lomas de Chapultepec V Sección, in Mexico City, Mexico. In accordance with our bylaws, we will make the disclosure document and the financial information with respect to the Transaction available to our shareholders at least 30 calendar days prior to the general shareholders’ meeting at which the vote on the proposed Initial Business Combination will occur and we will publish the call (*convocatoria*) at least 15 calendar days before such date.

### **Quorum and Voting Requirements**

Pursuant to our bylaws, ordinary shareholders’ meetings called upon first notice are deemed legally convened if at least 50% of our total number of shares outstanding is represented, and the actions taken thereat are valid if approved by a majority of the voting shares present. Ordinary general shareholders’ meetings held upon second or subsequent notice are deemed legally convened regardless of the number of shares present, and the actions taken are valid if approved by a majority of the voting shares present.

### **Recommendation of Our Board of Directors**

Our board of directors has determined that the consummation of the Transaction and the approval of the LTIP described in this disclosure document are in the best interest of our shareholders and has recommended that our shareholders vote to approve these proposals at the upcoming shareholders’ meeting.

In assessing the aforementioned recommendation, you should take into consideration that the Sponsor and our directors and officers have certain interests that may vary from those of our remaining shareholders. For additional information thereon, see “—Interest of Certain Persons in the Initial Business Combination.”

### **Risk Factors**

In making a decision with respect to the proposals described in this disclosure document, you should carefully consider all of the information contained herein and in the exhibits hereto, including, in particular, the items described under “Risk Factors.”

## Selected Financial Information (Table 2 and Table 3)

The following tables contains condensed and combined pro forma unaudited income statement information for the nine month period ended September 30, 2017 and the year ended December 31, 2016 and condensed and combined pro forma unaudited statement of financial position information as of September 30, 2017 and December 31, 2016. For information regarding the basis of preparation and the selected financial information, including the compilation of historical financial information and pro forma adjustments, please refer to Note 4 of the condensed and combined pro forma unaudited financial statements included in this disclosure document as Exhibit 2.

**Table 2 – Condensed and combined pro forma unaudited statement of financial position  
As of September 30, 2017 and December 31, 2016**  
(Amounts in U.S. dollars)

	September 30, 2017	December 31, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 97,459,974	\$ 81,213,085
Accounts receivable	45,984,237	43,810,290
Inventories (petroleum in stock)	10,822,749	10,898,094
Other current assets	28,856,486	39,521,285
Total currents assets	<u>183,123,446</u>	<u>175,442,754</u>
Non-current assets:		
Property, plant and equipment, net	553,186,424	614,005,031
Investments in associates	4,363,727	4,363,727
Other non-current assets	24,506,176	963,664
Deferred tax assets	4,334,000	4,784,965
Goodwill	300,463,016	300,463,016
Total non-current assets	<u>886,853,343</u>	<u>924,580,403</u>
Total assets	<u>\$ 1,096,976,789</u>	<u>\$ 1,100,023,157</u>
<b>Liabilities and equity</b>		
Current liabilities		
Accounts payable	\$ 42,648,877	\$ 52,451,024
Sundry creditors	846,798	846,798
Income tax payable	10,517,891	21,728,818
Other taxes payable	14,066,034	11,454,055
Other current liabilities	14,705,548	25,688,021
Total current liabilities	<u>82,785,148</u>	<u>112,168,716</u>
Non-current liabilities:		
Sundry creditors	550,000	550,000
Deferred income tax liability	125,512,515	135,855,765
Provisions and other non-current liabilities	78,610,426	76,227,782
Total non-current liabilities	<u>204,672,941</u>	<u>212,633,547</u>
Total liabilities	<u>\$ 287,458,089</u>	<u>\$ 324,802,263</u>
Shareholders' equity		
Shareholders' equity	\$ 744,321,362	\$ 744,321,362
Accumulated results	38,197,338	30,889,532
Total shareholders' equity	<u>782,518,700</u>	<u>775,220,894</u>
Total liabilities and shareholders' equity	<u>\$ 1,069,976,789</u>	<u>\$ 1,100,023,157</u>

**Table 2 – Condensed and Combined Pro Forma Unaudited Statement of Financial Position as of  
September 30, 2017 and December 31, 2016**

**VISTA OIL & GAS, S.A.B. DE C.V.**  
**Condensed and combined pro forma unaudited income statement**  
**For the nine-month period ended September 30, 2017**  
**and the year ended December 31, 2016**  
(Amounts in U.S. dollars)

	For the nine-month period ended September, 30, 2017 (Unaudited)	For the year ended December, 31, 2016 (Unaudited)	Income Statement equivalent to nine-month period ended September 30, 2016 (Unaudited)
Net sales	\$ 333,939,180	\$ 574,557,868	\$ 430,918,401
Cost of sales	<b>(268,660,408)</b>	(397,788,009)	(298,341,007)
Gross profit	<b>65,278,772</b>	176,769,859	132,577,394
Administrative expenses	<b>(10,539,244)</b>	(13,844,131)	(10,383,098)
Selling expenses	<b>(10,841,557)</b>	(15,689,663)	(11,767,247)
Exploration expenses	<b>(1,086,352)</b>	(4,481,789)	(3,361,342)
Other income	<b>228,422</b>	1,000,000	750,000
Other expenses	<b>(4,824,222)</b>	(50,855,359)	(38,141,519)
Operating profit	<b>38,215,819</b>	92,898,917	69,674,188
Interest expense	<b>(7,456,207)</b>	(15,264,591)	(11,448,443)
Interest income	<b>2,829,817</b>	1,781,984	1,336,488
Foreign exchange loss	-	(2,266)	(1,700)
Profit before income taxes	<b>33,589,430</b>	79,414,044	59,560,533
Income taxes	<b>(19,838,186)</b>	(48,514,512)	(36,385,884)
Net profit	<b>\$ 13,751,244</b>	\$ 30,899,532	\$ 23,174,649

**Table 3 – Condensed and Combined Pro Forma Unaudited Income Statement for the nine-month period ended September 30, 2017 and the year ended December 31, 2016**

## Non-GAAP Financial Measures

The following table (**Table 4**) contains a reconciliation of our net profit to EBITDA for the indicated periods based on the financial information above.

(thousands of U.S. \$)	Nine months ended September 30, 2017	12 months ended December 31, 2016
Net profit	\$13,751	\$30,900
Interest expense	\$7,456	\$15,265
Income tax expense	\$19,838	\$48,515
Depreciation and amortization	\$95,424	\$145,663
EBITDA	\$136,469	\$240,343

**Table 4 - Reconciliation of our net profit to EBITDA**

EBITDA is a measure used in our financial analysis that is not recognized under IFRS, but we calculate it from amounts derived from our financial statements. We calculate our EBITDA as net income plus depreciation, amortization, income taxes and interest expense.

Given that EBITDA is a non-GAAP financial measure, it should not be construed as an alternative to net income or loss, operating income or loss, or any other performance measure derived from our financial statements in accordance with IFRS, or as an alternative to net cash flow from operating activities. However, we believe that EBITDA is a useful measure that enables readers, including analysts, investors, financial institutions, and others, to assess our performance, particularly by facilitating the comparison between our results of operations across periods of time with other companies in our industry, as it adjusts for the effects of distinct capital and financing structures.

## INFORMATION RELATING TO THE COMBINED ENTITY UPON CONSUMMATION OF THE INITIAL BUSINESS COMBINATION

In August 2017, Vista completed the first-ever Latin American-listed SPAC IPO and became the first oil and gas E&P company listed in the Mexican Stock Exchange, aiming to take advantage of a distinct window of opportunity to acquire and develop assets in the oil and gas sector in Latin America. The company successfully raised US\$650 million through the Global Offering and has an additional US\$50 million available to it through the Forward Purchase Agreement executed with RVCP, an Affiliate of Riverstone Sponsor.

Since the Global Offering, we began the process of identifying suitable investment opportunities to maximize risk-adjusted returns and create a platform for future growth. In January 2018, Vista's board of directors agreed to acquire the Equity Interests and Direct Interests which comprise the Transaction, subject to the approval of a general shareholders' meeting and the availability of sufficient funds. We believe the completion of the Transaction would result in the creation of a platform with significant growth potential and long-term value creation.

We estimate the Transaction will require US\$800 million, which will be funded with equity and, if necessary, debt. For such purposes, we have secured (i) a private placement commitment for US\$100 million, through the execution of certain Subscription Agreements and the Exercise of Shareholders' Preemptive Rights; and (ii) the Commitment Letter pursuant to which certain banks have committed to provide the Bridge Facility which shall be used as backstop in case the sum of the amounts obtained through the Subscription Agreements, the Exercise of Shareholders' Preemptive Rights, the Forward Purchase Agreement, and the amounts deposited in the Escrow Account, minus the amounts corresponding to the Series A Shareholders' exercise of their cash reimbursement right, is not sufficient to cover the costs of the Transaction.

The consummation of the Initial Business Combination will represent the conclusion of the second phase of our strategy, which ultimately seeks to achieve our long-term vision of becoming the leading next-generation independent oil and gas company in Latin America and the local partner of choice in the region for companies in the industry and investors. We developed this vision at the Company's inception and it has guided our strategy ever since.

Our business development efforts were guided by the investment criteria set out at our Global Offering, which provided a framework for the assessment of potential investments. We believe that the Transaction meets our investment criteria in the following manner:

- Complies with the geographic focus of Vista, with Argentina, Mexico, Colombia and Brazil as its main target countries;
- Allows Vista to immediately reach a significant scale in Argentina;
- Represents a solid and profitable production base that generates significant cash flows;
- Delivers a significant core acreage position in Vaca Muerta, the largest commercial shale formation outside North America;
- Includes assets that we believe are underperforming their potential and would benefit from Vista's operational expertise and capital, particularly for the Vaca Muerta development to achieve its maximum potential;
- Comprises assets that can leverage the extensive network and knowledge of Vista's Sponsor, in particular its experience with unconventional assets in North America and Vaca Muerta;

- Grants Vista a controlling stake in the entities, as well as an operator role in most of the exploitation concessions;
- Provides Vista with sufficient operational scale to qualify and participate in future tenders of oil and gas exploration and production blocks in Mexico and other target countries; and
- Results in a solid balance sheet, with a net cash position, maximizing financial flexibility.

As of the date of this disclosure document, we have also executed Subscription Agreements pursuant to which certain investors have agreed to subscribe for Series A Shares. Together with the Exercise of Shareholders' Preemptive Rights, these investors have agreed to subscribe for a total of 10,000,000 Series A Shares for an aggregate purchase price of US\$100,000,000.00, the net proceeds of which we will use to fund the Transaction.

Upon consummation of the Transaction, we expect that our platform will enable us to grow profitably due to the following:

1. **Premium assets in the Neuquina basin:** The platform would be mainly concentrated in the Neuquina basin, one of the most prolific in Latin America and the most competitive in Argentina, in a cluster that would comprise approximately 538,000 acres. It would have a proven conventional reserve base of approximately 55 Mmboe (64% oil), with an estimated break-even oil price of US\$30 per barrel. It would also have a production of 27,472 boed (60% oil) with an EBITDA margin of 41%, based on results for the nine-month period ended September 30, 2017. In addition, the platform would include approximately 54,000 net acres in the core of the Vaca Muerta unconventional play, adjacent to blocks under development or that have been pilot-tested, where more than 600 wells have been drilled as of September 30, 2017. Companies with operations adjacent to our acreage would include YPF, Chevron, Shell, Petronas, Schlumberger, and Wintershall. We estimate that this acreage has approximately 311 MMBoe of risked EUR (P50), translating into significant growth potential in the following years. The proximity between blocks, combined with the overlap of the Vaca Muerta shale play with our current conventional operations, would allow us to consolidate an operational cluster that would increase the efficiency and facilitate the execution of our development plan.
2. **Balanced financial position:** Our conventional assets could generate significant low-risk cash flows, with projected EBITDA of approximately US\$190 million in 2018. In addition, the platform would have no leverage as of the Transaction's closing date, assuming no borrowings under the Bridge Facility are needed to fund the Transaction. We estimate that the foregoing, combined with the resources we expect to obtain through the execution of the Subscription Agreements and the subscription of shares through the Exercise of Shareholders' Preemptive Rights, will be sufficient to fund an accelerated development plan for the next 18 months.
3. **Actionable and profitable growth plan:** We expect that the platform would be fully functional from an operating standpoint upon completion of the transaction, with approximately 168 employees and a sound track-record with respect to HSE metrics (including ISO14001 and OSHAS 18001 certifications). In addition, by operating and holding a 100% interest in most of the exploitation concessions, and by having minimal capital investment requirements, we believe that we would have full discretion and flexibility to define our development plans. In addition, we would operate oil and gas treatment and transport infrastructure with sufficient spare capacity that we could leverage during the initial phase of the development plan. As part of such development plan, we expect that Vista would have a considerable and highly profitable drilling inventory in its Vaca Muerta acreage, including 413 locations in its base plan, with potential for over 1,100 locations.

4. **Optimal platform for regional expansion:** We would expect to leverage the acquired organization to continue our regional expansion efforts, through acquisitions, partnerships, or tenders for oil and gas exploration and production blocks. For example, we expect that our operational scale would allow us to qualify and participate in future tenders in Mexico, Brazil, or Colombia, and our team would have enough technical and operational qualifications to create value in other geographies. Additionally, we anticipate having access to a pipeline of actionable opportunities that could deliver attractive risk-adjusted returns, and our immediate focus is to develop an initial platform in Mexico and to consolidate our current position in Argentina through additional transactions.

Additionally, going forward, we would continue to seek opportunities to create shareholder value and to pursue our vision of regional leadership in the oil and gas exploration and production sector via the following plan:

1. **Integration and optimization of the acquired entities and assets:** Following completion of the Transaction, we intend to take control over the operations in order to ensure business continuity while building strong operating teams. Additionally, we intend to implement an efficient corporate structure and implement better reporting and information management systems, as well as operational standards.
2. **Full-scale development of the Vaca Muerta unconventional play:** We intend to complete a first-class team with experience in the Vaca Muerta play, hiring already-identified specialists within the Neuquina basin. Additionally, by leveraging existing information, including 3D seismic imaging of the formation, core analyses, petrophysical analysis, and production history of existing wells in the area, we intend to undertake an accelerated development plan which can be immediately implemented as a result of the in-depth knowledge of the management team of the development of these resources and the existence of treatment and transport infrastructure with spare capacity, which will permit a fast-track development without the need of waiting for the construction of new production facilities. During the second half of 2018, we plan to drill and complete four horizontal wells and bring them into production in early 2019.
3. **Limit the decline of conventional production:** We intend to review the existing subsurface models and redefine the existing portfolio of exploration and production projects, prioritizing projects based on risk-adjusted internal rates of return. Additionally, we intend to continue with the drilling of new and infill wells during 2018, focusing on increasing primary recovery in the short term.
4. **Focus on the efficiency of conventional operations.** We intend to (i) take advantage of the increasing unconventional operations to transfer conventional resources into unconventional resources, and therefore reduce the conventional fixed cost base to lower extraction costs of the conventional operations; (ii) merge contracts of the acquired entities and implement a new contracting system with pay-for-performance mechanisms; and (iii) work in close collaboration with different stakeholders, including authorities and labor unions, in order to improve efficiency and productivity of our work force.
5. **Implement Vista's regional expansion plan:** We intend to continue strategic dialogues with the aim of establishing a solid operating platform in Mexico while simultaneously evaluating additional opportunities to consolidate the operations of the Company in Argentina, and to selectively evaluate investment opportunities in Colombia and Brazil.

As a result of the Transaction, we believe that Vista will be highly attractive to investors due to our:

- World-class Management Team;



- High-growth and profitable development plan;
- Development-ready, core Vaca Muerta shale oil position;
- Cash-flow generating asset base;
- Balanced financial position;
- Attractive entry valuation; and
- Solid platform for future regional expansion.

Moreover, Vista would become, upon completion of the Transaction, the fifth largest producer and operator of oil in Argentina, based on the information available from January 1, 2017 through September 30, 2017.

### Portfolio description

Upon consummation of the Transaction, Vista would own an attractive combination of production assets and future development areas, including significant acreage in the core of the Vaca Muerta unconventional play, located in the Neuquina basin, one the most prolific basins in Latin America and currently the most competitive in Argentina, and where most of our exploitation concessions and assessment blocks would be concentrated. In addition, Vista would own a non-operating 45% interest in an assessment block with core Vaca Muerta acreage. The exploitation concessions, exploration agreements, and assessment blocks are mostly located in the Neuquina basin. In addition, the Company would have a non-operating interest in an exploitation concession and an exploration agreement in the Golfo San Jorge basin and a non-operating interest in an exploitation concession in the Noroeste basin.

Upon consummation of the Transaction, Vista would hold an interest in eight exploitation concessions with remaining terms of seven or more years, all of which are renewable for additional 10-year periods; as well as in one exploration agreement and one assessment block, both of them entitling Vista to apply for 25-year conventional or 35-year unconventional exploitation concessions in accordance with the Hydrocarbons Law. These assets are located in some of Argentina's main hydrocarbon basins, namely:

- The Neuquina basin: (i) six Vista-operated exploitation concessions, (ii) one non-operating interest in an assessment block
- The Golfo San Jorge basin: (i) one non-operating interest in an exploitation concession and (ii) one non-operating interest in an exploration agreement; and
- The Noroeste basin: one non-operating interest in an exploitation concession.

Furthermore, Vista would have proved reserves and production of 56 Mmboe and 27.5 Mboed, respectively, representing 1% and 2% of Argentina's market, respectively.

Below, **Table 5** describes a summary of the main features of the platform:

Basin	Neuquina (conventional) <sup>(1)</sup>	Neuquina (unconventional) <sup>(2)</sup>	Total
Total acreage (acres)	~538,000	~128,000	~538,000
1P Reserves (MMBoe)	56	-	56

% Oil	65%	-	65%
EUR (MMboe)	83	311	395
% Oil	60%	89%	83%
2017E Total Production (Mboed)	27.5	-	27.5
% Oil	60%	-	-
Concessions	8	2	8

(1) Includes Acambuco.

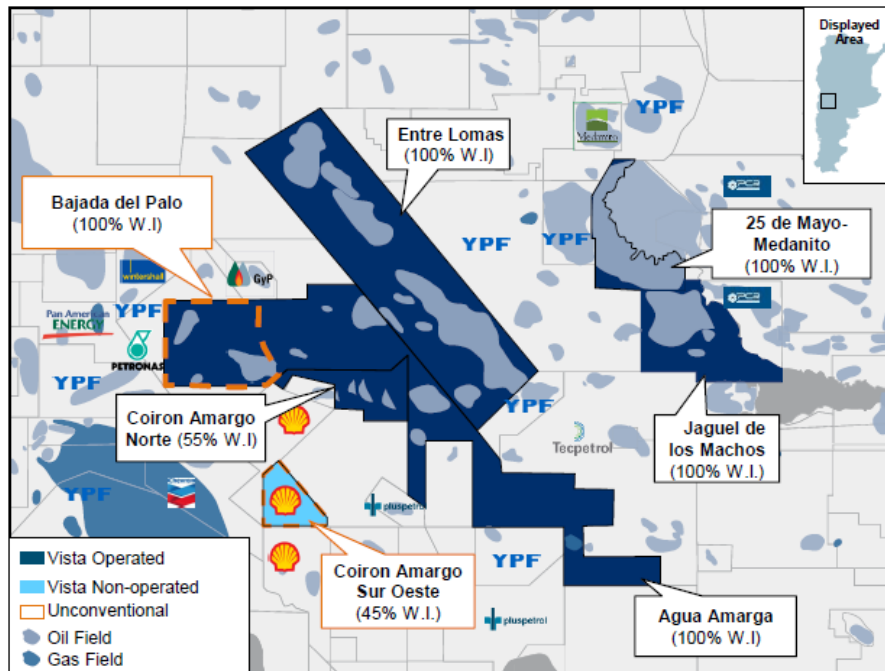
(2) Includes Bajada del Palo and Coirón Amargo Sur Oeste

**Table 5 - Summary of the Main Features of the Platform**

*Neuquina basin*

The Neuquina basin is located in the central-western part of Argentina, in the provinces of Neuquén and Mendoza, and it extends to the north into the San Juan mountain range. It is the most important oil basin in Argentina and features not only conventional production, which mainly comes from mature fields with primary and secondary production, but also unconventional production from Vaca Muerta. The basin has over 80 years of production history and an extensive infrastructure network that facilitates the development of new projects. The largest operators in the basin are YPF, Total, PAE, Chevron, Exxon, Pluspetrol, and Tecpetrol, among others.

Upon consummation of the Transaction, Vista would have seven concessions in the Neuquina basin, of which six would be operated by the Company, and which together comprise approximately 538,000 acres (please see **Figure 3**). These exploitation concessions had an average oil production of 16.6 Mbbl/d and gas of 10.6 Mboed for the nine months ended in September 30, 2017 and had total 1P reserves of 55 Mmboe as of December 31, 2016. This production comes from mature and well-understood reservoirs, which implies a low geological risk in the development of reserves.



**Figure 3 – Exploitation Concessions And Assessment Blocks in The Neuquina Basin**

*Conventional*

Upon completion of the Transaction, Vista would have exposure to conventional development assets with a mature production from well-understood reservoirs. These exploitation concessions currently account for the total reserves and production of the platform.

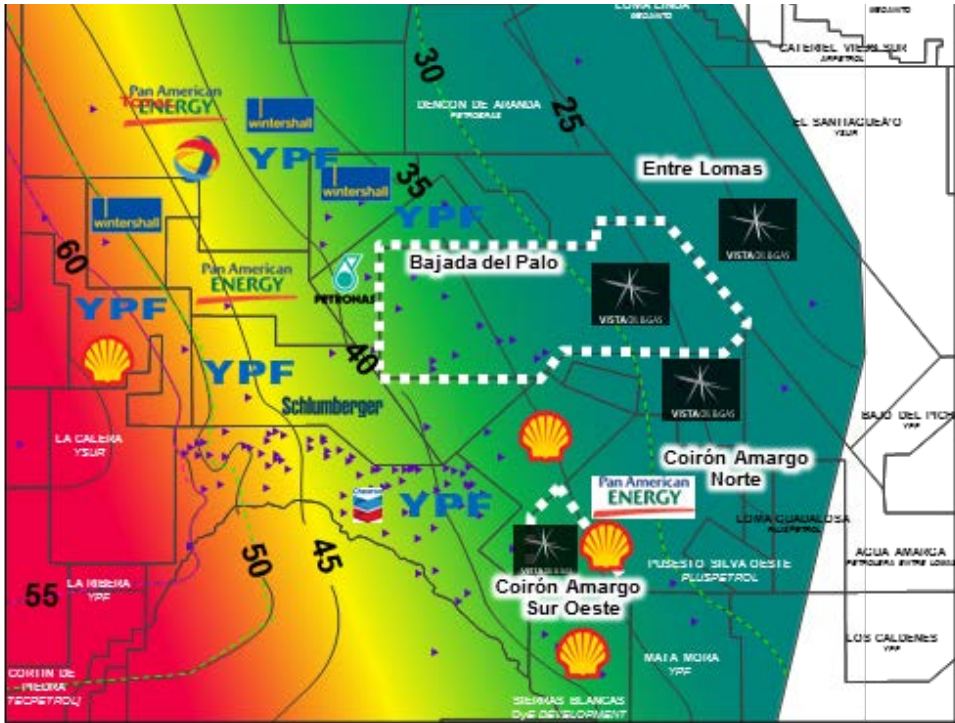
The proved conventional reserves have a break-even oil price of approximately US\$30 per barrel, and during 2017, with an averaged realized oil price of US\$64 per barrel, the conventional production showed an EBITDA margin of 41% during 2017.

Vista intends to review the existing subsurface models and redefine the existing portfolio of exploration and production projects, prioritizing capital allocation based on internal rates of return per project. Additionally, it intends to intensify the secondary recovery through waterflood optimization, and primary recovery through the selective drilling of new and infill wells. As a reference, current recovery factors below 15% compare to 30% in similar operations. Lastly, it estimates that there might be an upside exploration of tight gas in the Cuyo, Lotena, and los Molles plays, although this is not currently considered in the development plan.

*Unconventional*

Upon consummation of the Transaction, the Company would also have exposure to development assets in the Vaca Muerta shale play, through its 100% operating interest in Bajada del Palo and its 45% non-operating interest in Coirón Amargo Sur Oeste. These blocks are located in the core of the Vaca Muerta unconventional play, adjacent to blocks which are already under development or have been pilot tested and in which more than 600 wells have been drilled as of September 30, 2017.

Some of the other projects aiming to develop the Vaca Muerta unconventional play around the acreage to be acquired as part of the Transaction include Loma Campana (YPF-Chevron), La Amarga Chica (YPF-Petronas), Sierras Blancas and Cruz de Lorena (Shell), Bandurria Sur (YPF-Schlumberger), and Aguada Federal (Wintershall-GyP) (see **Figure 4**).



**Figure 4 – Bajada de Palo and Coirón Amargo Sur Oeste in the Shale Oil window of Vaca Muerta**

The Bajada del Palo concession includes more than 120,000 acres with exposure to the Vaca Muerta unconventional plays, of which Vista estimates that approximately 48,000 net acres are in the play's core shale oil window. This block has very similar or even better geological characteristics than the most productive unconventional plays in the world such as the Permian and Eagle Ford in the United States (please see **Table 6**).

	Bajada del Palo Core	Permian (Wolfcamp)	Eagle Ford
TOC (%)	4.2	5.5	4.5
Thickness (m)	250	172	41
Pressure (psi/ft)	0.90	0.48	0.80

Source: Wood Mackenzie; EIA

**Table 6 – Bajada del Palo comparison with unconventional plays in the U.S.**

The activity surrounding our acreage should allow us to implement our development plan with a high degree of confidence in the productivity of the type wells estimated by W.D. Von Gothen & Co. This, together with the sufficient spare capacity for the treatment and transport of crude oil and gas produced, and the fact that we would hold 100% interest in the exploitation concession of Bajada del Palo, should give us full flexibility and discretion to define a development plan in terms of size, timing, and operating design, in line with our objectives.

Furthermore, upon completion of the Transaction, Vista would own 45% of the assessment block Coirón Amargo Sur Oeste, operated by Shell, a world-class partner and one of the most experienced operators in Vaca Muerta. This block would add approximately 6,000 net acres with exposure to the unconventional play of Vaca Muerta, which are adjacent to the Sierras Blancas and Cruz de Lorena blocks, also operated by Shell, which have completed their pilot phases. It is estimated that development plans for these blocks will be launched in the next 12 months. The knowledge obtained during the pilot phase, and the oil and gas treatment and transport infrastructure developed by Shell will prove extremely useful for the profitable development of Coirón Amargo Sur Oeste. In addition, this block is located in the same oil window and in an area with similar prospectivity as the Bajada del Palo block; we estimate that there may be significant operational synergies and sharing of technical knowledge which we expect to be able to leverage in both operations.

The initial development plan for the approximately 48,000 core acres of the Bajada del Palo block has been designed by our Management Team, which has extensive experience in this basin and has benefited from having 3D seismic, petrophysical analysis and other technical data generated through vertical wells drilled in the area, confirming the existence and productivity of, among other things, at least two landing zones. The existence of treatment and transport infrastructure with spare capacity is also very beneficial. We expect that our Management Team will collaborate closely with Shell to design the development plan for the Coirón Amargo Sur Oeste block.

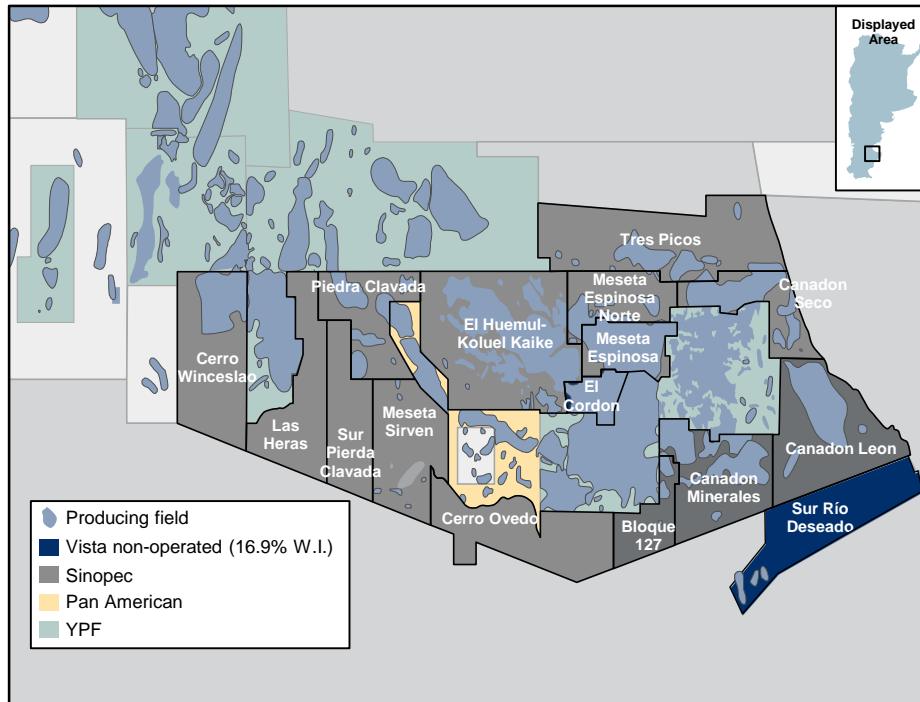
In particular, the Management Team led the drilling of more than 500 wells in Vaca Muerta (equivalent to about 70% of the activity to date). It also managed to reduce the cost of horizontal wells (with 1,500 meter laterals) by 47% to US\$8 million and reach a production of 50 Mboed in the play from scratch. Vista will also have access to the experience of Riverstone, one of the most active shale investors in North America, with exposure to the largest and most prolific basins in North America, and which developed a

portfolio with more than 3.1 million acres and an aggregate production of approximately 300 Mboed, across its current and past portfolio companies.

*Golfo San Jorge basin*

The Golfo San Jorge basin is located in the central region of Patagonia and is one of the most prolific basins in Argentina. It consists primarily of mature oil fields, with complex faults and prominent hydrocarbon reservoirs. This basin also has a wide infrastructure network that would facilitate the development of new projects. The largest operators in the basin are YPF, PAE, and Sinopec Argentina.

Upon consummation of the Transaction, Vista would have one non-operating exploitation concession and one exploration agreement in the basin in the Sur Río Deseado Este area, which comprises approximately 13,000 acres.



**Figure 5 – Exploitation Concessions and Exploration Agreements in The Golfo San Jorge Basin**

*Noroeste basins*

The Noroeste basin is located in the provinces of Jujuy and Salta in the northern region of Argentina.

Upon consummation of the Transaction, Vista would have one non-operating exploitation concession in the Noroeste basin (please see **Figure 6**). This concession has gas production, net to Vista, of 0.3 Mboed for the nine months ended on September 30, 2017, and with total 1P reserves, net to Vista of 1.1 Mmboe as of December 31, 2016.

## Noroeste basin

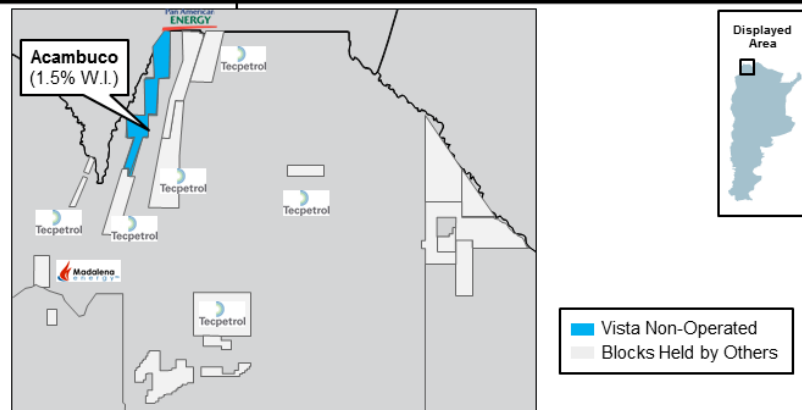


Figure 6 – Exploitation Concessions in the Noroeste basin

## Management Team

These individuals will be our executive directors following the consummation of the Initial Business Combination:

<b>Name</b>	<b>Age</b>	<b>Title</b>
Miguel Galuccio	49	Chairman and Chief Executive Officer
Pablo Manuel Vera Pinto	40	Chief Financial Officer
Juan Garoby	47	Chief Operations Officer
Alejandro Cheriñacov	36	Investor Relations Officer
Javier Rodríguez Galli	50	General Counsel

*Miguel Galuccio* is the Chairman of the Board of Directors and CEO. Mr. Galuccio is currently an independent member of the Board of Directors of Schlumberger, a leading global oil services firm. Mr. Galuccio served as Chairman and Chief Executive Officer of YPF, Argentina's largest oil company, from May 2012 to April 2016, which under his leadership became the largest producer of hydrocarbons from shale formations globally outside North America. Prior to joining YPF, Mr. Galuccio was an employee of Schlumberger and held a number of international positions in North America, the Middle East, Asia, Europe, Latin America, Russia and China, his last being President of Schlumberger Production Management. Other senior roles held by Mr. Galuccio at Schlumberger include President of Integrated Project Management, General Manager for Mexico and Central America and Real Time Reservoir Manager. Prior to his employment at Schlumberger, he served in various executive positions at YPF and its subsidiaries, including YPF International, where he participated in its internationalization process as Manager within Maxus Energy. Mr. Galuccio holds a bachelor's degree in petroleum engineering from the Instituto Tecnológico de Buenos Aires in Argentina.

*Pablo Manuel Vera Pinto* is the Chief Financial Officer. Mr. Vera Pinto was previously the Head of Business Development at YPF Argentina from October 2012 to February 2017 and, prior to that, served as Director of Transformation at YPF from May 2012 until September 2012. Mr. Vera Pinto was a member of the Board of Directors of the fertilizer company Profertil (a joint venture between Agrium of Canada and YPF), power generation company Central Dock Sud S.A. (a joint venture between Enel of Italy, YPF and Pan American Energy) and gas distributor Metrogas S.A. (controlled by YPF, acquired from British Gas in 2012). Overall, Mr. Vera Pinto led the execution of over 20 mergers and acquisitions during his time at YPF. Previously, Mr. Vera Pinto worked with Leadgate Investment Corp., a private investment firm focused on restructuring acquired businesses where he had experience as Restructuring Manager, Chief Financial Officer and General Manager of the firm's controlled businesses. Mr. Vera Pinto also worked for management consultancy firm McKinsey & Company in Europe and investment banking firm Credit Suisse First Boston NA, based in New York. Mr. Vera Pinto holds a bachelor's degree in economics from Universidad Torcuato Di Tella in Buenos Aires, Argentina and a master's degree in business administration from INSEAD in Fontainebleau, France.

*Juan Garoby* is the Chief Operations Officer. Mr. Garoby served as Interim Vice President of Exploration & Production of YPF from August 2016 to October 2016, Head of Drilling and Completions from April 2014 to August 2016 and Head of Unconventional from June 2012 to April 2014, (when he also served as President of YPF Servicios Petroleros S.A., a YPF-owned drilling contractor). Prior to his time at YPF, Mr. Garoby worked at Schlumberger as Operations Manager for Europe and Africa. Mr. Garoby has also held several positions at Baker Hughes, including Director of Baker Hughes do Brasil, Country Manager of Baker Hughes Centrilift Brazil and Country Manager of Baker Hughes Centrilift Ecuador & Peru, among others. Mr. Garoby holds a bachelor's degree in petroleum engineering from the Instituto Tecnológico de Buenos Aires in Argentina.



*Alejandro Cherñacov* is the Investor Relations Officer. Mr. Cherñacov served as Chief Financial Officer at Jagercor Energy Corp, a small-cap Canadian Securities Exchange-listed E&P company from January 2015 to February 2017. Previously, Mr. Cherñacov served as Investor Relations Officer of YPF, where he was responsible for repositioning the company in the local and international capital markets. Mr. Cherñacov previously held several positions in YPF's Exploration and Production department where his last role was being in charge of the upstream portfolio management process, which covered Argentina, Brazil and Bolivia. Mr. Cherñacov holds a bachelor's degree in economics from the Universidad de Buenos Aires, a master's degree in finance from the Universidad Torcuato Di Tella in Buenos Aires and a strategic decision and risk management professional certificate from Stanford University in Palo Alto, California.

*Javier Rodríguez Galli* is the General Counsel. Mr. Rodríguez Galli is a partner at the firm Bruchou, Fernandez Madero y Lombardi—Abogados with offices in Buenos Aires, Argentina and where he has led the Oil and Gas practice area since joining the firm in 2005. In recent years he has been the legal counsel for various international oil companies that have invested in Argentina, attracted by the development of unconventional hydrocarbons. In December 2014, he advised Petronas, Malaysia's national oil company, in its negotiations and agreements with YPF that led to the joint venture between these two companies in the La Amarga Chica area in Neuquén, to produce unconventional oil with a total planned investment in the pilot phase of US\$550 million. Currently, he is a member of the Board of Directors of Petronas E&P Argentina, S.A. Additionally, he has participated in multiple national and international negotiations related to oil and gas acquisitions, divestments, joint ventures and strategic alliances and has extensive experience in corporate matters. From 1999 until 2005, he was general counsel of Molinos Rio de la Plata, an Argentine leader in food and commodities controlled by the Perez Companc family. From 1993 to 1999, he was an in-house lawyer at YPF, the largest oil and gas company in Argentina, providing legal services to its international business development group. Mr. Rodríguez Galli graduated with honors from the Law School of the Universidad de Buenos Aires in 1991, and obtained a master's degree from the London School of Economics in 1993 and a diploma from the College of Petroleum and Energy Studies at Oxford University in 1996. Mr. Rodríguez Galli will be seconded to us by Bruchou, Fernandez Madero y Lombardi—Abogados and will not be dedicated full time to the Company and is thus not included in the term Management Team as used in this document.

### **Miguel Galuccio's Track Record at YPF**

Mr. Galuccio held the position of President and Chief Executive Officer of YPF from May 2012 to April 2016, and under his leadership YPF reversed a decade-long decline in production and reserves. One of the main achievements in his tenure was laying the foundation for YPF's economic development of the Vaca Muerta shale formation. During Mr. Galuccio's time as Chief Executive Officer, YPF drilled more than 500 wells targeting Vaca Muerta, representing 90% of the total shale activity from Vaca Muerta at that time. Under his management, YPF's horizontal well costs fell by more than 47% to reach a total cost of US\$8 million, while production from Vaca Muerta reached over 50,000 Mboed, becoming the largest economic shale development outside North America. Mr. Galuccio also actively contributed to shaping key market reforms, including the implementation of a gas pricing incentive scheme, a domestic crude pricing support scheme and the 2014 amendment of Argentina's Federal Hydrocarbons Law that aided in opening up Argentina for oil and gas investments.

YPF's financial and operational performance improved under Mr. Galuccio's tenure as Chief Executive Officer, and YPF's share price on the New York Stock Exchange tripled in the first 24 months of his tenure (coinciding with stable international oil prices). Concurrently, YPF production increased by more than 100 Mboed to reach 580 Mboed, while YPF's proved reserves grew by 25% to reach more than 1.2 Bnboe. YPF's earned income, before income tax, depreciation and amortization, grew 45% to more than US\$5 billion in 2015. Operationally, YPF's E&P activity increased from 25 active drilling rigs in May 2012 to 74 active drilling rigs in December 2014 while maintaining a leading safety record.

From 2012 to 2016, Mr. Galuccio and his team closed more than 20 mergers and acquisitions, with an aggregate deal value in excess of US\$4 billion. Landmark transactions included the Apache Argentina acquisition (then valued at US\$800 million) and Vaca Muerta joint ventures with Chevron (then valued at US\$1.4 billion), Petronas (then valued at US\$550 million) and Dow Chemicals (valued at US\$180 million).



Another key task faced by Mr. Galuccio and his team was to rebuild YPF's reputation in the international markets. During his tenure, YPF raised more than US\$8 billion from international and local capital markets, including over 30 new bond issuances (at yields below Argentina's sovereign benchmark). This represented over 90% of all Argentine issuances over such time. Under Mr. Galuccio's leadership, more than 20 research analysts from top tier institutions actively covered YPF's stock price, and YPF management was voted the number two investor relations team in the Latin American oil and gas sector by Institutional Investor.

Under Mr. Galuccio's leadership, YPF was able to effectively attract talent and source new business partners and strategic suppliers. The company grew to employ more than 20,000 direct employees, promoting and recruiting leading managers for key positions and implementing leading talent management initiatives. In 2014, Mr. Galuccio was voted Best CEO of Argentina by a PricewaterhouseCoopers survey and Latin America CEO of the year by BRAVO Latin Trade Business Awards.

### ***Miguel Galuccio's Track Record at Schlumberger***

At Schlumberger, Mr. Galuccio led a series of high growth, company-shaping global businesses. He served for more than 12 years in various senior leadership positions, including President of Integrated Project Management and President of Schlumberger Production Management, as well as Geomarket Manager for Mexico and Central America. Under his leadership, Schlumberger conceptualized and implemented various strategic initiatives with lasting impacts at the global oil services firm. Mr. Galuccio and his team created Schlumberger Production Management, which currently is an important part of Schlumberger's growth plan, having accounted for 235 Mboed of global oil production in 2016. Mr. Galuccio also led Schlumberger's business in Mexico, re-positioning the company's relationship with PEMEX.

Under Mr. Galuccio's leadership, Integrated Project Management became a benchmark of operational excellence in the oilfield services sector, developing new business models which integrated its services-oriented model with E&P-type risk-return structures, ultimately resulting in the creation of Schlumberger Production Management. At Schlumberger, Mr. Galuccio executed various complex projects across five continents in challenging conditions (e.g. Iraq re-entry, Russia and Algeria). In Mexico, Schlumberger drilled more than 2,000 wells over eight years in the Burgos, Chicontepec, Alianza and Mesozoico projects. Elsewhere in Latin America, Schlumberger tripled the production in Ecopetrol's Casabe project in Colombia in five years and doubled the production in five years at the Shushufindi project for Petroamazonas, a company in Ecuador operated by Schlumberger Production Management and co-funded by E&P company Tecpetrol (Techint Group). Mr. Galuccio also has experience in North American shale plays, having led a Barnett Shale gas project in Texas and a Bakken shale oil project in North Dakota. Mr. Galuccio also led the implementation of various projects in China, Romania and Malaysia.

While at Schlumberger, Mr. Galuccio was able to attract talent and foster a global network, managing more than 6,300 employees at 55 projects across six regions.

Past performance of Riverstone and our Management Team, is not a guarantee of either (i) our ability to identify a suitable candidate for our Initial Business Combination or (ii) success with respect to any business combination that we may complete. You should not rely on the historical record of our Management Team's performance as indicative of our future performance. Most of our directors or officers have not had experience with blank check companies or SPACs in the past.

### **Directors**

The following table shows certain information in connection with the members of our Board of Directors, appointed on July 28, 2017 and who will continue in their position following the consummation of the Initial Business Combination.

Name	Title
Miguel Galuccio	Chairman

Name	Title
Kenneth Ryan	Member of the Board
Susan L. Segal	Independent Member of the Board
Mauricio Doehner Cobián	Independent Member of the Board
Anthony Lim	Independent Member of the Board
Mark Bly	Independent Member of the Board

Kenneth Ryan serves as a Member of the Board of Vista Oil & Gas. Mr. Ryan is a Riverstone Partner in the New York Office and is Head of Corporate Development, Capital Strategies, and Investor Relations at the firm. Prior to joining Riverstone in 2011, Mr. Ryan worked for Gleacher & Company and Gleacher Partners in London and New York, most recently as Managing Director and Co-Head of Investment Banking. Before Gleacher, he worked for Goldman Sachs in the US Financial Institutions group in New York, as well as in the European Financial Institutions and European Advisory groups in London. Mr. Ryan was also a co-founder of UCTX, a European internet and media company sold in 2001. He is currently a member of the investment committee of Riverstone Credit Partners and a director of Riverstone Energy Limited, HES International and Trailstone. Mr. Ryan obtained a law degree from the University of Dublin, Trinity College.

Susan L. Segal serves as an Independent Member of the Board of Vista Oil & Gas. Ms. Segal was appointed President and General Director of Americas Society / Council of the Americas in 2003, after working in the private sector in Latin America and other emerging markets for more than 30 years. Prior to her current appointment, she was a Partner at Chase Capital Partners / JPMorgan Partners with a focus on private equity in Latin America and pioneering venture capital investments in the region. While a banker, she focused in investment banking, founding a trading unit for emerging market bonds and, was actively involved in the Latin American debt crisis in the 1980s and 1990s, serving as President of the Board for the Advisory Committees of Chile and the Philippines. Ms. Segal is a member of the Board of Americas Society / Council of the Americas, the Tinker Foundation, Scotiabank and Mercado Libre, as well as President of the Board of Scotiabank USA, a private subsidiary of ScotiaBank. She is also a member of the Council on Foreign Relations. Ms. Segal graduated from Sarah Lawrence University and received a master's degree in business administration from Columbia University in the United States.

Mauricio Doehner Cobián serves as an Independent Member of the Board of Vista Oil & Gas. Mr. Doehner has been Executive Vice President of Corporate Affairs and Enterprise Risk Management at Cemex since May 2014 and is a member of its Executive Committee, reporting directly to the CEO. Mr. Doehner began work with Cemex in 1996 and has held various executive positions in areas such as Strategic Planning, Institutional Relations and Communications and Business Risk Management for Europe, Asia, Middle East, South America, and Mexico. While acting in such capacities, he has led interactions and collaborations with several governments worldwide, as well as engaging in evaluation of tax structures, public policy initiatives, corporate social responsibility, communications, and crisis management. Further, he worked in Mexico's Presidential Administration in 2000, leading its relationship with Mexican NGO's, dealing with diverse issues such as government reforms and the national budget. Mr. Doehner also worked at Violy Byorum & Partners Investment Bank. Currently, he is the President of the Board of the National Chamber of Cement (CANACEM) and a member of the Boards of the Trust for the Americas organization affiliated with the Organization of American States (OAS), the Confederation of Industrial Chambers (CONCAMIN), the Center of Citizen Integration (CIC), the Industrials Club of Monterrey, the Museum of Modern Art of Monterrey (MARCO) and a member of the GAP Group within the Consejo Mexicano de Negocios (CMN). Mr. Doehner leads a seminar on economic, financial and political analysis at Tecnológico de Monterrey and is a Board Member of Tec Milenio. He is also a contributor to Business Club Magazine (BCN) and Expansión Magazine. Mr. Doehner holds a bachelor's degree in economics from Tecnológico de Monterrey, a master's degree in business administration from IESE/IPADE, and a professional certificate in competitive intelligence from the FULD Academy of Competitive Intelligence in Boston, Massachusetts.

*Anthony Lim* serves as an Independent Member of the Board of Vista Oil & Gas. Mr. Lim previously served as Managing Director and President (Americas) of GIC Private Limited, a leading global investment firm that manages more than US\$100 billion for the Government of Singapore, where he retired in 2017 after 19 years with the company. Prior to his assignment to the United States in 2009, he was based in the United Kingdom as President, GIC (London). Before joining GIC, Mr. Lim was a Senior Managing Director at Bankers Trust Company in their Singapore and London offices. Mr. Lim had worked at the Monetary Authority of Singapore prior to his career in the private sector. Mr. Lim is a member of the Selection Committee for the Scholar's Rescue Fund at the Institute of International Education and on the Global Advisory Council of Teach for All. Mr. Lim was a Founding Member of the Global Advisory Council at the Woodrow Wilson Center and served on the Expert Advisory Committee and the External Clients Oversight Committee of the World Bank Treasury. Mr. Lim was a Trustee of the Hedge Funds Standards Board in the UK. He is also an independent director on the Board of Capital and Limited in Singapore. Mr. Lim graduated from the National University of Singapore and has completed the Advanced Management Program at Harvard Business School.

*Mark Bly* serves as an Independent Member of the Board of Vista Oil & Gas. Mr. Bly has more than 30 years of experience in the oil and gas industry, and currently serves on the Board of Baytex Energy and is an advisor to Ayata, an artificial intelligence and prescriptive analytics company. Previously, he held various executive positions at an international level at British Petroleum ("BP"). Mr. Bly's last role at BP was Executive Vice President of Safety and Operational Risk, where he led a global effort that resulted in safety and reliability improvements in the operating units of BP after the Deepwater Horizon incident in the Gulf of Mexico in 2010. Mr. Bly also led the internal investigation of the 2010 incident, and is the author of the "Bly Report," which came to define the understanding of the event by the industry and represented the founding of the new global drilling practices program at BP. Mr. Bly had previously been a part of BP's E&P Executive Group, responsible for monitoring an international portfolio with units in Angola, Trinidad, Egypt, Algeria and the Gulf of Mexico. During his earlier years at BP, Mr. Bly led several key E&P units in Alaska, the North Sea and in North America. Mr. Bly received a master's degree in structural engineering from the University of California at Berkeley and a bachelor's degree in civil engineering from the University of California at Davis.

## INFORMATION RELATING TO THE ACQUISITIONS

### Description of the Transaction

Vista intends to execute the Transaction, which includes the following Acquisitions:

(i) The acquisition from Pampa of: (a) 58.88% of the capital stock of PELSA, an Argentine company that holds a 73.15% operating interest in three exploitation concessions in the Neuquina basin in the provinces of Neuquén and Río Negro, Argentina, one of which extends into the core of the Vaca Muerta unconventional play; (b) a 3.85% direct interest in the exploitation concessions described in (a) above, and (c) a 100% interest in the exploitation concessions Medanito and Jagüel in the Neuquina basin in the province of Río Negro, Argentina; and

(ii) The acquisition from Pluspetrol of: (a) 100% of the capital stock of APCO International; and (b) 5% of the capital stock of APCO Argentina. APCO International, a Cayman Islands company, holds (a) 39.22% of the capital stock of PELSA; (b) 95% of the capital stock of APCO Argentina; and (c) through its Argentine branch, (1) a 23% interest in the three exploitation concessions operated by PELSA as described in sub-paragraph (i) above; (2) a 45% non-operating interest in an assessment block in the Neuquina basin in the province of Neuquén, Argentina, that extends into the core of the Vaca Muerta unconventional play; (3) a 55% operating interest in an exploitation concession in the Neuquina basin in the province of Neuquén, Argentina; (4) a 1.5% non-operating interest in an exploitation concession in the Noroeste basin in the province of Salta, Argentina; (5) a 16.9% non-operating interest in an exploitation concession in the Golfo San Jorge basin in the province of Santa Cruz, Argentina; and (6) a 44% non-operating interest in an exploration agreement in the Golfo San Jorge basin in the province of Santa Cruz, Argentina. APCO Argentina, a company incorporated in Argentina, holds a 1.58% equity interest in PELSA which, together with APCO International's equity interest in PELSA account for 40.80% interest in PELSA. APCO International has entered into a purchase agreement pursuant to which it has agreed to sell to a third party 100% of the equity interest of APCO Austral S.A., a wholly-owned subsidiary of APCO International (directly and, indirectly, through APCO Argentina). The consummation of such sale remains pending and, accordingly, such shares are excluded from the Transaction. Pluspetrol, which will receive the proceeds from such sale, has agreed to indemnify us against and hold us harmless from any liability that may arise in connection therewith.

The following table (**Table 7**) shows the estimated prices of the Acquisitions:

Transaction	Price according to contract <sup>(1)</sup>	Estimated price at closing <sup>(2)</sup>
i. Pampa Acquisition	US\$360,000,000	US\$385,878,400
ii. Pluspetrol Acquisition	US\$315,000,000	US\$349,000,000
<b>Total</b>	<b>US\$675,000,000</b>	<b>US\$734,878,400</b>

(1) Free of cash and debt, including normalized working capital.

(2) Includes adjustments for working capital, cash and debt estimated by Vista at the close of the Transaction.

**Table 7 - Estimated Price of the Acquisitions**

## Acquisition of PELSA and Direct Interests

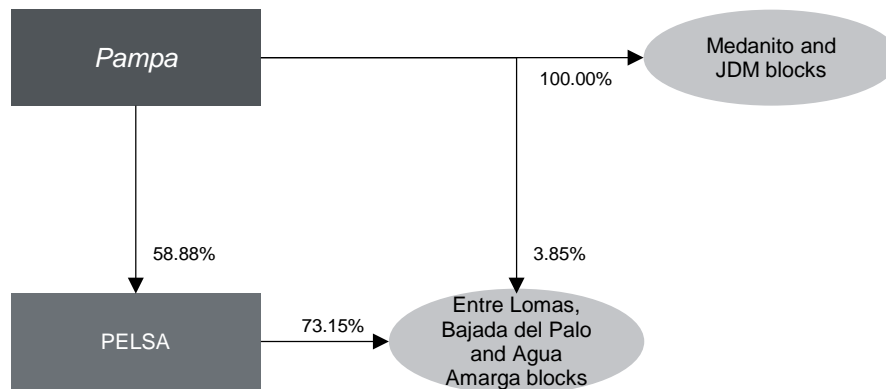
### Objective

Acquisition from Pampa consisting of: (i) a 58.88% interest in PELSA; (ii) a 3.85% interest in the Entre Lomas, Bajada del Palo, and Agua Amarga exploitation concessions; and (iii) 100.00% interest in the Medanito and Jagüel exploitation concessions.

Concurrently with the Acquisition of Pampa's assets, Vista will complete the Acquisition from Pluspetrol.

### Corporate Structure

The diagram below (**Figure 7**) below is a representation of the structure of the Acquisition from Pampa:



**Figure 7 – Scope of the PELSA Acquisition and Direct Interests**

### Company Overview

#### *Petrolera Entre Lomas ("PELSA")*

Founded in 1963, PELSA is an Argentine company dedicated to the exploration and production of hydrocarbons and the commercialization of oil, natural gas and liquefied petroleum gas. It currently operates and holds a 73.15% interest in three exploitation concessions in the Neuquina basin: Entre Lomas, Bajada del Palo and Agua Amarga. The remaining interest is held by APCO International's Argentina Branch and Pampa, which hold 23.00% and 3.85% interests, respectively. PELSA was initially part of Pérez Companc and later Petrobras Argentina, having operated as an independent entity with its own management structure until Pampa's initial purchase of 67% of Petrobras Argentina in 2016. PELSA currently has 97 direct and 600 indirect employees.

#### *i. Entre Lomas*

PELSA is the operator and holder of a 73.15% interest in the exploitation concession Entre Lomas, in the Neuquina basin located in the provinces of Rio Negro and Neuquén. This block has 1P reserves of 20.5 MMBoe as of December 31, 2016 and production of 10.1 MBoed (57% oil) for the nine months ended September 30, 2017. The concession expires in January 2026, after an extension granted in 2009. PELSA has the following pending capital commitments with the Secretariat of Energy and Mining of the province of Rio Negro:

Year	Development Wells	Step-Out Wells	Conversions	Abandonments
2018	3			1
2019	5	1	4	1
2020+	4	2	4	2
<b>Total</b>	<b>12</b>	<b>3</b>	<b>8</b>	<b>4</b>

**Table 8 – Entre Lomas Capital Commitments**

ii. *Bajada del Palo*

PELSA is the operator and holder of 73.15% of the exploitation concession granted for the Bajada del Palo block in the Neuquina basin located in the province of Neuquén. This block had 1P reserves of 13.5 Mmboe as of December 31, 2016 and production of 6.3 MBoed (44% oil) for the nine months ended September 30, 2017. The concession expires in January 2026, after receiving a 10-year extension in 2009. There are no pending capital commitments.

Bajada del Palo includes more than 120,000 acres with exposure to the Vaca Muerta unconventional play, of which Vista estimates that approximately 48,000 acres are located in the play's core shale oil window, adjacent to blocks already under development or with completed pilot tests and where more than 600 wells have already been drilled as of September 30, 2017.

iii. *Agua Amarga*

PELSA is the operator and holder of a 73.15% interest in the exploitation concession Agua Amarga in the Neuquina basin located in the province of Rio Negro, which includes the Charco del Palenque and Jarilla Quemada fields. It has 1P reserves of 2.5 MMBoe as of December 31, 2016 and a production of 1.4 MBoed (48% oil) for the nine months ended September 30, 2017. The exploitation concession for the Charco del Palenque field expires in October 2034, while the concession for the Jarilla Quemada field expires in August 2040.

The table below (**Table 9**) shows a summary of the Entre Lomas, Bajada del Palo, and Agua Amarga blocks:

Concessions	Entre Lomas	Bajada del Palo	Agua Amarga
Main Fields	El Caracol; Borde Mocho; Entre Lomas; Lomas de Ocampo; Charco Bayo-Piedras Blancas	Borde Montuoso; Bajada de Palo; Aguada del Poncho	Charco del Palenque; Jarilla Quemada; Meseta Filosa
Formations / Depths (mts)	Quintuco (2,100 m); Tordillo (2,300 m); Punta Rosada (2,500 m)	Quintuco (2,150 m); Vaca Muerta (2,570 m); Tordillo (2,650-3,200 m); Lotena (3,300 m)	Tordillo (2,600-2,760 m)
# of productive wells (active)	472	135	36
# of injector wells	167	2	-

**Table 9 – Summary of PELSA Blocks**

Additionally, Pampa holds a 3.85% interest in the Entre Lomas, Bajada del Palo, and Agua Amarga exploitation concessions, and therefore if the Transaction closes, Vista would directly and indirectly acquire an aggregate interest of 46.92% in the blocks.

Pampa holds a 100.00% interest in the Medanito and Jagüel exploitation concessions, which currently have 67 direct employees and approximately 800 indirect employees.

### Medanito

Pampa is the operator and holder of a 100% interest in the exploitation concession Medanito in the Neuquina basin, located in the province of Río Negro. The block had 1P reserves of 10.1 Mmboe as of December 31, 2016 and a production of 5.0 Mboed (81% oil) for the nine months ended September 30, 2017. The concession expires in October 2026.

### Jagüel

Pampa is the operator and holder of a 100% interest in the exploitation concession Jagüel in the Neuquina basin, located in the province of Río Negro. The block had 1P reserves of 6.9 Mmboe as of December 31, 2016 and a production of 4.0 Mboed (76% oil) for the nine months ended September 30, 2017. The concession expires in September 2025.

Medanito and Jagüel have the following capital commitments with the Secretariat of Energy and Mining of the province of Río Negro (**Table 10**):

Year	Development Wells	Step-Out Wells	Conversions	Abandonments
2018	14	2	1	2
2019	6	2		2
2020	3	1		2
2021		1		2
2022				2
<b>Total</b>	<b>23</b>	<b>6</b>	<b>1</b>	<b>10</b>

**Table 10 – Medanito and Jagüel Capital Commitments**

The following **Table 11** is a summary of the characteristics of the Medanito and Jagüel blocks in Argentina:

Concession	Medanito	Jagüel
Main Fields	Medanito	Tapera Avendaño
Formations / Depths (mts)	Quintuco (1,100 m); Petrolífera (1,200 m); Choiyoi (1,215 m)	
# of productive wells (active)	220	177
# of injector wells	21	5

**Table 11 – Medanito and Jagüel Summary**

It is worth noting that the Bahía Blanca Refinery, which is currently operated by Pampa (and formerly by Petrobras and Pérez Companc), is the main destination of PELSA's crude production. On December 7, 2017, Pampa announced the sale of its refining and marketing business to Trafigura, an international trading company focused on crude oil and other commodities, which operates gas stations under the Puma brand. This agreement, subject to certain conditions precedent that are expected to be met in the coming months, would make Trafigura the potential buyer of PELSA's production.

On October 29, 2017, Pampa Energía signed a service contract with Pampetrol to process the production of the 25 de Mayo-Medanito exploitation concession area in La Pampa granted by the Province of La Pampa, which is currently held by Pampetrol and operated by Petroquímica Comodoro Rivadavia

S.A. It includes (i) the reception, treatment, and transportation of oil; (ii) water treatment and injection; (iii) operation and maintenance of disposal and injection wells; and (iv) electric power supply. Pampa is entitled to unilaterally terminate the legal relationship at any time, without cost or indemnification obligations and without cause, by means of notification to Pampetrol 180 calendar days in advance of the date of effective termination. On the other hand, Pampetrol may unilaterally terminate the legal relationship without cost or indemnification obligations and without cause if it notifies Pampa 60 days prior to the 18 month anniversary of the agreement. The fees include: (i) US\$6.95/m<sup>3</sup> for oil treatment and transport; (ii) US\$1.60/m<sup>3</sup> for water treatment; and (iii) US\$1.96/m<sup>3</sup> for water injection.

#### *Investment Highlights*

- **Controlling interest in all the blocks.** Upon consummation of the Transaction, Vista would be the operator of all the areas mentioned above and the majority and controlling shareholder of PELSA.
- **Potential growth through Vaca Muerta shale oil in Bajada del Palo.** The opportunity includes more than 120,000 acres with exposure to the Vaca Muerta shale play, of which Vista estimates that approximately 48,000 net acres are located in the play's core, adjacent to blocks already under development or with completed pilot tests and where more than 600 wells have already been drilled, as of September 30, 2017.
- **Operating company.** PELSA has been operating in the sector for more than 30 years and has current net production of 17.8 MBoed. Additionally, the Jagüel and Medanito blocks add another 9 Mboed of net production.
- **Unleveraged company.** The Company currently has no debt.

#### **Relevant aspects of the PELSA Shares Purchase Agreement and assignment of EL-AA-BP Interest (the "PELSA & EL-AA-BP Interest SPAA").**

##### *Price of the Acquisition*

##### *Sale of the PELSA Shares*

- The base price for the PELSA Shares is US\$243,200,000.00, which will be subject to the following adjustments as of December 31, 2017: (i) increased or reduced based on the difference between the working capital on December 31, 2017 and the normalized working capital; (ii) increased by the equivalent of 58.88% of the cash on December 31, 2017; and (iii) reduced by the equivalent of 58.88% of the financial debt on December 31, 2017.

##### *Assignment of the EL-AA-BP Interest*

- The assignment of the EL-AA-BP Interest will have the following price:
  - US\$900,000.00 for 3.85% interest in the exploitation concession for Agua Amarga;
  - US\$8,400,000.00 for 3.85% interest in the exploitation concession for Bajada del Palo; and
  - US\$7,500,000.00 for 3.85% interest in the exploitation concession for Entre Lomas.



*Locked Box Mechanism. Effective Date.*

The Effective Date shall be January 1, 2018, which shall serve as the date in connection to which the necessary adjustments provided for in the Acquisition will be made, so that the economic effect of the Acquisition with Pampa is equivalent to that which it would have been, had it been executed on the Effective Date, with Vista receiving all the benefits and assuming all the costs from that date.

- The sale price of the PELSA Shares will be subject to the following adjustments on the closing date of the Acquisition: (i) increased by an equivalent amount to any capital contribution or any other contribution or payment made by Pampa to PELSA after the Effective Date and until the closing date; and (ii) reduced by any amount equivalent to any dividend distribution or payment made by PELSA in favor of Pampa or its affiliated from the Effective Date until the closing date.
- The sale price of the EL-AA-BP Interest will be subject to the following adjustments on the closing date of the Acquisition: (i) reduced by all amounts corresponding to the commercialization of the production of hydrocarbons from the EL-AA-BP Interest from the Effective Date and until the closing date; and (ii) increased by the costs, expenditures and investments made by Pampa from the Effective Date and until the closing date and related to the EL-AA-BP Interest, including, but not limited to, the royalties, taxes, costs of production, commercialization and administration of the EL-AA-BP Interest.

*Conditions to the Closing of the Acquisition with Pampa*

*Conditions in favor of Vista for the consummation of the Closing of the Acquisition with Pampa*

Our obligation to consummate the Acquisition with Pampa as well as to comply with the other obligations of Vista, is subject to the prior satisfaction by Pampa, or our waiver, on or prior to the closing date, of the following conditions:

- The representations and warranties of Pampa under the PELSA & EL-AA-BP Interest SPAA, must be true and correct as of the acceptance date and on the closing date, with the exception of those cases that do not produce a material adverse effect;
- Each of the covenants and agreements of Pampa to be performed from the acceptance date, and up to the closing date, shall have been duly performed in all material respects, in due time and proper form by Pampa, with the exception of those breaches that do not give rise to a material adverse effect;
- There shall not be any action, claim, trial, nor any proceeding, whether administrative, arbitral or judicial, whether injunctive or in relation to the merit of the case, nor any alternative dispute resolution or mediation, disciplinary or investigative that may prevent or declare the illegality of the Acquisition with Pampa;
- Buyer Approval shall have been obtained; and
- No material adverse effect shall have occurred.

*Conditions in favor of Pampa for the consummation the Closing of the Acquisition with Vista*

The obligation of Pampa to consummate the Acquisition with Vista, as well as to comply with the other obligations of Vista, is subject to prior compliance by Vista, or Pampa's waiver, on or prior to the closing date, of the following conditions precedent:

- The representations and warranties granted by Vista under the PELSA & EL-AA-BP Interest SPAA must be true and correct as of the date of acceptance and on the closing date, with the exception of those cases that do not produce a material adverse effect;
- Each of the covenants and agreements of Vista to be performed from the acceptance date of the PELSA & EL-AA-BP Interest SPAA and up to the closing date, shall have been duly performed in all material respects, in due time and proper form by Vista, with the exception of those breaches that do not give rise to a material adverse effect;
- There shall not be any action, claim, trial, nor any proceeding, whether administrative, arbitral or judicial, whether injunctive or in relation to the merit of the case, nor any alternative dispute resolution or mediation, disciplinary or investigative that may prevent or declare the illegality of the Acquisition with Vista;
- Buyer Approval shall have been obtained; and
- No material adverse effect shall have occurred.

#### *Long Stop Date*

Either Party shall have the right to terminate the PELSA SPA & EL-AA-BP Interest SPAA if all of the conditions set forth in such agreement have not been satisfied or waived, as the case may be, and consequently the closing has not occurred, on or before June 30, 2018.

#### *Representations and warranties*

Pampa has granted the customary representations and warranties for this type of transaction with respect to PELSA, its assets, the EL-AA-BP Interest and Pampa. The fundamental warranties granted are: (i) legal existence of PELSA, contractual and legal compliance (ii) PELSA's capital stock and shares, (iii) ownership of the shares; (iv) insolvency; and (v) due incorporation – authorization – approvals of Pampa.

The rest of the representations granted by Pampa are: (i) concessions; (ii) financial statements; (iii) contracts; (iv) litigation; (v) assets; (vi) fiscal and labor obligations; (vii) PELSA employees; (viii) insurance; (ix) intellectual property; (x) absence of conflicts; (xi) insolvency; (xii) remediation obligations; (xiii) well abandonment commitments; (xiv) environmental; (xv) anti-corruption; (xvi) consents; (xvii) brokers and agents; and (xviii) absence of other representations.

#### *Indemnification Limits*

Pampa has assumed an indemnification obligation under the Argentine Law in relation to any losses suffered by Vista, as a result of the breach of the representations and warranties granted by Pampa in the PELSA & EL-AA-BP Interest SPAA, and for the breach of Pampa's obligations and commitments under the PELSA & EL-AA-BP Interest SPAA.

Pampa shall indemnify Vista in respect of the foregoing with the following limitations:

- (i) with respect to an individual claim, in the event that the losses arising from such claim exceed US\$850,000.00;
- (ii) for any loss, once the losses incurred by Vista for individual claims exceed, in the aggregate, one point five percent (1.5%) of the price (and only for amounts in excess of such limit);
- (iii) the aggregate liability shall be limited to an amount equal to seven point five percent (7.5%) of the purchase price;

- (iv) with respect to any claim relating to the fundamental warranties, in the aggregate, shall not exceed one hundred percent (100%) of the price;
- (v) the obligation to indemnify in case of breach of the representations and warranties will only apply in relation to losses originated in the period from July 28, 2016 to the closing date;
- (vi) losses related to environmental matters will only be indemnified by Pampa in the event of third party claims, exclusively for losses suffered by Vista in the event of breach of the representations and warranties granted for such matters and only for losses which cause originated in the period from July 28, 2016 to the closing date; and
- (vii) Pampa's indemnity obligations will remain in force for a period of eighteen (18) months counted as from the closing date, except for (i) the fundamental representations, for which Pampa's indemnification obligation will remain in force for the statute of limitation period and (ii) the representations and warranties granted by Pampa related to environmental matters will remain in force during a period of twenty-four (24) months counted as from the closing date.

#### *Conduct of Business*

During the period from the acceptance date to the closing date, Pampa shall (i) cause PELSA to (a) operate the business consistent with past practice, (b) not execute, terminate, nor modify any material contract (with a value exceeding US\$2,000,000.00 per year) or renew it for a period exceeding one year, (c) not incur any financial debt exceeding US\$5,000,000.00, and (d) manage its assets within the ordinary course of business consistent with past practices and (ii) (a) grant Vista meetings with Pampa's management and information regarding the business, and (b) negotiate an operations transition agreement to be entered into on the closing date in good faith with Vista.

#### *Regulatory approvals*

##### *Anti-Trust Act*

The Anti-Trust Act of the Republic of Argentina regulates anti-trust matters in the Argentine market. The CNDC and the SC exercise their control over anti-trust matters through the analysis and approval, rejection, or conditioning of economic concentration operations, when the combined volume of the businesses of the companies exceeds a certain threshold. Companies that execute operations of economic concentration in excess of a threshold must submit to the CNDC within seven (7) calendar days after the closing of the operation in question a complete description of their respective activities and of the operation or series of operations that give rise to economic concentration. The CNDC has a period of 45 Business Days from the filing date to (i) approve the operations, (ii) condition its approval or (iii) deny the authorization. The final resolution of the matter will be issued by the SC, based on the technical report of the CNDC. The imposed conditions may include the sale to a third party of part of the operations or assets of the concentrated companies, or the partial approval of a global operation but the rejection of one or more of the operations subject to review. The period of 45 days is suspended each time the CNDC requests additional information from the parties, until the submission of such additional information.

The Acquisition of Pampa will be subject to approval by the CNDC. The PELSA & EL-AA-BP Interest SPAA establishes that in the hypothetical and unlikely event that the concentration authorization is not obtained and/or conditions are imposed on the Acquisition with Pampa, Pampa shall not reimburse Vista the purchase price of PELSA nor shall Vista return the shares of PELSA to Pampa, with the understanding that in such a case there will be an irrevocable power of attorney granted by Pampa in favor of Vista in order to transfer the PELSA shares to a third party to be designated by Vista, under the terms and conditions to be freely agreed by Vista. Any difference between the purchase price of the PELSA shares and the price agreed with such third party shall be assumed by, or in favor of, Vista without the latter being entitled to any claim against Pampa.

### *Agent of the Wholesale Electricity Market*

According to Section 3 of the Resolution 548/99 of the National Electricity Regulator (*Ente Nacional Regulador de la Electricidad*) of the Republic of Argentina, the electric energy generators, transmission and distributors registered as agents, such as PELSA, shall inform within 10 calendar days from the date of occurrence of any change in the shareholders and/or in the company's control, whether in reference to a business unit or to the economic group and/or companies or individuals that directly or indirectly hold the control over the company.

### *Assignment of exploitation concession*

Pursuant to Section 72 of Act 17,319 of the Republic of Argentina, the assignment of the Direct Interest will require the express authorization of the Secretariat of Energy and Mining of the province of Neuquén (Argentina), and, thus, we will provide notification of this assignment after the closing of the Acquisition with Pampa.

The PELSA & EL-AA-BP Interest SPAA provides that in the hypothetical and improbable case that said authorization is denied or impeded for any reason, Pampa and Vista will execute, if possible, an alternative agreement to their mutual satisfaction under which the intention of the assignment of the EL-AA-BP Interest could be implemented, preserving and maintaining the rights and obligations that correspond to Pampa and Vista. In case of impossibility, the PELSA & EL-AA-BP Interest SPAA provides that Pampa shall not reimburse Vista for the EL-AA-BP Interest assignment price, nor shall Vista return the EL-AA-BP Interest to Pampa, on the understanding that in such case there will be an irrevocable instruction granted by Pampa for the transfer of Vista's EL-AA-BP Interest to a third party to be designated by Vista, in the terms and conditions to be freely agreed by Vista, while any difference between the price of the EL-AA-BP Interest and the assignment price agreed with such third party will be assumed by or on behalf of Vista without the latter being entitled to any claim against Pampa.

### **Relevant aspects of the 25M-JM Interest Assignment Agreement (the "25M-JM Interest AA")**

Acquisition of the 25M-JM Interest.

#### *Price of the transaction*

The assignment of the 25M-JM Interest will have a price of US\$100,000,000.00.

#### *Locked Box Mechanism. Effective Date.*

The Effective Date shall be January 1, 2018, which shall serve as the date in connection to which the necessary adjustments provided for in the Acquisition will be made, so that the economic effect of the Acquisition with Pampa is equivalent to the one it would have had, had it been executed in the Effective Date, with receiving Vista all the benefits and assuming all the costs from that date.

The sale price of the 25M-JM Interest will be subject to the following adjustments on the closing date: (i) deducting all amounts corresponding to the commercialization of the production of hydrocarbons from the 25M-JM Interest from the Effective Date and until the closing date; and (ii) increased by the costs, expenditures and investments made by Pampa from the Effective Date and until the closing date and related to the 25M-JM Interest, including, but not limited to, the royalties, taxes, costs of production, commercialization and administration of the 25M-JM Interest.

### *Conditions to the Closing of the Acquisition with Pampa*

#### *Conditions in favor of Vista for the consummation of the Closing of the Acquisition with Pampa*

Our obligation to consummate the Acquisition with Pampa as well as to comply with the other obligations of Vista, is subject to the prior satisfaction by Pampa, or our waiver, on the closing date or prior to the same, of the following conditions:

- The representations and warranties of Pampa under the 25M-JM Interest AA, must be true and correct as of the acceptance date and on the closing date, with the exception of those cases that do not produce a material adverse effect;
- Each of the covenants and agreements of Pampa to be performed from the acceptance date, and up to the closing date, shall have been duly performed in all material respects, in due time and proper form by Pampa, with the exception of those breaches that do not give rise to a material adverse effect;
- There shall not be any action, claim, trial, nor any proceeding, whether administrative, arbitral or judicial, whether injunctive or in relation to the merit of the case, nor any alternative dispute resolution or mediation, disciplinary or investigative that may prevent or declare the illegality of the Acquisition with Pampa;
- Buyer Approval shall have been obtained; and
- No material adverse effect shall have occurred.

#### *Conditions in favor of Pampa for the consummation the Closing of the Acquisition with Vista*

The obligation of Pampa to consummate the Acquisition with Vista, as well as to comply with the other obligations of Vista, is subject to prior compliance by Vista or Pampa's waiver, on or prior to the closing date, of the following conditions precedent:

- The representations and warranties granted by Vista under the 25M-JM Interest AA must be true and correct as of the date of acceptance and on the closing date, with the exception of those cases that do not produce a material adverse effect;
- Each of the covenants and agreements of Vista to be performed from the acceptance date of the 25M-JM Interest AA and up to the closing date, shall have been duly performed in all material respects, in due time and proper form by Vista, with the exception of those breaches that do not give rise to a material adverse effect;
- There shall not be any action, claim, trial, nor any proceeding, whether administrative, arbitral or judicial, whether injunctive or in relation to the merit of the case, nor any alternative dispute resolution or mediation, disciplinary or investigative that may prevent or declare the illegality of the Acquisition with Vista;
- Buyer Approval shall have been obtained; and
- No material adverse effect shall have occurred.

### *Long Stop Date*

Either Party shall have the right to terminate the 25M-JM Interest AA if all of the conditions set forth in such agreement have not been satisfied or waived, as the case may be, and consequently the closing has not occurred, on or before June 30, 2018.

### *Representations and warranties*

Pampa has granted the customary representations and warranties for this type of transaction with respect to Pampa and the 25M-JM Interest. The fundamental warranties granted are: (i) due incorporation of Pampa; (ii) authorization; and (iii) ownership of the 25M-JM Interest.

The rest of the representations granted by Pampa are: (i) concessions; (ii) procedures; (iii) contracts; (iv) assigned employees; (v) absence of conflicts; (vi) remediation obligations; (vii) well abandonment commitments; (viii) environmental; (ix) consents; (x) brokers and agents; (xi) valid and binding obligations; and (xii) absence of other representations.

### *Indemnification. Limits.*

Pampa has assumed an indemnification obligation under the Argentine Law, in relation to any losses suffered by Vista, as a result of the breach of the representations and warranties granted by Pampa in the 25M-JM Interest AA, and for the breach of Pampa's obligations and commitments under the 25M-JM Interest AA.

- (i) with respect to an individual claim, in the event that the losses arising from such claim exceed US\$850,000.00;
- (ii) for any loss, once the losses incurred by Vista for individual claims exceed, in the aggregate, one point five percent (1.5%) of the price (and only for amounts in excess of such limit);
- (iii) the aggregate liability shall be limited to an amount equal to seven point five percent (7.5%) of the purchase price;
- (iv) with respect to any claim relating to the fundamental warranties, in the aggregate, shall not exceed one hundred percent (100%) of the price;
- (v) the obligation to indemnify in case of breach of the representations and warranties will only apply to losses originated in the period from July 28, 2016 to the closing date;
- (vi) losses related to environmental matters will only be indemnified by Pampa in the event of third party claims, exclusively for losses suffered by Vista in the event of breach of the representations and warranties granted for such matters and only for losses which cause originated in the period from July 28, 2016 to the closing date; and
- (vii) Pampa's indemnity obligations will remain in force for a period of eighteen (18) months counted as from the closing date, except for (i) the fundamental representations, for which Pampa's indemnification obligation will remain in force for the statute of limitation period and (ii) the representations and warranties granted by Pampa related to environmental matters will remain in force during a period of twenty-four (24) months counted as from the closing date.

### *Conduct of Business*

During the period from the acceptance date and the closing date, Pampa shall (i) operate the assigned business in a form consistent with past practice, in accordance with the best practices and standards of the industry; (ii) negotiate and execute in good faith with Vista, under standard market conditions, an operations transition agreement to be entered into on the closing date of the Acquisition with Pampa.

## Regulatory Approvals

The Acquisition with Pampa will be subject to the CNDC approval and the assignment will require the express authorization of the Secretariat of Energy and Mining of the province of Rio Negro (Argentina). For the purposes of this subsection, please refer to (i) the section of Regulatory Approvals included in the corresponding Section of the Acquisition of the PELSA & EL-AA-BP Interest SPAA; and (ii) the Section “Assignment of exploitation concession” of the Acquisition of the PELSA & EL-AA-BP Interest SPAA, both of which will apply *mutatis mutandi* to the present Acquisition.

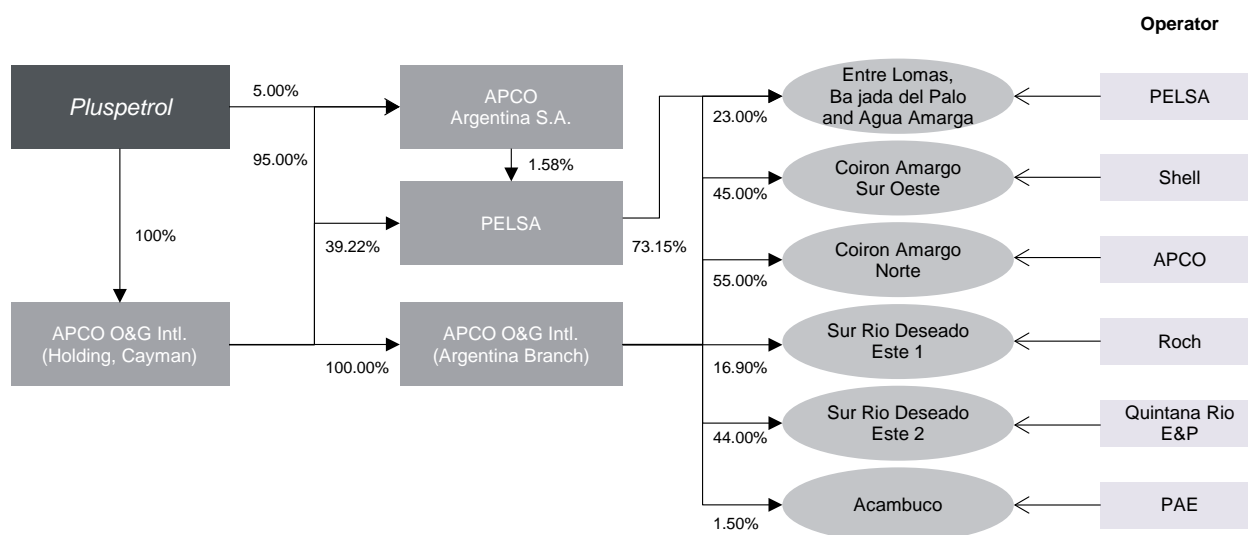
## Acquisition of APCO O&G Shares and APCO Argentina Shares

### Objective

The acquisition from Pluspetrol of 100.00% of the capital stock of APCO Oil & Gas International, Inc. and 5% of the capital stock of APCO Argentina.

### Corporate structure

The diagram below (**Figure 8**) is a representation of the scope of the Acquisition:



**Figure 8 – APCO O&G Shares and APCO Argentina Shares Acquisition Scope**

### Company description

APCO International holds (i) a 23% interest in the three exploitation concessions operated by PELSA (as further mentioned in the section “Acquisition of PELSA and Direct Interests”), (ii) a 45% non-operating interest in the assessment block Coirón Amargo Sur Oeste located in the Neuquén province, (iii) a 55% operated interest in the exploitation concession Coirón Amargo Norte located in the province of Neuquén, (iv) a 1.5% non-operating interest in the exploitation concession Acambuco, located in the province of Salta and operated by Pan American Energy LLC (Argentine Branch), (v) a 16.9% non-operating interest in the exploitation concession Sur Río Deseado Este, located in the province of Santa Cruz (operated by Roch), and (vi) a 44% non-operating interest in the exploration agreement Sur Río Deseado Este, located in the province of Santa Cruz (operated by Quintana).

*i. Coirón Amargo Sur Oeste*

APCO International holds a 45% participation interest in assessment block Coirón Amargo Sur Oeste in the Neuquina basin located in the province of Neuquén. Shell, a world-class partner and one of the operators with the most experience in Vaca Muerta, holds a 45% interest and is the operator of this assessment block. The third holder of the block is GyP with a 10% interest.

Coirón Amargo Sur Oeste includes approximately 6,000 net acres located in the core of the Vaca Muerta unconventional play, adjacent to blocks that are already under development or with completed pilot projects. Currently, this block does not have production, reserves, or pending capital commitments.

The original term for the assessment block Coirón Amargo Sur Oeste expired in November 2017, however a nine-month extension was requested before such time. The partners will have the right to request an unconventional exploitation concession with a 35-year term under the terms of the laws of Hydrocarbons of Argentina not later than July 2018.

*ii. Coirón Amargo Norte*

APCO International is the operator and holds a 55% participation interest in the unincorporated joint venture for the exploitation concession for Coirón Amargo Norte in the Neuquina basin located in the province of Neuquén. This block has 1P reserves of 1.0 MMBoe December 31, 2016 and a production of 0.3 MBoed (86% oil) for the nine months ended September 30, 2017. The concession expires in November 2038. There are no pending capital commitments.

Additionally, APCO owns 40.8% of PELSA's share capital. For more information about PELSA, please refer to the section 'Acquisition of PELSA and direct investments.'

*Highlights of the investment*

- **Allows Vista to consolidate ownership of 99.68% of PELSA.** Vista would have, pending the acquisition of Pampa described previously, a 100% interest in the exploitation concessions for all the areas operated by PELSA.
- **Potential growth through Vaca Muerta shale oil in Coirón Amargo Sur Oeste.** Vista would own a 45% interest in the assessment block Coirón Amargo Sur Oeste, operated by Shell, a world-class partner and one of the most experienced operators in Vaca Muerta. This block would add approximately another 6,000 net acres in the core of Vaca Muerta to our unconventional portfolio. This block is located next to the Sierras Blancas and Cruz de Lorena blocks, also operated by Shell, where pilot tests have been completed and development plans have been defined. The knowledge obtained through the pilot tests along with the treatment and transport infrastructure put in place by Shell will prove useful during the development of Coirón Amargo Sur Oeste.

**Relevant aspects of the Share Purchase Agreement of the APCO O&G Shares and APCO Argentina Shares (APCO SPA)**

*Price of the transaction*

The base price for the APCO Shares is US\$115,000,000.00, which will be subject to the following adjustments as of December 31, 2017 (i) increased or reduced based on the difference between the consolidated working capital on December 31, 2017 and the normalized working capital on December 31, 2017; (ii) increased by the equivalent of the consolidated cash as of December 31, 2017; (iii) reduced by the equivalent of the consolidated financial debt on December 31, 2017; (iv) increased by the equivalent of 40.8% of the consolidated cash of PELSA on December 31, 2017; (v) reduced by the equivalent of the consolidated financial debt of PELSA on December 31, 2017; and (vii) increased by the purchase price



paid for APCO Argentina S.A. The price for the assignment of the Loan Agreement by Pluspetrol to Vista is US\$200,000,000.00.

*Locked Box Mechanism. Effective Date.*

The Effective Date shall be January 1, 2018, which shall serve as the date in connection to which the necessary adjustments provided for in the Acquisition will be made, so that the economic effect of the Acquisition with Pluspetrol is equivalent to the one it would have had, had it been executed in the Effective Date, with receiving Vista all the benefits and assuming all the costs from that date.

The sale price of the APCO Shares will be subject to the following adjustments on the closing date: (i) increased by an equivalent amount to any capital contribution or any other contribution or payment made by Pluspetrol to APCO after the Effective Date; and (ii) reduced by any amount equivalent to any dividend distribution or payment made by APCO International and APCO Argentina S.A. in favor of Pluspetrol or its affiliates from the Effective Date until the closing date.

*Conditions to the Closing of the Acquisition with Pluspetrol*

*Conditions in favor of Vista for the consummation of the Closing of the Acquisition with Pluspetrol*

Our obligation to consummate the Acquisition with Pluspetrol as well as to comply with the other obligations of Vista, is subject to the prior satisfaction by Pluspetrol (or our waiver), on the closing date or prior to the same, of the following conditions:

- The representations and warranties of Pluspetrol under the APCO SPA, must be true and correct as of the acceptance date and on the closing date, with the exception of those cases that do not produce a material adverse effect;
- Each of the covenants and agreements of Pluspetrol to be performed from the acceptance date, and up to the closing date, shall have been duly performed in all material respects, in due time and proper form by Pluspetrol, with the exception of those breaches that do not give rise to a material adverse effect;
- There shall not be any action, claim, trial, nor any proceeding, whether administrative, arbitral or judicial, whether injunctive or in relation to the merit of the case, nor any alternative dispute resolution or mediation, disciplinary or investigative that may prevent or declare the illegality of the Acquisition with Pluspetrol;
- The closing of the Acquisition with Pluspetrol shall not contravene, be in conflict with, nor result in the violation of any law or order applicable to Pluspetrol or its directors, representatives or affiliates, that may have been adopted after the acceptance date and which may give rise to a material adverse effect to any of the aforementioned;
- Vista shall have acquired (i) the PELSA Shares; and (ii) the EL-AA-BP Interest;
- Buyer Approval shall have been obtained; and
- No material adverse effect shall have occurred.

*Conditions in favor of Pluspetrol for the consummation of the Closing of the Acquisition with Vista*

The obligation of Pluspetrol to consummate the Acquisition with Vista, as well as to comply with the other obligations of Vista, is subject to prior compliance by Vista or Pluspetrol's waiver, on or prior to the closing date, of the following conditions precedent:

- The representations and warranties granted by Vista under the APCO SPA must be true and correct as of the date of acceptance and on the closing date, with the exception of those cases that do not produce a material adverse effect;
- Each of the covenants and agreements of Vista to be performed from the acceptance date of the APCO SPA and up to the closing date shall have been duly performed in all material respects, in due time and proper form by Vista, with the exception of those breaches that do not give rise to a material adverse effect;
- There shall not be any action, claim, trial, nor any proceeding, whether administrative, arbitral or judicial, whether injunctive or in relation to the merit of the case, nor any alternative dispute resolution or mediation, disciplinary or investigative that may prevent or declare the illegality of the Acquisition with Vista;
- The closing of the Acquisition with Pluspetrol shall not contravene, be in conflict with, nor result in the violation of any law or order applicable to Pluspetrol or its directors, representatives or affiliates, that may have been adopted after the acceptance date and which may give rise to a material adverse effect to any of the aforementioned;
- Buyer Approval shall have been obtained; and
- No material adverse effect shall have occurred.

#### *Long Stop Date*

Either Party shall have the right to terminate the APCO SPA if all of the conditions set forth in such agreement have not been satisfied or waived, as the case may be, and consequently the closing has not occurred, on or before June 30, 2018.

#### *Representations and warranties*

Pluspetrol has granted the customary representations and warranties for this type of transaction with respect to APCO, its assets, and Pluspetrol. The fundamental warranties granted are: (i) legal existence of APCO, contractual and legal compliance (ii) APCO's capital stock and shares, (iii) ownership of the shares; (iv) insolvency; and (v) due incorporation – authorization – approvals of Pluspetrol.

The rest of the representations granted by Pluspetrol are: (i) concessions; (ii) financial statements; (iii) contracts; (iv) litigation; (v) assets; (vi) fiscal and labor obligations; (vii) APCO employees; (viii) insurance; (ix) intellectual property; (x) absence of conflicts; (xi) insolvency; (xii) remediation obligations; (xiii) well abandonment commitments; (xiv) environmental; (xv) anti-corruption; (xvi) consents; and (xvii) brokers and agents.

#### *Indemnification. Limits.*

Pluspetrol has assumed an indemnification obligation under the Argentine Law, in relation to any losses suffered by Vista, as a result of the breach of the representations and warranties granted by Pluspetrol in the APCO SPA, and for the breach of Pluspetrol's obligations and commitments under the APCO SPA.

Pluspetrol shall indemnify Vista in respect of the foregoing with the following limitations:

- (i) With respect to an individual claim, in the event that the losses arising from such claim exceed US\$850,000.00;

- (ii) For any loss, once the losses incurred by Vista for individual claims exceed, in the aggregate, one point five percent (1.5%) of the price (and only for amounts in excess of such limit);
- (iii) the aggregate liability shall be limited to an amount equal to seven point five percent (7.5%) of the purchase price;
- (iv) With respect to any claim relating to the fundamental warranties or excluded assets of the Acquisition with Pluspetrol, in the aggregate, shall not exceed one hundred percent (100%) of the purchase price;
- (v) Losses related to environmental matters will only be indemnified by Pluspetrol in the event of third party claims, exclusively for losses suffered by Vista in the event of breach of the representations and warranties granted for such matters and only for losses which cause originated in the period from January 29, 2015 to the closing date; and
- (vi) Pluspetrol's indemnity obligations will remain in force for a period of eighteen (18) months counted as from the closing date, except for (i) the fundamental representations, excluded assets and specific indemnities, for which Pluspetrol's indemnification obligation will remain in force for the statute of limitation period and (ii) the representations and warranties granted by Pluspetrol related to environmental matters will remain in force during a period of twenty-four (24) months counted as from the closing date.

#### *Conduct of business*

During the period from the acceptance date to closing date, Pluspetrol shall (i) cause APCO to (a) operate the business consistent with past practice, (b) not execute, terminate, nor modify any material contract (with a value exceeding US\$2,000,000.00 per year or renew it for a period exceeding one year, (c) not incur in financial debt for an amount exceeding US\$5,000,000.00, and (d) manage its assets within the ordinary course of business consistent with past practices, and (ii) (a) grant meetings with Pluspetrol management and information regarding the business, and (b) negotiate an operations transition agreement to be entered into on the closing date in good faith with Vista.

#### *Regulatory approvals*

##### *Anti-Trust Act*

The Acquisition with Pluspetrol will be subject to the CNDC approval. For the purposes of this subsection, please refer to the section of Regulatory Approvals included in the corresponding description of the PELSA Acquisition, which applies *mutatis mutandi* to this proposed Transaction.

#### **Purpose of the Acquisitions**

The primary purpose of the Acquisitions is the acquisition of a 99.68% direct and indirect interest in PELSA, 100% of APCO International, and 100% of APCO Argentina, along with 100% of 25M-JM interests and 3.85% of the EL-AA-BP Interest, for the integration of all such assets into Vista operations.

Upon consummation of the Acquisitions, our platform would generate free cash flow from its operating assets, and would have significant opportunities for future growth led by our experienced Management Team. This platform would enable Vista to take a step towards achieving its vision of regional expansion, particularly in its countries of focus (Mexico, Argentina, Brazil, and Colombia).

#### **Capital Resources; Expenses Associated with the Acquisitions**

We expect to fund the Acquisitions with the following resources:

- The balance available in the Escrow Account, net of the deferred underwriting fees of US\$19,500,000.00 payable to the Mexican Underwriters and the Initial Purchasers under the Underwriting Agreement and the Purchase Agreement, respectively, plus the VAT attributable to such deferred underwriting fees. As of December 31, 2017, the balance available in the Escrow Account was US\$652,566,159.00;
- The proceeds from the subscription of up to 5,000,000 Forward Purchase Shares, or approximately USD\$50,000,000.00;
- The net proceeds from the subscription of 10,000,000 Series A Shares, out of the 100,000,000 Series A Shares issued pursuant to the resolutions adopted at the general shareholders' meeting held December 18, 2017, or approximately US\$100,000,000.00; and
- Borrowings under the Bridge Facility, to the extent that the sum of the amounts obtained through the Subscription Agreements, the Exercise of Shareholders' Preemptive Rights, the Forward Purchase Agreement, and the amounts deposited in the Escrow Account, minus the amounts corresponding to the Series A Shareholders' exercise of their cash reimbursement right, is not sufficient to cover the costs of the Transaction.

### Capital Resources; Use of Proceeds (Table 12)

Sources	(\$MM)	%	Uses	(\$MM)	%
IPO Proceeds	\$650	81.3%	Purchase Price	\$675	84.4%
Riverstone Vista Capital Partners (FPA)	\$50	6.3%	Cash at Targets	\$60	7.5%
Capital Raise	\$100	12.5%	Transaction Expenses	\$25	3.1%
			Additional Funding for Growth	\$40	5.0%
<b>Total</b>	<b>\$800</b>	<b>100.0%</b>	<b>Total</b>	<b>\$800</b>	<b>100.0%</b>

Table 12 – Sources and Uses of the Transaction

### Pro Forma Ownership Structure (Table 13)

Pro Forma Capitalization at Closing	At \$10/sh.		At \$18/sh.	
\$MM				
Current Public Investors	67.5%	65.0	67.3%	72.8
Riverstone Vista Capital Partners (FPA)	5.2%	5.0	5.2%	5.6
New Public Equity Investors	10.4%	10.0	9.2%	10.0
Riverstone / Management Team	16.9%	16.3	18.3%	19.8
<b>Total Shares Outstanding (MM)</b>	<b>100.0%</b>	<b>96.3</b>	<b>100.0%</b>	<b>108.2</b>

Table 13 – Pro forma share structure

### Date of Approval of the Transaction

On February 8, 2018, our board of directors agreed to submit the Acquisitions to our general shareholders' meeting for approval on a case-by-case basis as part of the Initial Business Combination referred to in our bylaws, the Warrant Indenture, the Warrant Global Certificate, the Shareholders' Resolutions and the Strategic Partners Agreement.

The Initial Business Combination will be presented for approval at the general shareholders' meeting to be held at Vista's offices located in Boulevard de los Virreyes 24, floor 24, Lomas de Chapultepec V Section, 11000 Mexico City, Mexico. In accordance with our bylaws, we will make the disclosure document and the financial information with respect to the Acquisition available to our shareholders at least 30 calendar days prior to the general shareholders' meeting at which the vote on the proposed Initial Business Combination will occur and we will publish the call (*convocatoria*) at least 15 calendar days before such date.

### **Issuance of New Shares; Exchange Date**

With the purpose of funding the Acquisitions in order to consummate the Initial Business Combination, the shareholders approved the issuance of the 100,000,000 Series A Shares at the general shareholders' meeting held December 18, 2017 and such shares were registered with the RNV upon authorization granted by the CNBV pursuant to official communication 153/11202/2017, dated December 18, 2017.

If we do not sell the 100,000,000 Series A Shares to fund the Acquisitions, we will take all necessary or advisable actions to cancel such shares in accordance with the resolutions approved at the shareholders' meeting held on December 18, 2017.

### **Changes in the Rights Conferred by Our Securities**

The rights conferred by the Series A Shares will not change as a result of the approval of the Transaction at our general shareholders' meeting, only to the extent the Initial Business Combination is approved and consummated:

- The full amount held in the Escrow Account will be used to (i) reimburse or pay in cash any amounts due to those Series A Shareholders who have elected to have their Series A Shares reimbursed, as notified to us no later than two Business Days prior to the general shareholders' meeting at which the Initial Business Combination is approved, for a *pro rata* share pursuant to our Shareholders' Resolutions; and (ii) after all cash reimbursements and payments described in clause (i) have been made, (a) pay US\$19,500,000.00 to the Initial Purchasers and Mexican Underwriters for their deferred initial purchaser and underwriting compensation under the Purchase Agreement and the Underwriting Agreement, respectively, plus the VAT attributable to such deferred compensation; and (b) finance all or a portion of the Initial Business Combination with the remaining proceeds in the Escrow Account. After making the foregoing payments, the Escrow Account will be closed and any remaining proceeds in the Escrow Account will be distributed to us;
- Should 5,000,000 Forward Purchase Shares and an equal number of Forward Purchase Warrants to fund the Initial Business Combination be subscribed and paid, the ownership interest held in our company by any shareholder who is not a party to the Forward Purchase Agreement will be diluted;
- To the extent 10,000,000 Series A Shares out of the 100,000,000 Series A shares issued in accordance with the resolutions approved at the general shareholders' meeting held on December 18, 2017 to finance in full or in part the Initial Business Combination are subscribed and paid (either by investors who have entered into a Subscription Agreement with us or through the Exercise of Shareholders' Preemptive Rights), the ownership interest held in our company by any shareholder who does not purchase a *pro rata* number of such shares will be diluted;
- All of the Series B Shares currently outstanding will be converted into Series A Shares on a one-for-one basis upon completion of the Initial Business Combination. Subject to the consummation of the Initial Business Combination, the Series B Shareholders have waived

their anti-dilution right to maintain their 20% ownership of the outstanding shares after any additional equity issuances, thereby limiting the dilutive effects of such conversion;

- The Exercise Period of the Warrants shall commence 30 calendar days after the closing date of the Initial Business Combination and expire on the earlier of (a) the Early Termination Date, and (b) the fifth anniversary of the Initial Business Combination Closing Date;
- The non-joint and several obligation of each of Riverstone Sponsor and Management Holdings under the Strategic Partners Agreement to indemnify us for certain third-party claims for services rendered or products sold to us, or for claims from companies with which we may have discussed the prospective consummation of a business combination, will terminate; and
- The Shareholders' Agreement will be terminated.

If we do not consummate the Initial Business Combination, we will not be required to take any of the aforementioned actions, and both the approval of the Transaction and the exercise by the Series A Shareholders of the reimbursement rights will cease to be valid for all legal purposes, and we will not be required to make any such reimbursement.

### **Recognition of the Transaction for Accounting Purposes**

The condensed and combined pro forma unaudited financial statements of the Company, which include the condensed and combined pro forma unaudited income statements for the nine-month period ended September 30, 2017 and the twelve-month period ended December 31, 2016, and the condensed and combined pro forma unaudited balance sheet as of September 30, 2017 and as of December 31, 2016, have been prepared in accordance with the IFRS using the U.S. dollar as the reporting currency of such statements in compliance with the regulations issued by the CNBV and the Exhibit P of the Ancillary Securities Market Regulations.

The condensed and combined pro forma unaudited financial statements have been prepared to show the effects of the potential acquisitions of the PELSA Shares, the APCO Shares and the Direct Interests. Those statements have been prepared using the US dollar as the reporting currency, and were prepared using the unaudited financial information compiled from each of the Acquisitions.

Given the financial statements of Medanito and Jagüel were prepared in Argentine pesos, the financial information in the balance sheets was converted into U.S. dollars using a 17.25-to-one and 16.10-to-one exchange rate as of September 30, 2017 and December 31, 2016, respectively, whereas that in the income statements was converted into U.S. dollars using 17.21-to-one and 14.78-to-one average exchange rate for each nine months' period, respectively, for comparison purposes, as described in Note 3 to such condensed and combined pro forma unaudited financial statements attached hereto as Exhibit 2.

For the purpose of this disclosure document, certain reclassifications have been carried out in the basic information of Acquisitions, both in the statements of financial position and in the income statements.

At the time, the process of valuation and registry of the Acquisitions, in accordance with the provisions of IFRS 3 "Business Combinations", would be that business acquisitions must be recognized by the purchase method, which requires in all cases, to (i) evaluate that the acquired asset qualifies as a business, (ii) identify the purchaser, (iii) determine the date of the acquisition, (iv) make a valuation from the initial recognition the identifiable assets acquired, the assumed liabilities, as well as the non-controlling participation in the acquired business, if any, (v) make a valuation of the consideration, and (vi) recognize any acquired goodwill or profits for a purchase made under advantageous conditions, under the terms of the aforementioned IFRS.

### **Additional Costs in the Operation**

Additional costs will be recorded in results at the time of delivery and in accordance with IFRS 3 “Business Combinations” and will not be part of the cost of the acquired entity.

### **Determination of the Cost of Acquisitions**

The acquiring entity will allocate the cost of the acquired entity to the assets acquired and liabilities assumed, based on their fair values at the acquisition date.

Prior to the assignment, the acquiring entity, will (i) review if the consideration is different from cash, this in order to ensure that assets and liabilities are properly valued, and (ii) will identify all assets and liabilities, including intangibles, notwithstanding they are registered in the acquiring entity.

Among other relevant sources of information, independent and actuarial valuations or other valuations may be used to help determine the estimated fair values for the assets acquired and liabilities assumed.

### **Tax Consequences of the Transaction**

Upon consummation of the Transaction, the Company would qualify as a shareholder of the companies subject to the Acquisitions. As a holding company, pursuant to Mexican law, the Company will be subject to corporate income tax payments at a 30% tax rate for the dividends distributed by the target companies.

Technically, and to the extent that it complies with each of the requirements for such purposes, the Company will be able to credit both the corporate income tax paid by each of the target companies with respect to the dividends distributed by each target company, as well as the income tax, if any, withheld in accordance with the applicable tax provisions in each of the jurisdictions of which such companies are residents for tax purposes.

The Company may distribute tax-free profits in Mexico provided that the corresponding corporate income tax for such profits has already been paid. In the event that the Company distributes profits for which corporate income tax has not been paid in Mexico, the Company shall pay such corporate income tax by applying the 30% rate on the amount of the dividends or profits paid, adjusted by the relevant gross-up factor. The income tax paid pursuant to the terms of this paragraph may be credited by the Company in the year in which it is paid and the two following years.

On November 4, 2015, Mexico and Argentina signed a Convention for the Avoidance of Double Taxation, which is applicable starting January 1, 2018. The treaty may provide benefits to certain taxpayers of both countries by reducing domestic law income tax withholding rates on categories of cross-border payments such as dividends; interest; and royalties and technical assistance. The treaty additionally provides relief for residents of both countries by reducing the tax rate on capital gains realized in connection with the sale or transfer of non-land-rich portfolio shares (holdings of less than 25% of the total outstanding shares), assuming various requirements are met. The treaty also includes Base Erosion and Profit Shifting (BEPS)-inspired provisions, such as a limitation of benefits clause that addresses certain treaty abuse practices and double non-taxation scenarios.

## INFORMATION RELATING TO THE PARTIES TO THE ACQUISITIONS

### Company's Name

Vista Oil & Gas, S.A.B. de C.V.

### Company Overview

We are a corporation of variable capital (*sociedad anónima bursátil de capital variable, or S.A.B. de C.V.*) organized under the laws of Mexico. We were established as a SPAC for the purpose of effecting an Initial Business Combination. We were formed by Riverstone Sponsor, which together with our Management Team, is our Sponsor. Riverstone is one of the largest global energy-focused private equity firms. Our Management Team is led by Miguel Galuccio, the former Chairman and Chief Executive Officer of YPF and current independent member of the board of directors of Schlumberger. We intend to capitalize on the ability of our Management Team and the ability of Riverstone's platform to identify, acquire and operate a business in the Latin American energy industry.

### Company's History

Vista Oil & Gas, S.A.B. de C.V. was incorporated on March 22, 2017.

In August 2017, we consummated our initial public offering for Ps\$11,688,950,000, the equivalent to US\$650 million, and we executed a Forward Purchase Agreement for the private placement to RVCP, an Affiliate of Riverstone Sponsor, of up to 5,000,000 Forward Purchase Shares and an identical number of Forward Purchase Warrants for an aggregate purchase price of up to US\$50 million. As result, Vista secured a potential funding of up to US\$700 million to be used for consummating an Initial Business Combination.

Since then, we began to search for investment opportunities in Mexico, Argentina, Colombia and Brazil, which resulted in the execution of two share purchase agreements and one interest assignment agreement with Pampa and Pluspetrol in January 2018.

On February 8, 2018, the Board of Directors agreed to submit the Transaction and, accordingly, the Initial Business Combination, for approval to the general shareholders' meeting, subject to the satisfaction of certain conditions precedent, including, among others, the sufficient availability of funds.

As of the date of this disclosure document, we have also executed Subscription Agreements pursuant to which certain investors have agreed to subscribe for Series A Shares. Together with the Exercise of Shareholders' Preemptive Rights, these investors have agreed to subscribe for a total of 10,000,000 Series A Shares for an aggregate purchase price of US\$100,000,000.00, the net proceeds of which we will use to fund the Transaction.

### Capital Structure

As of February 19, 2018, the variable portion of our capital stock was comprised by (i) 65,000,000 Series A Shares, registered with the RNV and listed on the Mexican Stock Exchange; and (ii) 16,250,000 Series B Shares, registered with the RNV and listed on the Mexican Stock Exchange, with 16,118,000 being held by our Sponsor and the remaining 132,000 by our independent directors. The variable portion of our capital stock is of unlimited amount pursuant to our bylaws and the applicable laws, whereas, the fixed portion of our capital stock is divided into two Series C Shares, registered with the RNV and listed on the Mexican Stock Exchange. For more information please refer to the "Vista – Capital Structure" section in this disclosure document.



## Financial Statements

As of the date of this disclosure document (*folleto informativo*) there has been no material change in our financial statements.

## Company Following the Consummation of the Transaction

Please refer to the “*Summary of the Disclosure Document- Our Company Following the Consummation of the Initial Business Combination*” section in this disclosure document.

## Pampa Overview

### Legal Name

Pampa Energía S.A.

### Company Overview

Pampa is the largest independent integrated energy company in Argentina, with operations across the energy spectrum. It is currently the largest integrated electricity company in the country and also has significant operations in the upstream, midstream, and downstream sectors. Pampa had a market capitalization of approximately US\$4,800 million as of February 16, 2018. It is listed on the Buenos Aires Stock Exchange (“BCBA”) and also has an American Depositary Receipt (“ADR”) listed on the New York Stock Exchange (“NYSE”). Its main operations include:

- *Electricity generation*, with 3.7 gigawatts of installed capacity (74% thermal and 26.0% hydro) and around 600 megawatts in planned expansions, resulting in the second largest independent generator in Argentina with a market share of 10%;
- *Electricity transmission*, through a co-controlling interest in Transener, the largest high voltage transmission network Argentina, which includes more than 20,000 km in lines with a market share of 85%;
- *Electricity distribution*, through a controlling interest in Edenor, the largest electricity utility company in Argentina, serving 2.9 million clients in the northern part of City of Buenos Aires and the northeastern part of the Greater Buenos Aires metro area, resulting in a market share of 21%;
- *Oil and gas exploration and production*, with 16 blocks and around 70 MBoed of production (68% gas), making Pampa, at the end of 2017, the fifth largest hydrocarbon producer in Argentina. Pampa also is the largest independent unconventional (tight and shale) gas producer with a market share of 17%, and holds 12% of the gross unconventional gas acreage in Vaca Muerta;
- *Midstream*, through a co-controlling indirect interest in TGS, the largest gas transporter in Argentina and a leading natural gas liquids processor, with 9,184 km of gas pipelines and a liquids processing plant, General Cerri, with an annual production capacity of 1 million tons; and
- *Downstream*, through interests in two refineries, with an aggregate capacity of 56,000 barrels per day, and in three petrochemical plants, which serve a significant portion of the local styrene, polystyrene, bi-oriented polystyrene, and rubber markets.

### *Acquisition Scope*

The Acquisition from Pampa includes a (i) 58.88% interest in PELSA; (ii) 3.85% interest in the exploitation concessions Entre Lomas, Bajada del Palo and Agua Amarga; (iii) 100.00% interest in the exploitation concession Medanito block; and (iv) 100.00% interest in the exploitation concession for the Jagüel block.

### *Company History*

Pampa began in 2005 as a listed vehicle to pursue investments in the energy sector and quickly became the largest integrated electricity company in Argentina between 2006 and 2007. Since then, the company has diversified into other energy sectors, including midstream in 2011, through the acquisition of an indirect co-controlling interest in TGS from Ashmore Energy International; upstream in 2013, through the joint venture with YPF in the Rincón del Mangrullo block as well as the US\$1,400 million acquisition of Petrobras Argentina in 2016.

Since the acquisition of Petrobras Argentina, Pampa has sold or entered into contracts to sell several of the company's assets including (i) a co-controlling interest in TGS to a local investment group in 2016, and (ii) a series of refining and marketing downstream assets (including gas stations, refineries and lubricant plants) to Trafigura in 2017, a transaction that is estimated to be completed during 2018.

### *Capital Structure*

Pampa is a publicly listed company, with shares on the Buenos Aires Stock Exchange, and ADRs on the NYSE. Its management team, including its founders (Marcelo Mindlin, Damián Mindlin, Gustavo Mariani, and Ricardo Torres), holds a 20.8% interest, while the remaining 79.2% of shares are held by institutional and individual investors from Argentina, the U.S. and other countries through the ADRs that are listed on the NYSE.

## **Pluspetrol Overview**

### *Legal Name*

Pluspetrol Resources Corporation.

### *Company Overview*

Pluspetrol Resources Corporation is a subsidiary of the Grupo Pluspetrol, which focuses on oil and gas exploration and production, with operations in Angola, Argentina, Bolivia, Colombia, Peru, and Venezuela. Notwithstanding the company's focus on oil and gas exploration and production, it has diversified into other sectors of the energy industry, including midstream and power.

Group Pluspetrol is one of the largest private independent oil and gas exploration and production company in Latin America in terms of oil and gas production, with approximately 434 Mboed. It also has 789 MMBoe in net proved reserves as of December 2016. Grupo Pluspetrol has a significant presence in Argentina through 26 exploitation concessions, mainly located in the Neuquina and Noroeste basins, and production of more than 57.1 MBoed (53% crude oil), representing 5% market share in the country. In addition, it is one of the largest holders of acreage in the Vaca Muerta unconventional play with more than 250,000 net acres.

Grupo Pluspetrol also has presence in various countries in America and Africa. Its main international operation is in Peru, where it operates the largest gas field in Latin America as part of the Camisea consortium, producing 92% of the country's natural gas. The company also has meaningful operations and exploration projects in the Junin, Pasco and Loreto regions.

Grupo Pluspetrol's assets in the Argentinian province of Tierra de Fuego are not a part of the Acquisitions.

#### *Company History*

Pluspetrol was founded in 1977 and, fueled by the growth of several conventional fields in Argentina (including Centenario and Ramos), it gradually expanded to other parts of Latin America, mainly Peru, and, later on, to Africa. It has also managed to diversify into other parts of the energy value chain, including midstream and downstream.

#### *Acquisition Scope*

The acquisition from Pluspetrol includes a: (i) 100% interest in APCO International; and (ii) 5% interest in APCO Argentina S.A. (the remaining equity interest being held by APCO International).

#### *Capital Structure*

Pluspetrol Resources Corporation is a company incorporated in the Cayman Islands, and is 100%-owned by Pluspetrol Resources Corporation BV, incorporated in the Netherlands.

## MACROECONOMIC AND POLITICAL CONTEXT IN ARGENTINA

Argentina is the third largest economy in Latin America in terms of gross domestic product (“GDP”), which in 2016 was approximately US\$545 billion, with a GDP per capita of US\$12,440 in nominal terms, according to the World Bank. It is also the second largest country in the region in terms of land area (and eighth in the world), with a territory of 2.8 million km<sup>2</sup>. It has a population of approximately 44 million and access to approximately 270 million people through its membership in Mercosur, the commercial block made up of Brazil, Uruguay, Paraguay, and Argentina.

The country benefits from vast natural resources. 53% of its soil is fertile for agriculture, one of the reasons why it is the largest exporter of soybean oil, the second largest producer of soybeans and lemons, and the third largest exporter of corn worldwide. According to the EIA, Argentina has the fourth largest unconventional recoverable oil resources and the second largest of recoverable gas resources, worldwide, while it also has significant resources for the development of renewable energy sources (mainly wind and solar), as well as mineral resources and water.

Argentina has a well-educated middle class and a qualified workforce, with a literacy rate of 98.1%, and it is ranked first among Latin American countries in recognized human capital indexes, including the International Monetary Fund’s “Latin America’s Human Capital Index and Know-How Sub index.” It also has a well-developed national transportation infrastructure network, including a highway and rail system of more than 35,000 kilometers, 43 ports and 54 airports, with improvement and expansion plans in place for the following years.

Argentina’s political system is democratic. The current president of Argentina, Mauricio Macri, was elected in November 2015 and took office on December 10, 2015. Since then, the administration has implemented a series of measures designed to advance structural reforms to support long-term macroeconomic performance, including reducing the fiscal deficit, eliminating restrictions on capital flows, normalizing energy and transport prices, and securing long-term financing mainly through the capital markets. During its approximately two years in office, the Macri administration has adopted the following key economic and policy reforms:

**Foreign exchange reforms:** In December 2015, soon after taking office, the new administration lifted the former government’s strict currency controls, allowing the Argentine peso to float. In August 2016, the Central Bank issued Communication “A” 6037, which substantially modified the existing legal framework and eliminated a number of restrictions that prevented free access to the foreign exchange market.

**National Statistics and Census Bureau (“INDEC”) reforms:** In January 2016, based on the consensus that the INDEC had failed to produce reliable statistical information, the Macri administration declared the national statistics system and the INDEC to be in a state of administrative emergency until December 31, 2016. As a result, the INDEC ceased to publish certain key statistical figures until a rearrangement of its technical and administrative structure was finalized. In June 2016, the INDEC resumed its Consumer Price Index (“CPI”) publications. In November 2016, the IMF lifted its existing censure on Argentina regarding the quality of its statistical figures.

**Creditor holdouts and financing policy:** In February 2016, the new administration entered into agreements to settle the majority of outstanding claims with creditors of defaulted debt that did not participate in the 2005 and 2010 swaps. On March 31, 2016, the Argentine Congress repealed the legislative obstacles to the settlement and approved the settlement proposal. The government transferred US\$9.3 billion<sup>2</sup> to the litigating creditors, putting an end to more than 15 years of international disputes with holders of the Argentine debt, marking the exit of the default and the reopening of the international markets. As a result, and coupled with other market-friendly measures, Argentina was able to issue international debt at historically low interest rates. In June 2017, the country issued a US\$2.8 billion 100-year bond<sup>3</sup>, the longest maturity issue in the history of the country. In January 2018, the country issued a series of

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<sup>2</sup>Ministry of Finance of Argentina.

<sup>3</sup>Ministry of Finance of Argentina.

international bonds for a total of US\$9 billion<sup>4</sup> at an interest rate of under 4% for 5-year bonds, a record low interest rate for an Argentine issuance in the international market. Moreover, this opening to the market resulted in numerous initial public offerings of Argentine companies listed on the New York Stock Exchange (“NYSE”), including Loma Negra (US\$954 million<sup>5</sup>), Despegar (US\$332 million<sup>6</sup>), Banco Supervielle (US\$345 million<sup>7</sup>), Central Puerto S.A. (US\$330 million<sup>8</sup>), and Corporación América Airports S.A. (US\$486 million<sup>9</sup>).

**Tax Amnesty Law:** In July 2016, the Tax Amnesty Law (N° 27.260) was introduced to promote the voluntary declaration of previously undeclared assets by Argentine residents without facing prosecution for tax evasion or being required to pay past-due tax liabilities on the assets. Depending on the amount, the type of asset, the timing of declaration, and the payment methods used, those who took advantage of the Tax Amnesty Law paid a special tax ranging from 0% to 15% on the total amount declared. The Tax Amnesty plan proved to be the most successful in world history, with US\$116.8<sup>10</sup> billion in assets declared.

**Foreign trade reforms:** In December 2015, the new administration eliminated export taxes on corn, wheat, meat, and regional products, reduced export duties on soy, and eliminated export duties on most industrial and mining exports. In December 2015, the Argentine government also established a new import management system to replace the existing, mostly discretionary licensing regime. As a result, imports and exports have grown 18.0% and 2.5%, respectively, in the first three quarters of 2017 versus the same period in 2015.<sup>11</sup>

**Utility price increases:** In December 2015 the Macri administration declared the national electricity system to be in state of emergency. This action was a response to the energy deficit in the country following several years of limited investment in the sector and, electricity and natural gas price freezes since the 2001-2002 economic crisis. The state of emergency allowed the Argentine government to take actions designed to guarantee the supply of electricity. In addition, the new administration has begun adjusting the prices for electricity, transportation, gas, and water services. By correcting pricing, modifying the regulatory framework, and reducing the Government’s involvement in the sector, the Macri administration aims to correct market distortions and stimulate investment.

**Renewable energy auctions:** In December 2015, the Argentine Congress passed the National Promotion for the Use of Renewable Energy Source Law (N° 27.291). During 2016 and 2017, three renewable energy auctions have been completed (RenovAr 1.0, 1.5 and 2.0), through which private companies entered into competitive bidding processes offering USD prices at which they were willing to sell energy to the state regulator (CAMMESA) through 20-year power purchase agreements. These auctions had a significant level of participation from both foreign and domestic investors, with an aggregate total amount of energy awarded of 4,467MW through 147 projects at a weighted average price of US\$55/MWh (decreasing from US\$61/MWh to US\$51/MWh between RenovAr 1.0 and 2.0), with an oversubscription of more than four times<sup>12</sup>.

**Fiscal policy:** The Macri administration has taken steps to meet target financial deficit metrics and reduce total public expenditure as a percentage of GDP through the elimination of subsidies and the restructuring of certain expenditures. In 2016, the Argentine government achieved the primary fiscal deficit target of 4.8% of GDP, in 2017 it reached 3.9% of GDP (outperforming the 4.2% target), and aims to reach the 3.2% target in 2018, and 2.2% in 2019<sup>13</sup>. In November 2017, the Argentine government signed a historic fiscal pact with 23 provinces (excluding San Luis), which provided a framework for the approval of the 2018

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<sup>4</sup>Ministry of Finance of Argentina.

<sup>5</sup>Loma Negra Prospectus of October 31, 2017. Includes net proceeds of US\$79.8 million from local public offering.

<sup>6</sup>Despegar Prospectus as of September 19, 2017.

<sup>7</sup>Grupo Supervielle Prospectus as of September 12, 2017. Includes net proceeds of US\$49.6 million from local public offering.

<sup>8</sup>Centro Puerto Prospectus published on February 5, 2018

<sup>9</sup>Corporación América Airports Prospectus published on February 2, 2018

<sup>10</sup>Treasury Ministry of Argentina.

<sup>11</sup>Indec National Accounts Report as of September 30, 2017.

<sup>12</sup>Ministry of Energy and Mining of Argentina.

<sup>13</sup>Treasury Ministry.

budget, federal distribution of resources, reduction of distortive local taxes, the approval of the federal fiscal responsibility law, and the approval of a bill to align pensions and retirements based on inflation.

**Correction of monetary imbalances:** In 2016, the Macri administration adopted an inflation-targeting regime in parallel with the floating exchange rate regime. The Central Bank has increased the use of stabilization policies to reduce excess cash flow. As a consequence, inflation has been brought down from 40.3% year-on-year as of December 2016 to 22.7% year-on-year as of November 2017<sup>14</sup>. Expectations point to a continuous decline in 2018, 2019, and 2020 with the Central Bank's targets set at 15%, 10%, and 5%, respectively<sup>15</sup>.

**Credit expansion:** The Argentine government's decision to support growth in corporate and personal credit has served as a fundamental tool to encourage private investment and consumption. In addition, the development of mortgage loans through the creation of inflation-adjusted units called UVAs has enabled Argentines to access long-term financing for homes and has restored the construction sector. In October 2017, the volume of mortgage loans reached US\$6.2<sup>16</sup> billion, increasing 88% year-on-year. Despite strong growth in 2017 over the last year, the mortgage loan sector still has room for growth in Argentina, as its penetration (measured as a percentage of GDP) continues to be one of the lowest in the region (below 1%), well behind countries such as Chile (24%), Brazil (9%), and Colombia (6%).

**Pension Reform Law:** In December 2017, the Argentine Congress passed the Pension Reform Law that will change the formula by which pension benefits are calculated, now basing them largely on inflation instead of wage growth and tax collections.

**Fiscal Responsibility Law:** In December 2017, the Argentine Congress approved the Fiscal Responsibility Law, which aims to freeze provincial spending in real terms, control employment in the public sector, and bring provincial debt service below 15% of current revenues, net of the national government's transfers.

**Tax Reform Law:** On December 27, 2017, the Argentine Congress approved the Tax Reform Law, which will introduce several modifications to the existing tax regime, including reductions to income tax rates, among others.

**Liberalization of crude oil and natural gas prices:** In January 2017, the Argentine government and crude oil producers agreed on the gradual elimination of price controls for domestic market production until the local market converges with international prices before 2018. In October 2017, given local prices had reached international values, the Argentine government eliminated price controls and the oil prices began to fluctuate in accordance with international price movements.

**Vaca Muerta development:** In January 2017, a collaboration agreement between the Argentine government, private companies, and unions was announced to promote the development of the Vaca Muerta shale play. This agreement includes: (i) companies' commitment to make investments worth US\$5 billion in the first year and US\$15 billion in subsequent years; (ii) the extension of the Gas Plan, guaranteeing a minimum price for producers; (iii) the inclusion of productivity improvement measures in collective labor agreements, and (iv) the commitment of the Neuquén government to improve road infrastructure and not to increase taxes. As a direct consequence of the agreement, several of the most important companies in the sector announced investments in Vaca Muerta in the coming years, including Tecpetrol's \$2.3 billion investment over three years, announced in March 2017<sup>17</sup>, the agreement signed in July 2017 between YPF, Wintershall, Pan American Energy, and Total Austral for the exploitation of unconventional gas in the field, YPF's joint venture agreements with Schlumberger and Statoil in April 2017

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<sup>14</sup>National Statistics and Census Bureau.

<sup>15</sup>Central Bank of Argentina press conference of December 28, 2017.

<sup>16</sup>Central Bank of Argentina Statistical Bulletin as of October 2017. AR\$ converted at the exchange rate of AR\$17.68/USD corresponding to October 31, 2017.

<sup>17</sup>Tecpetrol's website.

and August 2017, respectively, and the agreement announced in October 2017 between YPF and Chevron to jointly invest US\$500 million.<sup>18</sup>

**State Modernization Plan:** In May 2016, the new administration launched a far-reaching program of public sector modernization to be carried out by the newly created Ministry of Modernization. The initiative includes the transformation of state management processes and systems, digital inclusion through the deployment of a free national Wi-Fi network, as well as encouraging a more transparent and agile public sector.

As a result of the abovementioned reforms and policies, the overall economy and capital markets have begun to show signs of improvement. After a GDP contraction of 2.3% in 2016, the Argentine economy recovered in 2017, with projected GDP growth of 2.8%<sup>19</sup> coupled with decreasing inflation and unemployment along with increasing investment (the third quarter of 2017 exhibited 13.9% year-on-year growth in gross fixed capital formation, reaching 21.7% of GDP up from 19% in 2016<sup>20</sup>). Furthermore, consensus forecasts project GDP growth rates around 3.2% to 3.3% in 2018 and 2019, respectively.<sup>21</sup>

In addition, since Mr. Macri took office in December 2015, Argentine credit has experienced strong performance, with a tightening in the country's risk premium to 99 basis points as of February 16, 2018, as measured by the EMBI+ Argentina (Emerging Market Bond Index), which is published by J.P. Morgan. Consistent with this, the Argentine equity market has rallied 150% in Argentine pesos and 92%<sup>22</sup> in US Dollars, which has increased the value of all sectors of the economy.

All of this resulted in Argentina's exit from economic emergency in January 2018 after 16 years, and in the executive branch relinquishing a series of extraordinary powers, such as control over foreign exchange rates through a management system, applying withholding export taxes for hydrocarbons, fixing tariffs, and renegotiating public service contracts, among others. This normalization signified an additional step towards the institutionalization of the government.

Finally, within the context of the normalization of the economy, the opening to international markets, and the strengthening of institutions, it is expected that in 2018 the Argentine stock market will enter the MSCI index of emerging markets (its current status is "frontier" country), as defined by Morgan Stanley, which if materialized, would allow large international capital flows to local assets.

The Argentine government is expected to advance its reform agenda in 2018. Some of the main issues the government intends to tackle in the months to come include:

**Public private partnerships (PPPs):** In November 2017, The Treasury Ministry launched the PPP Plan, enabled by a law passed in December 2016 that regulates the essential aspects of public-private partnership contracts and lowered barriers to foreign investment in public works. The program will include investment of roughly US\$26 billion<sup>23</sup> in 60 projects through mid-2021 in the transportation, communications, technology, energy, mining, education, health, justice, water sanitation, and housing sectors.

**Capital Markets Reform Bill:** In November 2017, the Lower Chamber of Congress (*Cámara de Diputados*) gave preliminary approval for the draft bill of the Capital Markets reform, which was sent to the Senate for approval in 2018. The law provides for the amendment and update of the Argentine Capital Markets Law, the Mutual Funds Law, and the Argentine Negotiable Obligations Law, among others.

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<sup>18</sup>Telam Agency.

<sup>19</sup>As per the International Monetary Fund projections as of December 2017.

<sup>20</sup>Indec National Accounts Report as of September 30, 2017.

<sup>21</sup>Factset as of February 16, 2018.

<sup>22</sup>Factset from December 17, 2015 to February 16, 2018, given that the exchange rate was allowed to float freely on December 17, 2015.

<sup>23</sup>Treasury Ministry.

Furthermore, the bill provides for the amendment of certain tax provisions, regulations relating to derivatives, and the promotion of a financial inclusion program.

**Cooperation agreements between the government, trade unions, and business chambers:**

In order to promote clear rules for both companies and workers and encourage investment and growth, the Argentine government has been working towards agreements between the government, trade unions, and business chambers in various industries. In January 2017, an agreement for the development of Vaca Muerta was signed (please refer to the “*Vaca Muerta*” section in this disclosure document). In March and September of 2017, agreements were signed with unions and auto-parts and moto-parts companies, respectively, to improve the competitiveness of the sectors. In October 2017, an agreement was executed to boost production and employment in the dairy sector, and in the same month, an agreement was signed to improve local integration and employment in the renewable energy sector.

**Policies for integration with the global economy:** In June 2016, the G-20 representatives unanimously approved the Group’s Argentine presidency for 2018. Thus, Argentina became the first South American country to chair the G-20 group of the world’s largest economies, providing a remarkable opportunity for the Argentine government increase the country’s integration with the international community. Furthermore in order to strengthen international trade relationships, Argentina, together with Brazil, have been the main drivers of a potential free trade agreement between Mercosur and the European Union.

Regarding the political situation, mid-term legislative elections were held in October 2017, and voters reelected 33.3% of the Senate and approximately 50% of the Lower House. The governing coalition, “Cambiamos”, gained strong support throughout the entire country, consolidating its national presence with victories in 13 of the 24 provinces, adding four districts to the 2015 elections and including the five most populous voting districts (province of Buenos Aires, Córdoba, Santa Fe, Autonomous City of Buenos Aires, and Mendoza). At the national level, the ruling party won 40% of the votes, representing a 6% improvement compared to the first round of the presidential election in 2015<sup>24</sup>.

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<sup>24</sup>Official national elections results website.



# ARGENTINA'S OIL & GAS SECTOR OVERVIEW

## General Overview

### i. Exploration and Production Sector

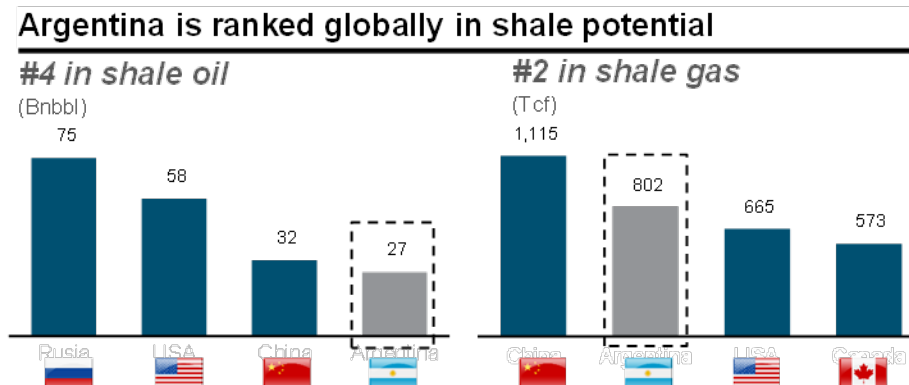
Argentina is the second largest producer of natural gas and the fourth largest producer of crude oil in South America. The country's territory includes five oil and gas producing basins (Neuquina, Golfo San Jorge, Cuyana, Noroeste, and Magallanes Austral) with a number of conventional and unconventional exploration and development opportunities. (See **Figure 9**).



Source: Wood Mackenzie.

**Figure 9 – Argentina and its Productive Basins**

The country has the fourth and second largest unconventional shale oil and gas resources globally, respectively, according to EIA. (See **Figure 10**).



Source: EIA

### Figure 10 – Shale Oil and Gas Resources in Argentina

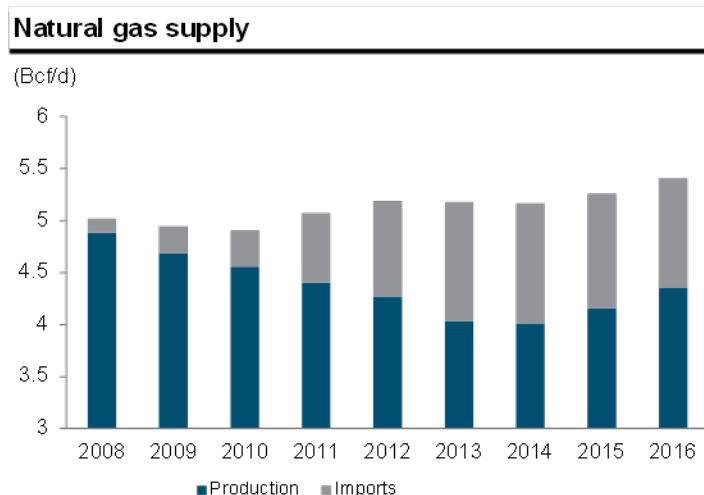
Between 2002 and 2012, the country experienced a period of underinvestment in the oil and gas sector, which caused reserves and production to decline, leading Argentina to become a net importer of oil, natural gas, and/or LNG starting in 2008.

Since 2012, Argentina has enacted a series of gradual improvements in its regulatory framework to promote foreign investment, incentivize investment in exploration and production of hydrocarbons in its main unconventional plays, and ultimately start to reduce expensive energy imports by replacing them with domestic production. These included measures to adjust domestic prices of oil and derivative products for inflation, put in place a subsidy to incentivize gas production, extend concession terms, and unify royalties across all provinces (please refer to the “*Oil and Gas Regulatory Framework in Argentina*” section in this disclosure document). More recently, the Argentine government, the oil and gas workers labor union of the Neuquén province, and the companies operating in Vaca Muerta reached an agreement involving an addendum to the collective agreement for unconventional activity in the Neuquina basin in order to optimize costs and promote investment and job creation.

Furthermore, the Argentine government recently undertook new actions to further improve the overall investment climate in the country, such as lifting currency and capital controls, easing import restrictions, and reaching a deal with holdout creditors from the country’s 2001 default (please refer to the “*Macroeconomic and Political Context in Argentina*” section in this disclosure document).

Starting in 2012, these improvements have increased the attractiveness of investments in Argentina’s energy sector, resulting in investment announcements for more than US\$4 billion by recognized international operators such as Chevron, Petronas, Dow Chemical, Schlumberger, and Statoil, among others.

Several unconventional plays have been identified in mature areas with a long history of conventional production, particularly in the Neuquina basin, where shale and tight oil and gas have been crucial to reversing declining production of gas, putting Argentina back on track towards production and reserves growth between 2014 and 2016 (See **Figure 11**).



Source: Argentina Ministry of Energy, IAPG.T

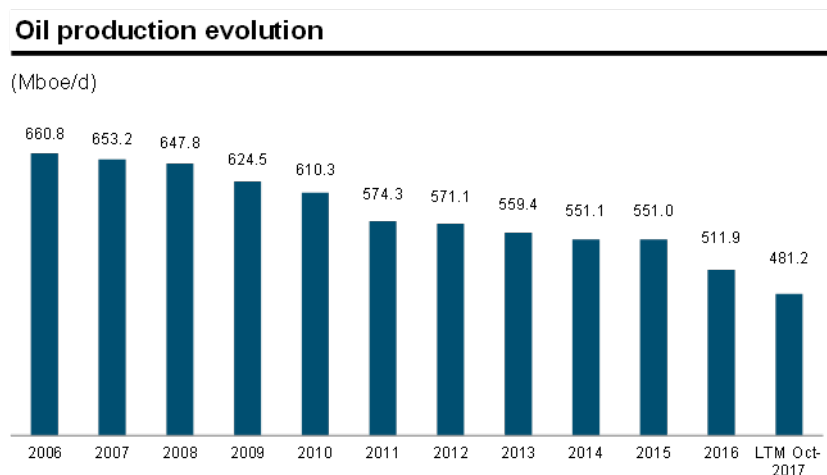
**Figure 11 – Production and Import of Natural Gas in Argentina**

The Neuquina basin covers nearly 115,000 square kilometers and has over 13.0 Bnboe of potentially recoverable conventional resources, out of which a significant amount remains to be produced. In the Neuquina basin, there are multiple partially stacked conventional and unconventional plays, giving operators a number of potential value creation opportunities.

The development of unconventional opportunities in the Neuquina basin is an attractive opportunity given the availability of field services, infrastructure, water, and human talent, which reduces capital needs and execution risk. This development could help the country’s oil and gas sector to meet the currently high levels of unsatisfied demand for natural gas, which is currently being met by large volumes of natural gas imported from Bolivia and LNG, both imported at relatively high international prices. The positive economic impact that the development of unconventional resources has had in the Neuquina basin has led the general public to accept and give social license to the development of these types of resources.

### Oil

During the last twelve months ended in October 2017, oil production reached 481.2Mboed, which is 6% lower than 2016 production and 27% lower than 2006 production (See **Figure 12**).



Source: Argentina Ministry of Energy.

**Figure 12 – Crude Oil Production in Argentina**

Argentina’s main oil producer in 2016 was YPF with a 44.7% market share, followed by Pan American Energy (19.4%), Pluspetrol (6.3%), Sinopec Argentina (5.6%), Tecpetrol (3.0%), Compañías Asociadas Petroleras S.A. (CAPSA) (2.3%), Chevron (2.3%), Petrobras Argentina (2.2%), and Petrolera Entre Lomas (PELSA) (2.0%).<sup>25</sup>

Proven oil reserves totaled 2.2MMboe for 2016, a decrease of 9.5% versus 2015 and a decrease of 8.0% in the last five years. The basin with the largest share in proven oil reserves is the Golfo San Jorge basin with 68%, followed by Neuquina (22%), Cuyana (5%), Austral (3%), and Noroeste (2%).

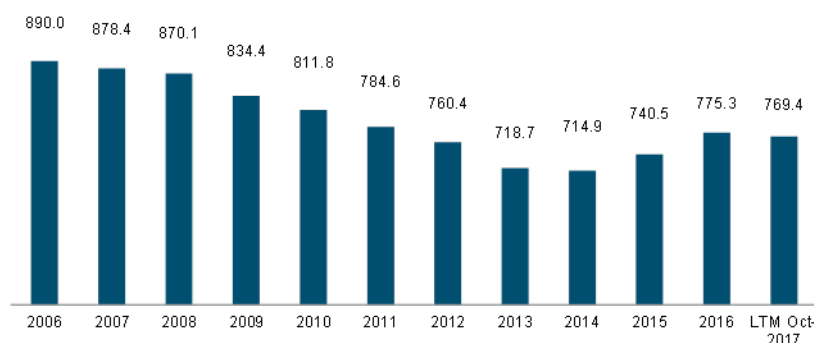
### Natural gas

During the last twelve months ended in October 2017, natural gas production reached 769.4 Mboed, remaining relatively flat versus 2016 while declining 13.6% since 2006. (See **Figure 13**).

<sup>25</sup>Only considers companies with a production of 2% or more of total 2016 production.

## Natural gas production evolution

(Mboe/d)



Source: Argentina Ministry of Energy.

**Figure 13 – Natural Gas Production in Argentina**

Argentina's main producer of natural gas in 2016 was YPF with a 31.2% market share, followed by Total Austral (27.1%), Pan American Energy (12.8%), Petrobras Argentina (5.7%), Tecpetrol (2.9%), YSUR Energía Argentina (2.8%), Pluspetrol (2.6%), and Compañía General de Combustibles (2.2%).<sup>5</sup>

Proven reserves of natural gas in 2016 reached 2.1Bnboe, a 4.0% decrease compared to the previous year and a total increase of 6.6% over the last five years. The basin with the highest concentration of proven reserves of natural gas is the Neuquina basin with 46%, followed by Austral (34%), Golfo San Jorge (14%), and Noroeste (6%).

Main operators in the sector (**Table 14**)



	(1)	(2)	(3)					
<b>Oil</b>								
Production								
LTM Sep -17(Mboe/d)	224.9	96.9	30.6	19.8	12.6	9.6	25.8	8.8
% of total	46.6%	20.1%	6.3%	4.1%	2.6%	2.0%	5.3%	1.8%
1P Reserves 2016 (MMboe)	469	987	83	49	47	27	94	46
<b>Natural gas</b>								
Production								
LTM Sep -17(Mboe/d)	283.7	95.9	29.3	39.8	24.8	3.5	13.3	206.2
% of total	36.9%	12.5%	3.8%	5.2%	3.2%	0.5%	1.7%	26.8%
1P Reserves 2016 (MMboe)	536	379	53	53	49	22	22	749
1)	Includes YPF S.A., Yacimientos del Sur Petrolera Argentina and Yacimientos del Sur Energía Argentina.							
2)	Includes Pluspetrol Energy S.A., Pluspetrol S.A. and APCO Oil and Gas International Inc.							
3)	Includes Pampa Energía S.A., Petrolera Pampa S.A., Petrolera Entre Lomas S.A. and Petrobras Argentina S.A.							

Source: Argentina ME&M, and company presentations.

Note: The reserves of each company were calculated based on operated concessions.

## Table 14 – Main operators in the sector

### *Crude oil quality*

Argentina predominantly produces medium crude oil in the Golfo San Jorge basin and light oil in the Neuquina basin. The main types of medium oil produced in Golfo San Jorge basin are the “Escalante”, with approximately 23° API, and “Cañadón Seco” with approximately 26° API. The crude oil produced in Neuquina is called “Medanito”, with approximately 32° API.

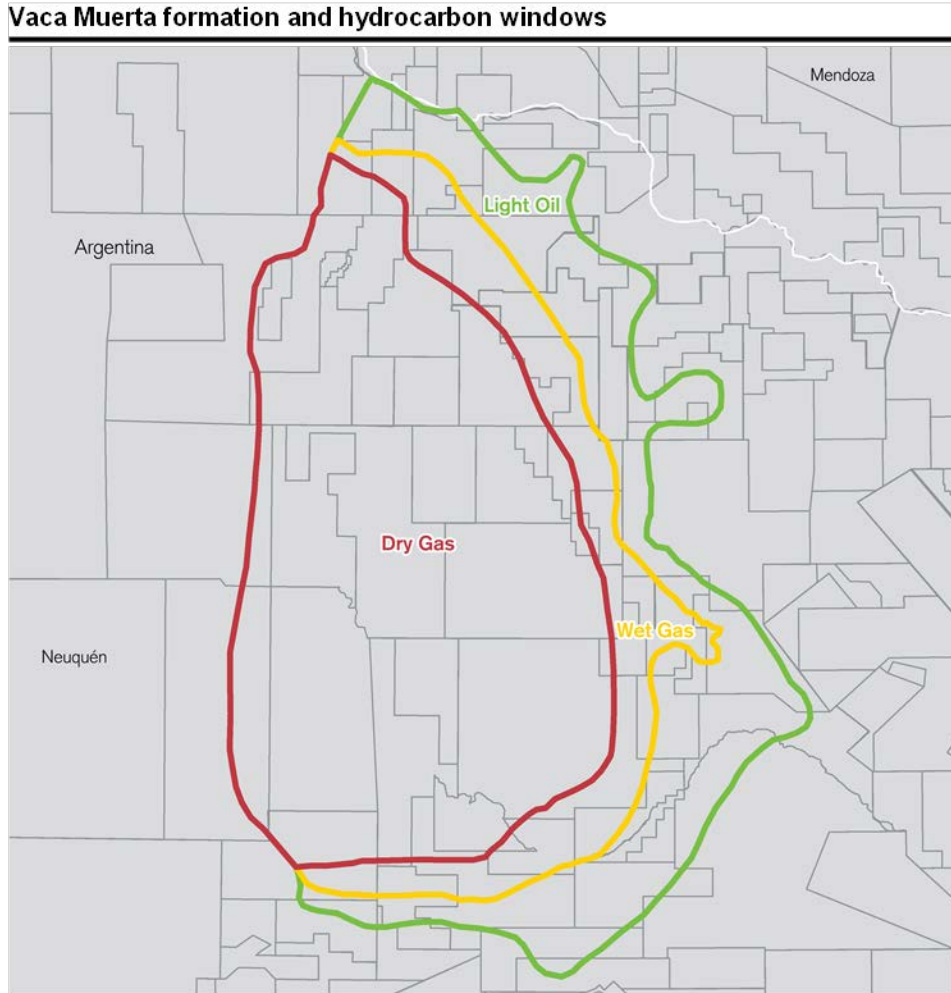
Historically, the country has exported part of its heavy oil while importing light oil to adjust the raw material mix for its refineries. The recent upgrades of the YPF refinery in La Plata and the Axion refinery in Campana allowed for an increase in the percentage of medium crude from the Golfo San Jorge basin processed in these refineries.

The crude oil produced in Vaca Muerta is even lighter than the one normally extracted in the Neuquina basin, which makes it very attractive for the refining sector. It is expected that this production will gradually replace the volumes of light crude that are currently being imported.

### *Vaca Muerta Shale Formation*

Vaca Muerta is the most prominent unconventional play in the Neuquina basin. It is significant on a global level, and recently became the largest commercial shale development outside of North America.

**Figure 14** below shows the hydrocarbon windows of the Vaca Muerta formation.



Source: Wood Mackenzie.

**Figure 14 – Hydrocarbon Windows of the Vaca Muerta basin**

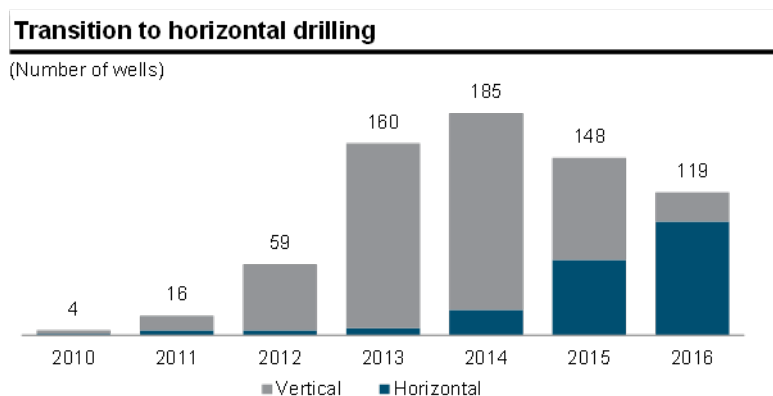
Vaca Muerta exhibits similar, and sometimes better, geological properties than several of the most successful shale plays in the United States. **Table 15** below shows Vaca Muerta’s geological characteristics compared to top tier U.S. onshore plays.

Vaca Muerta Characteristics			
	Vaca Muerta	Wolfcamp (Permian)	Eagle Ford
Gross Area* (acres)	~9,724,000	~8,617,000	~13,390,000
Avg. total organic content (%)	2.55	5.5	4.5
Avg. Net Thickness (meters)	30 - 450	172	41
Avg. Pressure Gradient (psi/ft)	0.82	0.48	0.8
2016 production (Mboed)	52	1,130	1,624

\* Gross Area may include non prospective acreage

**Table 15 – Vaca Muerta’s geological characteristics**

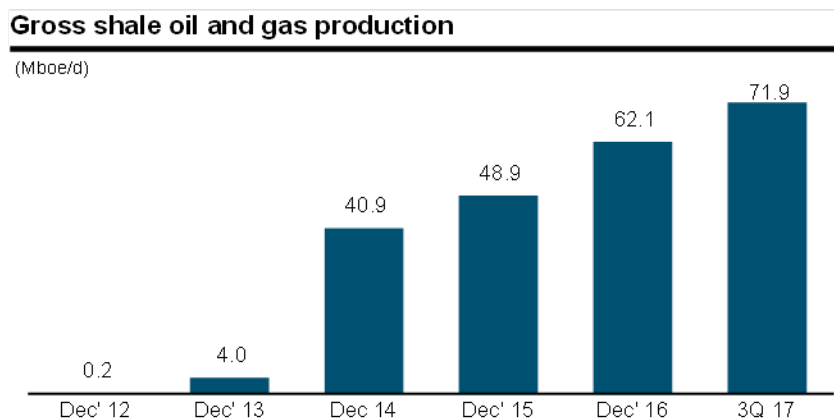
As in any other shale play, well costs are one of the most critical elements to value creation during the development of Vaca Muerta. The increase in drilling and completion efficiency in horizontal wells in Vaca Muerta has thus far shown very encouraging results. (See **Figure 15**)



Source: Argentina ME&M

**Figure 15 – Number of Vertical and Horizontal Wells in Vaca Muerta**

Production from Vaca Muerta is estimated to reach an average rate of 78.4 Mboed in December 2017, driven mainly by YPF’s oil-weighted development in Loma Campana (through a joint venture with Chevron), oil-weighted development of La Amarga Chica (through a joint venture with Petronas), and gas-weighted development in El Orejano (through a joint venture with Dow Chemical). These production levels make Vaca Muerta the largest commercial shale development outside North America. (See **Figure 16**)



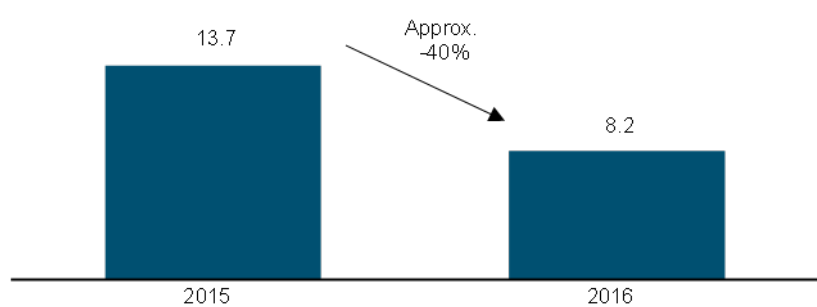
Source: ME&M, shale and oil exploitation concessions (Loma Campana, El Orejano, La Amarga Chica, Nambuenaa, Bajo del Toro and Bajada de Añelo).

**Figure 16 – Production Evolution in Vaca Muerta**

According to YPF’s filings, it achieved an approximately 40% reduction in average capital expenditure per well drilled in Loma Campana from US\$13.7 million in 2015 to an average of US\$8.2 million at the end of 2016, for horizontal wells with 1,500 meter laterals, significantly reducing the gap to comparable developments in the United States. (See **Figure 17**)

### Loma Campana horizontal wells cost

(In US\$mm)



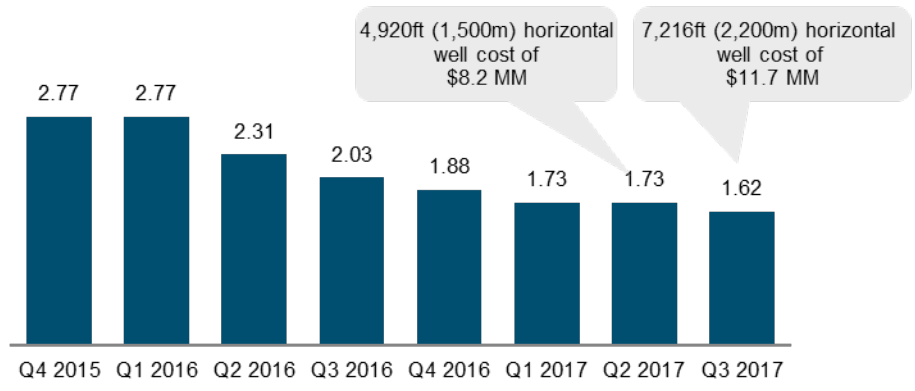
Source: YPF 2016 20-F

**Figure 17 – Evolution of Well Costs (1,500 meter horizontal lateral)**

In the last year, most operators, including YPF, began drilling wells with longer horizontal laterals, achieving greater drilling efficiency and, consequently, a reduction in drilling costs per well. (See **Figure 18**)

### Capex per Well has Declined

(k\$ / lateral ft)



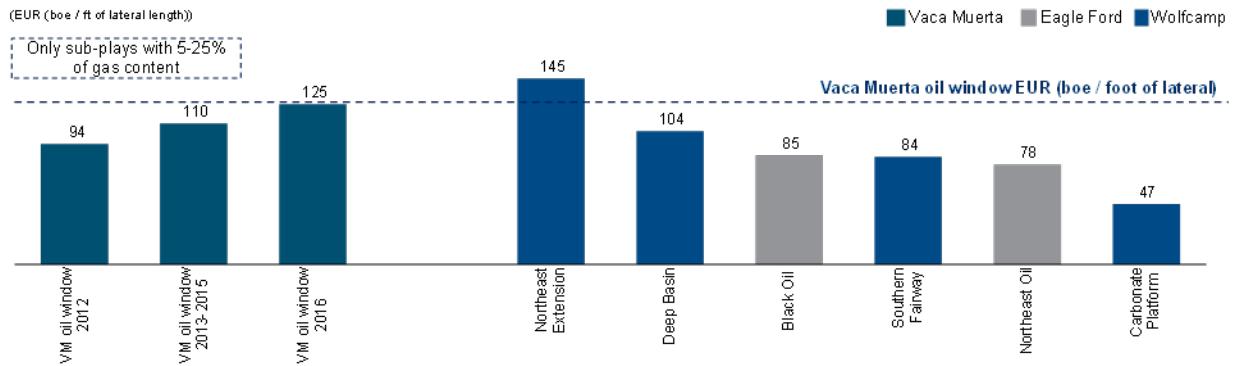
Source: YPF

**Figure 18 – Evolution of Vaca Muerta Drilling Costs**

According to Wood Mackenzie, standardized well planning and well management tailored to Vaca Muerta’s characteristics, along with the incorporation of state-of-the-art technology, have allowed Vaca Muerta to reach levels of productivity that are comparable to those observed in top U.S. basins. (See **Figure 19**)



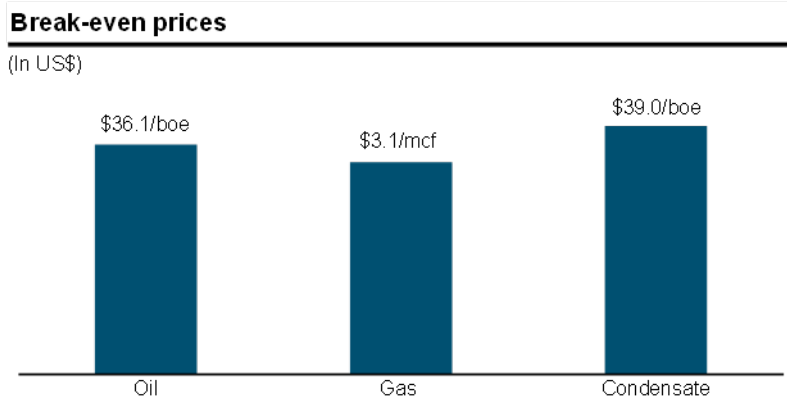
**Type well EUR benchmarking (normalized by lateral length) – By sub-play (low gas content only)**



Source: Wood Mackenzie.

**Figure 19 – Vaca Muerta Productivity versus U.S. Basins**

With a current capital expenditure of approximately US\$8 million per well with a horizontal lateral of 1,500 meters, the development of certain areas of Vaca Muerta is economic (as defined by a 10% internal rate of return) even at oil prices of approximately US\$40 per barrel. This Oil Break-Even Price per barrel is even lower when drilling wells with 2,000-meter horizontal laterals, which have resulted in even better returns. (See **Figure 20**)



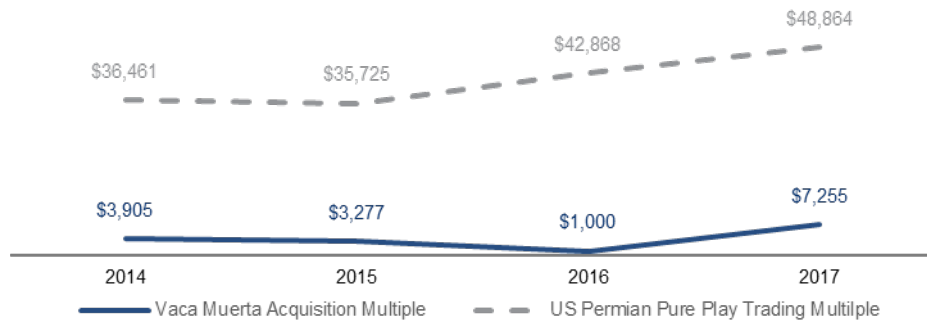
Source: Wood Mackenzie

**Figure 20 – Vaca Muerta Break-Even Prices**

The acquisition cost of acreage in Vaca Muerta is still significantly below the cost of comparable plays in the United States. However, the cost per acre has started to rise in the past year driven by increased interest from domestic and international operators in acquiring acreage under more favorable regulatory and economic conditions in Argentina and due to encouraging results (See **Figure 21**).

### Discount to Permian Trading Multiples Narrowing

(Permian and Vaca Muerta acquisition and trading comps at average adjusted US\$/net acres)



Source: Public reports and press releases.

Note: Permian adjusted for production value at \$35,000 / boe/d; Permian adjusted for production value at \$35,000 / boe/d.; Permian Pure Play companies include Concho, Diamondback, Parsley Energy, and RSP Permian; trading multiple represents annual average Enterprise Value / annual net Permian acres.

**Figure 21 – Vaca Muerta vs. Permian Trading Multiples**

Approximately 90% of the prospective acreage in Vaca Muerta is concentrated among 12 operators (See **Figure 22**). Most concessions range between 30,000 and 100,000 acres, which is significantly larger than the average leasehold in the United States. Fiscal terms are also competitive compared to the United States, with unconventional concessions of 35 years and flat royalties of 12%, translating into a total government take of approximately 50%, according to Wood Mackenzie.<sup>26</sup>

### Operated and non-operated concessions in Vaca Muerta

(Number of concessions)



Source: Wood Mackenzie.

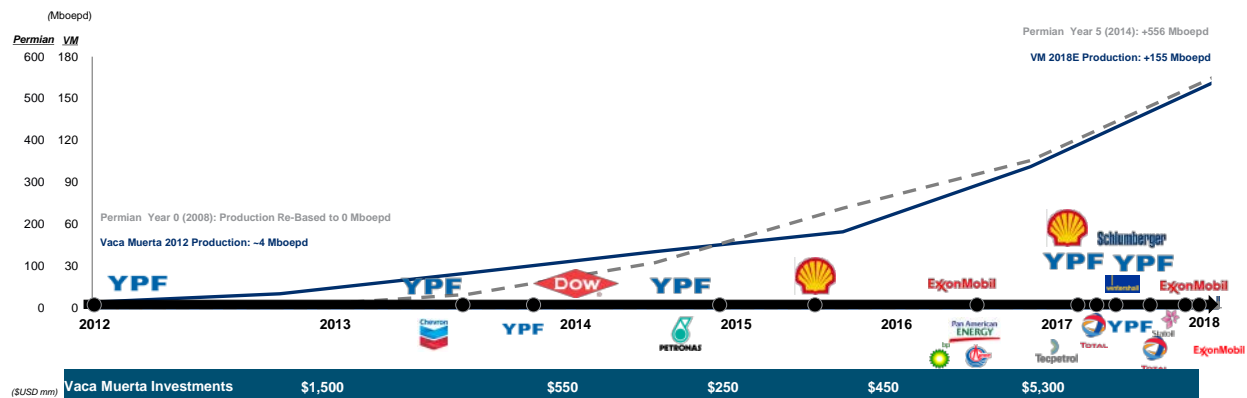
Note: As of February 16, 2018. Reflects concessions and explorations permits that include acreage covered by the Vaca Muerta play, may include acreage that is commercially unviable. Selected private Vaca Muerta acreage holders, does not include GyP of Neuquén.

**Figure 22 – Vaca Muerta Operators**

<sup>26</sup>Wood Mackenzie.

Sizeable concession areas provide significant farm-in opportunities. Most acreage holders in Vaca Muerta are seeking partnerships to attract growth capital and technical best practices. Vaca Muerta has already attracted a number of international oil and gas exploration and production companies to Argentina. Between 2013 and 2015 YPF executed multiple landmark shale-focused joint venture deals with Chevron (executed agreements valued at US\$1.4 billion), Petronas (executed agreements valued at US\$550 million) and Dow Chemical (executed agreements valued at US\$180 million). More recently, in 2017, YPF also announced joint venture deals with Shell (executed agreements valued at US\$300 million) and Schlumberger Production Management (executed agreements valued at US\$390 million), Wintershall/Pan American Energy/ Total (executed agreements valued at US\$1.15 billion) and Statoil (executed agreements with US\$300 million commitment). Additionally, other domestic and international companies have announced ambitious Vaca Muerta development projects that are in early stages of implementation. These include Tecpetrol (initial investment of US\$2.3 billion), Exxon, through its subsidiary XTO (initial investment of US\$200 million), and Total (initial investment of US\$500 million).

It is worth mentioning that Vaca Muerta is in a relatively early stage of its development compared to shale plays in the United States and Canada (See **Figure 23**). The Permian basin is a good analogue for Vaca Muerta, with similar geological characteristics and a long history of conventional hydrocarbon development. However, operators have not yet managed to drill a thousand horizontal wells in Vaca Muerta compared to more than 12,200 in the Permian<sup>27</sup>. The maturity of the play is reflected in recent acreage purchase prices, which are still below 30% of its intrinsic value. It is expected that Vaca Muerta will have a growth trajectory similar to that of the Permian basin or other U.S. shale plays in the coming years. The growing investment in Vaca Muerta by international operators is similar to the early stages of the Permian basin's remarkable growth since 2008, which led to it becoming one of the most prolific shale plays in the world.



Note: Announced investments.

Source: Wall Street Research, Company Filings, Press Articles, Texas Railroad Commission, and Wood Mackenzie.

**Figure 23 – Evolution of Vaca Muerta vs. Permian**

Additionally, the Vaca Muerta play is becoming an increasingly attractive play for investments following the significant reductions in well costs and improvements in production rates, as well as Argentina's new macro-normalization initiatives, including recent adjustments to the regulatory framework for exploration and production of hydrocarbons. The scale and quality of Vaca Muerta, as well as the availability of potential acquisition opportunities at relatively competitive acquisition costs (lower than comparable U.S. assets), could make it an attractive risk-adjusted market opportunity.

<sup>27</sup> IHS

*ii. Oil and gas services sector*

Following the growth in activity during the 2012 to 2015 period, during which a peak of 105 drilling rigs were active across Argentina, and the subsequent downturn after the decline in oil prices, hydrocarbon development activity in Argentina is growing once again, driven by a rebound in activity during the past year, particularly related to the development of the Vaca Muerta unconventional play in the Neuquina basin. During the past year, the number of active drilling rigs increased to 79 by December 2017 compared to the average of 69 during 2016. The number of drilling rigs in Argentina represents 36% of the total in Latin America. Of all functioning drilling rigs, nearly 80% are focused on crude oil drilling, while the remaining 20% focus on gas drilling.

After 2012, the strong momentum of unconventional development generated an incremental demand for services that resulted in a significant addition of equipment / technologies by services companies. The total investment in technology updates and services capacity enhancement between 2012 and 2016 was an estimated US\$3 billion. During this same period, the number of teams focused on drilling and hydraulic fracturing for unconventional development doubled. This increase in the installed capacity allowed oilfield service companies to offer services for the development of unconventional plays, resulting in an active services market with competition between several services companies.

Of the main specialized oilfield services companies operating in the country, the following stand out: Schlumberger, Halliburton, Baker Hughes, Weatherford, and Servicios Especiales San Antonio. In terms of drilling companies, the following companies stand out: H&P, Nabors, Ensign, San Antonio Internacional, and DLS.

*iii. Midstream sector*

The midstream sector in Argentina has an oil pipeline network of approximately 6,300km (of which 2,250km are exclusively focused on crude oil and another 4,100km are multipurpose pipelines) and a local gas pipeline network of over 30,000km.



**Figure 24 – Map of Oil, Gas, and Multipurpose Pipelines in Argentina**

a) *Oil transportation*

*Neuquina basin*

Crude oil from the Neuquina basin is transported to refineries through an oil pipeline network connecting the main oil production fields in the western part of the country to the east coast. The largest oil pipeline in Argentina is the Oleoductos del Valle system (Oldelval), which connects Puesto Hernández, in the province of Neuquén, to Puerto Rosales, near the Bahía Blanca complex, through two 14-inch pipelines. Oldelval is owned by YPF (37%), Pampa Energía (23.1%), Chevron (14%), Pan American Energy (11.9%), Pluspetrol (11.9%) and Tecpetrol (2.1%) and has a concession until 2027 (with a renewal option for 10 additional years) to transport all crude oil from the Neuquina basin to the Atlantic coast.

*Golfo San Jorge and Austral basins*

The Golfo San Jorge and Austral basins have a local oil pipeline network that transports crude oil to the naval loading terminals that mainly send it to the refineries in Campana and to the ports located along the Paraguay-Paraná Waterway, supplying the coastal provinces. The main terminal loading company in the Golfo San Jorge is Terminal Marítimas Patagónicas, S.A. (Termap), owned by YPF (33.15%), Pan American Energy (31.71%), ENAP Sipetrol (13.79%), Total (7.35%), Tecpetrol (4.20%), Shell (3.50%), Sinopec (3.15%), and CAPSA (3.15%).

### *Cuyana and Noroeste basins*

Crude oil produced in the Cuyana and Noroeste basins is processed in local refineries, and the resulting oil derivatives are transported through a multipurpose pipeline traversing the center and north of the country.

The national oil and derivatives transportation and distribution system is complemented by tank trucks that transport fuel from the terminals located along the multipurpose network, ports, or refineries to various points of consumption, mainly gas stations and industrial plants. The average land transportation distance for fuel is around 250km, and transportation distances rarely surpass 800km.

#### *b) Gas Transportation*

In terms of natural gas transportation, Argentina has over 30,000km of core and secondary gas pipelines. High-pressure gas pipelines are divided into five networks: a main line coming from the north, three from the west, and one from the south, all of which are connected to the Buenos Aires province.

There are two gas transportation companies in Argentina that supply gas distributors are: TGN and TGS.

TGN, with a 6,806 km gas pipeline system, provides natural gas transportation services through high-pressure gas pipelines in the center and north of Argentina. Through its two core gas pipelines, the "Norte" and the "Centro Oeste", TGN supplies eight out of nine gas distributors and a number of electric and industrial generators located in fifteen Argentine provinces. TGN's system is connected to the "GasAndes" and "Noroandino" gas pipelines for gas transportation to the center and north of Chile, to the "Enterrriano" gas pipeline for gas transportation to the Entre Rios province and to the Uruguayan coast, and to the "Transportadora de Gas del Mercosur, S.A." and "Gasoducto del Noroeste" gas pipelines. TGN is owned by Gasinvest (56.4%), Southern Cone Energy Holding Co. (23.6%) and the remainder is publically traded on the BCBA.

TGS is the largest gas transportation company in Argentina, transporting over 50% of the gas consumed in the country, through a 9,183 km gas pipeline network. It operates the Neuba I and Neuba II gas pipelines, which are two of the three main gas pipelines that transport gas from the Neuquina and Cuyana basins to Buenos Aires. Neuba II begins at the Loma la Lata treatment plan, and Neuba I begins a bit further south. These pipelines run parallel up to the Bahía Blanca treatment plan. TGS also operates the Gasoducto San Martín, the main pipeline that transports gas from the Austral basin in the south to Buenos Aires. In addition, it is one of the main producers and retailers of liquids in the Complejo Cerri, where it procures ethanol, propane, butane and natural gasoline sold to the local and foreign market. TGS is controlled by Compañía de Inversiones de Energía, S.A. (CIESA), which has a 51% interest. 23.1% is held by Anses, a decentralized public entity that manages Argentina's pension fund systems, and the remaining percentage is publically traded on the BCBA and the NYSE.

#### *iv. Refining industry*

Argentina has nine oil refineries distributed across five provinces (Buenos Aires, Santa Fe, Mendoza, Neuquén, and Salta), which make up a total refining capacity of 666Mbbld (See **Figure 24**). Three companies, YPF, Shell, and Axion Energy provide 67% of domestic crude processing capacity, the additional refineries do not have sufficient scale, nor capacity to produce the appropriate distillates to meet the growing demand for fuel in the country.

Operator	YPF		YPF	AXION energy	OIL	Pampaenergía	REFINOR	YPF	
Refinery	La Plata	Dock Sud	Lujan de Cuyo	Campana	San Lorenzo	Ricardo Elicabe	Campo Duran	Plaza Huincul	Dock Sud
Installed capacity (Mbbld)	209	109	111	92	48	31	34	26	6

Source: Wood MacKenzie

**Figure 25 - Refineries in Argentina**

The imposition of export tariffs and controls on gasoline and diesel prices since 2004 by the Argentine government caused a decrease in investments in the local refining sector and, consequently, a stagnation in the production of refined products, while consumption continued to grow. As a result, since 2013, consumption of refined products exceeded crude production and refining capacity.

In May 2016, the ME&M, through the Secretariat of Hydrocarbon Resources, published Resolution 5/2016, setting strict quality standards that must be met by fuels that are marketed for consumption within Argentina's territory. Along with other points, the resolution establishes that the maximum sulfur content for naphtha grade three and grade two will have to comply with international standards (10 mg / kg in 2019 for grade 3 and 50 mg / kg in 2022 for grade 2). The adoption of these specifications will involve costly investments for refiners in the coming years. In 2017, the Macri administration ended the economic state of emergency and subsidies for the production of hydrocarbons, bringing an end to export tariffs and price controls. In that same year, the total processing capacity of the refineries increased by 20Mbbld as a result of the expansion of the Axion Energy refinery in Campana.

## Oil & Gas Regulatory Framework in Argentina

### *Introduction to the Hydrocarbon Market - Market Deregulation*

Until the early 1990s, the Argentine government ran most hydrocarbon-related activities, including exploration, production and transportation. Despite the fact that the Hydrocarbons Law (*Ley de Hidrocarburos*), which was passed in 1967, allowed the Argentine government to grant exploration permits and concessions to the private sector, this power was rarely exercised. Prior to 1989, private companies were engaged in exploitation activities through services agreements with YPF. Thus, the oil extracted was delivered to YPF, which would then allocate it to its refineries. Oil prices were fixed by the Argentine government at levels that were generally significantly below international prices.

In 1989, with the enactment of the Law for the Reform of the State and Economic Emergency (*Ley de Reforma del Estado y Emergencia Económica*), the hydrocarbon sector was deregulated. The new regulatory framework included the following: certain concessions were to be awarded through a bidding process; partnership agreements could be made with YPF to explore and exploit certain productive areas; starting in 1991, official prices for crude oil and refined products would be eliminated; and starting in 1994, the price of gas at the wellhead would be deregulated. Another development was the creation of a regulatory entity vested with powers to enforce the newly-established framework, the ENARGAS.

The reform of the sector led to the free establishment of prices and a more efficient market, as a result of the participation of private sector operators and competition. Total gas output rose by 83% from 1992 to 2002, and oil output rose by 37% during the same period. Gas reserves increased by 23% and oil reserves increased by 40% during the same period.

The Public Emergency Law (*Ley de Emergencia Pública*), which was passed in 2002, introduced changes to the dynamics of the hydrocarbon sector. Some of the provisions under that law included

withholdings on exports of liquid hydrocarbons and their by-products, limits on price increases in the gas market and certain restrictions on exports.

Regarding jurisdictional matters, through the enactment of the Law No. 26.197, the Short Hydrocarbons Law (*Ley Corta de Hidrocarburos*), in 2007, the Argentine provinces received ownership rights over the reserves of crude oil and gas located within their territories, and the provinces themselves were empowered to grant concessions to private companies.

In July 2012, the Argentine government issued Decree No. 1.277/2012 through which it regulated Law No. 26.741, and repealed those provisions of Decrees No. 1.055/89, 1.212/89 and 1.589/89 which provided for: (i) the right to dispose hydrocarbon production (both placed in the domestic market and for export), (ii) free pricing, and (iii) the exemption from any duty, law and/or retention on exports and imports hydrocarbons. In turn, it created the Argentine Commission. The Argentine Commission's authority was granted by the ME&M in accordance with Decree 272/15, which provides for the dissolution of the commission and modified the provisions of Decree 1.277/12. Pursuant to Decree 1.277/12, modified by Decree 272/15 wherein Hydrocarbon sector companies must register before the RNIH, and the Argentine Commission on Strategic Planning and Coordination of the National Investment Plan for Hydrocarbons, whose main role is to carry out the National Investment Plan for Hydrocarbon ("*Plan Nacional de Inversiones Hidrocarburíferas*"), companies must timely provide to the Argentine Commission the technical, quantitative and/or economic information that is requested, as necessary to evaluate the performance of the sector. Companies must also submit an Annual Investment Plan conforming to the National Investment Plan for Hydrocarbons. The Argentine Commission may apply different types of sanctions for non-compliance.

On October 31, 2014, the Argentine Congress enacted Law No. 27.007, which amended the Hydrocarbons Law in certain aspects mainly relating to the exploration and production of unconventional hydrocarbons (which were not regulated in the previous Hydrocarbons Law), the extension of the concessions and royalties rates, as follows:

- Exploration permits: the term of permits for conventional exploration was divided into two periods of up to three years each plus a discretionary extension of up to five years. Thus, the maximum possible duration of exploration permits was reduced from 14 to 11 years.
- Unconventional exploration: the term of permits was divided into two four-year terms, plus a discretionary extension of up to five years, providing for a maximum term of 13 years. In the case of offshore permits, the term was divided in two periods of up to three years (with a discretionary extension of one year each period) and a discretionary extension for up to five years, providing for a maximum term of 13 years.
- Concession: the term of conventional exploitation concessions was maintained at 25 years. For unconventional exploitations, a 35-year term was provided, including an initial pilot plan of up to five years. For offshore production, concessions will be granted for periods of up to 10 years. Under the previous Hydrocarbons Law regime, the concessions could be extended only once for a 10-year term. Law No. 27.007 established successive extensions to conventional and unconventional concessions for 10-year periods. Even the concessions, which were in force prior the enactment of the new regime and those, which had already been extended once, may be extended again.
- Reservation of areas and the transportation method: Law No. 27.007 eliminated the possibility for the Argentine government and the Provinces to reserve areas for the exploitation by public entities or state-owned companies as from the date in which Law No. 27.007 entered into force and effect. However, contracts already executed by said provincial entities or companies for the exploration and development of reserved areas continue to be subject to the regulations in force prior to Law No. 27.007.



- Exploration permits and exploitation concessions: Law No. 27.007 updated the values of the applicable rights. In the case of exploration permits, it established the possibility of compensating up to 90% with investments in exploration during the second period of the term and of the extension, when applicable.
- Royalties: the general 12% rate provided in the Hydrocarbons Law was maintained. As in the previous regime, the possibility of reducing the rate in exceptional cases up to 5% was also maintained, as well as the possibility of increasing it by 3% upon successive extensions. It also introduces a maximum limit to such rate in all cases of 18%. In addition, it provided for the possibility of the grantor to apply a reduced rate of up to 50% for projects (i) of production projects in which enhanced or improved oil recovery techniques are applied, (ii) for extra-heavy oil exploitations and (iii) for offshore exploitations.

Law No. 27.007 provided that the National Executive Branch shall include in the Promotional Investment Regime the direct investment projects that involve investments for an amount of US\$250 million in a 3-year period. Currently, the benefits under this regime apply to projects for amounts higher than US\$1,000 million in a five-year period.

The benefits under this Promotional Regime will be enjoyed after the third year and shall allow 20% of the project's production to be sold at international market prices. In the case of onshore projects – whether conventional or unconventional – and to 60%, in the case of offshore projects. To qualify as an offshore project, the wells' depth measured between the surface and the seabed must be of at least 90 meters.

Law No. 27.007 also established two contributions payable to the Provinces in connection with the projects subject to this Promotional Regime: (i) 2.5% of the initial investment to develop corporate social responsibility projects, payable by the owner of the project and (ii) a contribution, which amount shall be determined by the Argentine Commission created by Decree No. 1.277/2012 considering the size and scope of the project, to develop infrastructure projects in the relevant province and payable by the Argentine government.

Finally, Law No. 27,007 provides that the Argentine government and the provinces will promote the adoption of uniform fiscal legislation to foster hydrocarbon activities.

In December 2015, through the enactment of Decree 272/15, the repeal of the provisions of Decree 1,277/12 was ordered. Likewise, the functions of the RNIH were assigned to the ME&M. Then, through Resolution 240-E/2017 of the sub-secretary of Hydrocarbons Resources of the Nation, the merger of the RNIH in the register of Petroleum Companies was arranged, foreseeing that the obligations of articles 12, 17, and 24 of Annex I of the Decree No. 1,277/12, that is, the presentation of an annual investment plan, will be considered as fully complied with the presentation, before the Petroleum Companies Registry, of information within the framework of the provisions of Resolutions 319/93, 419/98, 2057/05, 324/06 and 407/07 of the SE. Likewise, Resolution 240-E 2017 provides that those companies that seek to avail themselves of a benefit for which the prior filing of Annual Investment Plans before the RNIH is required, may request the corresponding benefit by accrediting compliance with the presentation of their plans of action and investment within the framework of the provisions of Resolution 2057/05 of the SE.

### *Exploration and Production*

Pursuant to the Hydrocarbons Law, exploration and production of oil and gas are carried out through exploration permits, exploitation concessions, production contracts or partnership agreements. Nevertheless, the Hydrocarbons Law permits surface reconnaissance of territories not covered by exploration permits or exploitation concessions, with the authorization of the ME&M and the permission of the owner of the land. Information obtained through surface reconnaissance must be provided to the office of the corresponding authority, which is prohibited from disclosing such information for a period of two years

without the prior authorization of the party that conducted the exploration, except in connection with the granting of exploration permits or exploitation concessions.

The Hydrocarbons Law originally granted exploration permits and exploitation concessions at the federal level through a competitive bidding process. Since the enactment of the Federalization Law, this power is exercised by both the federal and provincial governments, as applicable. Companies and individuals seeking to obtain oil and gas permits and to participate in concession bidding processes need to satisfy certain registration requirements with the ME&M Permits granted to third parties in connection with the deregulation and de-monopolization process were granted in accordance with procedures specified in certain decrees, known as the "Oil Deregulation Decrees," issued by the Argentine government. In 1991, the Argentine government established a program under the Hydrocarbons Law, known as the "Argentina Exploration Plan," which remains in effect and pursuant to which exploration permits may be auctioned. The holder of an exploration permit has the exclusive right to perform the operations necessary or appropriate for the exploration of oil and gas within the area specified by the permit. Each exploration permit may cover only unexplored areas up to 10,000 square kilometers in size (or 15,000 square kilometers for offshore exploration), and may have a term of up to 14 years (or 17 years for offshore exploration), 11 years (for conventional exploitations) and 13 years (for non-conventional and offshore exploitation).

In the event that holders of an exploration permit discover commercially exploitable quantities of oil or gas, such holders will be entitled to obtain an exclusive concession for the production and exploitation of the relevant reserves. The exploitation concession provides its holder the exclusive right to produce oil and gas from the area covered by the concession. An exploitation concession also entitles the holder to obtain a transportation concession for transporting of the oil and gas produced.

Under the Hydrocarbons Law, holders of exploration permits and exploitation concessions are required to carry out all necessary works to find or extract hydrocarbons, using appropriate techniques, and to make the investments specified in their respective permits or concessions. In addition, holders must avoid damage to oil and gas fields and hydrocarbon waste, must undertake adequate measures to prevent accidents and damage to agricultural activities, the fishing industry, communications networks and ground water, and must comply with all applicable federal, provincial and local laws and regulations. Failure by the holder of permits or concessions to make the relevant investments or take the measures required to avoid damages entitles the federal or provincial government who granted such permits or concessions may revoke or terminate them early, as applicable. Recently, provincial governments have revoked certain concessions arguing that concessionaires had failed to make the required investment.

Both holders of exploration permits and holders of concessions must pay an annual fee based on the land area covered by the corresponding permit or concession (as provided in Section 7° of the Hydrocarbons Law).

Holders of exploitation concessions are required to pay for such concessions, and to make certain royalty payments to the Argentine government. Please see "Royalties" below for more detail.

Additionally, pursuant to Decree No. 861/96 (and other related resolutions) the holder of a permit or a concession must compensate the surface owner for the use of the surface. Such compensations are established within joint resolutions No. 630/2015 of the ME&M and 299/2015 of the Ministry of Agriculture (which amended joint resolutions No. 391/2014 and 107/2014) for the areas of rain fed Cuyana and Neuquina.

Exploration permits and production or transportation concessions are subject to termination upon breach or violation of applicable laws, regulations, or permit or concession terms, or upon the bankruptcy of the permit holder or concessionaire. In the event of the expiration of exploration permits or exploitation concessions, all oil and gas wells, operating and maintenance equipment and ancillary facilities automatically revert to the federal or provincial government, without compensation to the permit holder or concessionaire.

Exploration permits and exploitation concessions can be partially or totally assigned with the prior authorization of the Argentine government or the provinces.

The Hydrocarbons Law does not automatically provide for termination due to a change of control in a company's equity, although change of control clauses may be included under the relevant exploration permits or exploitation concessions.

The Hydrocarbons Law, as amended by Law No. 27.007, provides that conventional (oil and gas) concessions will remain in effect for 25 years, non-conventional concessions for 35 years and offshore concessions for 30 years. In order to be eligible for an extension of a concession, under the amended Hydrocarbons Law, concessionaires must (i) have complied with their obligations under the law and their concessions, (ii) be producing hydrocarbons in the concession under consideration, and (iii) submit an investment plan for the development of such areas as requested by the competent authorities at least one year prior to the termination of the concession term. Further, concessionaires applying for extensions under Law No. 27.007 must make additional royalty payments ranging from 3% up to a maximum of 18%. Non-compliance with the obligations and standards set out in the Hydrocarbons Law may also result in the imposition of fines and, in the case of material breaches following the expiration of applicable cure periods, revocation of the relevant concession or permit.

#### *Authorized Governmental Agency*

The ME&M is the federal governmental agency in charge of enforcing the Hydrocarbons Law. However, the executive power of Argentine government is in charge of determining areas in which hydrocarbons activities are to be encouraged and, together with provincial governments, the granting of permits and concessions. Pursuant to the Federalization Law, each province has the authority to enforce the Hydrocarbons Law within its own territory.

#### *State Energy Company*

On October 2004, the Argentine Congress approved Law 25,943 that created a new state energy company, ENARSA. ENARSA's objectives are, through third parties or through joint operations with third parties, (i) to study, the exploration and exploitation of natural reserves of hydrocarbons; (ii) the transportation, processing and marketing of hydrocarbons and their derivative products directly or indirectly; (iii) the transportation and distribution of natural gas; and (iv) the generation, transportation, distribution and commercialization of electricity. Likewise, article 2 of Law 25,943 granted ENARSA all exploration concessions with respect to all offshore areas located more than 12 nautical miles from the coast, up to the outer limit of the continental shelf, which were vacant when the law was enforced on November 3, 2004. However, that article was later repealed by Article 30 of Law 27,007, which provides for the reversion and transfer of all exploration and concession permits from the national offshore areas to the ME&M, for which there were no association agreements signed with ENARSA in the framework of Law 25,943. Law 27,007 exempted from said reversion the exploration permits and exploitation concessions existing at the entry into force of the aforementioned law that had been granted prior to Law 25,943. In this way, the offshore areas of Argentina, with the aforementioned caveats, are again under the jurisdiction of the National Government and can be awarded through the mechanisms provided for in the Hydrocarbons Law and other laws that complement it.

#### *Equity Requirements*

The Hydrocarbons Law requires that, to engage in any oil and gas exploration, production or transportation activity in respect of oil and gas, companies must comply with certain capital requirements and financial solvency standards.

SE Resolution No. 193/03 states that, in order to receive and maintain permits or concessions, the permit holder or concessionaire must have a minimum equity of AR\$2 million, in the case of land areas, and AR\$20 million, in the case of offshore areas, and that such minimum equity must be maintained for the

entire term of the permit or concession. Non-compliance with this requirement may result in penalties, including fines or even removal from the register of oil and gas companies of the ME&M. Up to 70% of these equity requirements may be satisfied by means of financial or other guarantees.

#### *Federalization Law*

The Federalization Law amended the Hydrocarbons Law to clarify the federal and provincial governments' ownership rights over liquid and gaseous hydrocarbon fields, based upon their location. As noted above, the Federalization Law transferred ownership of all hydrocarbon reservoirs that are onshore or within 12 nautical miles offshore to the provinces and the City of Buenos Aires, as applicable, and provided for Argentine government ownership of reservoirs being more than 12 nautical miles offshore, until the outer limit of the continental shelf. Pursuant to the Federalization Law, the Argentine Congress shall continue to enact laws and regulations to develop oil and gas resources existing within all of the Argentine territory (including marine resources), but the governments of the provinces where the hydrocarbon reservoirs are located shall be responsible for the enforcement of these laws and regulations, as well as the administration of the hydrocarbon fields and the granting of exploration permits and exploitation concessions. However, the administrative powers granted to the provinces shall be exercised within the framework of the Hydrocarbons Law and the regulations complementing this law. Consequently, even though the Federalization Law established that the provinces shall be responsible for administering the hydrocarbon fields, the Argentine Congress retained its power to issue rules and regulations regarding the oil and gas legal framework. Additionally, the Argentine government retained the power to determine national energy policies. It was expressly stated that the transfer would not affect the rights and obligations of exploration permit and exploitation concessionaires, or the basis for the calculation of royalties, which shall be calculated in accordance with the concession title and paid to the province where the reservoirs are located. The Federalization Law provides that the Argentine government shall retain the authority to grant transportation concessions: (i) involving the territory of two or more provinces; and (ii) directly connected to export pipelines for export purposes. Consequently, transportation concessions which are located within the territory of one province and which are not connected to export facilities have been transferred to the provinces.

Finally, the Federalization Law grants powers to the provinces to: (i) exercise in a complete and independent manner all activities related to the supervision and control of the exploration permits and exploitation concessions transferred by Law No. 26.197; (ii) enforce all applicable legal and/or contractual obligations regarding investments, rational production and information and surface fee and royalties payment; (iii) establish the legal and contractual terms of any permits or concessions it grants; (iv) apply the sanctions provided for in the Hydrocarbons Law; and (v) exercise all other authority as set forth by the Hydrocarbons Law.

On May 3, 2012, the Argentine Congress enacted Law No. 26.741, which declares the self-sufficiency, production, industrialization, transport and marketing of hydrocarbons to be activities of public interest and primary goals of Argentina, and empowers the Argentine government to take the measures necessary to achieve such goals.

On July 15, 2013, the Argentine government created the System of Investment Promotion Regime. Under the Promotion Regime, holders of exploration permits and/or concession rights registered in the Registry may apply to be included in the Promotion Regime, provided that they submit to the ME&M an investment project, with a direct investment of at least US\$1 billion to be invested in the first five years of such project. The beneficiaries of the Promotion Regime will be entitled to certain benefits, including, beginning the fifth year after their project's commencement, the right to freely trade in the foreign market 20% of the production of oil and gas produced in their project without being subject to export tax withholdings. Additionally, the Promotion Regime provides that any concession confers the exclusive right to exploit deposits of conventional and unconventional hydrocarbons that exist in the areas covered by the respective concession during the corresponding periods.

Resolution No. 9/13 of the Argentine Commission approved the regulatory requirements and conditions for the submission and subsequent incorporation of investment projects for the exploitation of

hydrocarbons under the Promotion Regime. Law No. 27.007 also permits holders of concessions to also submit investment projects for inclusion in the Promotion Regime as long as they involve a direct investment in foreign currency of at least US\$250 million within the first three years of such project. Law No. 27.007 maintains the export tax benefit on the first 20% of oil and gas produced in conventional, unconventional and offshore concessions at depths less than or equal to 90 meters and provides for an export tax benefit on the first 60% of oil and gas produced in offshore concessions at depths greater than 90 meters.

### *Transportation*

The Hydrocarbons Law grants hydrocarbon producers the right to obtain from the Argentine government a 35-year concession for the transportation of oil, gas and their by-products through a public tender process. Producers remain subject to the provisions of the Natural Gas Stimulus Program and in order to transport their hydrocarbons do not need to participate in public tenders. The term of a transportation concession may be extended for an additional 10 years upon application to the Argentine government.

Transporters of hydrocarbons must comply with the provisions established by Decree No. 44/91, which implements and regulates the Hydrocarbons Law as it relates to the transportation of hydrocarbons through oil pipelines, gas pipelines, multiple purpose pipelines and/or any other services provided by means of permanent and fixed installations for transportation, loading, dispatching, tapping, compression, conditioning infrastructure and hydrocarbon processing. This decree is applicable to oil pipelines and not to gas pipelines.

The transportation concessionaire has the right to transport oil, gas and refined products and to construct and operate oil pipelines and gas pipelines, storage facilities, pumping stations, compressor plants, roads, railways and other facilities and equipment necessary for the efficient operation of a pipeline system. While the transportation concessionaire is obligated to transport hydrocarbons on a non-discriminatory basis on behalf of third parties for a fee, this obligation applies only if such producer has surplus capacity available and after such producer's own transportation requirements are satisfied.

Depending on whether gas or crude oil is transported, tariffs are subject to approval by ENARGAS or the ME&M. SE Resolution No. 5/04 sets forth maximum amounts:

- For tariffs on hydrocarbon transportation through oil pipelines and multiple purpose pipelines, as well as for tariffs on storage, the use of buoys and the handling of liquid hydrocarbons; and
- That may be deducted in connection with crude oil transportation by producers that, as of the date of the regulation, transport their production through their own unregulated pipelines, for the purpose of assessing royalties.

Upon expiration of a transportation concession, ownership of the pipelines and related facilities is transferred to the Argentine government with no compensation to the concessionaire.

### *Market Regulation*

Under the Hydrocarbons Law and certain decrees issued in connection with the deregulation and de-monopolization process that took place in the early 1990s (the "Oil Deregulation Decrees"), holders of exploitation concessions had the right, with a few limited exceptions, to freely dispose of their production either through sales in the domestic market or through exports. However, since 2002, the Argentine government has imposed restrictions on the export of hydrocarbons under the Hydrocarbons Law.

The Hydrocarbons Law authorizes the Argentine government to regulate the Argentine oil and gas markets and prohibits the export of crude oil during any period in which the Argentine government finds domestic production to be insufficient to satisfy domestic demand. In the event that the Argentine

Government limits the export of oil and refined products or the free disposal of natural gas, the Oil Deregulation Decrees stipulate that producers, refiners and exporters will receive a payment at a price, in the case of crude oil and refined products, that will not be less than the price of crude oil and similar imported refined products and, in the case of natural gas, not less than 35% of the international price per cubic meter of light Arab oil, at 34 degrees.

### *Oil Plus and Refining Plus Programs*

On November 25, 2008, the Argentine government issued Decree No. 2,014/08, which created two programs, known as Oil Plus and Refining Plus. The main purpose of these programs was to stimulate the exploration, production and exploitation of oil reserves, in order to increase refining capacity and production of different types of fuels. According to the decree, companies that fulfill requirements established by these programs are awarded tax credits that are transferable and may be applied against export taxes levied on exports of crude oil, natural gas and derivatives.

Also, pursuant to Decree No. 2,014/08, the construction of infrastructure by oil companies to (i) enable the exploration and production of new hydrocarbons reservoirs, (ii) increase production capacity or (iii) incorporate new technology for the operation of existing and new hydrocarbons reservoirs, may qualify as Critical Infrastructure Construction (*Obra de Infraestructura Crítica*) under Law No. 26,360, and the company may seek reimbursement of the VAT corresponding to the assets involved in the infrastructure construction, or accelerate the amortization of the same assets for the purpose of determining their income tax. Decree No. 2,014/08 is regulated by SE Resolution No. 1,312/08, which defines and quantifies the incentives to be awarded under these programs. These incentives are awarded according to variables such as the international price of oil, the production volumes and the ratios of recovery of hydrocarbons reserves. Fiscal credits awarded under the Oil Plus program are subject to verification of an increase in the production of oil and the incorporation of new reserves of hydrocarbons. Fiscal credits awarded under the Refining Plus program are contingent upon the existence of projects to install new refining units or the expansion of existing units.

In 2012, the Argentine government announced the suspension of the Oil Plus and Refining Plus programs, based on changes in the market conditions under which these programs were established in 2008. On July 13, 2015, the Argentine government, through Decree No. 1,330/2015, terminated the Oil Plus program, establishing a compensation payable in Argentine sovereign bonds (namely, BONAR 2018 and BONAR 2024) for fiscal credits accrued but not paid under this program.

SE Resolution No. 1/13 repealed certain benefits recognized by Resolution No. 1,312/08, in particular those which had been granted to exporting companies that satisfied certain requirements a tax credit of 12% of the difference between the domestic price and the value of the international price applicable to such export.

### *Royalties*

Pursuant to sections 57 and 58 of the Hydrocarbons Law, holders of exploration permits and exploitation concessions must pay an annual surface fee that is based on the acreage of each block and which varies depending on the phase of operation (i.e., exploration or production), and in the case of exploration, depending on the relevant period of the exploration permit. On October 17, 2007, Decree No. 1,454/07 significantly increased the amount of exploration and production surface fees expressed in Argentine pesos that are payable to the different jurisdictions where hydrocarbon fields are located.

According to the Hydrocarbons Law, royalties equivalent to 12% of the wellhead price of crude oil and natural gas are paid in Argentina, though a province may require the payment of a higher royalty rate upon renewal of a concession, 3% for each renewal and up to a maximum of 18%. The wellhead price is calculated by deducting freight and other sales-related expenses from the sale prices obtained from transactions with third parties. The Hydrocarbons Law authorizes the Argentine government to reduce royalties by 5% based on the productivity and location of a well and other special conditions. Any oil and

gas produced by the holder of an exploration permit prior to the granting of an exploitation concession is subject to the payment of a 15% royalty.

The SE Resolution No. 435/04, which updated SE Resolution No. 155/92, (i) imposed additional reporting requirements with respect to royalties, (ii) introduced certain changes with respect to the powers of provinces, (iii) amended certain parts of the royalty determination system, including applicable deductions and exchange rates, and (iv) established penalties upon default of a reporting duty. This resolution has been applicable to permit holders and concessionaires since June 2004.

Concessionaires are required to file monthly affidavits with the ME&M and the relevant provincial authorities, reporting:

- the quantity and quality of extracted hydrocarbons, including the computable production levels of liquid hydrocarbons and a breakdown of the crude oil (by type), condensate and total natural gas recovered (with a 0.1% maximum error tolerance);
- sales to domestic and foreign markets;
- reference values for transfers made at no cost for purposes of further industrialization;
- freight costs from the location where marketable condition of a product is attained to the location where commercial transfer of the product takes place; and
- a description of sales executed during each month.

In addition to the affidavits, concessionaires must file receipts evidencing the payment of royalties. Upon breach of any reporting duty, provincial authorities are entitled to make their own assessment of royalties.

SE Resolution No. 435/04 also provided that if a concessionaire allots crude oil production for further industrialization processes at its own or affiliated plants, the concessionaire is required to agree with provincial authorities and the ME&M, as applicable, on the reference price to be used for the purpose of calculating royalties and payments. Upon failure by the concessionaire to agree to a price, provincial authorities may fix this reference price. The concessionaire is eligible for certain deductions, including (i) inter-jurisdictional freight costs, which can be deducted from the selling price, as long as transportation is made by means other than a pipeline, and monthly invoices and any relevant agreements are provided, and (ii) internal treatment costs (not exceeding 1% of the payment) incurred by authorized permit holders or concessionaires.

#### *Stability of Fuel Prices*

In the early 2000s, in an effort to mitigate the impact of the significant increase in international prices for oil and petroleum by-products on domestic prices and to ensure price stability for crude oil, gasoline and diesel oil, at the request of the Argentine government, hydrocarbon producers and refineries entered into a series of temporary agreements, which contained price limits with respect to crude oil deliveries. By the end of 2004, in light of increases in the WTI, the Argentine government established a series of measures to ensure the supply of crude oil to local refiners at price levels consistent with the local retail price of refined products.

Producers and refiners currently freely negotiate purchase and sale prices for oil.

#### *Crude Oil Market*

Seeking to encourage investment and production, several resolutions have been issued relating to the crude oil market. Resolution No 394/2007, which imposed further restrictions on exports of crude by

fixing their price, had the effect of leaving producers indifferent when deciding between serving the local or the international market as the state would capture any extraordinary revenue that the producer could earn on exports.

The production of crude oil has shown a downward trend in recent years. Therefore, as was the case in the gas market, the Argentine government started a search for tools and regulations that could serve to resume the path to growth. The *Petróleo Plus Program* (Resolution No. 1312/2008) was created with that objective.

According to the *Petróleo Plus Program*, oil producers able to prove an increase in their production of oil and the replenishment of their proven reserves were entitled to a series of tax credits that they could apply to the payment of export duties on their oil, liquefied petroleum gas and other by-products that are due under Resolution No.394/2007. The *Petróleo Plus Program* came into force on December 1, 2008, with retroactive effect to October 1, 2008. These tax credit certificates issued by the Secretariat of Electric Energy are transferable.

In February 2015, the Argentine Commission's Resolution No. 14/2015 was published, creating the *Programa de Estimulo a la Produccion de Petroleo* (the "Oil Encouragement Program"). Companies which participate in the Oil Encouragement Program, agreed to a minimum production (the "Base Production") and could expect to receive US\$3/bbl or US\$2/bbl (depending if it was for the local market or for export) for any bbl in excess of the Base Production up to a maximum price per barrel of US\$70/bbl for Escalante oil and US\$84/bbl for Medanito oil.

On July 13, 2015, the Argentine government, through Decree No. 1,330/2015, terminated the Oil Plus program, establishing a compensation payable in Argentine sovereign bonds (namely, BONAR 2018 and BONAR 2024) for fiscal credits accrued but not paid under this program.

On January, 11, 2017 the Argentine government, producers and refiners signed the "Agreement for the Transition to International Prices of the Argentina Hydrocarbon Industry" establishing a price scheme in order for the price of the barrel of oil produced in Argentina to track international prices.

On March 20, 2017, the Argentine government, through Decree No. 192/2017, created the Registry requiring a specific authorization of the ME&M to proceed with an importation of crude oil or of certain specific derivatives.

Consequently, in light of the loss of validity of the Agreement for the Transition to the International Price of the Argentine Hydrocarbons Industry and Decree No. 192/2017, the current prices in the domestic market for crude oil and refined fuels are freely set by the operators of the marketing chain and determined by the rules of free play of supply and demand.

As of January 1, 2017, the executive power to set applicable rates for the export duties for crude oil, created by Law No. 25,561, of public emergency, became ineffective. Therefore, as of the date of this declaration, there are no withholdings on exports of hydrocarbons.

### *Gas Market*

Various reforms of the gas market aimed to regulate the supply of gas to ensure that Priority Demand is met. This structure is known as the "producers' agreement". In this respect, demand is divided into the following segments:

- Priority demand (residential);
- Compressed natural gas;
- Industrial and power plants; and



- Exports.

Each segment pays a different price for gas, with the industrial and power plants and the export segments being the only with freely floating market prices. The new regulatory structure, which was established by Resolution No. 208/2004, Resolution No. 599/2007 and Resolution No. 1070/2010, among others, set forth that each producer had to maintain sales of gas to each sector at the same levels as in 2006, and if they did not on grounds of decreased output, there would be a re-allocation of their gas in such a manner as to ensure that Priority Demand should always be met. The prices in local currency of the regulated segments, except for the Priority Demand segment, underwent slight increases in the past years, in order to gradually move them nearer the unregulated price, which is much higher than the present-day prices in the rest of the sectors.

The rate of growth in investments in recent years was not the same as that experienced in the 1990s. As a result, output could not keep up with demand and, therefore, exports were reduced to a minimum, and in the wintertime, the industrial sector has been sporadically subject to interruptions in supply. This circumstance, compounded by a decline in the volume of reserves, resulted in a strong decline in the reserves/production ratio, down from 21.6 years in 1992 to less than 10 years in 2010, the last year for which this information is available.

In addition, in 2007, through the state-run energy company ENARSA, the Argentine government started to import gas from Bolivia and to request shipments of liquefied natural gas tankers to meet the system's minimum demand levels, replacing part of the gas used by power plants with alternative fossil fuels such as diesel oil and fuel oil. The above-mentioned gas imports are financed through a trust that is funded through a specific charge in the bills of non-priority users.

In view of such trend, the Argentine government decided to introduce new resolutions seeking to incentivize investment and production. The SE Resolution No. 24/2008 (subsequently amended by SE Resolution No. 1031/2008) instituted the Gas Plus Program. The main incentive to gas producers was that gas extracted within the framework of the program could be freely disposed and commercialized. To qualify for the program, producers are required to submit a project of investments in new gas blocks, that had not been in production since 2004 or that are geologically complex (compact sand or with low permeability). In addition, to be eligible for this program –unless the applicant is a new company– the firm had to be in compliance with its output quotas as established in the relevant producers' agreement.

In February 2013, the Argentine Commission's Resolution No. 1/2013 was published, creating the Natural Gas Surplus Injection Stimulus Program whose objective was to evaluate and approve projects that contribute to national self-sufficiency in hydrocarbons through increases in gas production and injection into the domestic market, and projects that generate higher levels of activity, investment and employment in the sector.

Before June 30, 2013, any person registered with the National Registry of Hydrocarbon Investments created by Executive Order No. 1,277/12 could submit its project before the Hydrocarbons Commission. The National Government undertook to pay a monthly compensation resulting from:

- The difference between the Surplus Injection price (US\$7.5/MMBtu) and the price actually collected from the sale of the Surplus Injection, plus;
- The difference between the Base Price and the price received from the adjusted base injection.

These projects will be in force for a maximum term of five years, with the possibility for renewal.

On April 26, 2013, the Argentine Commission's Resolution No. 3/13 was published in the official gazette, which regulates the Natural Gas Surplus Injection Stimulus Program and sets forth that any companies interested in participating in the program should submit monthly affidavits to the Argentine

Commission containing specifically-detailed documentation on injection, price, contracts, etc., so that they may, after meeting the methodology and terms specified therein, obtain the applicable compensation. Furthermore, the resolution expressly prohibits natural gas purchase and sale operations between producers and provides special considerations regarding new high-risk projects, investments control, the evolution of reserves and the Natural Gas Surplus Injection Stimulus Program's audit mechanism.

In November 2013, the Argentine Commission issued Resolution No. 60/13, creating the Natural Gas Excess Injection Stimulus Program for Companies with Reduced Injection. Producers could submit projects to increase natural gas production levels until March 31, 2014. This program was directed to companies without previous production or with a maximum injection limit of 3.5 million m<sup>3</sup>/day, and provided for price incentives in the case of production increases, and penalties involving LNG imports in the case of non-compliance with committed volumes. Furthermore, companies covered by the Natural Gas Surplus Injection Stimulus Program and meeting the applicable conditions may request the termination of their participation in that program and their incorporation into the current one. PELSAs submitted a presentation and was registered with the Argentine Commission on March 6, 2014 pursuant to Resolution No. 20/14.

In March 2014, Resolution No. 60/13 was amended by Resolution No. 22/14 issued by the Argentine Commission, whereby the deadline for submission was extended until April 30, 2014, and the previous maximum injection limit was increased to 4.0 million m<sup>3</sup>/day.

In August 2014, the Ministry of Economy, through Resolution No. 139/14, introduced new changes to Resolution No. 60/13 issued by the Argentine Commission, including, among others, the elimination of the previous maximum injection limit and the fixing of two annual registration periods.

In May 2016, ME&M Resolution No. 74/16 created the "New Natural Gas Projects Promotion Program" and provided that no new projects may be submitted under this program, although approved projects would remain effective under the same conditions.

Companies which participate in the Natural Gas Surplus Injection Stimulus Program agreed to a minimum injection volume (the "Base Volume") to be sold at a fixed price (the "Base Price") and could expect to receive US\$7.5/MMBtu for any injection volume in excess of the Base Volume (the "Excess Injection"). The Argentine government undertakes to pay a monthly compensation for: (i) any difference between US\$7.5 / MMBtu and the price actually received from the sale of the Excess Injection plus (ii) any difference between the Base Price and the price actually received from the sale of the injection base.

On January 4, 2016, Decree No. 272/15, which dissolved the Argentine Commission, which was created in accordance with Decree No. 1.277/12. The faculties of the Commission were assumed by the ME&M.

On May 20, 2016, the Argentine government issued the Decree No. 704/16 authorizing the issuing of bonds in dollars (BONAR 2020) as payment of its debts in regard of the Natural Gas Stimulus Programs (Resolutions. 1/13 and 60/13).

On October 2016, the ME&M issued Resolution No. 212/16, which instructed ENARGAS to publish the new tariff charts for the natural gas after a long discussion that ended after a Supreme Court ruling. Likewise, such resolution approved gas values at the point of entry into the transport system, as of October 2016. According to such resolution and after the corresponding public hearing, the ENARGAS published the new tariff charts for Transportation and Distribution companies.

With regards to gas value at the point of entry into the transport system (i.e. the gas value injected by producers for purposes of final distribution by gas distribution companies), Resolution 212/2016 of the ME&M established that such ministry should set the referred value for each semester of each year, according to the calculations made by the Secretariat of Hydrocarbon Resources.

On March 6, 2017, the ME&M issued Resolution No.46-E/17 creating the “Stimulus Program for Non-Conventional Production” whose objective is to promote investments in non-conventional gas production (tight gas, compact sand, or shale gas) from fields located at the Neuquina basin. The Argentine government undertook to pay a monthly compensation for each area located at the Neuquina basin under the “Stimulus Program for Non-Conventional Production” ensuring a minimum gas price of: (i) US\$7.50/MMBtu for 2018, (ii) US\$7.00/MMBtu for 2019, (iii) US\$6.50/MMBtu for 2020 and (iv) US\$6.00/MMBtu for 2021.

In the framework of the determination of the value of the rates for the public service in gas distribution for 2017, the ME&M issued the Resolution 74/2017 as of March 30, 2017, which adopted the gas values at the point of entry into the transport system, applicable as of April 1 2017. Additionally, on November 30 2017, the ME&M issued the Resolution 474-E/2017 which adopted the gas values at the point of entry into the transport system, applicable as of December 1 2017.

## RISK FACTORS

*The execution of the Transaction involves a high degree of risk. You should carefully review and consider the risks described below and the other information contained in this disclosure document, including our historical and pro forma financial statements and their respective notes. Any of the following risks could adversely affect our business, financial condition, results of operations, or cash flows. The market value of our securities could decline due to any of such risks or other factors, and you could lose all or part of your investment. The risks described below are those that we currently believe may adversely affect us. Additional risks and other factors that are currently unknown to us or that we currently deemed immaterial may also affect our business, financial condition, results of operations, cash flows, and/or the trading price of our securities. References in this section to the fact that a risk or uncertain factor may, could, or will have a “material adverse effect” on us or “materially adversely affect” us, means that such risk or uncertain factor may impair our business, financial condition, results of operations, cash flows, and/or negatively affect the trading price of the Series A Shares or the Series A Warrants.*

**Investors will have limited time to evaluate the merits of the Transaction, and thus, of the proposed Initial Business Combination ahead of a vote on such business combination at the general shareholders’ meeting, and participating in the meeting could be difficult.**

Mexican law and our bylaws require any Initial Business Combination to be approved by our shareholders at a general shareholders’ meeting. In accordance with our bylaws, we will make the disclosure document and the financial information with respect to the Acquisitions available to our shareholders at least 30 calendar days prior to the general shareholders’ meeting at which the vote on the proposed Initial Business Combination will occur and we will publish the call (*convocatoria*) at least 15 calendar days before such date. This disclosure document satisfies the requirements set forth in the Mexican Securities Market Law, the Mexican Ancillary Securities Market Regulations, and other applicable regulations.

The general shareholders’ meeting to approve the Initial Business Combination will be carried out in Mexico City and will be convened by a public notice available on the websites of the Mexican Ministry of Economy and the Mexican Stock Exchange. The call will include detailed information with respect to the rights of attending shareholders who vote at the general shareholders’ meeting. Pursuant to applicable law and to the call (*convocatoria*), in order to be admitted to the shareholders’ meeting, shareholders must be registered in the stock ledger of Vista or obtain certifications from Indeval and may personally attend or be represented by a third-party through a proxy.

As a result, there will be limited time to evaluate the merits of the proposed Initial Business Combination ahead of a vote at the general shareholders’ meeting, and participating in the meeting could be difficult. In addition, the information contained in this disclosure document may not be as complete as, or may be presented in a different form, to analogous information presented in similar documents in other securities markets.

***To fund the Transaction and to consummate the Initial Business Combination, our Management Team will make use of the funds in our Escrow Account, as well as the proceeds from the sale of the Forward Purchase Securities and the Shares we issued pursuant to the resolutions approved at the ordinary general shareholders’ meeting held December 18, 2017, that are available to pay a portion of the corresponding consideration. If we are unable to sell all or part of the Forward Purchase Securities or the Series A Shares, the amount of funds available to consummate the Transaction and, accordingly, the Initial Business Combination, may be insufficient.***

We have entered into a Forward Purchase Agreement pursuant to which we have agreed to sell to RVCP up to 5,000,000 Forward Purchase Shares and an identical number of Forward Purchase Warrants at a purchase price of up to US\$50,000,000.00 in connection with a private placement to be consummated at substantially the same time as the closing of the Initial Business Combination. We will use the proceeds from such sale to fund the Initial Business Combination.

RVCP's obligations under the Forward Purchase Agreement may be terminated prior to such purchase with our and RVCP's mutual consent, or will terminate automatically if we fail to consummate the Initial Business Combination, or if we or Riverstone Sponsor are declared insolvent pursuant to the federal laws of the United States, Mexico, or Canada, among others. In addition, RVCP's obligations are subject to certain customary closing conditions, including, among others, the approval of our Initial Business Combination. If RVCP fails to satisfy its obligations under the aforementioned agreement, we may be unable to secure additional financing to cover the shortfall, either in favorable terms or not at all. Any liquidity shortage could diminish the amount of funds available to consummate other future acquisitions or to finance our working capital requirements following any such acquisition.

Notwithstanding the foregoing and in order to fund the Transaction and consummate of the Initial Business Combination, the ordinary general shareholders' meeting held December 18, 2017 authorized us to issue 100,000,000 Series A Shares, of which an amount of 10,000,000 Series A Shares for a total amount of US\$100,000,000.00 have been subscribed by certain investors through the execution of Subscription Agreements with Vista and through the Exercise of Shareholders' Preemptive Rights. In addition, we have secured the Commitment Letter pursuant to which certain banks have committed to provide the Bridge Facility which shall be used as backstop in case the sum of the amounts obtained through the Subscription Agreements, the Exercise of Shareholders' Preemptive Rights, the Forward Purchase Agreement, and the amounts deposited in the Escrow Account, minus the amounts corresponding to the Series A Shareholders' exercise of their cash reimbursement right, is not sufficient to cover the costs of the Transaction.

***The right of our Series A Shareholders to receive a reimbursement in cash and other payments with respect to a substantial number of our Series A Shares may impair us from consummating the Initial Business Combination.***

Depending on the number of Series A Shares that we are required to reimburse and pay for, the balance available in the Escrow Account together with the other financing resources described in this disclosure document may prove insufficient to consummate the Initial Business Combination and we may be forced to utilize the Bridge Facility we intend to obtain pursuant to the Commitment Letter or to attempt to obtain other sources of financing, which may not be available to us on favorable terms or at all.

***If you do not comply with the procedures to exercise your right to obtain such reimbursement of cash and other payments with respect to your Series A Shares, you will not be able to receive such payments or reimbursements under your Series A Shares.***

To exercise your right to obtain any reimbursements and to receive other payments with respect to your Series A Shares, you will be required to give us notice of your desire to receive the cash reimbursement and other payments no later than two Business Days prior to the date of the shareholders' meeting at which the Initial Business Combination will be approved (or not) as published in EMISNET. If you do not give us sufficient notice in accordance with the procedure established to such effect, you may not be able to obtain the cash reimbursements and other payments under your Series A Shares.

***Following the closing of the Transaction and the consummation of the Initial Business Combination, we may be forced to record write-downs, write-offs, restructurings, or other charges that may have a material adverse effect on our financial condition, results of operations, cash flows, and/or the trading price of our securities, and you may lose all or part of your investment.***

Even though we believe we conducted a thorough legal and financial due diligence of the Transaction and, accordingly, of the Initial Business Combination, we cannot assure you that (i) our due diligence efforts have enabled us to identify every potential material issue regarding the Acquisitions, (ii) conducting a standard legal or financial due diligence will allow us to identify all potential material issues, or (iii) no factors external to the Transaction or which are beyond our control will arise thereafter. Even if our legal and financial due diligence efforts prove successful at identifying certain risks, unforeseen and previously identified risks may materialize in a manner not anticipated in our preliminary risk analysis. Because of these factors, we may be forced to record asset write-downs or write-offs, restructure our operations, make negative accounting adjustments, or record other charges that may result in us having to

report losses. Such charges may not involve cash and may not immediately affect our liquidity but they may give rise to negative market perceptions about us and our securities. In addition, these types of charges or adjustments may cause us to default possible obligations to maintain certain net worth and other financial ratios that we would have assumed as a result of the pre-existing debt of the Transaction or from entering into financing arrangements with third parties after the consummation of the business combination. As a result of the above, any Series A Shareholder who elects to continue holding our shares after the Initial Business Combination may experience a decline in the trading price of his or her Series A Shares. In addition, negative market perceptions could have a material adverse effect on our financial condition, results of operations, or cash flows.

***Our Management Team has entered into employment and consulting agreements in connection with the consummation of the Transaction and, accordingly, the Initial Business Combination, that could give rise to conflicts of interest when determining which business combinations would be most advantageous.***

We anticipate that we will be able to retain our key employees, including Miguel Galuccio and the other members of our Management Team, following the closing of the Transaction and the consummation of the Initial Business Combination. The personal and financial interests of these individuals may have influenced their decisions in identifying and selecting the Acquisitions, since these individuals have entered into employment agreements with the Company. We cannot assure you that our key employees will remain with us following the consummation of the Initial Business Combination.

***Our ability to evaluate the management of an Acquisition may be limited and, as a result, we may enter into the Transaction and, accordingly, the Initial Business Combination, with an acquisition target whose management does not have the skills, qualifications, or capabilities required to manage a public company, which could have a negative impact on the value of your investment.***

When analyzing the Transaction and, accordingly, the Initial Business Combination, our ability to evaluate the management of each Acquisition may be impaired by time constraints, or the lack of sufficient resources or information notwithstanding our due diligence efforts. Thus, our view with respect to each Acquisition's management may prove wrong and such management may actually lack the skills, qualifications, or capabilities we had expected. If the management of one or all Acquisitions does not possess the skills, qualifications, or capabilities required to manage a public company, the Acquisition's operations following the business combination could be adversely affected. As a result, any shareholder who elects to continue holding our shares after the business combination may experience a decline in the trading price of such shares.

***Adverse climate conditions may have a negative impact on the results of operations and on the ability to conduct drilling operations of Vista and its subsidiaries.***

Adverse climate conditions may lead to, among others, cost increases, drilling delays, power outages, production stoppages and difficulties in transporting the oil and gas produced by Vista and its subsidiaries. Any decrease in Vista's and its subsidiaries' oil and gas production could have a material adverse effect on our financial condition, results of operations, or cash flows.

***Conservation measures and technological advances may lead to a decline in the demand for oil.***

Fuel conservation measures, the demand for alternative fuels, and advances in fuel-saving and power generation technologies may lead to a decline in the demand for oil. Any change in the demand for oil could have a material adverse effect on our financial condition, results of operations, or cash flows.

***Shortages and increases in the cost of drilling rigs and oil and gas-related equipment, supplies, personnel, and services may affect the ability of Vista and its subsidiaries to execute their development plans, in form, time and within budget.***

The demand for drilling rigs, pipelines and other equipment and supplies, and for qualified personnel with experience with the drilling and completion of wells and in field operations, including geologists, geophysicists, engineers and other professionals, tends to fluctuate significantly, typically along with oil prices, giving rise to temporary shortages.

***The oil and gas industry is characterized by intense competition, which may hinder Vista's and its subsidiaries' ability to acquire land or secure concessions, conduct their commercialization operations, and attract qualified personnel.***

The ability of Vista and its subsidiaries to access additional projects and to develop additional reserves in the future will depend on our ability to identify and secure access to oil and gas reserves and resources within a competitive environment. In addition, there is significant competition for available resources to carry out investments in the industry. Many of Vista's competitors possess greater financial, technical, and human resources than Vista and its subsidiaries. Such competitors may be in a position to offer higher prices for productive reserves or for prospective exploration resources and may be able to assess and acquire a greater number of such reserves and resources than Vista and its subsidiaries. In addition, such competitors may be able to offer more attractive compensation packages than Vista and its subsidiaries, and, consequently, may be able to attract more qualified personnel.

***Changes in, or our failure to comply with, the applicable laws and regulations may have a material adverse effect on our operations, cash flows and/or expectations.***

We are subject to laws, regulations and rules enacted by federal, state and local governments. Complying with such laws, regulations, and rules can be cumbersome, costly and time consuming. Such laws, regulations, and rules, and their implementation and interpretation, are subject to change from time to time and any such change could have a material adverse effect on operations, cash flows and/or expectations. Additionally, our failure to comply with such laws, rules, and regulations could also have a material adverse effect on operations, cash flows and/or expectations.

***We are exposed to foreign exchange risks.***

Vista's results of operations are subject to foreign exchange risks and any depreciation of the Argentine or Mexican peso against the U.S. dollar or other currencies could adversely affect its business and results of operations. Both the value of the Mexican peso and the value of the Argentine peso have experienced significant fluctuations in the past. The main effects of the depreciation of the Argentine or Mexican peso against the U.S. dollar would be on Vista's net revenues, but given several accounting rules it can also affect in the reconciliation of (i) deferred taxes from capital gains associated with our fixed assets, which we anticipate will have a negative effect, (ii) current income taxes, which we anticipate will have a positive effect, (iii) increases in depreciation and amortization due to the revaluation of our fixed and intangible peso-denominated assets, and (iv) foreign exchange differences associated with our Argentine or Mexican peso exposure, which we expect will have a positive effect since Vista and its subsidiaries' operational currency will be U.S. dollar.

We cannot predict whether and to what extent the value of the Argentine or Mexican peso will depreciate or appreciate against the U.S. dollar nor the extent to which any such change may affect our business.

***Changes in interest rates and in the exchange rates of the currencies in which our present or future debt may be denominated could give rise to a material increase in our cost of financing.***

Our financing arrangements allow us to incur indebtedness to finance our asset acquisitions, capital expenditures and working capital requirements, or to repay other debts. Accordingly, changes in interest rates could lead to a material increase in the amounts required to service our debt and finance our expenses, which could in turn affect our financial condition, results of operations, and cash flows. Additionally, the amounts due and payable on account of principal and interest on our obligations denominated in or indexed to the U.S. dollar are affected by the fluctuations in foreign exchange rates, which could give rise to a material increase in the amount of Pesos or ARS required to satisfy such payment obligations.

***Our access to the international capital markets and the price of our securities are influenced by the perceptions regarding the country risks in Argentina, Mexico, and other emerging markets.***

International investors consider Argentina and Mexico to be emerging markets. Economic and market conditions in other emerging markets, particularly in Latin America, exert significant influence on the markets in which the securities issued by Argentine and Mexican companies are traded. Volatility in the securities markets in Latin America and other emerging economies may affect the trading price of our securities and may hinder our ability to access the international capital markets. No assurance can be given that the perceptions of risk in Mexico, Argentina, and other emerging markets will not have a material adverse effect on our ability to raise capital or refinance our debt as it matures, which could in turn have a negative impact on our financial plans thus affecting our operations, cash flows, and/or expectations and on the trading price of our securities. We cannot predict the effect that any of the aforementioned factors could have on our financial condition or results of operations.

***Our results of operations may be affected by limitations on the ability to increase oil and gas prices in Argentina.***

In the recent past, as a result of economic, political, and regulatory developments, the prices of crude oil, diesel, and other fuels in Argentina have differed significantly from the international and regional markets, and the ability to increase or maintain such prices to match to international standards have been challenged. International prices of crude oil and its derivatives have experienced a significant decline since the second half of 2014.

In the fourth quarter of 2017 the gap between Argentine local and Brent prices decreased; in December 2017 the prices of the oil produced at Cañadon Seco and Medanito were commercialized approximately at a range between US\$55.20 to US\$60.77, and US\$60.00 to US\$65.55, respectively, as the Brent price varied between US\$61.22 and US\$67.02.

On January 11, 2017, the ME&M and Argentine producers and refineries signed the "Agreement for the Transition to International Prices of the Argentina Hydrocarbon Industry", establishing a price schedule in order for the price of the barrel of oil produced in Argentina to track international prices during 2017. This agreement (under which a price determination and review system was established for 2017) was in force until December 31, 2017, but before this date, the aforementioned price convergence was achieved, and therefore ME&M notified the parties of the agreement that, pursuant to what is provided in sub-section 9 of the agreement, starting from October 1, 2017, commitments assumed through this agreement would be suspended. Currently, internal crude and refined fuel market prices are unrestricted and determined by supply and demand rules.

Additionally, the price of natural gas in Argentina is regulated by the Argentine government, including through compensation schedules that translate into increased returns for companies that participate in natural gas stimulus programs.

We cannot assure you that we will be able to maintain or increase the domestic price for our products, and our inability to do so could adversely affect our operations, cash flows and/or expectations.



***We are or could be subject to direct and indirect restrictions on imports and exports under Argentinian law.***

The Hydrocarbons Law allows hydrocarbons exports, as long as these are not required for the local market and as long as these are sold at reasonable prices. In the case of the natural gas, Argentine Law No. 24.076 for natural gas and the related regulations require that all local market needs are considered when authorizing long-term exports of natural gas.

In recent years, Argentine authorities have adopted certain measures which resulted in restrictions on the exports of natural gas from Argentina. Because of these restrictions, oil and gas companies have been forced to sell part of their natural gas production in the local market that was originally intended for the export market and have been unable in certain cases to comply wholly or partially with their export commitments.

Crude oil exports currently require prior authorization by the Ministry of Energy (pursuant to the regime established under Resolution S.E. No. 1679/04 and its further amendments and supplements). Oil companies that intend to export crude oil or liquid petroleum gas must first demonstrate that the local demand for that product has been satisfied or that the offer to sell that product has already been made to, and rejected by, local buyers. Oil refineries that intend to export diesel should also first demonstrate that local demand for diesel has been satisfied. Due to the fact that local diesel production does not currently satisfy local consumption needs in Argentina, since 2005 oil and gas companies have been unable to sell diesel in the export market and, therefore, have been forced to sell diesel in the local market at current prices.

On March 21, 2017, Decree No. 192/2017 was published in the Official Gazette of the Argentine Republic, creating the Registry under authority of the ME&M. The registry involves import transactions involving: i) crude oil and ii) other specific by-products, listed in its section 2. Through this regulation, any company that wishes to carry out such import operations has the obligation to register the operation in this registry and obtain the authorization from the ME&M before the import takes place. The record of the operation before the ME&M will be filed in accordance with a specific procedure that the mentioned authority establishes for that purpose.

In accordance with the aforementioned decree, the ME&M will also establish the applicable methodology to the issuance of import authorizations, which will be based on the following bases: a) a lack of supply of crude oil with the same characteristics in the local market; b) a lack of additional treatment capacity in local refineries with local crude oil; and c) a lack of supply of the specific by-products listed in article 2 of the Decree. This regime excludes any import that must be carried out by the Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima (CAMMESA) in order to supply the power plants whose main purpose is the technical supply to the Argentine Interconnection System (AIS).

We cannot predict for how long these restrictions on imports and exports will remain in force, or whether future measures will be taken that adversely affect our ability to export and import gas, crude oil, diesel, or other products and, consequently, affect our financial condition, results of operations, and cash flows.

***The imposition of export duties and other taxes have adversely affected the oil industry in Argentina and could affect our results in the future.***

In 2002, the Argentine government imposed duties on oil exports at a rate of 20% for crude oil and 5% for liquid petroleum gas products initially for a five-year term. Exportation rights were extended in 2006 by Law No. 26.217 and again in 2011 by Law No. 26.732, for five more years. Since 2002, the rates have been progressively increasing. In November 2007, the Ministry of Economy and Production, through Resolution No. 394/2007, increased the export duties for oil and other refined products and established that when the international reference price (West Texas Intermediate or “WTI”) exceeded the reference price, set at US\$60.90/bbl, producers would be allowed to charge US\$42/barrel, and the rest would be retained by the Argentine government as an export tax. If the international price of WTI was lower than the reference

price but exceeded US\$45/bbl, a retention rate of 45% would be applied. If the mentioned price was lower than US\$45/bbl, the Argentine government would determine the applicable export tax within a period of 90 business days.

In May 2004, Resolution No. 645/2004 of the Ministry of Economy and Production established an export duty on natural gas and natural gas liquids at a rate of 20%. The export duty on natural gas was again increased in July 2006 to 45% and the Customs General Administration was instructed to apply the price set by the Framework Agreement between Argentina and Bolivia as the base price to apply the tax, regardless of the sales price.

Resolution No. 127/2008 of the Ministry of Economy and Production increased export duties on natural gas from 45% to 100% and established a valuation basis for its calculation as the highest price established by any Argentine importer agreement for the import of natural gas (leaving behind the previously applicable price reference set by the Framework Agreement between Argentina and Bolivia).

Resolution No. 1077/14, which repealed Resolution No. 394/2007 and became effective on January 1, 2015, established a 1% withholding rate if the international price of crude oil was less than US\$71/bbl and a withholding rate based on a preset formula if the international price of crude oil was equal to or exceeded US\$71/bbl.

With respect to liquid petroleum gas products (including butane, propane, and their mixtures), Resolution No. 36/2015 modified the formula to calculate the export duty as of April 1, 2015, which in some cases generated an increase in commercial prices in the local market.

However, on January 1, 2017, the Argentine government did not extend the resolutions regarding withholdings on hydrocarbon exports, therefore, to the date of this disclosure document, the withholdings on hydrocarbon exports are not in force. In addition, on December 31, 2017 the Economic Emergency Law (*Ley de Emergencia Económica*) expired, resulting in a loss of certain discretionary extraordinary authorities previously granted to the national executive power, which were delegated and allowed it to enact foreign exchange regulations, the withholding percentage for hydrocarbon exports, and tariffs, as well as to renegotiate public services agreements, among others. As of the date of this disclosure document, these authorities have not been renewed by the legislative branch. Notwithstanding the foregoing, and in spite of the fact that the executive power can no longer set such measures, we cannot assure that the Argentine Congress will not apply or create charges on hydrocarbon exports or any regulations on imports in the future. The impact that any change, of this nature, may have on our financial results, results of operations, and cash flows cannot be predicted.

***The results of our business operations will also depend, to a large extent, on its continued participation in two key programs of Argentina's Government and in the ability to collect payments under those programs.***

Following the consummation of the Transaction, the results of our operations and the financial situation of our business would also depend, to a large extent, on the continued participation in two key programs established by the Argentine government with the objective of generating higher levels of activity, investment, and employment in the natural gas national sector.

The target companies of the Transaction participated in the Gas Plus Program ("*Programa Gas Plus*"), and in the Stimulus Program to the Surplus Injection of Natural Gas for Companies with Reduced Injection of Argentina's Government ("*Programa Estímulo a la Inyección Excedente de Gas Natural para Empresas con Inyección Reducida*") ("*Natural Gas Stimulus Program*") with the purpose of encouraging investments for the production of natural gas from unconventional reservoirs in the Neuquina basin. In general, the program establishes a scheme of compensations to be paid on the prices of natural gas, to be applied in a gradual and progressive manner depending on the surplus production of each company on its adjusted base injection (base injection = injection from July to December of 2013). The compensation values range between US\$4/MMBTU and US\$7.5/MMBtu, depending on the injection level over the average base injection. The federal government pays this compensation on a quarterly basis and in

Argentine pesos. The companies that participate in the program assume the commitment to inject at least the adjusted base injection or to pay to the federal government the import price of the missing volume calculated based on the import price of liquefied natural gas during the previous six months. The mentioned program ended in December 31, 2017.

Additionally, the Argentine government created the Program to Stimulate Investments in Production Developments of Non-Conventional Natural Gas Reservoirs ("*Programa de Estímulo a las Inversiones en Desarrollos de Producción de Gas Natural proveniente de Reservas No Convencionales*") created by the ME&M pursuant to Resolution No. 46-E/2017 ("*Resolution No. 46-E/2017 Stimulus Program*") The Resolution No. 46-E / 2017 Stimulus Program, which is in force since January 21, 2018 to December 31, 2021 and which will be applicable to companies located at Neuquina basin with non-conventional production permits, registered in the Registry of National Oil Companies, who had presented a specific investment plan, to be approved by the applicable provincial authority and by the Ministry of Hydrocarbon Resources, establishes compensation on the basis of the produced quantity, calculated on the production of unconventional gas to be commercialized, mining, natural gas already conditioned to be commercialized, excluding the internal consumption of the extraction facilities, and takes into account the difference between the minimum guaranteed price and the actually realized price (average weighted monthly price of the total volume of natural gas sales of Argentina and it shall be published by the Ministry of Hydrocarbons Resources). The minimum guaranteed price is set as (i) US\$7.50/MMBTU for the 2018 calendar year; (ii) US\$7.00/MMBTU for the 2019 calendar year; (iii) US\$6.50/MMBTU for 2020, and (iv) US\$6.00/MMBTU for 2021.

Although remuneration is expressed in US dollars, it is invoiced in Argentine pesos and converted at the exchange rate in effect during the month in which the payment is made, leaving participating companies exposed to an exchange risk between the billing date and the collection date. If the participating companies do not charge the remuneration of the Natural Gas Stimulus Program in a timely manner or if the total remuneration decreases as a result of the exchange rate fluctuations, they may face liquidity restrictions that could negatively affect their financial condition and the results of operations and the ability to pay our debts.

Likewise, if the obligations pursuant to the Natural Gas Stimulus Program are breached, no compensation for Surplus Injection will be received and the elimination from the program or the payment certain fines can be imposed, among other possible consequences. The Argentine government is also not obligated to pay such remuneration if certain conditions are met, for example if the LNG import prices remain below US\$7.50 per mmBtu for a period of six consecutive months. Currently, companies are not obligated to pay royalties for the remuneration they receive from the Argentine government in relation to the Natural Gas Stimulus Program. However, we cannot guarantee that companies will not be required to pay royalties or other charges for the amounts received in the future or for the amounts received in the past, which could affect the results of our operations.

Additionally, we would face the risk that the Argentine government suspends the abovementioned stimulus schemes, as it has occurred in the past when the Ministry of Federal Planning, Public Investment, and Services suspended the implementation of the "*Petróleo Plus*" and "*Refino Plus*" programs in February 2012, in response to alleged changes in the market conditions in which these programs were structured in 2008. In the event of similar occurrences in any of these key programs, the capacity of Vista and its subsidiaries to generate future income could considerably deteriorate, which would negatively affect our financial results, results of operations, and cash flows.

***We will employ a highly unionized workforce and could be subject to labor actions such as strikes, which could have a material adverse effect on our business.***

The sectors in which we intend to operate are highly unionized. We cannot assure that we or our subsidiaries will not experience labor disruptions or strikes in the future, which could result in a material adverse effect on our business and returns. We cannot assure you that we will be able to negotiate new collective bargaining agreements in the same terms as those currently in force, if applicable for each Acquisition, or that we will not be subject to strikes or labor interruptions before or during the negotiation

process of said agreements. If we are unable to negotiate wage agreements in satisfactory terms or are subject to strikes or labor interruptions, our results of operations, financial condition and the market value of our shares could be materially affected.

***In the event of an accident or other occurrence which is not covered by our insurance policies, we may suffer significant losses which may have a material adverse effect on our business and results of operations.***

Even though we consider that we have insurance coverages consistent with international standards, there is no assurance concerning the availability or sufficiency of insurance coverage with respect to a particular loss or risk. In the event of an accident or other occurrence in any of our business segments which is not covered by insurance under our policies, we may suffer significant losses or be forced to provide compensation in a substantial amount from our own resources, which could have a material adverse effect on our financial condition.

***Our performance is largely dependent on our ability to attract and retain key personnel.***

Our current and future performance and business operations depend on the contributions of our Management Team, our engineers, and other employees. We rely on our ability to attract, train, motivate, and retain qualified and experienced administrative staff and specialists. No assurance can be given that we will be able to attract and retain personnel for key positions, and replacing any of our key employees could prove difficult and time consuming. The loss of the services and experience of any of our key employees, or our inability to recruit a suitable replacement or additional staff, could have a material adverse effect on our operations, cash flows and/or expectations.

***Our business relies heavily on our production facilities.***

Upon consummation of the Transaction, on-site oil and gas facilities would make-up our main production facilities, on which a material portion of our revenues would depend. Any material damage, accident, or other disruption at such production facilities could have a material adverse effect on our operations, cash flows, and/or expectations.

***Our operations may pose risks to the environment, and any change in the applicable environmental laws could give rise to an increase in our operating costs.***

Upon consummation of the Transaction, some of our operations will be subject to environmental risks which could materialize unexpectedly and could have a material adverse impact on our financial condition and results of operations. These include the risk of injury, death, environmental damages and remediation expenses, damages to our equipment, civil liability, and administrative action. There can be no assurance that future environmental issues will not result in cost increases which could lead to a material adverse effect on our financial condition and results of operations. In addition, no assurance can be given that any insurance proceeds will be sufficient to offset any losses arising in connection with environmental issues.

In addition, we will be subject to extensive environmental regulation in Argentina, Mexico and in the other countries in which we may operate. Local authorities in Argentina, Mexico and in several of the other countries in which we may operate could impose new environmental laws and regulations, which could require us to incur increased costs to comply with the new standards. The imposition of more stringent regulatory measures and permit requirements in Argentina, Mexico and the in the other countries in which we may operate could give rise to a material increase in our operating costs.

We cannot predict the overall impact that the enactment of new environmental laws or regulations could have on our financial results, results of operations, and cash flows.

Likewise, activities related to oil and gas are subject to significant economic, environmental and operational risks, some of which are beyond our control, such as risks in terms of production, equipment, and transportation, as well as natural disasters and other uncertainties, including those related to the characteristics of land or marine gas deposits. Our operations may be delayed or canceled as a result of poor climate conditions, mechanical difficulties, delays or lack of supplies in the delivery of equipment, compliance with government regulations, fires, explosions, faults in oil pipelines, abnormal formations, and environmental risks, such as oil spills, gas leaks, ruptures, or release of toxic gases. If these risks materialize, we may suffer from substantial operational losses or disruptions to our operations. Drilling may not be profitable, not only for dry wells, but also for wells that are productive but do not produce enough net returns after drilling.

***In the past, oil and gas companies in Argentina have been affected by certain actions taken by the Argentine government and in the future may be affected by additional changes in the applicable regulatory framework.***

In the past, the Argentine Government has repatriated proceeds generated from oil and gas exports and other amounts applicable to the production of liquefied gas, which has affected producers of oil and gas in the country. In April 2012, the Argentine Government enacted Law 26,741 which expropriated 51% of YPF's shares owned by Repsol YPF. By virtue of such law, 51% of the expropriated shares were assigned to the Argentine Government, while the remaining 49% were entitled to the Argentine provinces engaged in oil and gas production.

Additionally, such law establishes that hydrocarbon related activities (including exploitation, industrialization, transport, and commercialization) in Argentina are considered of "national public interest." Recently the new government has been focused on an open oil and gas industry and has promoted the free market, but additional changes in the regulatory framework could have a material adverse impact on our business, financial condition, and results of operations.

***Oil and gas exploitation concessions and exploration permits are subject to certain conditions and may be revoked or not renewed.***

Pursuant to the Hydrocarbons Law, oil and gas concessions or permits awarded by the Argentine government are valid for 25-, 30- or 35-year periods depending on the type of concession and may be renewed for additional 10-year periods subject to the terms and conditions imposed by the Argentine government upon award of the concession. The power and authority to extend the term of existing and future concessions, permits, and agreements lies with the government of the province where the relevant asset is located (or with the Argentine government in the case of assets located beyond 12 miles from the coast). In order for a concession or permit to be eligible for the extension, its holder must (i) be in compliance with its obligations under the Hydrocarbons Law and with the terms of such concession or permit, including those relating to the payment of taxes and royalties, the contribution of the requisite technology, equipment, and personnel, and the satisfaction of various environmental, investment, and development commitments; (ii) produce hydrocarbons in the area for which the concession was granted; and (iii) submit an investment plan for the development of the relevant areas as requested by the competent authorities at least one year prior to the expiration of the original term of the concession. In addition, holders of concessions who apply for extensions under Law No. 27,007 will be required to pay additional royalties ranging from 3% and capped at 18%. Under the Hydrocarbons Law, failure to meet the aforementioned standards and obligations may result in the imposition of fines, and material violations which remain uncured upon expiration of the relevant cure period may result in the revocation of the concession or permit.

No assurance can be given that our concessions will be renewed in the future by the competent authorities based on the investments plans submitted to that effect, or that such authorities will not impose additional requirements for the renewal of such concessions or permits.

***Substantial or extended downturns and volatility in the prices of crude oil, refined products, and natural gas could have a material adverse effect on our operating results and financial condition.***

We expect that our income will come from the sale of crude oil, refined products, and natural gas. The factors that affect the international prices of oil and its derivatives include: political developments in oil-producing regions, particularly in the Middle East; the capacity of the Petroleum Exporting Countries (OPEC) and other nations producing crude oil to establish and maintain production levels and prices; regional and global supply and its derivatives; competition from other sources of energy; national and foreign government regulation; climate conditions; local and global conflicts, and acts of terrorism. We have no control over these factors. Changes in crude oil prices usually generate changes in the prices of refined products. International oil prices have suffered significant volatility in recent years, significantly falling since the second half of 2014.

A substantial or extended downturn in the prices of crude oil and its derivatives could have a material adverse effect on our business, operating results, and financial condition, as well as the value of our reserves. Additionally, significant downturns in the prices of crude oil and its derivatives could force us to incur future deterioration expenses, reduce or alter the term of our capital investments, and this could affect our production forecasts in the medium term and our estimate of reserves towards the future.

***Oil and gas prices could affect our capital investments.***

The prices that we are able to obtain for our hydrocarbon-related products affect the feasibility of new exploration and development activities, and as a result, the time and amount of our capital investments for such purposes. We budget our capital investments considering, among other things, the market prices of products related to hydrocarbons.

The international price of a barrel of crude has fluctuated significantly in the past and could also do so in the future. During 2015, 2016 and 2017, the reference price of the Brent benchmark has fluctuated significantly, with average prices of US\$52.30/bbl, US\$43.70/bbl, and US\$55.47/bbl, respectively. During June 2017 the average price was US\$47.92/bbl, and in December 2017 it was US\$66.87/bbl. Even though oil prices in Argentina have not symmetrically reflected the upward or downward changes in the international price of oil, such fluctuations did impact the local prices for the commercialization of crude oil. In the event that the reference price of the international crude oil falls, and this substantially translates to the local market price of oil, which we cannot control, it could affect the economic viability of our projects, generating a loss of reserves as a result of changes in our development plans, our assumptions and our estimates, and consequently affect the recovery value of certain assets. Additionally, if the market prices of our refined products is impacted, our ability to generate funds and our operating results could be adversely affected.

Considering the foregoing, and assuming that the changes in local prices for certain products do not match cost increases (including those related to increases in the dollar to Argentine peso exchange rate), our capacity to improve our hydrocarbon recovery rate, find new reserves, develop unconventional resources, and implement certain of our intended investments in capital goods could be adversely affected and, as a result, adversely affect our financial results, results of operations, and cash flow.

Additionally, we may be required to record the depreciation of properties, plants and equipment, and intangible assets if the estimated price of oil decreases or if we have significant downward adjustments of our estimated reserves, increases in our operating costs, or increases in the discount rate among other things.

Consequently, in the event that domestic prices decrease, the ability to improve our recovery rates, identify new reserves, and carry out new capital expenditure plans could be affected, which could consequently have an adverse material effect in our operating results.

***We or our subsidiaries may not be concessionaires or operating partners in all joint ventures (joint operations for accounting purposes) in which we or they participate, and the actions taken by the concessionaires and/or operators in these joint ventures could have a material adverse effect on the success of said operations.***

Both, we and our subsidiaries may carry out hydrocarbon exploration and production activities through unincorporated joint ventures entered into through agreements with third parties (joint operations for accounting purposes). In some cases, our joint venture partners, rather than us, may hold the rights to the concession. Pursuant to the terms and conditions of such joint venture agreements, one of the parties may assume the role of operator of the joint venture, and therefore assumes the responsibility of executing all activities pursuant to the agreement. However, in certain cases, neither we nor our subsidiaries may be able to assume the role of concessionaire and/or operator, and in such cases we would be subject to risks related to the performance of, and the measures taken by, the concessionaire and/or operator to carry out the activities. Such actions could adversely affect our financial condition and operating results.

***Our business plan includes future drilling activities to obtain unconventional oil and gas and if we are not able to acquire and correctly use the necessary new technologies, as well as obtaining financing and/or partners, our business may be affected.***

Our ability to execute and carry out our plan depends on our ability to obtain financing at a reasonable cost and in reasonable conditions. We have identified drilling opportunities and prospects for future drilling related to unconventional oil and gas reserves, such as shale oil and gas in the Vaca Muerta play. These drilling locations and prospects represent an important part of our drilling plans in the future. Our ability to drill and develop these locations depend of several factors, including seasonal conditions, regulatory approvals, negotiations of agreements with third parties, commodity prices, costs, availability of equipment, services and personnel, and drilling results. In addition, the drilling and exploitation of such oil and gas reserves depends on our ability to acquire the necessary technology and hire personnel or other means of support for the extraction, and on obtaining financing and partners to develop such activities. Due to these uncertainties, we cannot give any guarantee as to the sustainability of these activities, that these activities will eventually result in proved reserves, or that we will be able to meet our expectations of success, which could adversely affect our production levels, financial situation and operating results.

***Unless we replace our oil and gas reserves, they will decrease over time.***

The production of oil and gas deposits decreases as reserves drain with the range of decrease depending on the characteristics of the reserves. In accordance with the above, the available amount of reserves decreases as reserves are produced and consumed. The future level of oil and gas reserves, as well as the level of production, and therefore of our revenues and cash flows depend on our ability to develop current reserve, and find or acquire recoverable reserves to be developed. We may not be able to identify commercially exploitable deposits, complete or produce more oil and gas reserves, and the wells we plan to drill may not result in the discovery or production of oil or natural gas. If we are unable to replenish production, the value of our reserves will decline and our financial situation, operating results, and cash flow could be negatively affected.

***The oil and gas reserves that we estimate are based on assumptions that could be inaccurate.***

The expected oil and gas reserves as of December 31, 2016, assuming the consummation of the Initial Business Combination, are based on the report (the "Reserves Report") of Gaffney, Cline & Associates (the "Independent Reservoir Engineering Firm"). Although they are classified as "proved reserves", the reserve estimates established in the Reserves Report are based on certain assumptions that could be incorrect. Assumptions made by the Independent Reservoir Engineering Firm include oil prices and have been determined in accordance with the guidelines established in the Reserves Report, please note that we provided future expenses and other assumptions. For more information please refer to the Reserves Report attached hereto as Exhibit 4.

The estimation process begins with an initial review of the assets by geophysicists, geologists and engineers. A reserve coordinator protects the integrity and impartiality of the estimates through the supervision and support of the technical teams responsible for preparing the reserve estimates. Our estimates are delivered by the director of oil and gas production. Reserve engineering is a subjective process to estimate the accumulations in the subsurface and that entails a certain degree of uncertainty.

Estimates of reserves depend on the quality of the engineering and geology data at the date of estimation and its interpretation.

Reserve engineering is a subjective process for estimating oil and gas accumulations that cannot be accurately measured, and the estimates of other engineers may differ materially. A number of assumptions and uncertainties are inherent in estimating the amounts that make up the proven reserves of oil and gas, including the projection of production, the time and amount of development expenditures, and the prices of oil and gas, many of which are beyond our control. The results of drilling, testing, and production after the estimate date may require revisions. The estimate of our oil and gas reserves would be affected if, for example, we were not able to sell the oil and natural gas that we produced. As a result, reserve estimates are usually materially different from the amounts that are ultimately extracted, and if such amounts are significantly lower than the initial reserves estimates it could result in a material adverse effect on our financial performance and operating results.

***Our industry has become increasingly dependent on digital technologies to carry out daily operations.***

As dependence on digital technologies has increased, cyber incidents, including deliberate attacks or unintentional events have also increased worldwide. The technologies, systems, and networks that Vista may implement in the future, and those of our service providers may be the object of cyberattacks or failures to the security of information systems, which could lead to interruptions in critical industrial systems, the unauthorized disclosure of confidential or protected information, data corruption, or other interruptions of our operations. In addition, certain cyber incidents, such as the advanced persistent threat, may not be detected for a prolonged period of time. We cannot assure that cyber incidents will not happen in the future and that our operations and/or our financial performance won't be affected.

***Our operations are subject to social risks.***

Our activities are subject to social risks, including potential protests of communities surrounding the operations of the corresponding platform. Although we are committed to operating in a socially responsible manner, we may face opposition from local communities regarding current and future projects in the jurisdictions in which we would operate if the Initial Business Combination is consummated, which could adversely affect our business, the results of operations and our financial performance.

***Adverse economic and political conditions of Latin America could negatively affect our businesses.***

Our operational business significantly depends on the economic performance of Latin America's economies. A deterioration of the economic conditions, social instability, political adversity or other adverse social events in Latin American countries, such as Argentina, Mexico, Colombia, and Brazil, could negatively affect our business plan. Countries in the region have experienced economic crises in the past caused by internal and external factors, characterized, among others, by instability of the exchange rate (including large devaluations), high inflation rates, high domestic interest rates, economic contraction, decrease of foreign investment, decrease in the loan availability by international banking institutions, decrease in the liquidity in the banking system, and high unemployment rates. As result, such conditions, as well as the general state of the economies of Latin American countries, over which we have no control, could have a material adverse effect on our business plan, our financial condition, or operating results.

***Our business is largely dependent upon economic conditions in Argentina.***

Upon completion of the Transaction, all operations, properties and customers would be located in Argentina, and, as a result, our business would be largely dependent on economic conditions prevailing in Argentina. The changes in economic, political, and regulatory conditions in Argentina and measures taken by the Argentine government would be expected to have a significant impact on us. You should make your



own assessment about Argentina and prevailing conditions in the country before making an investment decision.

The Argentine economy has experienced significant volatility in past decades, including numerous periods of low or negative growth and high and variable levels of inflation and currency devaluation. We cannot assure that the growth rate experienced over past years will be maintained in subsequent years or that the national economy will not suffer a recession. If economic conditions in Argentina were to deteriorate, if inflation were to accelerate further, or if the Argentine government's measures to attract or retain foreign investment and international financing in the future are unsuccessful, such developments could adversely affect Argentina's economic growth and in turn affect our financial health and results of operations.

Argentine economic conditions are dependent on a variety of factors, including (but not limited to) the following:

- international demand for Argentina's principal exports;
- international prices for Argentina's principal commodity exports;
- stability and competitiveness of the Argentine peso with respect to foreign currencies;
- competitiveness and efficiency of domestic industries and services;
- levels of domestic consumption and foreign and domestic investment and financing; and
- the rate of inflation.

The Argentine economy is also particularly sensitive to local political developments. Notwithstanding certain measures that the Argentine government, elected on December 10, 2015, has already taken, such as the elimination of exchange restrictions, the partial adjustment of gas and electricity prices, and the elimination or reduction of export taxes for certain products, it continues to face challenges in respect to Argentina's economy.

Additionally, Argentina's economy is also vulnerable to adverse developments affecting its principal trading partners. A continued deterioration of economic conditions in Brazil, Argentina's main trading partner, and a deterioration of the economies of Argentina's other major trading partners, such as China or the United States, could have a material adverse impact on Argentina's balance of trade and adversely affect Argentina's economic growth and may consequently adversely affect our financial health and results of operations. Furthermore, a significant devaluation of the currencies of our trading partners or trade competitors may adversely affect the competitiveness of Argentina and consequently adversely affect Argentina's economic and our financial health and results of operations.

In 2005, Argentina restructured a substantial portion of its bond indebtedness with approximately 76% of its bondholders, and in 2006 it settled all of its debt with the International Monetary Fund ("IMF"). In June 2010, Argentina restructured additional defaulted bond indebtedness that was not swapped in 2005. As a result of the 2005 and 2010 debt swaps, over 92% of the bond indebtedness on which Argentina had defaulted in 2002 has been restructured ("Exchange Bonds").

Certain holders of bonds that were not swapped in the debt restructuring sued Argentina for payment ("Holdout Bondholders"). On December 7, 2011, the U.S. District Court for the Southern District of New York held that Argentina was required by the *pari passu* clause in the 1994 Fiscal Agency Agreement governing the defaulted bonds to rank its payment obligations to the Holdout Bondholders equally with those of its other debt, including the Exchange Bonds. On February 23, 2012, the District Court enjoined Argentina from making payments on the Exchange Bonds without making ratable payments on

the defaulted debt, and on October 2012, the District Court's injunction was affirmed by the U.S. Court of Appeals for the Second Circuit.

In February 2016, Argentina negotiated and reached agreements in principle with respect to a substantial number of the Holdout Bondholders. Also in February 2016, the District Court issued an indicative ruling stating that in light of Argentina's settlement proposal it would grant a motion to vacate the injunctions in all cases upon the occurrence of two conditions: (1) Argentina's repeal of the legislative obstacles to settlement and (2) Argentina's payment to all Holdout Bondholders that entered into agreements in principle with Argentina on or before February 29, 2016. On March 2, 2016, the District Court vacated the injunctions on all actions upon the occurrence of the conditions set forth in the indicative ruling.

On March 31, 2016, the Argentine Congress repealed the legislative obstacles to the settlement and approved the settlement proposal. On April 22, 2016, Argentina issued US\$16.5 billion of new debt securities in the international capital markets, and applied US\$9.3 billion to satisfy settlement payments on agreements with holders of approximately US\$8.2 billion principal amount of defaulted bonds. The District Court ordered the vacatur of all *pari passu* injunctions upon confirmation of such payments.

***Certain risks are inherent in any company operating in an emerging market such as Argentina.***

Argentina is an emerging market economy, and investing in emerging markets generally carries risks. These risks include political, social and economic instability that may affect Argentina's economic results which can stem from many factors, including the following:

- high interest rates;
- abrupt changes in currency values;
- high levels of inflation;
- exchange controls;
- wage and price controls;
- regulations to import equipment and other inputs relevant for operations;
- changes in economic or tax policies; and
- political and social tensions.

Notwithstanding that fact that we intend to actively manage our schedule of work, contracting, procurement, and supply-chain activities to effectively manage costs, the price levels for capital project exploration costs, and operating expenses associated with the production of crude oil and natural gas can be subject to external factors beyond our control including, among other things, the general level of inflation, commodity prices and prices charged by the industry's material and service providers, which can be affected by the volatility of the industry's own supply and demand for such products and services. In recent years, the oil and gas industry generally experienced an increase in certain costs that exceeded the general trend of inflation. We cannot guarantee that these cost pressures will decrease as a result of the recent decline in prices of crude oil and other commodities in the global and domestic markets.

Any of these factors, as well as volatility in the capital markets, may adversely affect our financial condition and results of operations or liquidity.

***A high inflation environment in Argentina could have a negative effect on the Argentine economy and on our financial performance.***

In the past inflation has damaged the Argentine economy and the government's ability to foster conditions that allow stable growth. In recent years, Argentina has confronted inflationary pressures, evidenced by significantly higher fuel, energy and food prices, among other factors. In response, the prior Argentine administration implemented programs to control inflation and monitor prices for essential goods and services, including fixing the prices of key products and services (including electricity tariffs), and price support arrangements agreed between the Argentine government and private sector companies in several industries and markets.

Inflation rates could escalate in the future, and there is uncertainty regarding the effects that the measures adopted, or that may be adopted in the future, by the Argentine government to control inflation could have. If inflation remains high or continues to rise, Argentina's economy may be negatively impacted and our results of operations could be negatively affected.

***We could be subject to foreign exchange and capital controls.***

In the past, Argentina imposed foreign exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad. Beginning in 2011, additional foreign exchange controls have been imposed that restrict or limit purchases of foreign currency and transfers of foreign currency abroad. Since 2011, oil and gas companies, among other entities, were required to repatriate 100% of their foreign currency.

In December 2015, the new administration eliminated certain foreign exchange controls imposed by the previous administration, such as the requirement that foreign currency be deposited and exchanged in Argentina in case of external financing, and the requirement that 30% of funds in U.S. dollars held in Argentina be frozen pursuant to Decree No. 616/05, among others. Furthermore, in terms of the Official Communication "A" 6244 of the Argentinian Central Bank, regulations governing foreign exchange operations, general exchange position as well as the provisions of Decree No. 616/05 were repealed, and the only remaining effective provisions relate to information regimes (*regímenes informativos*), substitutions (*relevamientos*), and follow-ups related to such topics. Following these changes, the Argentine peso fell to AR\$12.99 per US\$1.00, as of December 31, 2015, a decrease of approximately 52% compared to December 31, 2014 (a decrease of the exchange rate of approximately 40% compared to the exchange rate as of December 16, 2015). On December 31, 2017, the Argentine peso traded at 18.77 per US\$, a decrease of approximately 17.9% with respect to the trading price of December 31, 2016. There can be no assurance that future regulatory changes related to exchange and capital controls will be enacted. Such exchange and capital controls regulations could adversely affect our financial condition or results of operations, our ability to meet our obligations denominated in foreign currency, or our ability to execute our financing and capital expenditure plans.

***Government measures, labor strikes and the pressure from labor unions, could imply salary increases or added employee benefits, all of which could increase our operating costs or have a material adverse effect on our business.***

Labor relations in Argentina are governed by specific legislation, such as the Employment Contract Law No. 20,744 (*Ley de Contrato de Trabajo No. 20,744*) and the Collective Bargaining Law No. 14,250 (*Ley de Convenciones Colectivas de Trabajo No. 14,250*), which, among other things, regulate how salary and other labor negotiations are to be conducted. Most industrial or commercial activities are regulated by a specific collective bargaining agreement that groups together companies according to industry sectors and by trade unions. Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to significantly increase wages and to provide additional employee benefits. Due to the high levels of inflation, employees and labor organizations are demanding significant wage increases. In the past, the Argentine government has passed laws, regulations, and decrees requiring companies in the private sector to maintain minimum wage levels and provide specified benefits to employees. In particular, the sectors in which we operate have a significant number of trade unions, thus we cannot assure that we or our subsidiaries will not experience labor interruptions or labor strikes in the future, which may have a material adverse effect on our business and on our returns.

In the future, the Argentine government could take new measures requiring salary increases or additional benefits for employees and labor unions may apply pressure for such measures to become effective. Labor strikes or labor interruptions, and increases in wage or employee benefit could result in added costs, reduced results of operations for Argentine companies, have an impact on the financial conditions, and affect the market value of our shares.

***Restrictions on the supply of energy could negatively impact the Argentine economy.***

Following Argentina's 2001-2002 economic crisis, the subsequent freeze of gas and electricity tariffs in Argentine pesos and the significant devaluation of the Argentine peso against the U.S. dollar, there has been a lack of investment in gas and electricity supply and transport capacity in Argentina. Over the same period, demand for natural gas and electricity increased substantially.

The current administration has announced various measures, including the announcement of the national electricity system in a state of emergency until December 31, 2017, the review of the energy subsidy policies, and the approval by the ME&M of the "Quarterly Reprogramming of Summer" for the wholesale electricity market, thus increasing rates by almost 200% on average, and the elimination of some natural gas subsidies and adjustments to natural gas tariffs.

A few local governments, municipalities, hospitals, companies and residents, among others, have filed claims against the ME&M before competent courts against the new electricity and gas tariffs. In some cases, intervening courts agreed to their demands or ordered public services providers to suspend the application of the new tariffs, arguing, in general, that the increased tariffs are arbitrary, illegal, and/or unconstitutional. As of the date of this disclosure document, several of the aforementioned claims are still ongoing in different jurisdictions. On November 30, 2017, the ME&M established a new energy transportation process, new stationary prices for capacity reference and energy in the wholesale electricity market and amended the subsidies framework. For its part, the ENRE approved the new tariffs for Edenor and Empresa Distribuidora Sur S.A. (EDESUR) for energy supply.

There is uncertainty about what other measures the Argentine government will adopt related to tariffs, and the impact they may have on the economy of the country. If the federal government does not resolve the negative effects on the exploitation, transportation and distribution of energy in Argentina with respect to both the residential and industrial supply, this could reduce confidence and adversely affect Argentina's economy and financial situation and cause political instability. On the other hand, if the necessary investment to increase the production of non-liquefied natural gas and the transportation and distribution of energy is not specified in a timely manner, the economic activity in Argentina could be negatively affected and our business, our financial situation and the results of our operations could be negatively affected.

***The actions taken to reduce imports to Argentina may adversely affect our ability to access capital goods that are necessary for our operations.***

In 2012, the Argentine government adopted an import process that required local authorities to pre-approve any import of products and services to Argentina as a precondition to allow importers access to the foreign exchange market for the payment of such imported products and services. In the same year, the European Union, the United States, and Japan filed claims with the WTO against certain import-related requirements maintained by Argentina. Recently, the WTO found that those measures are not consistent with Argentina's obligations under the WTO and requested their removal. On December 22, 2015, through Resolution No. 3,823, the AFIP removed the import authorization system in place since 2012 (*declaraciones juradas anticipadas de importación* or "DJAI") and replaced it with the new comprehensive import monitoring system (*sistema integral de monitoreo de importaciones* or "SIMI"). Among other changes, local authorities must now respond to any request for approval within a 10-day period from the date on which the request is filed.

On August 10, 2017, the current administration through Decree No. 629/2017 introduced certain modifications to the import procedure of equipment for the exploitation of hydrocarbon in the country,

establishing a regime of fiscal benefits for the importation of used machinery (up to 10 years old) and new machinery for such industry. Depending on the applicable tax bracket, the import of certain components are tax-free or are subject to a reduced tariff (ranging from 7% to 14%). In case there is local production capacity, the importer must assume the commitment (and guarantee) to acquire national goods in a specific percentage of the amount of products to be imported, which varies depending on the applicable tax bracket (ranging from 15% to 18%).

We cannot assure you that the Argentine government will not modify current import regulations, and we cannot predict the impact that any such changes could have on our results of operations and financial performance.

***Our business requires significant capital investments and maintenance costs***

The exploration and exploitation of hydrocarbon reserves requires large capital investments. We must continue investing to maintain or increase the amount of our hydrocarbon reserves and incur significant maintenance costs to sustain our levels of oil and gas productions. We cannot guarantee that we can maintain our projected production levels, generate sufficient cash flows, or have access to sufficient loans or other financing alternatives to continue our exploration, exploitation, and production activities at projected or higher levels.

# LONG TERM INCENTIVE PLAN

## 1. Purpose of the Plan

The purpose of the Long Term Incentive Plan (the “Plan” or the “Incentive Plan”) is to provide the means for the Company and its Affiliates to attract and retain talented persons as officers, directors, employees and consultants which are key to the Company and its Affiliates, enhancing the profitable growth of the Company and its Affiliates. Likewise, it will be useful for those persons upon whom the responsibilities for the successful management and operation of the Company and its Affiliates, and whose present and future contributions are of importance, to acquire and maintain shares or other awards based upon shares, which value is tied to the performance, thereby strengthening their concern for the welfare of the Company and its Affiliates.

## 2. Mechanisms for Rewarding and Retention

The Plan may include the following mechanisms for incentive compensation and retention, as they will be defined and decided by the Administrator of the Plan (as defined hereinbelow):

- a. Stock Options, which provide the possibility to acquire shares in the future at an exercise price. The Administrator of the Plan shall define the number of shares over which the options will be granted, the timing when such options may be exercised totally or partially, the exercise price, the methods of payments and the methods of delivery of the shares; and any other matter which, in the opinion of the Administrator of the Plan, will be required and/or contribute for the implementation thereof.
- b. Restricted Stock Units (“RSU’s”), which constitute a shares award which remain restricted until certain conditions are met and allow the beneficiaries to receive dividends when they are granted. The Administrator of the Plan shall define the number of shares, the period for their release from restriction, the conditions of delivery and transferability, the risk of forfeiture and other restrictions which may apply to the RSU, as well as the conditions under which the beneficiaries may accumulate or receive the dividends and other economic rights pertaining to those shares; and any other matter which, in the opinion of the Administrator of the Plan, will be required and/or contribute for the implementation thereof.
- c. Performance Shares, which constitute a shares award whereby certain economic or operative targets must be met to obtain the shares release. The Administrator of the Plan shall define the number of shares, the business criteria of the Company and/or its Affiliates over which the performance goals will be set up, the targeted levels for each business criteria, as well as the conditions of delivery and transferability of the Performance Shares; and any other matter which, in the opinion of the Administrator of the Plan, will be required and/or contribute for the implementation thereof.

## 3. Administrator of the Plan

The Board of Directors of the Company or such Committee as the Board shall appoint for such end shall be the administrator of the Incentive Plan (the “Administrator of the Plan”). The Incentive Plan will be implemented by means of an administration trust, under Mexican Laws, whereby the trustee shall be appointed by the Administrator of the Plan to be in custody of the shares of the Plan to release them at a later stage, following the instructions of the Administrator, to the beneficiaries of the Plan.

## 4. Shares to be reserved by the Company to the Plan

The Shares that may be delivered to the beneficiaries of the Incentive Plan will be those that the Company may legally dispose of, including among others, those issued specifically for such

purpose or those that have been repurchased by the Company in accordance with the applicable law. Initially, the Board shall propose to the Shareholders' Meeting to be held to approve the Plan, that 8,750,000 out of 100 million shares of the Company issued as approved by the Shareholders' Meeting held on December 18, 2017 will be reserved for implementing the Plan after the Initial Business Combination has been approved.

5. Eligible persons

The eligible persons for the Plan will be those officers, directors, employees and consultants of the Company and/or its Affiliates which shall be selected by the Administrator to participate in the Plan.

# PROPOSALS THAT WILL BE SUBMITTED FOR APPROVAL AT THE SHAREHOLDERS' MEETING

## Proposal With Respect to the Initial Business Combination

Pursuant to the recommendation of Vista's board of directors, Vista hereby informs its shareholders and the general investing public of the proposed Transaction, consisting of the:

- Purchase from Pampa of (a) 58.88% interest in PELS A an Argentine corporation (*sociedad anónima*) that operates and holds a 73.15% interest in three exploitation concessions in the Neuquina basin in the provinces of Neuquén and Río Negro in Argentina, one of which extends into the promising Vaca Muerta unconventional play, (b) a 3.85% interest in the three exploitation concessions operated by PELS A described in (a) above, and (c) a 100% interest in the concessions Medanito and Jagüel in the Neuquina basin in the province of Río Negro in Argentina; and
- Purchase from Pluspetrol of (a) 100% interest in APCO Oil & Gas International Inc. (the "Apco O&G Shares" and "APCO International", respectively) and (b) 5% interest in APCO Argentina (the "Apco Argentina Shares" and "APCO Argentina", respectively). APCO International, a Cayman Islands company, holds (a) 39.22% interest in PELS A, (b) 95% interest in APCO Argentina, and (c) through its Argentine branch, (1) a 23% interest in the three exploitation concessions operated by PELS A as described in sub-paragraph (ii) above, (2) a 45% interest in an assessment block in the province of Neuquén, Argentina, that extends into the promising Vaca Muerta unconventional play, (3) a 55% interest in and operates an exploitation concession in the Neuquina basin in the province of Neuquén, Argentina, (4) a 1.5% interest in an exploitation concession in the Noroeste basin in the province of Salta, Argentina, (5) a 16.9% interest in an exploitation concession in the Golfo San Jorge basin in the province of Santa Cruz, Argentina, and (6) a 44% interest in an exploration agreement for a site located in the Golfo San Jorge basin in the province of Santa Cruz, Argentina. APCO Argentina, a company incorporated in Argentina, holds a 1.58% equity interest in PELS A. Such interest and APCO International's equity interest in PELS A together account for 40.80% interest in PELS A. APCO International has entered into a purchase agreement pursuant to which it has agreed to sell to a third party a 100% interest in APCO Austral S.A., a wholly-owned subsidiary of APCO International (directly and, indirectly, through APCO Argentina). The consummation of such sale remains pending and, accordingly, such shares are not included in the Transaction. Pluspetrol, which will receive the proceeds from such sale, has agreed to indemnify us against and hold us harmless from any liability that may arise in connection therewith.

## Proposal With Respect to the Long Term Incentive Plan

In addition to the approval with respect to the Initial Business Combination, our shareholders will be asked to vote on the approval of the LTIP, consisting on a plan to provide the means for the Company and its Affiliates to attract and retain talented persons as officers, directors, employees and consultants which are key to the Company and its Affiliates. The LTIP may include the following mechanisms for rewarding and retaining key personal, at the discretion of the Administrator of the Plan:

a. Stock Options, which provide the possibility to acquire shares in the future at an exercise price. The Administrator of the Plan shall define the number of shares over which the options will be granted, the timing when such options may be exercised totally or partially, the exercise price, the methods of payments and the methods of delivery of the shares; and any other matter which, in the opinion of the Administrator of the Plan, will be required and/or contribute for the implementation thereof.

b. Restricted Stock Units, which constitute a shares award which remain restricted until certain conditions are met and allow the beneficiaries to receive dividends since they are granted. The



Administrator of the Plan shall define the number of shares, the period for its release, the conditions of delivery and transferability, the risk of forfeiture and other restrictions which may apply to the RSU, as well as the conditions under which the beneficiaries may accumulate or receive the dividends and other economic rights pertaining to those shares; and any other matter which, in the opinion of the Administrator of the Plan, will be required and/or contribute for the implementation thereof.

c. Performance Shares, which constitute a shares award whereby certain economic or operative targets must be met to obtain the shares release. The Administrator of the Plan shall define the number of shares, the business criteria of the Company and/or its Affiliates over which the performance goals will be set up, the targeted levels for each business criteria, as well as the conditions of delivery and transferability of the Performance Shares; and any other matter which, in the opinion of the Administrator of the Plan, will be required and/or contribute for the implementation thereof.

The approval of the LTIP is conditioned on the consummation of the Initial Business Combination.

## CONDENSED AND COMBINED PRO FORMA UNAUDITED FINANCIAL INFORMATION

The condensed and combined pro forma unaudited financial information of the Company included in Exhibit 2 has been prepared using the historical data of the Company, which comprise our statement of financial position as of September 30, 2017, and our income statement for the period from March 22, 2017 (i.e., our date of organization) to September 30, 2017. The condensed and combined pro forma unaudited financial statements assume that the acquisitions have been made by December 31, 2016, in consequence the amounts presented by the management team are based on operative assumptions that may have occurred in 2016 and on the period ended September 30, 2017.

For additional information regarding our condensed and combined pro forma unaudited financial information, see Exhibit 2 to this disclosure document.

### Capitalization

The following table sets forth the capitalization of the acquisitions as well as effects in equity structure of Vista, based on pro forma financial information as of September 30, 2017, after closing the acquisitions and assuming that (i) not a single shareholder exercise its right to obtain a reimbursement and payment; (ii) there will be a subscription for an aggregate of 50,000,000 Series A Shares pursuant to the Forward Purchase Agreement entered with RVCP; and (iii) a total of 10,000,000 Series A Shares for an aggregate amount of US\$100,000,000.00 will have been subscribed and paid for pursuant to the Subscription Agreements and the Exercise of Shareholders' Preemptive Rights.

(US\$ million)

	Vista Oil & Gas (Unaudited)	Pelsa (Unaudited)	3.75% Entre Lomas, Bajada del Palo & Agua Amarga (Unaudited)	Jaquel-Medianito (Unaudited)	APCO O&G (Unaudited)	Elimination adjustment	Total Combined (Unaudited)	Adjustments arising from approval of the potential transactions	Adjustments arising from the sale of additional shares	Adjustments arising from initial effects of potential transactions	Pro forma Statement of Financial Position (Unaudited)
Cash and cash equivalents	\$ 5,785	\$ 42,766	\$ 89	\$ 3,259	\$ 8,536	\$ -	\$ 60,435	\$ 675,380	\$ 96,523	\$ (734,878)	\$ 97,460
Restricted cash in escrow accounts	650,848	-	-	-	-	-	650,848	(650,848)	-	-	-
Non-current liabilities: Redeemable Class A Common Stock to Public net, from offering expenses	\$ 642,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 642,190	\$ (642,190)	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 642,190</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 642,190</b>	<b>\$ (642,190)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total equity</b>	<b>\$ 9,863</b>	<b>\$ 290,442</b>	<b>\$ 10,557</b>	<b>\$ 61,956</b>	<b>\$ 2,867</b>	<b>\$ ( 184,423)</b>	<b>\$ 191,262</b>	<b>\$ 666,722</b>	<b>\$ 96,523</b>	<b>\$ ( 171,988)</b>	<b>\$ 782,519</b>
<b>Total</b>	<b>\$ 652,053</b>	<b>\$ 290,442</b>	<b>\$ 10,557</b>	<b>\$ 61,956</b>	<b>\$ 2,867</b>	<b>\$ ( 184,423)</b>	<b>\$ 833,452</b>	<b>\$ 24,532</b>	<b>\$ 96,523</b>	<b>\$ ( 171,988)</b>	<b>\$ 782,519</b>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE TRANSACTION**

### **Discussion of the consolidated results for the nine-month period ended September 30, 2016 and the nine-month period ended September 30, 2017**

In order to carry out the year-on-year comparative analysis of the consolidated results, the pro forma figures showing the results for the twelve-month period ending December 31, 2016 were adjusted linearly (by a factor of 75%) in order to obtain the data shown in the September 30, 2016 column, which were compared with the results of the nine-month period ended on September 30, 2017.

For the nine months ended September 30, 2017, the Acquisitions, on a pro forma basis produced an average of 27.5 MBoed, with 16.6 Mbbld of crude oil and 61.0 MMcfd of natural gas. The average production of oil and gas equivalent decreased compared to the nine months ended September 30, 2016, which was 29.8 MBoed, with 18.3 Mbbld of crude oil and 64.8 MMcfd of natural gas. Given the decrease in production, total sales for the nine months ended September 30, 2017 were US\$334 million, cost of sales was US\$269 million, implying decreases of 22.5% and 9.9%, respectively, compared to the same period of 2016, for which these amounts were US\$431 million and US\$298 million, respectively.

Exploration costs for the nine months ended September 30, 2017 decreased by US\$2.2 million compared to the same period of 2016, and, other extraordinary costs decreased by US\$33.3 million due to the fact that in the same period of 2016, the Medanito and Jagüel areas experienced temporary production outages that resulted in extraordinary charges.

Additionally, income taxes for the nine months ended September 30 2017 decreased by US\$16.5 million compared to the same period of 2016.

Due to these changes, for the nine months ended September 30, 2017, the EBITDA was US\$136 million, which represented a 25% decrease compared to EBITDA for the same period of 2016, equivalent to US\$180 million. The EBITDA margin for both the 2017 and 2016 periods was 41%.

1P, P2, and P3 reserves amount to 56 MMBoe, 20 MMBoe, and 7 MMBoe respectively, as per the independent reserves report as of December 31, 2016. Crude oil represents 64% of total 1P reserves, while gas represents the remainder.

### **Discussion of the financial situation, liquidity, and capital resources for the nine-month period ended September 30, 2016 and the nine-month period ended September 30, 2017**

The pro forma financial statements for 2016 assume that the Company was formed on December 31, 2016 in order to reflect the potential acquisitions in the financial information and be able to compare the results to September 30, 2017 figures. The main variations to the balance sheet are explained below.

As of September 30, 2017, on a pro forma basis, the Company had US\$97.4 million of positive cash flows, primarily from the subscription of 10,000,000 Series A Shares for an aggregate amount of US\$100 million net of transaction costs.

As of September 2017, long-term assets decreased by US\$37.7 million compared to December 31, 2016, primarily due to the net effect of lower property plant and equipment value, caused by the depreciation net of investments, and an increase in long-term assets from APCO.

As of September 30, 2017, short term liabilities decreased US\$29.3 million compared to December 31, 2016, primarily resulting from a decrease on the amounts payable to providers and other short term liabilities.

Long term liabilities as of September 30, 2017 decreased US\$7.9 million compared to December 31, 2016, primarily due to the aforementioned decrease of property plant and equipment value, which affected long term deferred tax liabilities.

## MATERIAL AGREEMENTS

### Subscription Agreements

As of the date of this disclosure document, we have also executed Subscription Agreements pursuant to which certain investors have agreed to subscribe Series A Shares, that together with the Exercise of Shareholders' Preemptive Rights, represent a total of 10,000,000 Series A Shares for an aggregate purchase price of US\$100,000,000.00. The net proceeds received from the subscription of such Series A Shares, will be used to fund the Transaction.

Under the Subscription Agreements, investors are obligated to subscribe and pay the number of Series A Shares provided by such agreements. Such subscriptions are subject to the following conditions: (i) no suspension of the qualification of the Series A Shares for offering or sale or trading in any jurisdiction, or initiation or threatening of any proceedings for any of such purposes, shall have occurred; (ii) all representations and warranties of the Company and investors contained in the corresponding Subscription Agreement shall be true and correct in all material respects; (iii) the Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the corresponding Subscription Agreement; (iv) the Series A Shares shall continue to be registered in the National Registry of Securities of the Mexican Banking and Securities Commission and listed in the Mexican Stock Exchange; (v) no governmental authority shall have been enacted, issued, promulgated, enforced or entered any judgment, order, law, rule or regulation (whether temporary, preliminary or permanent) which is then in effect and has the effect of making consummation of the transactions contemplated by the Subscription Agreements illegal; (vi) the transactions described in the corresponding Subscription Agreement shall have been executed pursuant to the terms provided therein, among others.

The aforementioned Subscription Agreements may be terminated generally: (i) on the date and term as all the agreements related to transactions are terminated in accordance with their terms; (ii) upon the mutual written agreement of each of the parties thereto; (iii) should any of the conditions described on each agreement not be fulfilled; and (iv) on the date provided by the corresponding Subscription Agreements, should, on such date, the transaction contemplated therein has not yet been closed.

### Bridge Facility

On February 12, 2018 (the "Acceptance Date"), we entered into a commitment letter (the "Commitment Letter") with Citigroup Global Markets Inc., Credit Suisse AG and Morgan Stanley Senior Funding, Inc. (collectively referred herein as the, the "Lenders") to backstop the financing of the Transaction.

Pursuant to the terms of the Commitment Letter, the Lenders have committed to provide a senior secured bridge term loan facility (the "Bridge Facility" and the loans pursuant thereto, the "Bridge Loans") in an aggregate amount of up to US\$300.0 million. To the extent that the proceeds obtained from the Forward Purchase Agreement, the Subscription Agreements, the Exercise of Shareholders' Preemptive Rights and the amounts deposited in the Escrow Account, minus the amounts corresponding to the Series A Shareholders' exercise of their cash reimbursement right, is not sufficient to cover the costs of the Transaction, we intend to use borrowings under the Bridge Facility to fund the Transaction.

The commitments of the Lenders to make the Bridge Loans will expire upon the earliest of (i) the receipt of proceeds from the Subscription Agreements, the Exercise of Shareholders' Preemptive Rights, the capital contribution for US\$50.0 million from RVCP pursuant to the Forward Purchase Agreement, together with the amounts held in the Escrow Account in an aggregate amount equal to at least US\$800.0 million (ii) the date of the termination of the PELSA & EL-AA-BP Interest SPAA, the 25M-JM Interest AA and the APCO SPA either (A) by the Company or with the Company's written consent or (B) pursuant to the terms thereof, in each case prior to the closing of the Transaction, (iii) the date that is

60 days after the Acceptance Date and (iv) the date of the closing of the Transaction without the use of the Bridge Facility (the "Availability Period").

The Company will be the borrower under the definitive agreement for the Bridge Facility (the "Backstop Credit Agreement"). The ability of the Company to request Bridge Loans will be subject to the satisfaction (or waiver) of certain conditions to be set forth therein (including, among others, the accuracy of certain representations and warranties, the absence of certain defaults, the creation of liens in the collateral, and a condition that, since the dates of the PELSA & EL-AA-BP Interest SPAA, the 25M-JM Interest AA and the APCO SPA there has not been a material adverse effect (defined in a manner consistent with PELSA & EL-AA-BP Interest SPAA, the 25M-JM Interest AA and the APCO SPA on the Acquisition (for purposes of this summary solely, the date of such satisfaction (or waiver), is referred to as the "Loan Closing Date"). Bridge Loans will be available under the Backstop Credit Agreement in U.S. dollars and shall mature 364 days after the Acceptance Date.

Borrowings under the Backstop Credit Agreement will bear interest at a floating rate per annum equal to the reserve adjusted LIBOR rate plus an applicable margin calculated based on the length of time the Bridge Facility remains outstanding. In addition, the Company will also pay to the Lenders under the Backstop Credit Agreement certain customary fees in connection with the Bridge Facility.

Full (but not partial) voluntary prepayment of the Bridge Loans is permissible without penalty, subject to certain conditions pertaining to minimum notice and minimum reduction amounts to be described in the Backstop Credit Agreement.

The Backstop Credit Agreement will contain financial covenants consistent with the market practices in these type of financings.

The Backstop Credit Agreement will contain only those payment terms, prepayment terms, conditions, representations and warranties, affirmative, negative and financial covenants and events of default set forth in the Commitment Letter and, to the extent not specified therein, shall be consistent with a certain precedent loan agreement to be agreed, which shall include customary materiality qualifiers, exceptions, baskets and exceptions to be agreed and will give due regard to terms in similar operating company acquisition financings in Latin America (specifically in Argentina) affiliated with first-tier private equity sponsors, including, without limitation, with respect to baskets, ratios and other provisions not mentioned in the Commitment Letter.

The obligations under the Backstop Credit Agreement will be irrevocable and unconditional, joint and several and guaranteed by Vista O&G Holdings I (Mexico) S.A. de C.V., APCO, APCO Argentina, PELSA and each other subsidiary of the Company existing on the Loan Closing Date or created thereafter (which for purposes of this summary solely, are collectively referred herein as the "Guarantors"). The obligations under the Backstop Credit Agreement will be secured by the equivalent of a perfected first priority security interest under New York law (or Mexican, Argentine or Cayman Islands local law) in (a) (i) the outstanding equity interests of APCO, (ii) the outstanding equity interests of APCO Argentina, (iii) the outstanding equity interests of PELSA and (iv) 100% of the outstanding equity interests of each other Guarantor, in each case, owned, directly or indirectly, by the Company on the Loan Closing Date or created thereafter; and (b) any intercompany debt.

The foregoing description of the Commitment Letter and the Backstop Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Commitment Letter.

## RESPONSIBLE PARTIES

"Each of the undersigned parties hereby represent, under penalty of perjury, that within the scope of our respective duties we have prepared the information relating to the Company included in this disclosure document and, to the best of our knowledge and belief, such information fairly reflects the condition thereof. We further represent that we have no knowledge of any material information which has been omitted from or misrepresented in this disclosure document, or any information contained herein which could be misleading to investors."

### Vista Oil & Gas, S.A.B. de C.V.



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Miguel Galuccio  
Director General



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Pablo Vera Pinto  
Director de Finanzas



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Javier Rodríguez Galli  
Director Jurídico

## **EXHIBITS**

1. HISTORICAL FINANCIAL STATEMENTS; REPORT OF THE INDEPENDENT AUDITOR
2. PRO FORMA FINANCIAL STATEMENTS; REPORT OF THE INDEPENDENT AUDITOR
3. PRESENTATION FOR INVESTORS
4. RESERVES REPORT



**1. HISTORICAL FINANCIAL STATEMENTS; REPORT OF THE  
INDEPENDENT AUDITOR**

**Vista Oil & Gas S.A. de C.V.**

**Financial statements**

**For the period from March 22 to June 30, 2017**

**Content:**

Report of Independent auditors . . . . .	F-2
Financial statements:	
Statement of Financial Position . . . . .	F-5
Statement of Profit or Loss . . . . .	F-6
Statement of Changes in Shareholders' Equity . . . . .	F-7
Statement of Cash Flows . . . . .	F-8
Notes to the financial statements . . . . .	F-9

## **REPORT OF INDEPENDENT AUDITORS**

The Board of Directors and Shareholders of  
Vista Oil & Gas, S.A. de C.V.

### ***Opinion***

We have audited the accompanying financial statements of Vista Oil & Gas, S.A. de C.V. (the “Company”), which are comprised of the statements of financial position as at June 30, 2017, and the income statement, statement of comprehensive income, statement of changes in equity and statements of cash flows for the period from March 22 to June 30, 2017, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2017, and their financial performance and their cash flows for the period then ended, in accordance with International Financial Reporting Standards (“IFRS”).

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements of the Company, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ended at June 30, 2017. We determined at June 30, 2017, there are no key audit matters that should have been included in our audit report.

### ***Responsibilities of Management and those charged with governance for the Financial Statements***

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

In preparing the financial statements of the Company, management is responsible for assessing the Company’s ability to continue as 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.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and 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 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements of, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, content of the financial statements, including the disclosures, and whether the financial statements of the Company 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 with the Company to express an opinion of the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 to those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and 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 those charged with governance, 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 of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

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

/s/ Juan Carlos Castellanos López

July 20, 2017  
Mexico City, Mexico

**Vista Oil & Gas S.A. de C.V.**  
**Statement of Financial Position**  
(Amounts expressed in U.S. dollars)

	<u>As of</u> <u>June 30 2017</u>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents (Note 4) . . . . .	\$25,055
Tax receivable (Value added tax) . . . . .	1,326
Subscription rights and others . . . . .	<u>2,020</u>
<b>Total current assets</b> . . . . .	<b><u>28,401</u></b>
<b>Liabilities and Equity</b>	
<b>Current liabilities:</b>	
Payables to related party (Note 5) . . . . .	\$ <u>9,530</u>
Non-current liabilities:	
Deferred tax liabilities (Note 8) . . . . .	<u>606</u>
Total liabilities . . . . .	<u>10,136</u>
<b>Shareholders' Equity (Note 7):</b>	
Share capital . . . . .	25,157
Retained earnings . . . . .	<u>(6,892)</u>
Total shareholders' equity . . . . .	<u>18,265</u>
<b>Total liabilities and shareholders' equity</b> . . . . .	<b><u>\$28,401</u></b>

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

**Vista Oil & Gas, S.A. de C.V.**  
**Statement of Profit or Loss**  
(Amounts expressed in U.S. dollars)

	<b>For the period from March 22 to June 30 2017</b>
General and administrative expenses . . . . .	\$ (6,026)
Operating loss . . . . .	(6,026)
Exchange loss . . . . .	(260)
Loss before income taxes . . . . .	(6,286)
Income taxes (Note 8) . . . . .	606
Net loss . . . . .	<u>\$ (6,892)</u>
Weighted average of outstanding shares during the year (Note 3d and Note 9) . . . . .	2,622,952
Basic loss per common share (See Note 9) . . . . .	<u>\$ (0.0026)</u>

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

**Vista Oil & Gas S.A. de C.V.**  
**Statement of changes in Shareholders' Equity**  
**For the period from March 22 to June 30, 2017**  
**(Amounts expressed in U.S. dollars)**

	<u>Share capital</u>	<u>Retained Earnings</u>	<u>Total Shareholders' equity</u>
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
Net loss . . . . .	<u>—</u>	<u>(6,892)</u>	<u>(6,892)</u>
Balance at June 30, 2017 . . . . .	<u><b>\$25,157</b></u>	<u><b>\$(6,892)</b></u>	<u><b>\$18,265</b></u>

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



**Vista Oil & Gas, S.A. de C.V.**  
**Statement of Cash Flows**  
(Amounts expressed in U.S. dollars)

	<b>For the period from March 22 to June 30 2017</b>
	2017
<b>Loss before income taxes</b> . . . . .	<b>\$ (6,286)</b>
Adjustments to reconcile the net loss to the net cash flow:	
Payables to related party . . . . .	9,530
Tax receivable (Value added tax) . . . . .	(1,326)
Subscription rights and others . . . . .	(2,020)
Net cash flows used in operating activities . . . . .	(102)
<b>Financing activities:</b>	
Capital contribution . . . . .	25,157
Net cash flows generated from financing activities . . . . .	25,157
Cash and cash equivalents at the beginning of the period . . . . .	—
Cash and cash equivalents at the end of the period . . . . .	<b>\$25,055</b>

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

**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**1. Company's activities**

Vista Oil & GAS, S.A. de C.V. (the "*Company*") is a corporation, (*sociedad anónima 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 Vista Sponsor Holdings, L.P. (the "*Sponsor*"), an indirect subsidiary of Riverstone Investment Group LLC.

The registered address and executive office of the Company is located at Javier Barros Sierra N° 540 Torre 2 floor, Lomas de Santa Fe, Delegación Álvaro Obregón, C.P. 01210 Mexico City.

At June 30, 2017, the Company has not commenced operations, and all the activity from March 22, 2017 to June 30, 2017 was related to the Company's organizational activities and the design and preparation for (1) the international offering of series A ordinary shares, no par value (the "*Series A Shares*") and warrants to purchase Series A Shares (the "*Series A Warrants*" and, together with the Series A Shares, the "*Units*") to (i) qualified institutional buyers in the United States and (ii) certain non-U.S. persons (the "*International Offering*") and (2) a concurrent initial public offering of Units in Mexico authorized by the Mexican National Banking and Securities Commission (the "*Mexican Offering*" and, together with the International Offering, the "*Global Offering*"). The Company will not generate operating income until the closing of the Initial Business Combination and will generate non-operating income in the form of interest on cash and cash equivalents after the Global Offering. The Company intends to finance the Initial Business Combination with the expected resources to be obtained from the Global Offering.

The financial statements and the accompanying notes were approved by the Company's shareholders (the "*Shareholders*") on July 20, 2017, and were considered subsequent events until that date. These financial statements and the related notes must be approved at a later date by the board of directors of the Company (the "*Board*") and the Company's Shareholders at the general shareholders' meeting. Collectively, the Board and Shareholders have the authority to approve or modify the financial statements of the Company.

At the date of the issuance of the financial statements, the Company does not have employees, therefore it has no labor obligations. Administrative services are provided by a third party.

**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements (Continued)**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**2. Basis of Preparation**

**a) Statement of compliance**

The financial statements of the Company for the period from March 22, 2017 to June 30, 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 to bank accounts with no interest accrual.

**b) Administrative expenses**

Administrative expenses mainly include fees for the professional services required for the incorporation of the Company and bank fees accrued during the reporting period. As disclosed in Note 10, necessary expenses for the issuance of the Mexico Offering and the International Offering that the Company plans to complete were covered by Riverstone Energy Partners, L.P. (“*Riverstone*”) and will be reimbursed only if the Company completes an Initial Business Combination.

**c) 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.

**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements (Continued)**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**3. Significant accounting policies (Continued)**

Income tax of the current period:

There is no recognition of income tax for the current period, given that the Company has not begun operations.

Deferred 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 June 30, 2017, the Company has generated a fiscal tax loss in the amount of \$7,931 which has not been accounted as a deferred tax asset because there is not certainty of such loss' recovery.

**d) Loss per share**

The Company presents net loss per share. The Company does not have potentially diluted shares and therefore its basic loss per share is equivalent to its diluted loss per share. Consequently, the basic loss per share is calculated by dividing the net loss between the weighted average number of ordinary shares outstanding during the adjusted period by the average weighted number of shares acquired during the year.

**e) 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.

**f) Financial risk management objectives and policies**

The Company's principal financial liabilities are comprised of payables to related parties. The main purpose of these financial liabilities is to finance the Company's operations. 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.

**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements (Continued)**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**3. Significant accounting policies (Continued)**

**(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.

**g) 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 June 30, 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 June 30, 2017.

**4. Cash and cash equivalents**

The statement of cash flows includes the petty cash and bank accounts in the equivalent amount of \$166 and \$24,889 respectively.

**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements (Continued)**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**5. Related party balance**

a) The statement of financial position includes the following amount with related parties:

		<u>For the period from March 22, 2017 to June 30, 2017</u>
<b>Current liabilities:</b>		
Riverstone Energy Partners, L.P. . . . . .	<b>Related party</b>	<b>\$9,530</b>

This amount is represented by the liabilities related to the expenses that the administration has incurred during the period from March 22, 2017 to June 30, 2017, related to the incorporation of the Company, including the subscription to the Mexican Stock Exchange, which were paid by Riverstone. As disclosed in Note 10, the Company has an agreement with Riverstone which establishes that the expenses related to the Global Offering will be reimbursed as long as the Global Offering is successful.

**6. 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 June 30, 2017, the assets, liabilities and transactions nominated in foreign currency, expressed in Mexican pesos ("Ps") (contractual amounts), are:

	<u>Applicable exchange rate(1)</u>	<u>For the period from March 22 to June 30, 2017</u>
<b>Balance:</b>		
<b>Current assets:</b>		
Petty cash . . . . .	0.055469	Ps. 3,000
Tax Recoverable (Value added tax) . . . . .	0.055469	23,697
Subscription rights . . . . .	0.055469	36,409
<b>Total</b> . . . . .		<b>Ps. 63,106</b>
<b>Current liabilities:</b>		
Payables to related party . . . . .	0.055469	Ps.171,805

(1) U.S. dollar by Mexican pesos

As disclosed in Note 10, Riverstone has to absorb on behalf of the Company costs related to the Global Offering. Those expenses will be reimbursed to Riverstone only if the Company successfully completes the Global Offering. At June 30, 2017, the amount of those expenses is \$4,190,000. That amount was not recorded in the financial statements of the Company given that it is dependent on the completion of the Global Offering.

At July 20, 2017, the issuance date of the accompanying financial statements, the exchange rate published by the Mexican Bank was \$17.4937 by U.S. dollar.

**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements (Continued)**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**7. Shareholders' Equity**

At June 30, 2017, the variable capital stock of the Company is represented by 10,000,000 issued and outstanding ordinary Series A nominative shares, without nominal value. The variable equity is unlimited.

The fixed capital is represented by two ordinary Series B nominative shares, with nominal value in the amount of Ps. 3,000 Mexican pesos.

At June 30, 2017, the share capital of the Company is integrated as follows:

Series of Shares	Shares as of June 30, 2017
A .....	10,000,000
B .....	2
Total .....	10,000,002

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 June 30, 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 June 30, 2017, the Company does not have CUFIN and the balance of the Capital Contribution Account ("CUCA") amounted to Ps. 457,511.

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

**8. 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.

**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements (Continued)**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**8. Income Tax (Continued)**

For the year ended June 30, 2017, the Company has determined tax losses of \$7,931. Tax losses are redeemable against future profits for a period of up to 10 years.

An analysis of deferred taxes shown in the statement of financial position is as follows:

	<b>2017</b>
<b>Deferred tax liabilities:</b>	
Subscription rights and others . . . . .	<b><u>\$(606)</u></b>
Deferred tax liability, net . . . . .	<b><u>\$(606)</u></b>

**b) A reconciliation of the statutory income tax rate to the effective income tax rate recognized by the Company for financial reporting purposes is as follows:**

	<b>2017</b>
Statutory income tax rate . . . . .	<b>30.0%</b>
Tax loss carryforwards . . . . .	<b>(39.08)</b>
Annual inflation tax adjustment . . . . .	<b>(0.43)</b>
Non-deductible commission expenses . . . . .	<b>(0.13)</b>
Effective income tax rate . . . . .	<b><u>(9.64)%</u></b>

**c) Tax balances**

As of June 30 2017, the Company has the following tax balances:

	<b>Amount</b>
Capital Contribution Account . . . . .	<b>Ps. 457,511</b>

**9. Loss per share**

Basic loss per share amounts are calculated by dividing net income 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.

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

	<b>2017</b>
Net loss . . . . .	<b><u>\$ (6,892)</u></b>
Weighted average of outstanding shares during the year . . . . .	<b><u>2,622,952</u></b>
Basic loss per common share . . . . .	<b><u>\$ (0.0026)</u></b>



**Vista Oil & Gas, S.A. de C.V.**  
**Notes to the financial statements (Continued)**  
**For the period from March 22, 2017 to June 30, 2017**  
**(Amounts expressed in U.S. dollars, unless otherwise indicated)**

**10. Commitments**

The Company has an agreement with Riverstone which provides, among other things, for the obligation of Riverstone to cover on behalf of the Company the costs related to the Global Offering. Those expenses will be reimbursed to Riverstone only if the Company successfully completes the Global Offering. At June 30, 2017 the amount of those expenses is \$4,190,000 and that amount was not recorded in the financial statements of the Company given that the accrual of such expenses is dependent on the completion of the Global Offering.

**11. Subsequent events**

On July 20, 2017, the Company's Shareholders adopted a split of Series A Shares representing the variable portion of the Company's capital stock in a 1 to 1.2368. As a result of this split, the Series A Shares increased to 12,368,000 shares with no par value.

**2. PRO FORMA FINANCIAL STATEMENTS; REPORT OF THE  
INDEPENDENT AUDITOR**



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# Report on the compilation of pro forma financial information included in a disclosure document

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

We have completed our assurance engagement to report on the compilation of pro forma financial information of Vista Oil and Gas, S.A.B. de C.V. (the Company) prepared by management. The condensed and combined pro forma unaudited financial information consists of the condensed and combined pro forma unaudited statements of financial position as at September 30, 2017 and December 31, 2016, the condensed and combined pro forma unaudited statements of income for the nine-month period ended September 30, 2017 and the year ended December 31, 2016, as well as the applicable criteria on the basis of which the Company has compiled the pro forma financial information. These criteria are specified in the Mexico's General Regulations Applicable to Issuers and Other Market Participants (the "General Rules for Issuers") that are described in Notes 3 and 4 of the condensed and combined pro forma unaudited financial statements included in Exhibit 2 of the Company's Disclosure Document (the Disclosure Document).

The condensed and combined pro forma unaudited financial information has been compiled by management to illustrate the impact of the Company's potential business combinations of Petrolera Entre Lomas, S.A. (PELSA), APCO Oil & Gas International (APCO International); the acquisition of 100% of the Medanito-25 de Mayo and Jagüel de los Machos concessions; and the acquisition from Pampa Energía of this company's 3.85% stake in the Entre Lomas, Bajada del Palo, and Agua Amarga concessions, as described in Note 2 of the condensed and combined pro forma unaudited financial statements, on the Company's financial position as at September 30, 2017 and December 31, 2016 and its financial performance for the nine-month period and year then ended, as if the acquisitions had taken place at December 31, 2016.

## ***Management's responsibility for the pro forma financial information***

Management is responsible for compiling the pro forma financial information on the basis of the criteria set forth in the General Rules for Issuers.

## ***Auditor's responsibility***

Our responsibility is to express an opinion, as required by the General Rules for Issuers, about whether the pro forma financial information has been compiled, in all material respects, by management on the basis specified in the General Rules for Issuers.

## ***Scope of our review***

We conducted our assurance engagement in accordance with International Standard for Assurance Engagements (ISAE) 3420 *Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the General Rules for Issuers.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

Since the purpose of pro forma financial information included in an unaudited Disclosure Document is solely to illustrate the impact of a significant corporate event or transaction on the Company's financial information as if the corporate event or transaction had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the acquisitions described in Note 4 as at September 30, 2017 and December 31, 2016 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the corporate event or transaction, and to obtain sufficient appropriate evidence about whether the related pro forma adjustments give appropriate effect to those criteria.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

***Opinion***

In our opinion, the condensed and combined pro forma unaudited financial information has been compiled, in all material respects, on the basis of the applicable criteria specified in the General Rules for Issuers.

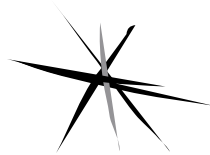
Mancera, S. C.  
A Member Practice of Ernst & Young Global Limited



C.P.C Juan Carlos Castellanos Lopez

Mexico City

February 19th, 2018



**VISTA OIL & GAS**

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

Condensed and Combined Pro forma Unaudited  
Financial Statements

For the nine month period ended September 30, 2017  
and the year ended December 31, 2016

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

Condensed and Combined Pro Forma Unaudited Financial Statements

As of September 30, 2017 and December 31, 2016

Contents:

Condensed and combined pro forma unaudited financial statements

Condensed and combined pro forma unaudited statements of financial position

Condensed and combined pro forma unaudited income statements

Notes to the condensed and combined pro forma unaudited financial statements

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

Condensed and combined pro forma unaudited statement of financial position

As of 30 September 2017 and 31 December 2016

(Amounts in U.S. dollars)

	September 30, 2017	December 31, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 97,459,974	\$ 81,213,085
Accounts receivable	45,984,237	43,810,290
Inventories (petroleum in stock)	10,822,749	10,898,094
Other currents	28,856,486	39,521,285
Total currents assets	<u>183,123,446</u>	<u>175,442,754</u>
Non-current assets:		
Property, plant and equipment, net	553,186,424	614,005,031
Investments in associates	4,363,727	4,363,727
Other non-current assets	24,506,176	963,664
Deferred income assets	4,334,000	4,784,965
Goodwill	300,463,016	300,463,016
Total non-current assets	<u>886,853,343</u>	<u>924,580,403</u>
Total assets	<u>\$ 1,069,976,789</u>	<u>\$ 1,100,023,157</u>
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable	\$ 42,648,877	\$ 52,451,024
Sundry creditors	846,798	846,798
Income tax payable	10,517,891	21,728,818
Other taxes payable	14,066,034	11,454,055
Other current liabilities	14,705,548	25,688,021
Total current liabilities	<u>82,785,148</u>	<u>112,168,716</u>
Non-current liabilities:		
Sundry creditors	550,000	550,000
Deferred income tax liability	125,512,515	135,855,765
Provisions and other non-current liabilities	78,610,426	76,227,782
Total non-current liabilities	<u>204,672,941</u>	<u>212,633,547</u>
Total liabilities	<u>\$ 287,458,089</u>	<u>\$ 324,802,263</u>
Shareholders' equity		
Accumulated results	\$ 744,321,362	\$ 744,321,362
Total shareholders' equity	<u>38,197,338</u>	<u>30,899,532</u>
Total liabilities and shareholders' equity	<u>\$ 1,069,976,789</u>	<u>\$ 1,100,023,157</u>



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

Condensed and combined pro forma unaudited income statement

For the nine month period ended September 30, 2017  
and the year ended December 31, 2016

(Amounts in U.S. dollars)

	For the 9 month period ended September, 30 2017 (Unaudited)	For the year ended December, 31, 2016 (Unaudited)	Income Statement equivalent to nine month period ended September 30, 2016 (Unaudited)
Net sales	\$ 333,939,180	\$ 574,557,868	\$ 430,918,401
Cost of sales	(268,660,408)	(397,788,009)	(298,341,007)
Gross profit	65,278,772	176,769,859	132,577,394
Administrative expenses	(10,539,244)	(13,844,131)	(10,383,098)
Selling expenses	(10,841,557)	(15,689,663)	(11,767,247)
Exploration expenses	(1,086,352)	(4,481,789)	(3,361,342)
Other income	228,423	1,000,000	750,000
Other expenses	(4,824,222)	(50,855,359)	(38,141,519)
Operating income	38,215,820	92,898,917	69,674,188
Interest expense	(7,456,207)	(15,264,591)	(11,448,443)
Interest income	2,829,817	1,781,984	1,336,488
Foreign exchange loss	-	(2,266)	(1,700)
Profit before income taxes	33,589,430	79,414,044	59,560,533
Income taxes	(19,838,186)	(48,514,512)	(36,385,884)
Net profit	\$ 13,751,244	\$ 30,899,532	\$ 23,174,649



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

Notes to the condensed and combined pro forma unaudited financial Statements

(Amounts in US dollars)

As of September 30, 2017 and for the year ended December 31, 2016

Note 1 – Formation; business

Vista Oil & Gas, S.A.B. de C.V. (the "Company") is a publicly traded variable stock capital company (sociedad anónima bursátil de capital variable) under the laws of Mexico on March 22, 2017. The Company was formed as a special purpose acquisition company ("SPAC") to pursue the consummation of a merger, assets acquisition, shares acquisition, equity interests or other interests, business combination, consolidation, reorganization, or other similar business combination transaction, howsoever designated, with any other business or entity (the "Initial Business Combination").

The purpose of the Company is, among other things, to (i) acquire, by any lawful means whatsoever, all kinds of assets and shares or equity or other interests in any type of Mexican or non-Mexican corporation, company, association, partnership, trust, or other entity engaged in the energy sector; (ii) participate as partner, shareholder or investor in any type of business, corporation, company, association, partnership, trust, or other entity; (iii) issue and sell shares of its own stock to the public or privately in the domestic or international markets; (iv) issue and sell warrants whose underlying instruments are its shares of stock or other securities, in the domestic or international markets; and (v) issue and sell debt securities or credit or other instruments to the public or privately in the domestic or international markets. The Company was originally formed by certain subsidiaries of Riverstone Investment Group LLC.

The Company's registered address is in Mexico City, Mexico, and its corporate headquarters are located at Javier Barros Sierra No. 540, Tower 2, Floor 2, Colonia Lomas de Santa Fe, C.P. 01210, Álvaro Obregon, Mexico City, Mexico.

The activities carried out by the Company since its date of formation on March 22, 2017 to September 30, 2017, were of a post-formation nature, related to the conduction of its initial public offering (the "Initial Public Offering") described below or to the Company's efforts to identify and consummate a suitable Initial Business Combination. As of September 30, 2017, the Company had not generated any operating revenues.

2.

On August 15, 2017, the settlement date of the Initial Public Offering, the Company received the gross proceeds for an amount of \$650,016,589 (including the Deferred Underwriting Fee), and deposited such proceeds in an Escrow Account with Citibank N.A., London Branch, as escrow agent. The Company intends to use the amount deposited in the Escrow Account to finance the Initial Business Combination, among other things.

#### Note 2 –Condensed and combined pro forma unaudited financial statements

The condensed and combined pro forma unaudited financial statements of the Company were prepared to give effect to the “Potential Transactions” of the shares of stock of the following oil and gas companies located in Argentina:

(i) Petrolera Entre Lomas, S.A. (PELSA), (ii) APCO Oil & Gas International (“APCO International”), (iii) a 100% interest in each of the Medanito-25 de Mayo and Jagüel de los Machos exploitation concessions, and (iv) the acquisition from Pampa Energia, S.A. of a 3.85% interest in the Entre Lomas, Bajada del Palo and Agua Amarga exploitation concessions.

The financial statements of each “Potential Transactions” have been prepared in the Company’s functional and reporting currency, i.e., the U.S. dollar and have been prepared using unaudited gather financial information of each one of these Potential Transactions. The aggregate price of these Potential Transactions is expected to be \$ 734,878,400, payable (see Note 4).

The condensed and combined pro forma unaudited financial statements consider as if potential transactions had been closed as of December 31, 2016, as a consequence, amounts that have been reported by management are based on assumptions that have been occurred in 2016 period and during the nine month period ended September 30, 2017

The condensed and combined pro forma unaudited financial statements consider that the Potential Transactions have been financed with:

- a) the cash available to the Company at the closing date of such transactions,
- b) the net proceeds from the Initial Public Offering, net of the deferred underwriting fees payable to the underwriters and reimbursement the interest accrued by the Escrow Account
- c) the proceeds from the private placement with Riverstone Vista Capital Partners, L.P., and
- d) the proceeds from the sale of the Series A Shares issued through certain Subscription Agreements executed and the Exercise of Shareholders’ Preemptive Rights.

The Company expects to consummate the Potential Transactions within the first few months of 2018.

#### Note 3 – Judgements of condensed and combined pro forma unaudited financial statements

The Company's condensed and combined pro forma unaudited statement of financial position as of September 30, 2017 and December 31, 2016, and condensed and combined pro forma unaudited income statement for the nine-month period ended September 30, 2017 and the twelve month period ended on December 31, 2016, have been prepared to comply with regulatory ruling issued by Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores "CNBV") in accordance with International Financial Reporting Standards (IFRS).

#### Functional currency

The financial statements have been prepared using US dollar as functional and reporting currency.

Due to Medanito-25 de Mayo and Jagüel de los Machos report their financial information in Argentine pesos, such information related to statement of financial position has been translated to U.S. dollars using closing exchange rate of Ps/Ar\$ 17.25 to U.S. \$ 1 (\$Ps/Ar\$ 16.10 to U.S.\$ 1 in 2016) and information related to income statement has been translated to U.S. dollars using an average exchange rate of Ps/Ar\$ 17.21 to U.S.\$ 1 (Ps/Ar \$ 14.78 to U.S.\$ 1 in 2016).

#### International Financial Reporting Standards

We have conducted an analysis of the potential differences between IFRS and the accounting standards in Argentine, and have concluded that no material difference exists between such reporting standards which could affect the attached pro forma statements of financial position and/or pro forma income statements.

#### Use of estimates

In preparing the statements of financial position included in this section, the Company's management has made estimates and assumptions that involve judgments based on the information available to it, which may affect the information contained in such statements. The Company's actual results may differ from such estimates.

#### Note 4 - Basis for the Preparation of the Pro Forma Financial Statements

Due to the Company was formed on March 22, 2017, there is no financial information available of the Company as of December 31, 2016, therefore, the condensed and combined pro forma unaudited financial statements assume the creation of the Company on December 31, 2016 along with the acquisition of the Potential Transactions.

4.

The purpose of the condensed and combined pro forma unaudited financial statements is to give effect to the Potential Transactions described in Note 2 as if such transactions had been consummated on September 30, 2017 and December 31, 2016.

As described in Note 2, the financial information gathered from Potential Transactions and used in the preparation of condensed and combined pro forma unaudited statement of financial position and condensed and combined pro forma unaudited income statement as of September 30, 2017 and December 31, 2016 is unaudited.

The statements of financial position as of September 30, 2017 and December 31, 2016, and in the income statements for the nine-month period ended September 30, 2017 and the year ended December 31, 2016, include the following pro forma adjustments:

#### Elimination adjustment

- An adjustment to eliminate investment of shares in associated PELSA that APCO International has it, PELSA figures are been consolidated under the column PELSA y Entre Bajada Lomas, Bajada de Palo y Agua Amarga, this elimination corresponds to the fact that as per the acquisition of interest on PELSA, control has been obtained over such entity. The amounts adjusted as of September 30, 2017 and as of December 31, 2017 were \$ 184,423,315 and \$ 186,339,000 respectively. The pro forma financial statements assumed there is no equity method recorded in the periods included that should be eliminated.

#### Adjustments arising from approval of the potential transactions

The pro forma adjustments arising from the approval of our shareholders to celebrate the potential transactions are:

- The release of the \$650,847,969 available in the Escrow Account as of September 30, 2017, and the use of such funds to:
  - (i) pay deferred underwriting fees, or \$19,500,000, plus the value added tax (VAT) attributable to such fees for \$3,120,000;
  - (ii) reimbursement of the interest accrued by the Escrow Account for \$847,969; and
  - (iii) the remaining balances will be used to finance the Initial Business Combination.
  - (iv) payment of fees to the banks for \$ 3,000,000, related to commitment letter recorded as financial expenses, see Note 5.
- Concurrently with the above, the capitalization of the proceeds from the Initial Public Offering for \$642,189,854, which were initially recorded as a liability under "Series A Shares subject to reimbursement," minus the emission expenses incurred in connection with the Initial Public Offering for \$ 8,674,974, by transferring to shareholder´s equity this transaction does not generate cash flows.

- The recognition of a \$1,000,000 received from Riverstone Vista Capital Partners, L.P. ("RVCP") (an affiliate of Riverstone Sponsor) as a consideration for entering into the Forward Purchase Agreement described below, which was accounted as other income in the income statement as of December 31, 2016.
- The recognition of proceeds of \$50,000,000 from the private placement of 5,000,000 Series A Shares pursuant to the Forward Purchase Agreement with RVCP increasing shareholder's equity by a total amount of \$50,000,000.

#### Adjustments arising from the sale of additional shares

- The recognition of proceeds of \$100,000,000 from the sale of 10,000,000 Series A Shares issued in connection with a capital increase through certain Subscription Agreements executed and the Exercise of Shareholders' Preemptive Rights, net of the estimated emission expenses for \$ 3,400,000 represented by the fees due and payable to independent advisors.

Such fees will accrue VAT in the amount of \$76,800, which may be deducted in the future in accordance with the applicable law. VAT has been included as other expenses.

#### Adjustments arising from initial effects of potential transactions

- The initial effects of the recognition of the potential transactions of PELSA, APCO International and the Medanito-25 de Mayo and Jagüel de los Machos concessions, and the 3.85% interest acquired from Pampa Energia in the exploitation concessions located in the provinces of Neuquén and Río Negro (i.e., Entre Lomas, Bajada del Palo and Agua Amarga) in accordance with IFRS 3 - Business Combinations.
- The consideration transferred by business considered in the pro forma adjustments was \$734,878,400, gave rise to the initial recognition of goodwill in the amount of \$188,105,016 which was reported under intangible assets. Upon completion of the transactions, the fair value of the net assets acquired, recognized in accordance with IFRS 3, will differ from the pro forma adjustment described herein.
- Reduction from an accounts payable with related parties arising from APCO International as of September 30, 2017 and December 31, 2016 for \$ 374,785,000 and \$376,929,000 respectively, that will be settled as part of the Potential Transaction, the reduction of the account payable generates an increased in the net assets acquired from APCO, this transaction does not generate cash flows.

6.

As of December 31, 2016, details of net assets acquired obtained from acquisition of potential transactions are as follows

Total current assets, (including cash acquired of \$ 38,403,736)	\$ 132,633,405
Total non-current assets	<u>736,337,044</u>
Total assets	<u>\$ 868,970,449</u>
Total current liabilities	\$ 110,113,518
Total non-current liabilities, (including related parties payable arising from APCO of \$ 376,929,000, this liability would not be acquired by the Company, considering that prior to acquisition APCO will capitalize such liability)	<u>589,012,547</u>
Total liabilities	<u>699,126,065</u>
Net assets acquired	\$ 169,844,384
Plus:	
Related parties payable from APCO that would not be acquired by the Company, considering that prior to acquisition APCO will capitalize such liability	376,929,000
Total net assets acquired	<u>\$ 546,773,384</u>
Goodwill arising in acquisition	<u>188,105,016</u>
Total consideration transferred paid in cash	<u>\$ 734,878,400</u>
Cash flow in acquisition:	
Cash acquired from business acquisition	\$ 38,403,736
Total consideration transferred paid in cash	<u>(734,878,400)</u>
Net cash flow in business acquisition	<u>\$ (696,474,664)</u>

VISTA OIL & GAS, S.A.B. DE C.V.  
Condensed and combined pro forma unaudited statement of financial position  
as of September 30, 2017  
(Amounts in U.S. dollars)

	Vista Oil & Gas (Unaudited)	Pelsa (Unaudited)	Entre Lomas, Bajada del Palo & Agua (Unaudited)	Jaquel- Medianito (Unaudited)	APCO O&G (Unaudited)	Elimination Adjustment	Total Combined (Unaudited)	Adjustments arising from approval of the			Pro forma Statement of Financial Position (Unaudited)
								potential transactions	Adjustments arising from the sale of additional shares	Adjustments arising from initial effects of potential transactions	
<b>Assets</b>											
<b>Current assets:</b>											
Cash and cash equivalents	\$ 5,784,549	\$ 42,765,799	\$ 89,871	\$ 3,258,955	\$ 8,536,000	\$ -	\$ 60,435,174	\$ 675,380,000	\$ 96,523,200	\$ (734,878,400)	\$ 97,459,974
Accounts receivable	-	26,654,856	-	12,643,381	6,686,000	-	45,984,237	-	-	-	45,984,237
Inventories (petroleum in stock)	-	9,259,301	366,448	-	1,197,000	-	10,822,749	-	-	-	10,822,749
Other current assets	-	15,195,555	152,130	5,124,801	8,384,000	-	28,856,486	-	-	-	28,856,486
<b>Total current assets</b>	<b>5,784,549</b>	<b>93,875,511</b>	<b>608,449</b>	<b>21,027,137</b>	<b>24,803,000</b>	<b>-</b>	<b>146,098,646</b>	<b>675,380,000</b>	<b>96,523,200</b>	<b>(734,878,400)</b>	<b>183,123,446</b>
<b>Non-current assets:</b>											
Property, plant and equipment, net	-	292,182,820	15,023,005	154,726,599	91,254,000	-	553,186,424	-	-	-	553,186,424
Investments in associates	-	63,727	-	43,158	188,680,157	(184,423,315)	4,363,727	-	-	-	4,363,727
Investment in escrow account	650,847,969	-	-	-	-	-	650,847,969	(650,847,969)	-	-	-
Other non-current assets	138,343	4,793,161	17,672	-	19,557,000	-	24,506,176	-	-	-	24,506,176
Deferred tax assets	-	-	-	-	4,334,000	-	4,334,000	-	-	-	4,334,000
Goodwill	-	-	-	-	112,358,000	-	112,358,000	-	-	188,105,016	300,463,016
<b>Total non-current assets</b>	<b>650,986,312</b>	<b>297,039,708</b>	<b>15,040,677</b>	<b>154,769,757</b>	<b>416,183,157</b>	<b>(184,423,315)</b>	<b>1,349,596,296</b>	<b>(650,847,969)</b>	<b>-</b>	<b>188,105,016</b>	<b>886,853,343</b>
<b>Total assets</b>	<b>\$ 656,770,861</b>	<b>\$ 390,915,219</b>	<b>\$ 15,649,126</b>	<b>\$ 175,796,894</b>	<b>\$ 440,986,157</b>	<b>\$ (184,423,315)</b>	<b>\$ 1,495,694,942</b>	<b>\$ 24,532,031</b>	<b>\$ 96,523,200</b>	<b>\$ (546,773,384)</b>	<b>\$ 1,069,976,789</b>
<b>Liabilities and equity</b>											
<b>Current liabilities:</b>											
Accounts payable	\$ 3,317,450	\$ 17,666,314	\$ 805,043	\$ 14,194,070	\$ 6,666,000	-	42,648,877	-	-	-	42,648,877
Sundry creditors	846,798	-	-	-	-	-	846,798	-	-	-	846,798
Income tax payable	-	2,284,800	-	7,292,091	941,000	-	10,517,891	-	-	-	10,517,891
Other taxes payable	3,760	5,331,200	424,338	2,926,736	5,380,000	-	14,066,034	-	-	-	14,066,034
Other current liabilities	-	2,868,457	55,816	9,343,275	2,438,000	-	14,705,548	-	-	-	14,705,548
<b>Total current liabilities</b>	<b>4,168,008</b>	<b>28,150,771</b>	<b>1,285,197</b>	<b>33,756,172</b>	<b>15,425,000</b>	<b>-</b>	<b>82,785,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,785,148</b>
<b>Non-current liabilities:</b>											
Redeemable Class A Common Stock to Public net, from offering expenses	\$ 642,189,854	\$ -	\$ -	\$ -	\$ -	\$ -	642,189,854	\$ (642,189,854)	\$ -	\$ -	\$ -
Sundry creditors	550,000	-	-	-	-	-	550,000	-	-	-	550,000
Deferred tax liabilities	-	52,514,238	2,763,907	27,804,370	42,430,000	-	125,512,515	-	-	-	125,512,515
Payables to related parties	-	-	-	-	374,785,000	-	374,785,000	-	-	(374,785,000)	-
Provisions and other non-current liabilities	-	19,808,107	1,042,532	52,280,787	5,479,000	-	78,610,426	-	-	-	78,610,426
<b>Total non-current liabilities</b>	<b>642,739,854</b>	<b>72,322,345</b>	<b>3,806,439</b>	<b>80,085,157</b>	<b>422,694,000</b>	<b>-</b>	<b>1,221,647,795</b>	<b>(642,189,854)</b>	<b>-</b>	<b>(374,785,000)</b>	<b>204,672,941</b>
<b>Total liabilities</b>	<b>\$ 646,907,862</b>	<b>100,473,116</b>	<b>5,091,636</b>	<b>113,841,329</b>	<b>438,119,000</b>	<b>-</b>	<b>\$ 1,304,432,943</b>	<b>\$ (642,189,854)</b>	<b>\$ -</b>	<b>\$ (374,785,000)</b>	<b>\$ 287,458,089</b>
<b>Shareholders' equity</b>											
Accumulated results	\$ 14,865,424	\$ 291,048,814	\$ 11,531,961	\$ 14,409,662	\$ 207,000	\$ (186,339,000)	\$ 145,723,861	\$ 671,841,885	\$ 96,600,000	\$ (169,844,384)	\$ 744,321,362
Total shareholders' equity	(5,002,425)	(606,711)	(974,471)	47,545,903	2,660,157	1,915,685	45,538,138	(5,120,000)	(76,800)	(2,144,000)	38,197,338
<b>Total liabilities and shareholders' equity</b>	<b>9,862,999</b>	<b>290,442,103</b>	<b>10,557,490</b>	<b>61,955,565</b>	<b>2,867,157</b>	<b>(184,423,315)</b>	<b>191,261,999</b>	<b>666,721,885</b>	<b>96,523,200</b>	<b>(171,988,384)</b>	<b>782,518,700</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 656,770,861</b>	<b>\$ 390,915,219</b>	<b>\$ 15,649,126</b>	<b>\$ 175,796,894</b>	<b>\$ 440,986,157</b>	<b>\$ (184,423,315)</b>	<b>\$ 1,495,694,942</b>	<b>\$ 24,532,031</b>	<b>\$ 96,523,200</b>	<b>\$ (546,773,384)</b>	<b>\$ 1,069,976,789</b>

8.

VISTA OIL & GAS, S.A.B. DE C.V.  
Condensed and combined pro forma unaudited income statement  
for the nine-month period ended September 30, 2017  
(Amounts in U.S. dollars)

	Vista Oil & Ga	Pelsa	Entre Lomas, Bajada del Palo & Agua	Jaquel- Medianito	APCO O&G	Elimination	Total Combined	Adjustments arising from approval of the	Adjustments arising from the sale of	Adjustments arising from initial effects of	Pro forma income Statement
	(Unaudited)	(Unaudited)	(Unaudited)	(100%) (Unaudited)	(Unaudited)	adjustment	(Unaudited)	potential transactions	additional shares	potential transactions	(Unaudited)
Net sales	\$ -	\$ 160,680,017	\$ 8,456,843	\$ 106,565,320	\$ 58,237,000	\$ -	\$ 333,939,180	\$ -	\$ -	\$ -	\$ 333,939,180
Cost of sales	-	(136,433,047)	(7,180,687)	(77,812,674)	(47,234,000)	-	(268,660,408)	-	-	-	(268,660,408)
Gross profit (loss)	-	24,246,970	1,276,156	28,752,646	11,003,000	-	65,278,772	-	-	-	65,278,772
Administrative expenses	(2,112,810)	(3,821,868)	(201,151)	(115,415)	(4,288,000)	-	(10,539,244)	-	-	-	(10,539,244)
Selling expenses	-	(8,051,779)	(423,778)	-	(2,366,000)	-	(10,841,557)	-	-	-	(10,841,557)
Exploration expenses	-	(802,134)	(42,218)	-	(242,000)	-	(1,086,352)	-	-	-	(1,086,352)
Other income	-	217,001	11,422	-	-	-	228,423	-	-	-	228,423
Other expenses	-	(5,585,504)	(293,974)	296,256	759,000	-	(4,824,222)	-	-	-	(4,824,222)
Operating income (loss)	(2,112,810)	6,202,686	326,457	28,933,487	4,866,000	-	38,215,820	-	-	-	38,215,820
Interest expense	-	(573,903)	(30,205)	(6,852,099)	-	-	(7,456,207)	-	-	-	(7,456,207)
Interest income	-	747,476	39,341	-	2,043,000	-	2,829,817	-	-	-	2,829,817
(Loss) profit before income taxes	(2,112,810)	6,376,259	335,593	22,081,388	6,909,000	-	33,589,430	-	-	-	33,589,430
Income taxes	-	(7,583,940)	(399,155)	(7,292,091)	(4,563,000)	-	(19,838,186)	-	-	-	(19,838,186)
Net (loss) profit	\$ (2,112,810)	\$ (1,207,681)	\$ (63,562)	\$ 14,789,297	\$ 2,346,000	-	\$ 13,751,244	-	.	-	13,751,244



VISTA OIL & GAS, S.A.B. DE C.V.  
Condensed and combined pro forma unaudited income statement  
as of December 31 2016  
(Amounts in U.S. dollars)

	Vista Oil & Gas (Unaudited)	Pelsa (Unaudited)	Entre Lomas, Bajada del Palo & Agua Amarga (Unaudited)	Jaquel Medanito (Unaudited)	APCO O&G (Unaudited)	Elimination adjustment	Total Combined (Unaudited)	Adjustments arising from approval of the potential transaction	Adjustments arising from the sale of additional shares	Adjustments arising from initial effects of potential transactions	Pro forma Statement of Financial Position (Unaudited)
<b>Assets</b>											
<b>Current assets:</b>											
Cash and cash equivalents	\$ 5,784,549	\$ 25,881,681	\$ 170,990	\$ 2,946,065	\$ 9,405,000	\$ -	\$ 44,188,285	\$ 675,380,000	\$ 96,523,200	\$(734,878,400)	\$ 81,213,085
Accounts receivable	-	19,657,137	2,688	15,703,465	8,447,000	-	43,810,290	-	-	-	43,810,290
Inventories (petroleum in stock)	-	9,024,094	-	-	1,874,000	-	10,898,094	-	-	-	10,898,094
Other currents	-	13,502,074	241,750	3,748,461	22,029,000	-	39,521,285	-	-	-	39,521,285
<b>Total current assets</b>	<b>5,784,549</b>	<b>68,064,986</b>	<b>415,428</b>	<b>22,397,991</b>	<b>41,755,000</b>	<b>-</b>	<b>138,417,954</b>	<b>675,380,000</b>	<b>96,523,200</b>	<b>(734,878,400)</b>	<b>175,442,754</b>
<b>Non-current assets:</b>											
Property, plant and equipment, net	-	335,713,719	17,252,251	157,155,061	103,884,000	-	614,005,031	-	-	-	614,005,031
Investments in associates	-	63,727	-	-	190,639,000	(186,339,000)	4,363,727	-	-	-	4,363,727
Investment in escrow account	650,847,969	-	-	-	-	-	650,847,969	(650,847,969)	-	-	-
Other non-current assets	138,343	478,634	21,866	24,674	300,147	-	963,664	-	-	-	963,664
Deferred tax assets	-	4,780,112	-	-	4,853	-	4,784,965	-	-	-	4,784,965
Goodwill	-	-	-	-	112,358,000	-	112,358,000	-	-	188,105,016	300,463,016
<b>Total non-current assets</b>	<b>650,986,312</b>	<b>341,036,192</b>	<b>17,274,117</b>	<b>157,179,735</b>	<b>407,186,000</b>	<b>(186,339,000)</b>	<b>1,387,323,356</b>	<b>(650,847,969)</b>	<b>-</b>	<b>188,105,016</b>	<b>924,580,403</b>
<b>Total assets</b>	<b>\$ 656,770,861</b>	<b>\$ 409,101,178</b>	<b>\$ 17,689,545</b>	<b>\$ 179,577,726</b>	<b>\$ 448,941,000</b>	<b>\$ (186,339,000)</b>	<b>\$ 1,525,741,310</b>	<b>\$ 24,532,031</b>	<b>\$ 96,523,200</b>	<b>\$(546,773,384)</b>	<b>\$ 1,100,023,157</b>
<b>Liabilities and equity</b>											
<b>Current liabilities:</b>											
Accounts payable	\$ 1,204,640	\$ 18,476,672	\$ 942,990	\$ 24,158,722	\$ 7,668,000	\$ -	\$ 52,451,024	\$ -	\$ -	\$ -	\$ 52,451,024
Sundry creditors	846,798	-	-	-	-	-	846,798	-	-	-	846,798
Income tax payable	-	5,382,419	-	16,101,554	244,845	-	21,728,818	-	-	-	21,728,818
Other taxes payable	3,760	5,917,231	544,971	2,286,938	2,701,155	-	11,454,055	-	-	-	11,454,055
Other current liabilities	-	4,001,863	234,140	13,543,018	7,909,000	-	25,688,021	-	-	-	25,688,021
<b>Total current liabilities</b>	<b>2,055,198</b>	<b>33,778,185</b>	<b>1,722,101</b>	<b>56,090,232</b>	<b>18,523,000</b>	<b>-</b>	<b>112,168,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,168,716</b>
<b>Non-current liabilities:</b>											
Redeemable Class A Common Stock to Public net from offering expenses	642,189,854	-	-	-	-	-	642,189,854	(642,189,854)	-	-	-
Sundry creditors	550,000	-	-	-	-	-	550,000	-	-	-	550,000
Deferred tax liabilities	-	57,274,551	3,014,450	28,240,764	47,326,000	-	135,855,765	-	-	-	135,855,765
Payables to related parties	-	-	-	-	376,929,000	-	376,929,000	-	-	(376,929,000)	-
Provisions and other non-current liabilities	-	19,817,421	1,043,022	49,687,339	5,680,000	-	76,227,782	-	-	-	76,227,782
<b>Total non-current liabilities</b>	<b>642,739,854</b>	<b>77,091,972</b>	<b>4,057,472</b>	<b>77,928,103</b>	<b>429,935,000</b>	<b>-</b>	<b>1,231,752,401</b>	<b>(642,189,854)</b>	<b>-</b>	<b>(376,929,000)</b>	<b>212,633,547</b>
<b>Total liabilities</b>	<b>\$ 644,795,052</b>	<b>\$ 110,870,157</b>	<b>\$ 5,779,573</b>	<b>\$ 134,018,335</b>	<b>\$ 448,458,000</b>	<b>\$ -</b>	<b>\$ 1,343,921,117</b>	<b>\$(642,189,854)</b>	<b>-\$</b>	<b>\$(376,929,000)</b>	<b>\$ 324,802,263</b>
<b>Shareholders' equity</b>											
Shareholders' equity	\$ 14,865,424	\$ 291,048,814	\$ 11,531,961	\$ 14,409,662	\$ 207,000	\$(186,339,000)	\$ 145,723,861	\$ 671,841,885	\$ 96,600,000	\$(169,844,384)	\$ 744,321,362
Accumulated results	(2,889,615)	7,182,207	378,011	31,149,729	276,000	-	36,096,332	(5,120,000)	(76,800)	-	30,899,532
<b>Total shareholders' equity</b>	<b>11,975,809</b>	<b>298,231,021</b>	<b>11,909,972</b>	<b>45,559,391</b>	<b>483,000</b>	<b>(186,339,000)</b>	<b>181,820,193</b>	<b>666,721,885</b>	<b>96,523,200</b>	<b>(169,844,384)</b>	<b>775,220,894</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 656,770,861</b>	<b>\$ 409,101,178</b>	<b>\$ 17,689,545</b>	<b>\$ 179,577,726</b>	<b>\$ 448,941,000</b>	<b>\$(186,339,000)</b>	<b>\$ 1,525,741,310</b>	<b>\$ 24,532,031</b>	<b>\$ 96,523,200</b>	<b>\$(546,773,384)</b>	<b>\$ 1,100,023,157</b>

VISTA OIL & GAS, S.A.B. DE C.V.  
Condensed and combined pro forma unaudited income statement  
for the year ended December 31, 2016  
(Amounts in U.S. dollars)

	Vista Oil & Gas (Unaudited)	Pelsa (Unaudited)	Entre Lomas, Bajada del Palo & Agua Amarga (Unaudited)	Jaquel Medanito (Unaudited)	APCO O&G (Unaudited)	Elimination adjustment	Total Combined (Unaudited)	Adjustments arising from approval of the potential transaction	Adjustments arising from the sale of additional shares	Adjustments arising from initial effects of potential transactions	Pro forma income Statement (Unaudited)	Pro forma Income Statement Equivalent to nine month period (Unaudited)
Net sales	\$ -	\$ 234,274,589	\$ 12,330,242	\$ 244,031,037	\$ 83,922,000	\$ -	\$ 574,557,868	\$ -	\$ -	\$ -	\$ 574,557,868	\$ 430,918,401
Cost of sales	-	(172,597,557)	(9,084,082)	(151,230,370)	(64,876,000)	-	(397,788,009)	-	-	-	(397,788,009)	(298,341,007)
Gross profit)	-	61,677,032	3,246,160	92,800,667	19,046,000	-	176,769,859	-	-	-	176,769,859	132,577,394
Administrative expenses	(1,408,540)	(5,832,508)	(306,974)	(163,109)	(6,133,000)	-	(13,844,131)	-	-	-	(13,844,131)	(10,383,098)
Selling expenses	-	(10,956,030)	(576,633)	-	(4,157,000)	-	(15,689,663)	-	-	-	(15,689,663)	(11,767,247)
Exploration expenses	-	(3,176,970)	(167,209)	(72,610)	(1,065,000)	-	(4,481,789)	-	-	-	(4,481,789)	(3,361,342)
Other income	-	-	-	-	-	-	-	1,000,000	-	-	1,000,000	750,000
Other expenses	(705,132)	(11,401,327)	(600,070)	(32,269,030)	(2,683,000)	-	(47,658,559)	(3,120,000)	( 76,800)	-	(50,885,359)	(38,141,519)
Operating income (loss)	(2,113,672)	30,310,197	1,595,274	60,295,918	5,008,000	-	95,095,717	(2,120,000)	( 76,800)	-	92,898,917	69,674,188
Interest expense	(773,677)	(914,165)	(48,114)	(13,044,635)	2,516,000	-	(12,264,591)	-	-	(3,000,000)	(15,264,591)	(11,448,443)
Interest income	-	1,692,885	89,099	-	-	-	1,781,984	-	-	-	1,781,984	1,336,488
Foreign exchange (loss) gain, net	(2,266)	-	-	-	-	-	(2,266)	-	-	-	(2,266)	(1,700)
(Loss) profit before income taxes	(2,889,615)	31,088,917	1,636,259	47,251,283	7,524,000	-	84,610,844	(2,120,000)	(76,800)	(3,000,000)	79,414,044	59,560,133
Income taxes	-	(23,906,710)	(1,258,248)	(16,101,554)	(7,248,000)	-	(48,514,512)	-	-	-	(48,514,512)	(36,385,884)
Net (loss) profit	\$ (2,889,615)	\$ 7,182,207	\$ (378,011)	\$ 31,149,729	\$ 276,000	-	\$ 36,096,332	\$ (2,120,000)	\$ (76,800)	\$ (3,000,000)	\$ 30,899,532	\$ 23,174,649

## Note 5 – Subsequent events

### Pampetrol Agreement

On October 25, 2017 Pampetrol S.A.P.E.M (PAMPETROL) entered into a service agreement expiring on October 28, 2026 with Petrobras Argentina S.A. (PESA), a company that was absorbed by Pampa Energia S.A. as a result of a merger process.

In accordance with the provisions of the service agreement, PESA will provide the following services to PAMPETROL at the facilities operated by PESA, which are located in the Medanito-25 de Mayo hydrocarbon exploitation concession area the following services:

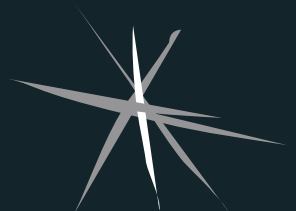
i) daily reception of gross production delivered by PAMPETROL or third parties at the reception point established as the treatment plant, ii) oil separation, treatment and conditioning, iii) transportation and delivery of conditioned oil from the facilities to the delivery point (established in the agreement as Planta Oldelval S.A. located in Medanito-25 de Mayo), iv) separation, treatment and pumping of the water produced to be injected in disposal wells and/or injectors in the Río Negro and Pampa provinces, v) transportation and distribution of the portion of the water to be injected in Río Negro, vi) operation and maintenance of the disposal wells and the injectors linked to the injection of the water produced in Río Negro, and vii) provision of electricity services.

As part of the purchase transaction of Medanito-25 de Mayo hydrocarbon exploitation concession area to Pampa Energia, the Company will acquire the rights of the aforementioned service agreement, if the Potential Transaction takes place. Since the related agreement came into effect on October 25, 2017, the attached pro forma financial information as at September 30, 2017 does not include the potential effects of such agreement.

### Commitment letter

On February 12<sup>th</sup>, 2018, the Company executed a Commitment Letter with Citigroup Global Markets Inc., Credit Suisse AG and 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 of up to \$300,000,000, which we intend to use as a backstop for the financing of the Transaction, to the extent necessary.

### **3. PRESENTATION FOR INVESTORS**



**VISTA**OIL & GAS

# Investor Presentation

February 2018

# About this Presentation

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## **Purpose of this Presentation**

*We are providing this presentation for informational purposes only. This presentation does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any securities.*

*In this presentation:*

- *the terms “Vista”, “Vista Oil & Gas”, “Issuer”, “Company”, “us”, “we” or “our” refer to Vista Oil & Gas, S.A.B. de C.V., and*
- *the term “Riverstone” refers to “Riverstone Investment Group LLC”, a limited liability company incorporated under the laws of the State of Delaware, United States of America, as well as to its affiliate entities and funds.*

*This presentation is being provided by Vista, and is not being provided by, and shall not constitute a presentation of, Riverstone. An investment in Vista does not constitute an investment in Riverstone or any of its funds. Riverstone’s historic results or those of its funds are not necessarily indicative of Vista’s future performance.*

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## **Other Matters**

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# Important Note Regarding Projections and Other Forward-Looking Statements

*This presentation contains forward-looking statements, including projections, estimates, targets and goals, information regarding potential operational results and descriptions of our business strategies, intentions and plans. Forward-looking statements may be identified by such words as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and other similar terms and expressions. Forward-looking statements are not historical facts. They are based on expectations, beliefs, forecasts and projections, as well as on beliefs by our management team, that, while made on a good faith basis, are inherently uncertain and beyond our control. Forward-looking statements that cover multiple future periods are, by their nature, more uncertain and subject to factors that could cause them to differ materially from actual results. Any such expectations, beliefs, forecasts and projections are made only as of the date of this presentation. We undertake no obligation to update any such information or any forward-looking statement made in this presentation after the date hereof.*

*Forward-looking statements in this presentation may include, for example, statements about our capacity to complete the initial business combination, the benefits from such initial business combination, our financial performance after the initial business combination, changes in our reserves and operational results and our expansion opportunities and plans. Factors that could cause actual results to differ from any forward-looking statement include: (1) the occurrence of any event, change or other circumstances that could delay the business combination; (2) the outcome of any legal proceedings that may be instituted against us following announcement of the proposed initial business combination and transactions contemplated thereby; (3) the inability to complete the initial business combination due to the failure to obtain approval of our stockholders; (4) the risk that the proposed initial business combination disrupts our current plans and operations as a result of the announcement and consummation of the transactions described herein; (5) our ability to recognize the anticipated benefits of the initial business combination, which may be affected by, among other things, competition and our ability to grow and manage growth profitably following the initial business combination; (6) costs related to the initial business combination; (7) changes in applicable laws or regulations; (8) the possibility that we may be adversely affected by other economic, business, and/or competitive factors; and (9) other additional risks and uncertainties, including the risk factors that we disclose in our filings with the CNBV and the Mexican Stock Exchange (Bolsa Mexicana de Valores, or “BMV”). We encourage you to read all such filings.*

***Nothing in this presentation, and in particular, no projection or other forward-looking statement, should be construed as a guarantee of future performance, or as a prediction of actual results. Actual results may differ materially from the projections or other forward-looking statements contained in this presentation. Due to their inherently uncertain nature, you are cautioned not to rely on any such projections or forward-looking statements. We and our affiliates, advisors, agents and other representatives expressly disclaim any liability to you in connection with any undue reliance on the information contained in this presentation, and in particular with respect to any projections or other forward-looking statements.***

# Process Overview

## Vista on track to de-SPAC

### 1 August 2017

Riverstone and Management Team formed Vista Oil & Gas, an energy-focused SPAC, and raised \$700MM<sup>(1)</sup>

- First LatAm-listed SPAC and first-ever listed E&P company in Mexico, having attracted high quality investors through its IPO
- Established to take advantage of a distinct window of opportunity to acquire and develop assets in the Latin American oil and gas sector and to become the leading independent E&P company

### 2 January 2018

Vista agreed to acquire a portfolio of assets in Argentina's most prolific hydrocarbon basin from Pampa and Pluspetrol

- Unique initial platform with entry enterprise value of ~\$860MM
- Attractive entry equity valuation at \$10.00/share, with an estimated intrinsic value of \$16.37/share<sup>(2)</sup>
- Acquired assets provide Vista with a solid base of reserves and flowing production with strong potential cash flow generation and core Vaca Muerta acreage ready for full scale development

### 3 February 2018

Vista secured commitments for up to \$400MM to complete the acquisitions and fund the initial Vaca Muerta development program

- Equity commitments of \$100MM successfully secured prior to public announcement, with closing of acquisitions expected in April 2018
- Additionally, Vista secured a commitment from certain banks to provide a backstop credit facility of up to \$300MM to cover any potential equity shortfalls, and increase the certainty of closing

(1) \$650MM through its Global Offering (\$325MM through an IPO on the Mexican stock exchange and \$325MM through a concurrent international offering) and \$50MM through a forward purchase agreement with a Riverstone-managed vehicle.

(2) Based on a pro forma PV-10 fully diluted value per share assuming Brent at strip for 2018 and 2019 as of 1/22/18 and \$60/bbl flat in 2018 real terms from 2020 onwards, and realized gas price of \$4.6/mmbtu flat in real terms

**Important Note:** projections, estimates, targets and goals are forward-looking statements and not guarantees of future performance. See "Important Note Regarding Projections and Other Forward-Looking Statements."





# Platform Poised for Growth

Top quality assets well-fit for Vista Management Team

## Premium Neuquina Basin Asset Base

- **High-quality, low-cost conventional proved reserves base** – 55.7 Mmboe of 1P reserves (65% oil) with break-even price of \$30/bbl<sup>(1)</sup>
- **High-margin conventional production base** – 27.5 Kboed (60% oil) with EBITDA margin of 41%<sup>(2)</sup>
- **Core Vaca Muerta shale oil acreage** – 54,000 top-quality net acres located next to ongoing shale developments and completed pilots <sup>(3)</sup>
- **Operational cluster** – Proximity of blocks and overlap of future Vaca Muerta development and current conventional operation is key to efficient fast-track development

## Strong Financial Position

- **Conventional assets generate significant, low-risk cash flow** – 2018E target EBITDA of \$190 MM<sup>(4)</sup>
- **Solid balance sheet** – No debt as of acquisition date<sup>(5)</sup>

## Actionable and Profitable Growth Plan

- **Fully functional operating platform** – 168 employees and strong HSE track record<sup>(6)</sup>
- **Discretionary and flexible timing of development plans** – operated, mostly 100%-owned assets with minimal capex commitments
- **Operated infrastructure in place** – initial development phase covered by existing treatment and transport spare capacity
- **Deep inventory of highly profitable Vaca Muerta drilling locations** – 413 risked locations included in base plan (out of 1,100 potential locations)<sup>(7)</sup>

## Unique Platform Poised for Regional Expansion

- **Credentials and organization leverageable for regional expansion** – either through acquisitions, joint-ventures or future licensing rounds
- **Access to deal flow and strong BD pipeline of actionable opportunities** – focus on building an initial Mexico platform and complementary deals in Argentina



## 5-year target

- **Production:** +65 Kboe/d  
~30% CAGR<sup>(8)</sup>
- **EBITDA:** +\$900 MM  
~50% CAGR<sup>(8)</sup>
- **EBITDA Margin:** +60%  
>20 p.p.<sup>(8)</sup>

*High-growth development plan, based on this premium asset base.*

(1) Based on a PV10 discounted cash flow project level valuation assuming \$30/bbl flat in real terms and realized gas price of \$4.6/mmbtu flat in real terms.

(2) 2017E figures based on Company estimates, including nine months of actuals.

(3) Offset operators, including YPF in partnership with Chevron and Petronas, Shell, and Wintershall.

(4) At \$63.8/bbl realized crude oil price.

(5) Assumes no borrowings under the backstop credit facility are needed to fund the Transaction.

(6) ISO 14001 and OSHAS 18001 certificates in place.

(7) Resulting from additional landing zones.

(8) Compared to 2018E numbers.

# Immediate Priorities

## Path to near-term value creation

### Priorities

1

**Integrate acquired entities and assets**

2

**Launch development of Vaca Muerta**

3

**Contain conventional production decline**

4

**Right-size conventional operations**

5

**Pursue regional expansion plan**

### Key Action Plan

- Take over, secure business continuity, and integrate operating teams
- Update reporting, management and operating systems
- Complete top-notch unconventional team by hiring basin specialists
- Begin drilling with one fit-for-purpose rig and complete four horizontal wells during the second half of 2018
- Tie-in first unconventional wells by early 2019
- Drill and complete at least ten wells in 2018
- Revise existing subsurface models and redefine exploration and production projects portfolio
- Merge contracts from acquired entities and introduce new pay-for-performance contracting model
- Engage with key stakeholders to improve labor efficiency
- Continue strategic dialogues to establish an operating platform in Mexico
- Evaluate complementary opportunities to consolidate the Argentina operation and enter Colombia and Brazil

**Important Note:** projections, estimates, targets and goals are forward-looking statements and not guarantees of future performance. See "Important Note Regarding Projections and Other Forward-Looking Statements."

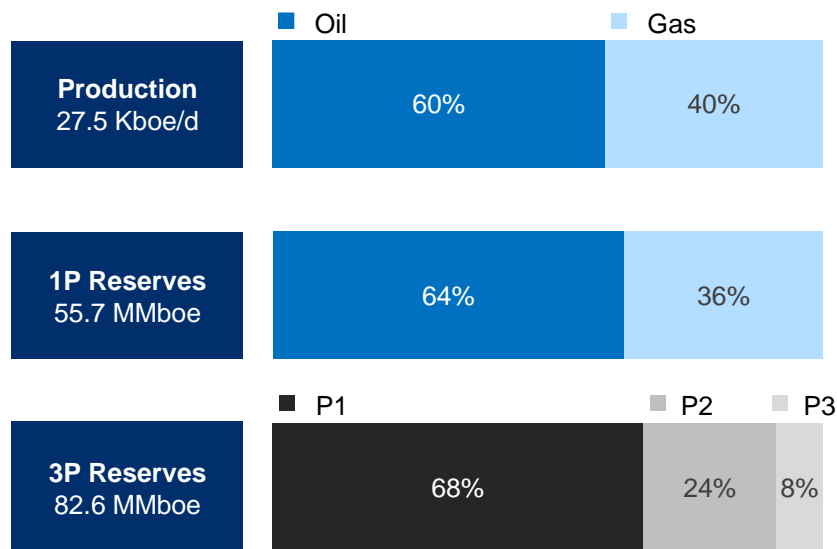
# Conventional Assets Overview

## High-quality oil-prone production cluster

### Asset Overview<sup>(1)</sup>

- Clustered acreage position in the Neuquina Basin covering ~538k acres in the Provinces of Neuquén and Río Negro
- Oil and gas production from well-understood reservoirs through primary and secondary recovery; ~680 active producing wells and more than 190 injector wells
- Multiple infill drilling and waterflood projects identified; current recovery factor below 15%
- Light crude oil production (Medanito type API >31°); sold to domestic of takers at ~2% discount to Brent
- Gas production sold to industrial clients (80%), power plants (15%) and residential clients (5%) at an average market price of approximately \$4.6/Mmbtu
- Treatment and evacuation infrastructure in place with spare capacity
- Exploratory upside in the tight gas reservoirs of the Cuyo, Lotena, and Los Molles formations

### Asset Profile<sup>(4)</sup>



Net Metric	Entre Lomas	Agua Amarga	Jagüel	Medanito	CAN	Blocks with unconventional potential		Total
						Bajada del Palo	CASO	
W.I. (%) <sup>(1)</sup>	100%	100%	100%	100%	55%	100%	45%	-
1P Reserves <sup>(1)</sup> (MMBoe)	20.5	2.5	6.9	10.1	1.0	13.5	0.0	55.7 <sup>(4)</sup>
Acreage <sup>(1)</sup>	183,472	92,415	47,937	31,135	54,797	120,832	7,398	537,986
2017E Production <sup>(1)</sup> (kboe/d)	10.1	1.4	4.0	5.0	0.3	6.3	0.0	27.5 <sup>(4)</sup>
Concession Term <sup>(1)(2)</sup>	2026	2034 / 2040	2025	2026	2038	2026 <sup>(3)</sup>	2018 <sup>(3)</sup>	-

(1) Based on Company information and *Ministerio de Energía y Minería (Presidencia de la Nación)*.

(2) 10-year extension of conventional concessions available under Federal Hydrocarbon Law (with royalties increasing from 15% to 18%).

(3) 35-year new unconventional concession available under Federal Hydrocarbon Law (with 12% flat royalties).

(4) Includes reserves and production from Acambuco.

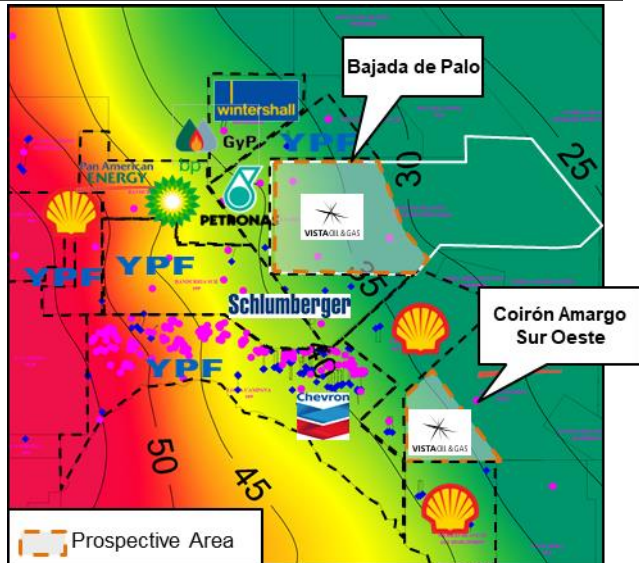
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# Vaca Muerta Shale Oil Opportunity (1/2)

Favorable combination of value drivers

50,000+ Net Prime Acres

## Core Location in Shale Oil Window



## Potential Best-in-Class Resource Properties<sup>(1)</sup>

	Bajada del Palo Core	Permian (Wolfcamp)	Eagle Ford
TOC (%)	4.2	5.5	4.5
Thickness (m)	250	172	41
Pressure (psi/ft)	0.90	0.48	0.80

**Target single well IRR > 75%<sup>(4)</sup> and target break-even price<sup>(5)</sup> of \$35/bbl**

## Ready for Full Scale Development

- Completed pilots and ongoing development in adjacent blocks mitigate risk
- Production performance in neighboring blocks supports Vista's type curve<sup>(2)</sup>
- Operated infrastructure in place with spare capacity for initial development phase
- Full discretion and flexibility on timing of Bajada del Palo development (90% of net acreage)
- Top-notch operating partner in Coirón Amargo Sur Oeste (Shell), with significant Vaca Muerta experience (10% of net acreage)

## With the Most Experienced Management Team in Developing Vaca Muerta

- ✓ Drilled 500 wells across play (~70% of Vaca Muerta activity to date)<sup>(1)</sup>
- ✓ Delivered 47% well cost reduction
- ✓ Reached 50K boe/d, from zero<sup>(1)</sup>
- ✓ In-depth technical knowledge

## And Access to Riverstone's North America Shale Expertise

- ✓ Active in all major shale basins
- ✓ ~3.1 MM acres and ~300K boe/d<sup>(3)</sup>
- ✓ Leading E&P industry CEOs including Mark Papa and Jim Hackett

(1) Based on Company estimates and *Ministerio de Energía y Minería (Presidencia de la Nación)* and the EIA

(2) Based on independent third party analysis on Company's acreage made by WDVG – Petroleum Engineering Laboratories.

(3) Aggregate position including current and past investments.

(4) Brent at strip for 2018 and 2019 as of 1/22/18 and \$60/bbl flat in 2018 real terms from 2020 onwards; realized gas price of \$4.6/mmbtu flat in real terms.

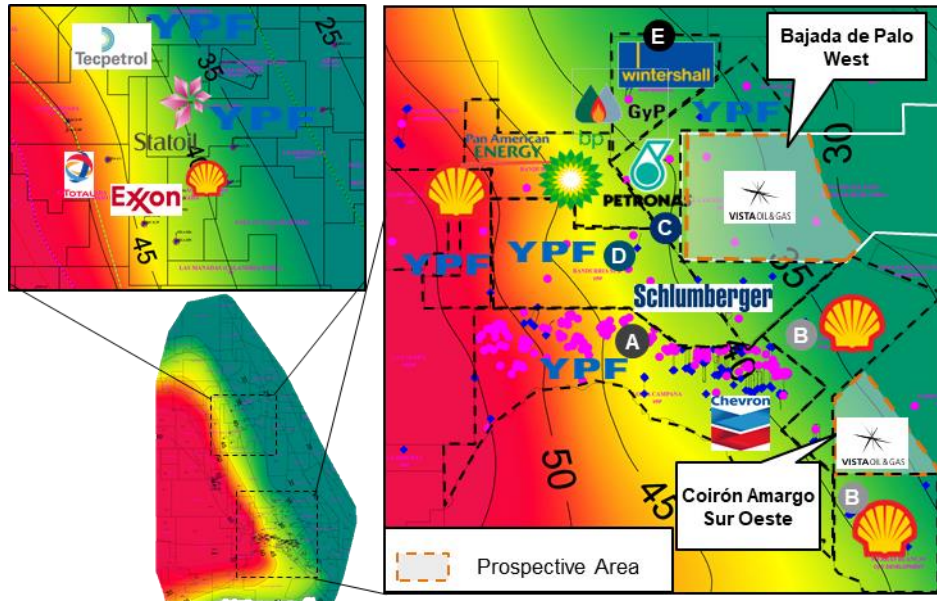
(5) Based on a discounted cash flow project level valuation assuming \$35/bbl flat in real terms and realized gas price of \$4.6/mmbtu flat in real terms, and a 10% discount rate.

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# Vaca Muerta Shale Oil Opportunity (2/2)

Activity significantly mitigates risk of Bajada del Palo West

## Unconventional Operations Map in Shale Oil Window



### A Loma Campana



- First unconventional oil pilot completed in Argentina
- In full development mode
- ~400 wells drilled of which ~240 horizontal with up to 7,380ft (2,250m) lateral length<sup>(1)</sup>
- Current production: 45kboe/d<sup>(2)</sup>

(1) Based on Loma Campana information from YPF's 3Q17 investor presentation.

(2) Based on *Ministerio de Energía y Minería (Presidencia de la Nación)*.

(3) Based on YPF February 1, 2018 relevant fact filed in the CNV.

(4) Based on YPF October 11, 2017 relevant fact filed in the CNV.

### B Sierras Blancas/ Cruz de Lorena



- 18 wells drilled<sup>(2)</sup>
- SB-1005 one of the top producing wells in the basin, with IP of 1kbb/d + 600 MMscfd<sup>(2)</sup>
- Current production: 5kboe/d<sup>(2)</sup>

### C La Amarga Chica



- Second unconventional oil pilot in Argentina
- Commencing third pilot phase in 2018<sup>(2)</sup>
- Current production: 5kboe/d<sup>(2)</sup>

### D Bandurria Sur



- Recent JV signed in 2017 with ~\$390 MM committed<sup>(3)</sup>
- Pilot Phase: two-stage<sup>(4)</sup>
- Five wells drilled (3 horizontals)<sup>(2)</sup>

### E Aguada Federal



- Two vertical exploration wells
- Several horizontal wells drilled<sup>(2)</sup>



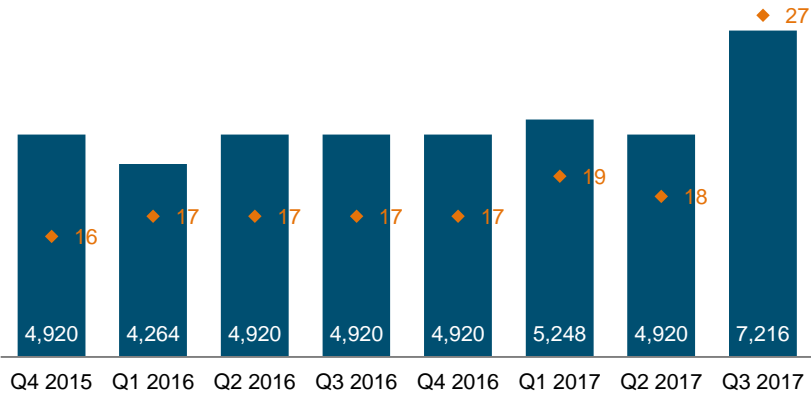
# Vaca Muerta Progress to Date

Play's risk has been substantially mitigated over the last five years

## Increasing Horizontal Well Lateral Length<sup>(1)</sup>

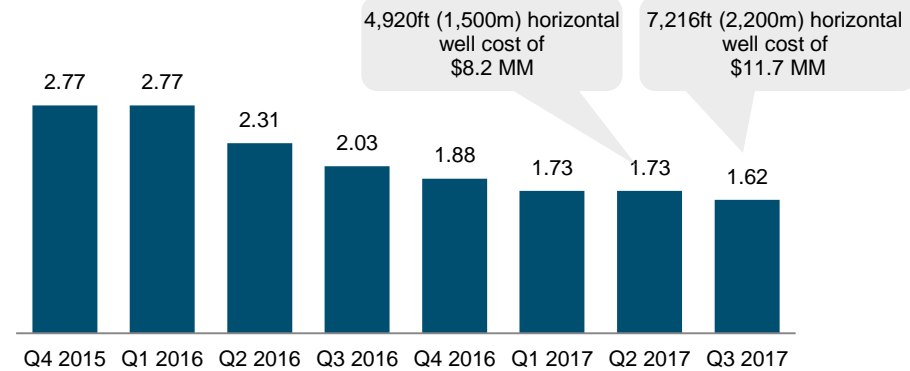
(Lateral length – ft)

◆ (Average frac stages – #)



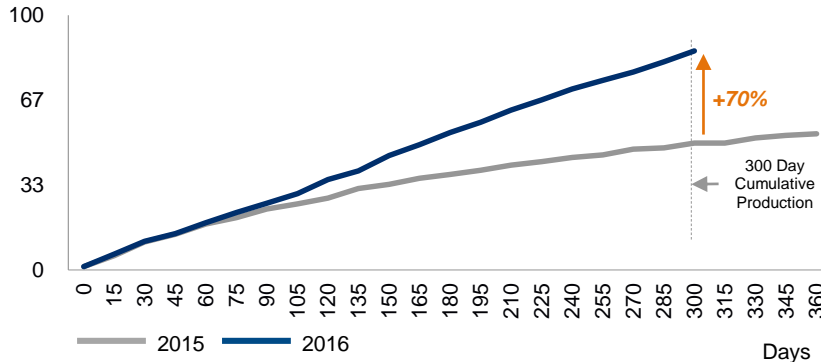
## Capex per Well has Declined<sup>(1)</sup>

(k\$ / lateral ft)



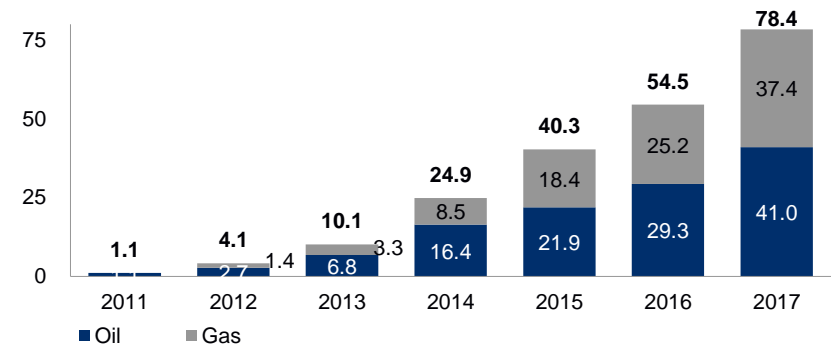
## Improvements in Horizontal Well Productivity<sup>(2)</sup>

Cumulative Production (kbbbl)



## Achieved Ramp-up in Production<sup>(3)</sup>

(kboe/d)



(1) Based on Loma Campana information from YPF's 3Q17 investor presentation.

(2) Based on information from YPF's December 2016 Vaca Muerta Field Trip presentation.

(3) Based on Company estimates and *Ministerio de Energía y Minería (Presidencia de la Nación)*.

# Potential for Superior Returns

Well productivity and well cost reduction drive economics

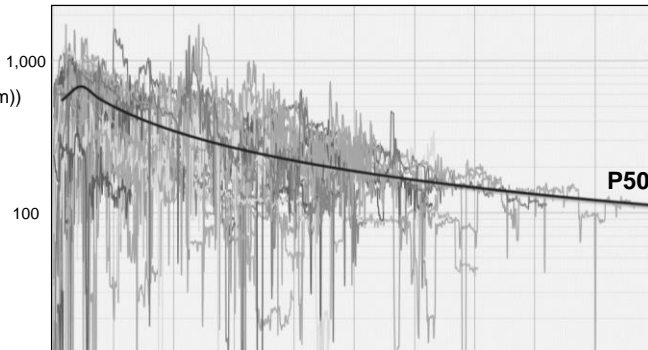
Vista Vaca Muerta Type Curve<sup>(1)</sup>

Oil EUR (kbbbl)	873	Gas EUR (Bcf)	0.6	Total EUR (kboe)	983
IP 30 (bbl/d)	734	Dry gas IP 30 (MMcf/d)	0.5	IP 30 (boe/d)	826
180-day cum (kbbbl)	125	180-day cum (Bcf)	0.1	180-day cum (kboe)	141

- Type curve based on Bajada del Palo simulation model, historical production between the Orgánico and La Cocina targets, and horizontal laterals of >3,280 ft (1,000 m)

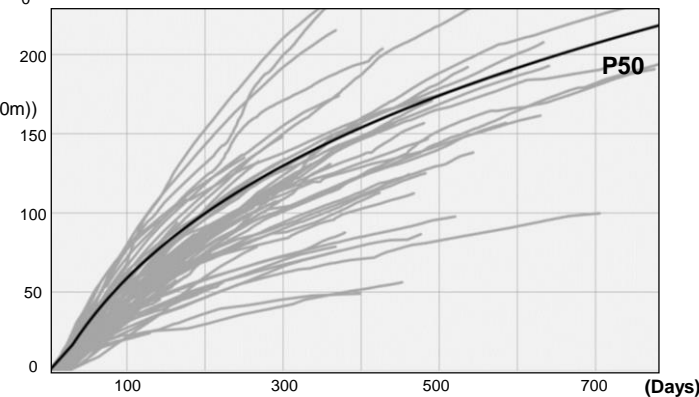
Daily Production

(bbl/d per 4,920ft (1,500m))

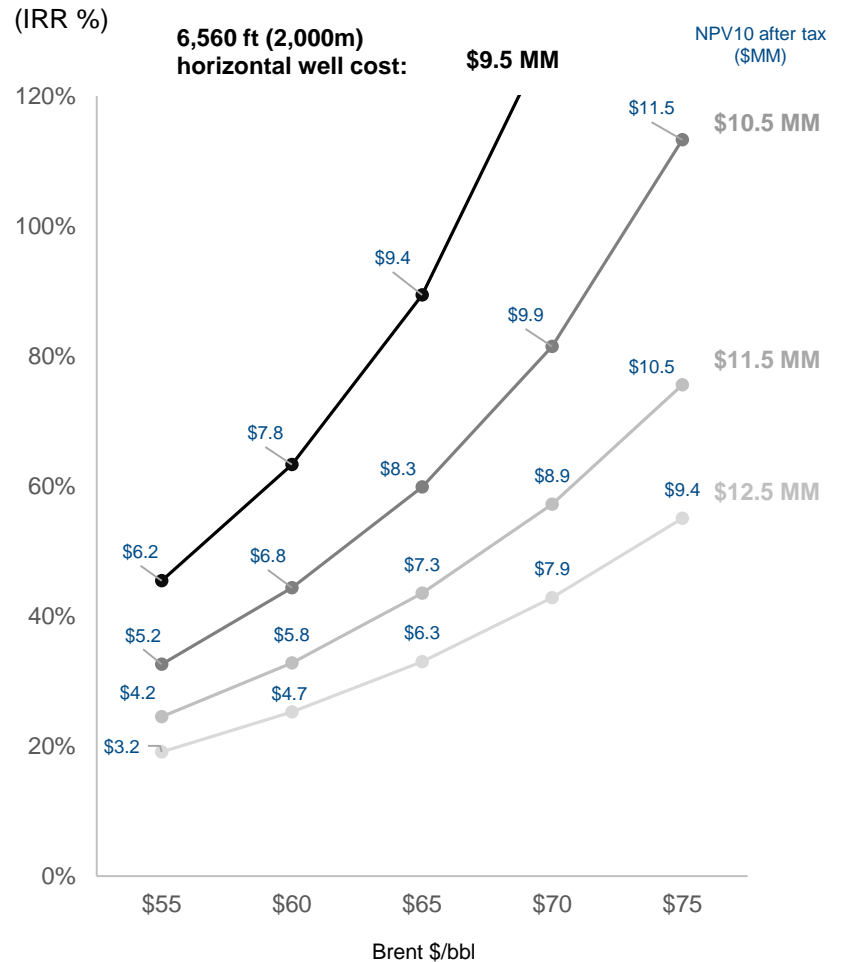


Cumulative Production

(MMbbl per 4,920ft (1,500m))



Well Cost Reduction Drive Boost in IRRs<sup>(2)</sup>



(1) Based on independent third party analysis on Company's acreage made by WDVG – Petroleum Engineering Laboratories.

(2) Does not include capital expenditures for facilities.

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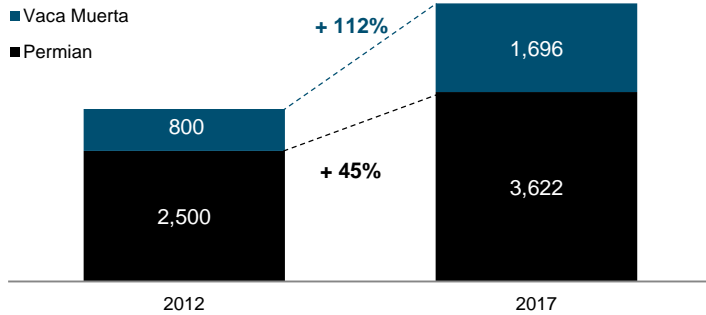


# Vaca Muerta Momentum

## Now is a favorable time to enter the play

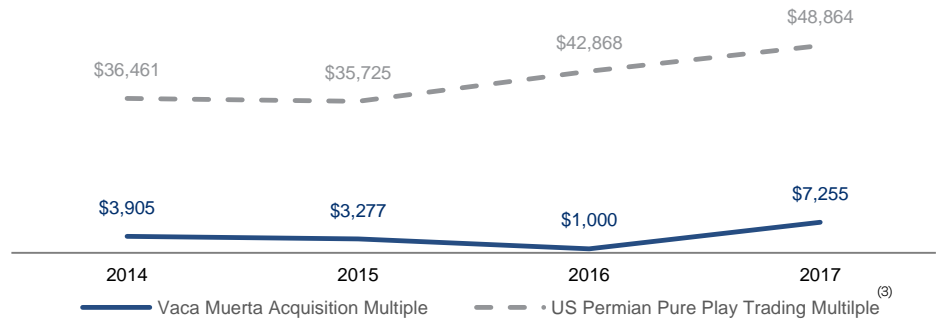
### Super Majors<sup>(1)</sup> Focusing on Permian and Vaca Muerta

(Net Acres Held in '000s)



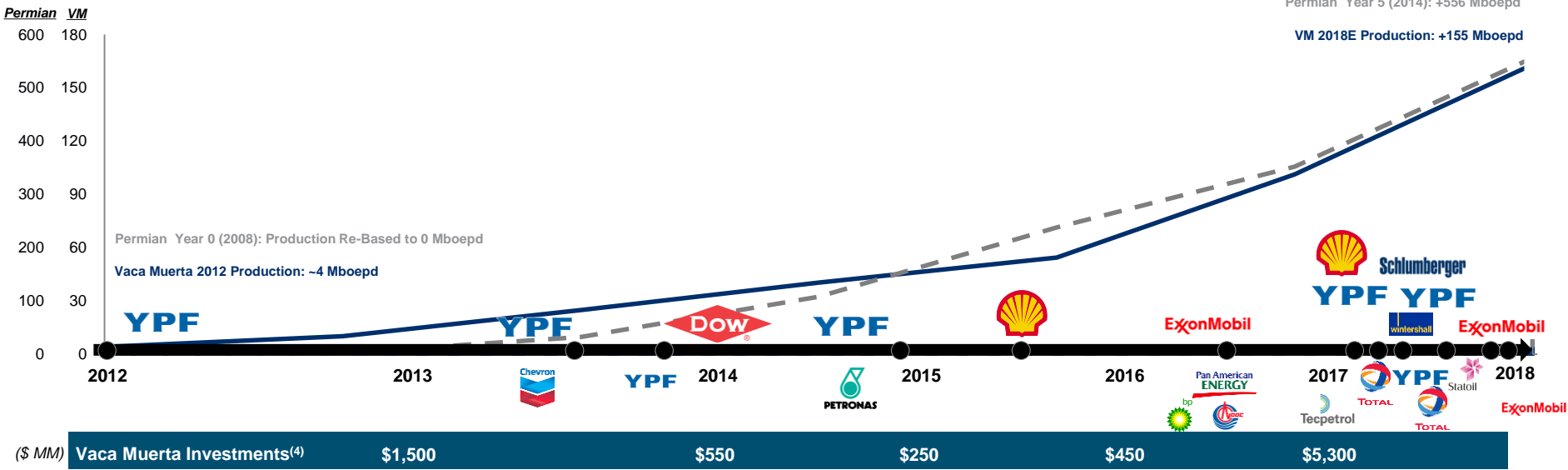
### Discount to Permian Trading Multiples Narrowing<sup>(2)</sup>

(Permian trading comps and Vaca Muerta acquisition precedents at average adjusted US\$/net acres)



### Vaca Muerta Appears Poised to Follow Permian's Growth Trajectory

(Mboepd)



(\$ MM)

Year	Vaca Muerta Investments <sup>(4)</sup> (\$ MM)
2012	\$1,500
2013	\$550
2014	\$250
2015	\$450
2016	\$5,300

Source: Wall Street Research, Company Filings, Press Articles, Texas Railroad Commission and *Ministerio de Energía y Minería (Presidencia de la Nación)*.

(1) Super Majors include Exxon (and subsidiary XTO), Shell, BP (through its subsidiary in Argentina, Pan American Energy), and Chevron.

(2) Public filings and press releases. Permian adjusted for production value at \$35,000 / boe/d.

(3) Permian Pure Play companies include Concho, Diamondback, Parsley Energy, and RSP Permian; trading multiple represents annual average Enterprise Value / annual net Permian acres.

(4) Investments announced in the public media.

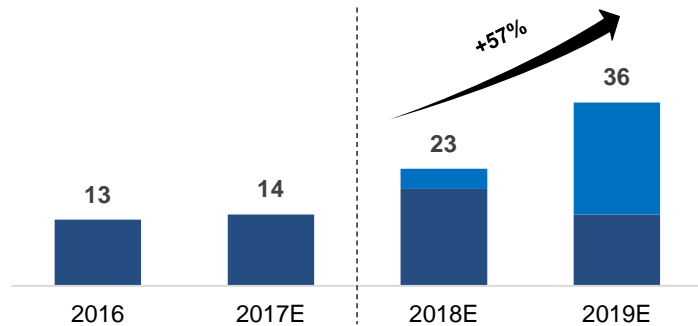
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# Two-Year Outlook (1/2)

Vaca Muerta-driven growth plan leveraging existing conventional operating platform

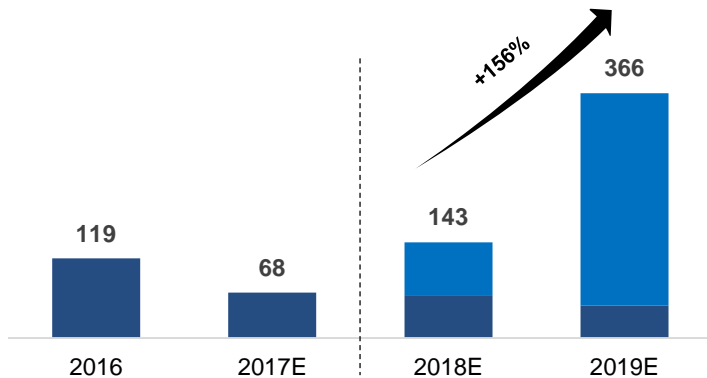
## Historical and Target Wells<sup>(1)</sup>

(#)



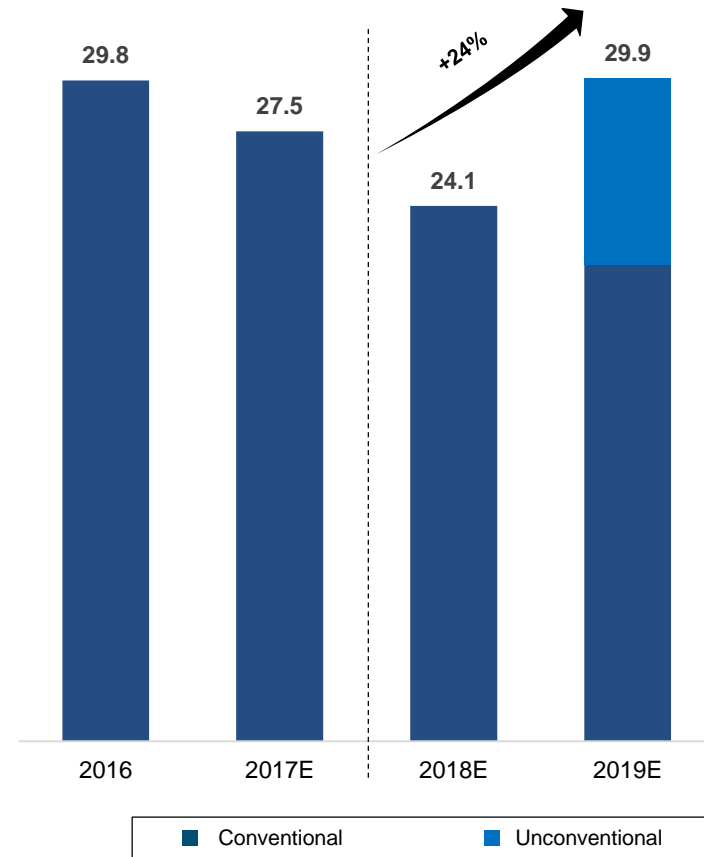
## Historical and Target CAPEX<sup>(1)</sup>

(\$ MM)



## Historical and Target Production<sup>(1)</sup>

(kboe/d)



(1) Based on Company information and Company estimates.

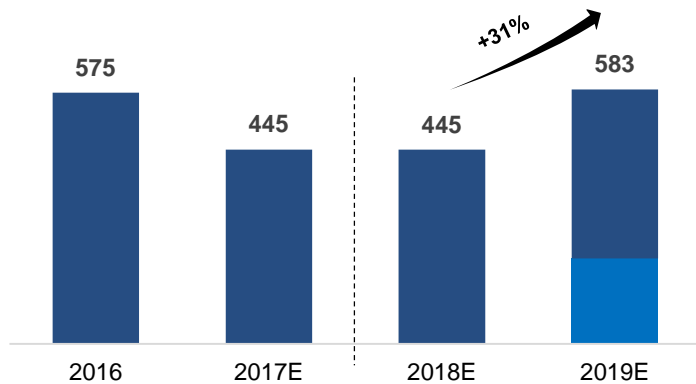
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# Two-Year Outlook (2/2)

Goal is to deliver superior financial results through intended growth strategy

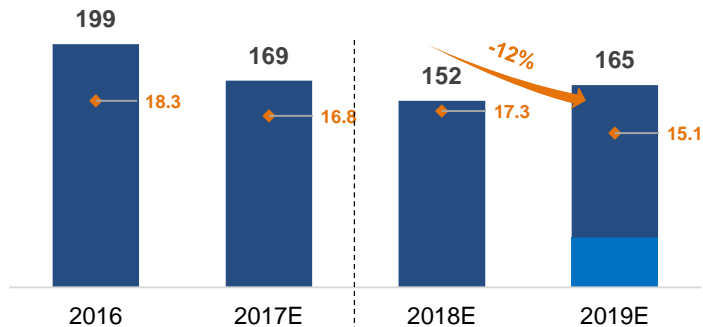
Historical and Target Revenue<sup>(1)</sup>

(\$ MM)



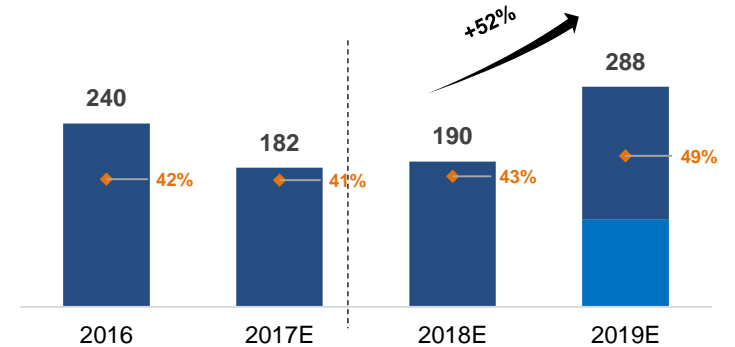
Historical and Target OPEX<sup>(1)</sup>

(\$ MM)



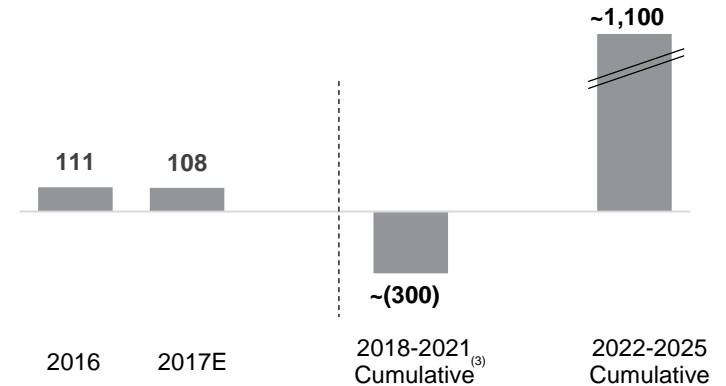
Historical and Target EBITDA<sup>(1)</sup>

(\$ MM)



Historical and Target Free Cash Flow<sup>(1)(2)</sup>

(\$ MM)



Conventional

Unconventional

Consolidated

(1) Based on Company information and Company estimates assuming Brent at strip for 2018 and 2019 as of 1/22/18 and \$60/bbl flat in 2018 real terms from 2020 onwards, and realized gas price of \$4.6/mmbtu flat in real terms.

(2) Does not include cash flow from financing activities.

(3) Does not include cash balance in PELSA and APCO O&G Int'l.

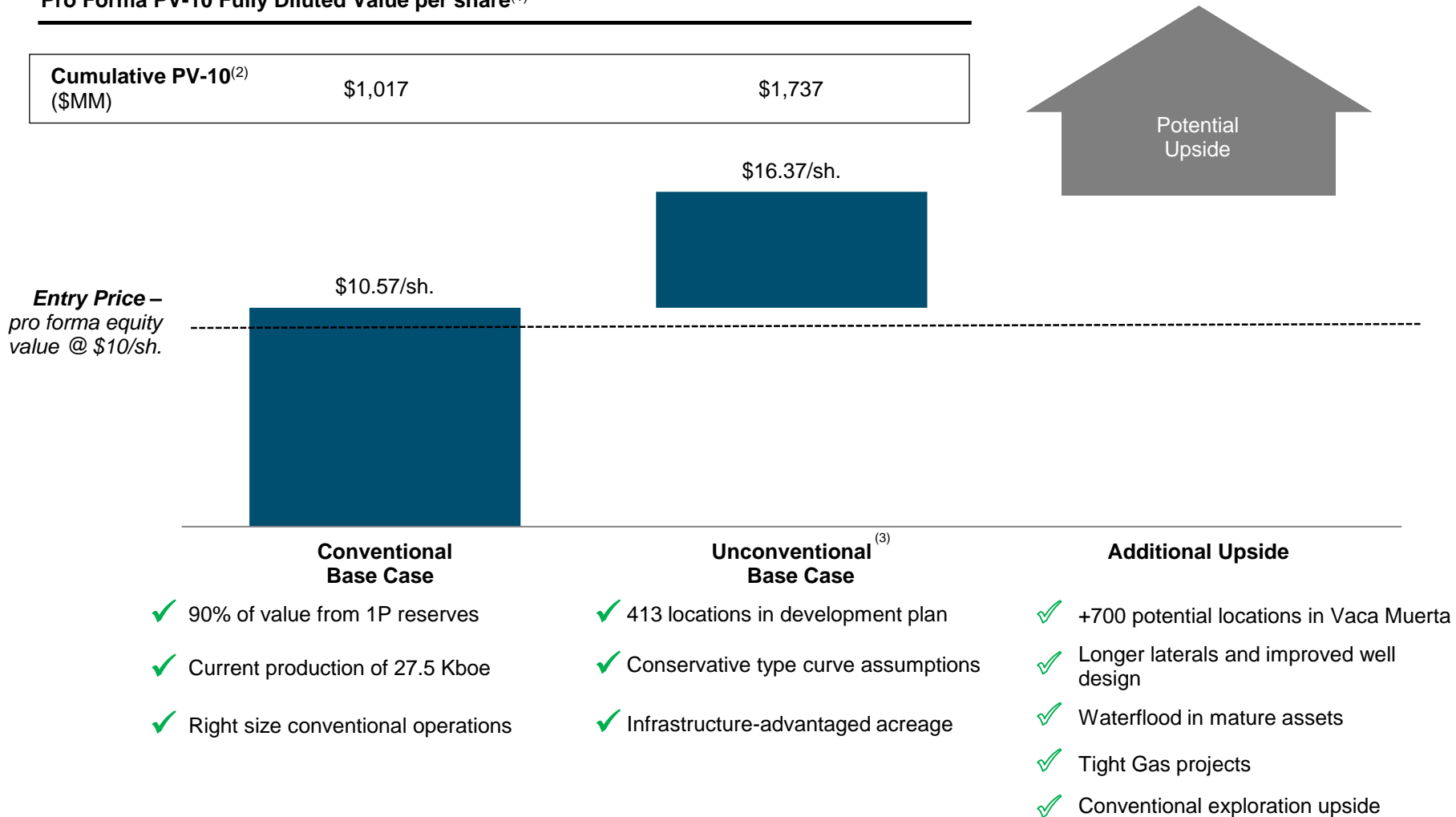
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# Intrinsic Value Analysis

## Potential upside

### Pro Forma PV-10 Fully Diluted Value per share<sup>(1)</sup>

<b>Cumulative PV-10<sup>(2)</sup></b> (\$MM)	\$1,017	\$1,737
---	---------	---------



- | Conventional Base Case               | Unconventional <sup>(3)</sup> Base Case | Additional Upside                          |
|--------------------------------------|---|--|
| ✓ 90% of value from 1P reserves      | ✓ 413 locations in development plan     | ✓ +700 potential locations in Vaca Muerta  |
| ✓ Current production of 27.5 Kboe    | ✓ Conservative type curve assumptions   | ✓ Longer laterals and improved well design |
| ✓ Right size conventional operations | ✓ Infrastructure-advantaged acreage     | ✓ Waterflood in mature assets              |
|                                      |   | ✓ Tight Gas projects                       |
|                                      |   | ✓ Conventional exploration upside          |

(1) Brent at strip for 2018 and 2019 as of 1/22/18 and \$60/bbl flat in 2018 real terms from 2020 onwards; realized gas price of \$4.6/mmbtu flat in real terms. Includes \$100 MM of cash; assumes 86.3 MM Series A Shares (including conversion of Series B Shares from Management Team and Riverstone) in addition to 10 MM additional Series A Shares corresponding to the \$100 MM of additional equity recently committed.

(2) PV-10 after tax based on Company development plan; should not be construed as an audited quantity.

(3) Fully diluted value per share assumes outstanding warrants are exercised resulting in total fully diluted shares outstanding of 106.1MM

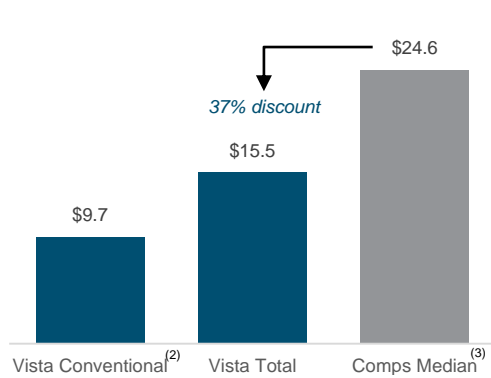
**Important Note:** projections, estimates, targets and goals are forward-looking statements and not guarantees of future performance. See "Important Note Regarding Projections and Other Forward-Looking Statements."

# Relative Valuation Summary (1/2)

Attractive entry valuation...

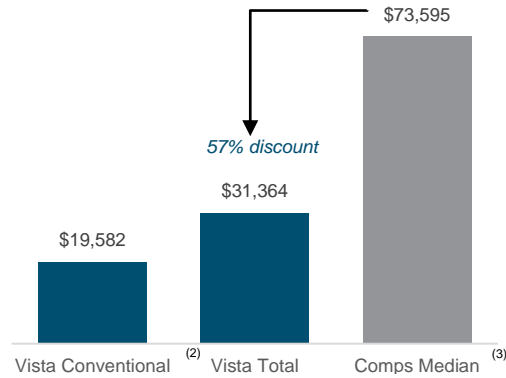
## EV / 1P Reserves<sup>(1)</sup>

(\$/boe)



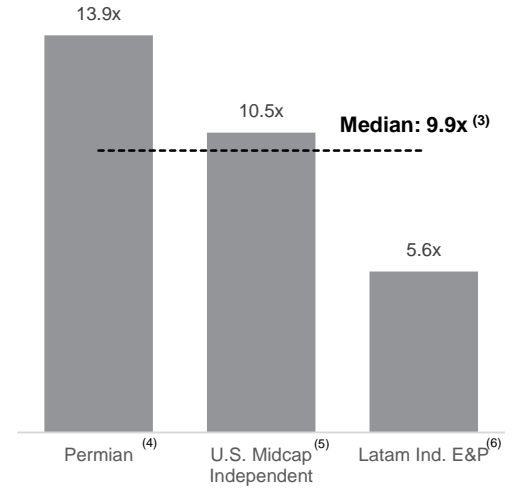
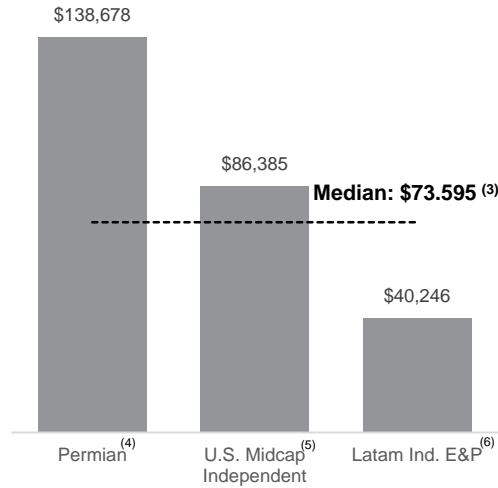
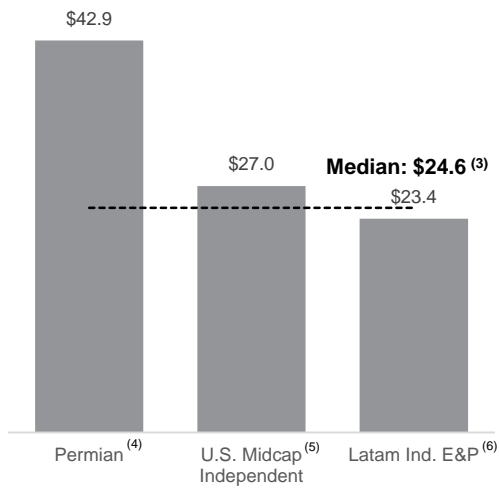
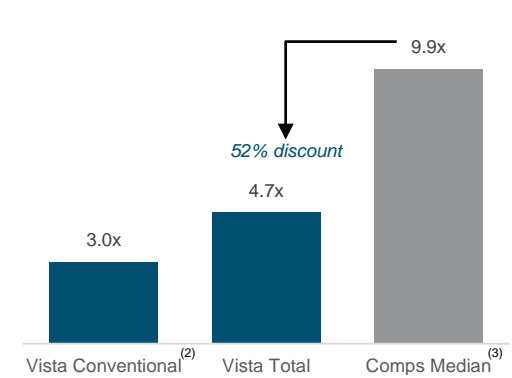
## EV / 2017E Production<sup>(1)</sup>

(\$/boe/d)



## EV / 2017E EBITDA<sup>(1)</sup>

(x)



(1) Based on Capital IQ, market data as of 1/25/2018 and Company estimates.

(2) Vista pro forma total enterprise value at \$10/sh. adjusted for Vaca Muerta acreage value at \$6,000/acre.

(3) Median of all comps in the set.

(4) Arithmetic average of: Centennial, Callon, Concho, Energen, Diamondback, Jagged Peak, Laredo, Parsley, RSP Permian

(5) Arithmetic average of: Centennial, Callon, Carrizo, Energen, Jagged Peak, Laredo, Matador, Oasis, QEP, SRC, WPX, Extraction

(6) Arithmetic average of: Gran Tierra, Parex, GeoPark, Frontera.

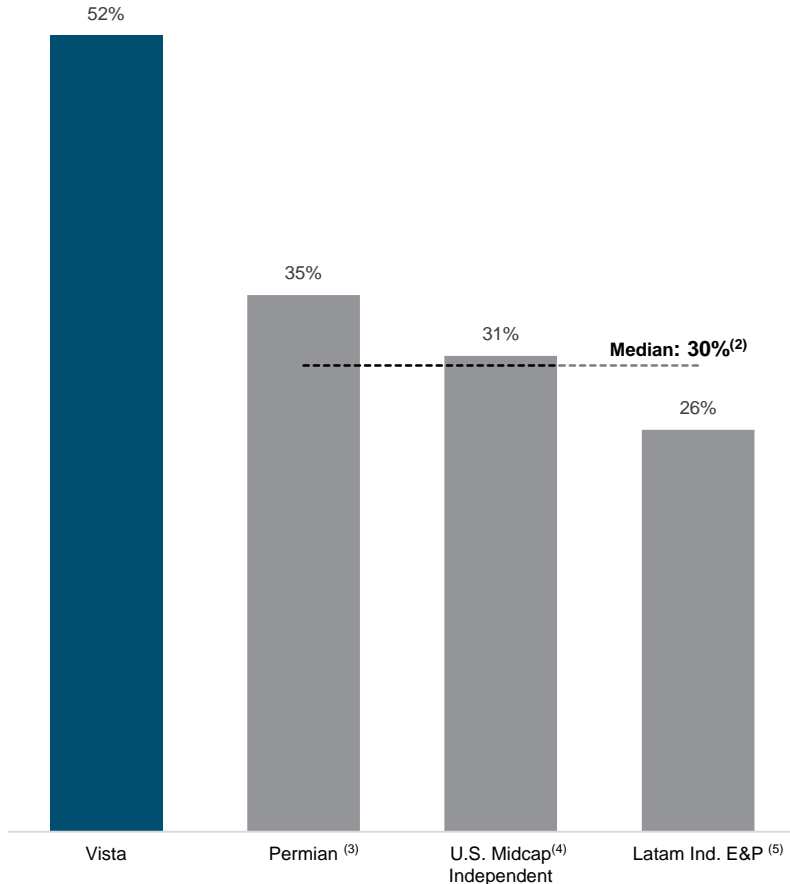
**Important Note:** projections, estimates, targets and goals are forward-looking statements and not guarantees of future performance. See "Important Note Regarding Projections and Other Forward-Looking Statements."

# Relative Valuation Summary (2/2)

...with potential upside driven by highly profitable growth plan

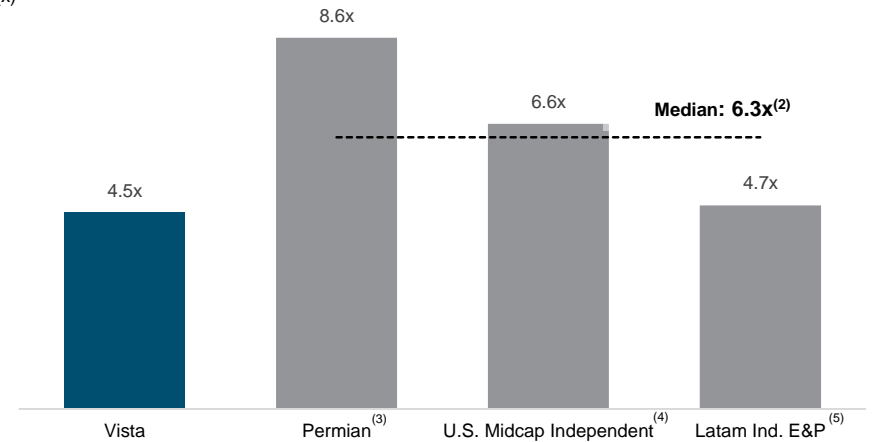
## 2018E – 2019E Target EBITDA Growth<sup>(1)</sup>

(%)



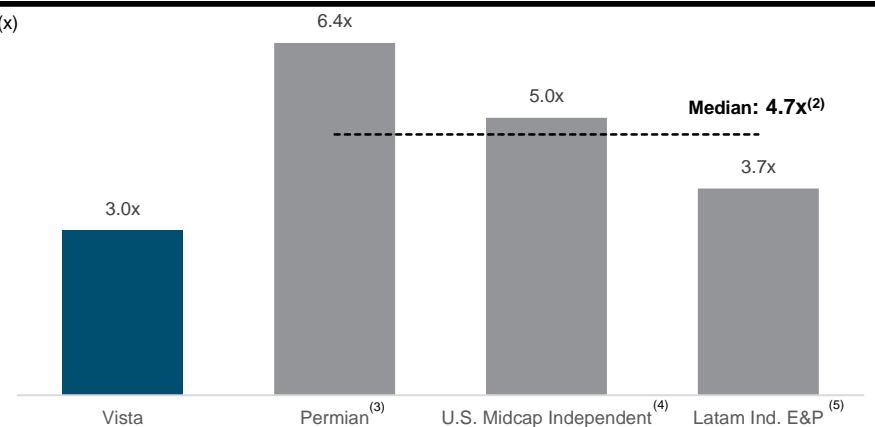
## EV / 2018E Target EBITDA<sup>(1)</sup>

(x)



## EV / 2019E Target EBITDA<sup>(1)</sup>

(x)



(1) Based on Capital IQ, market data as of 1/25/2018 and Company estimates.

(2) Median of all comps in the set.

(3) Arithmetic average of: Centennial, Callon, Concho, Energen, Diamondback, Jagged Peak, Laredo, Parsley, RSP Permian

(4) Arithmetic average of: Centennial, Callon, Carrizo, Energen, Jagged Peak, Laredo, Matador, Oasis, QEP, SRC, WPX, Extraction

(5) Arithmetic average of: Gran Tierra, Parex, GeoPark, Frontera.

**Important Note:** projections, estimates, targets and goals are forward-looking statements and not guarantees of future performance. See "Important Note Regarding Projections and Other Forward-Looking Statements."

# Investment Highlights

Key differentiating factors



1

World-class management team

2

Development-ready, core Vaca Muerta shale position

3

High-growth development plan

4

Cash-flow generating asset base

5

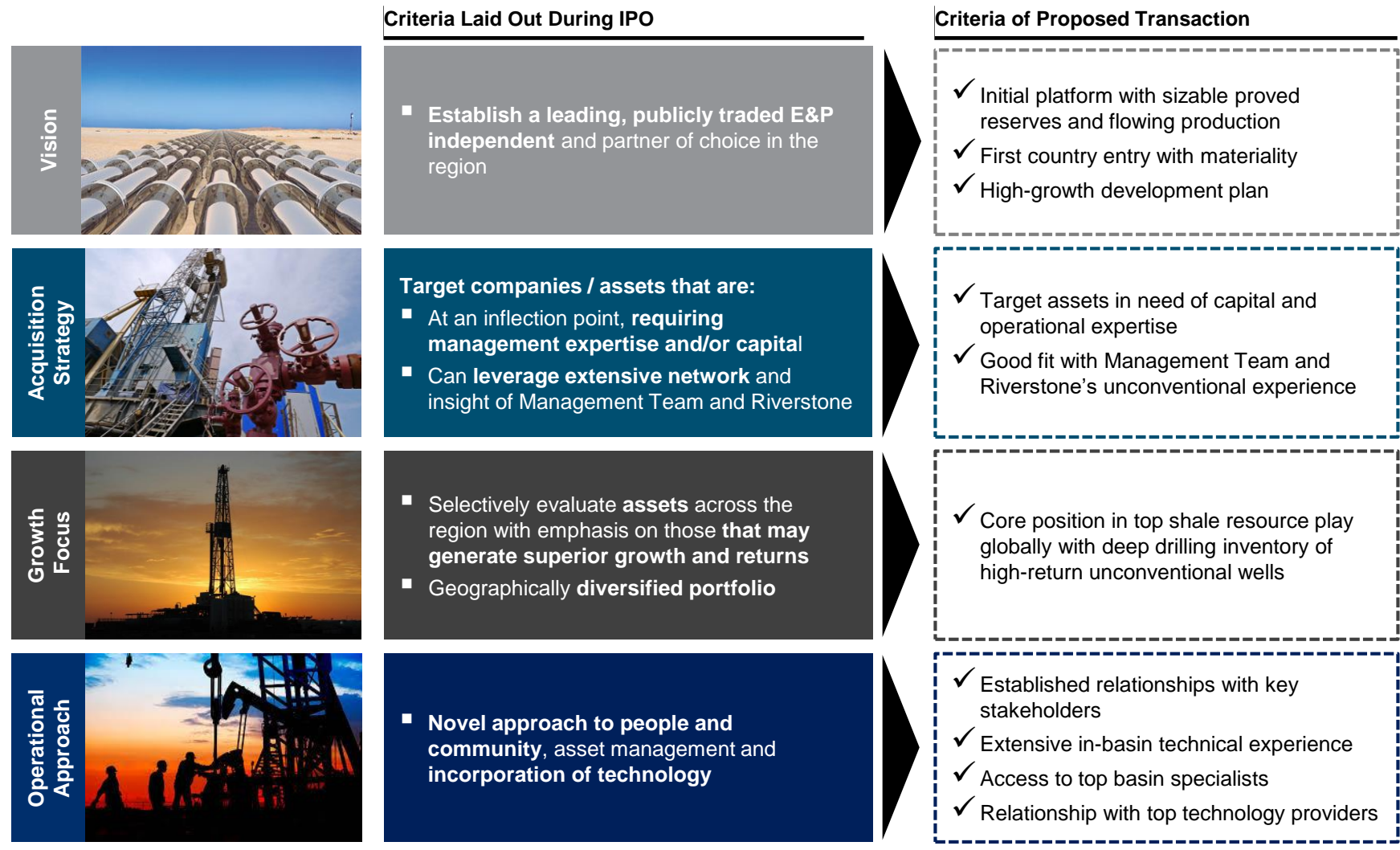
Attractive entry valuation

6

Unique platform for regional expansion

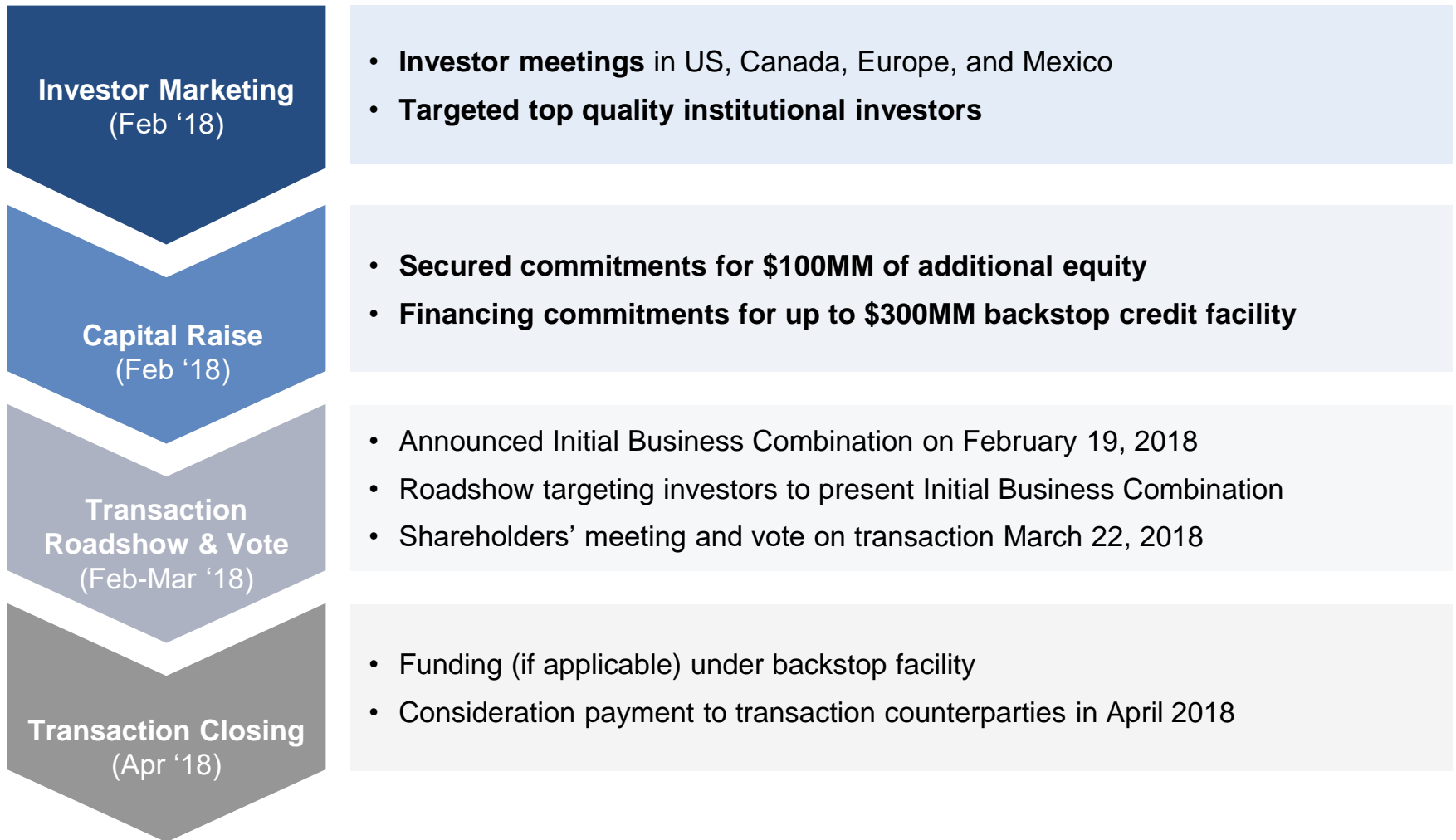
# Fit with Investment Criteria and Strategy

Intend to deliver on IPO promises





# Projected Transaction Timeline



# Appendix Agenda

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## 1 ▶ Portfolio Overview

2 ▶ Transaction Summary

3 ▶ Pro Forma Historical Financials

4 ▶ Management Team

5 ▶ Argentina Macro

# Business Plan Initiatives

Drive cash flow generation and grow profitably

	Tailored Operational Approach	Key Initiatives	Goals
Conventional	<ul style="list-style-type: none"> <li>Nimble, <b>ultra-lean operating model</b></li> <li><b>Rapid decision making</b>, close to the work front</li> <li><b>Continuous cost and efficiency improvements</b></li> </ul>	<ul style="list-style-type: none"> <li>Development - <b>infill drilling and waterflooding</b> optimization</li> <li>Subsurface – <b>review models</b></li> <li>Operations – <b>review contracting models</b></li> <li>Pulling &amp; Work Over – <b>right-size contract to asset base</b></li> <li>Field Service – <b>labor efficiencies</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Contain production decline</li> <li>✓ Production optimization</li> <li>✓ Find &amp; develop new structures</li> <li>✓ Cost control &amp; opex reduction</li> </ul>
Unconventional	<ul style="list-style-type: none"> <li><b>Secure attractive positions</b> early in the basin life cycle</li> <li><b>Tight integration</b> across subsurface, facilities, D&amp;C<sup>(1)</sup>, and production</li> <li><b>Full-scale efficiency-focused D&amp;C<sup>(1)</sup> operation</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Top notch unconventional standalone unit</b></li> <li><b>Batch drilling</b></li> <li><b>Extended horizontal laterals</b></li> <li><b>Customized frac designs</b></li> <li><b>Strategically sourced key supplies</b> (frac sand, water, and drilling fluids)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Rapid growth</li> <li>✓ Accelerated learning curve</li> <li>✓ High IRR development</li> <li>✓ Efficient factory-mode development</li> <li>✓ Optimized well performance</li> </ul>
Corporate	<ul style="list-style-type: none"> <li><b>Asset-centric organization</b></li> <li><b>Management close to the workforce</b></li> <li><b>Tailored standards and operational procedures</b> to improve cost and efficiency</li> <li><b>Close collaboration with service providers</b></li> <li>Recruit and train the <b>best local basin specialists</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Integrate and streamline</b> acquired entities and assets</li> <li><b>Focus on efficiency</b> and revamp corporate culture</li> <li><b>Proactive stakeholders engagement</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Cost synergies</li> <li>✓ P&amp;L accountability</li> <li>✓ Support from key stakeholders</li> </ul>

(1) Drilling and Completion.

# Neuquina Basin Stratigraphy

## Multiple formations enhance growth potential

### Synthetic Stratigraphic Column

SYSTEM / STAGE	LITHOLOGY	FORMATION	GROUP
Paleocene	Volcaniclastic deposits		
Maastrichtian	Coarse siliciclastics		Malargüe
Campanian	Coarse siliciclastics	Anacleto	Rio Colorado Subgroup
Santonian	Coarse siliciclastics	Bajo de la Carpa	Rio Neuquén Subgroup
Coniacian	Coarse siliciclastics	Plottier	Rio Neuquén Subgroup
Turonian	Coarse siliciclastics	Portezuelo	Rio Neuquén Subgroup
Cenomanian	Coarse siliciclastics	Cerro Lisandro Huincul	Rio Limay Subgroup
Albian	Coarse siliciclastics	Candeleros	
Aptian	Coarse siliciclastics	Rayoso	Bajada del Agrio
Barremian	Coarse siliciclastics	Huitrín	
Hautevirian	Coarse siliciclastics	Agrio Upper Mb	
		Agrio Avilé Mb	
		Agrio Lower Mb	
Valanginian	Coarse siliciclastics	Mulichinco	Mendoza
Berriasian	Coarse siliciclastics	Quintuco	
Tithonian	Coarse siliciclastics	Vaca Muerta	
Kimmeridgian	Coarse siliciclastics	Tordillo	
		Auquico	
Oxfordian	Coarse siliciclastics	La Manga	
Callovian	Coarse siliciclastics	Lotena	Lotena
Bathonian	Coarse siliciclastics	Tábanos	
Bajocian	Coarse siliciclastics	Lajas	Cuyo
Aalenian	Coarse siliciclastics	Los Molles	
Toarcian	Coarse siliciclastics		
Pliensbachian	Coarse siliciclastics		
Sinemurian	Coarse siliciclastics	Lapa	Precuyo
Hettangian	Coarse siliciclastics		
TRIASSIC			
PALEOZOIC		Basement	

### A Mulichinco/Lajas/Lotena Formation

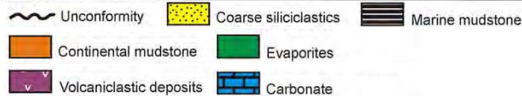
- Tight gas formations with solid results all throughout the basin
- Sands and conglomerates with low permeability requiring hydraulic stimulation to enhance productivity
- Productivity depth ranges from 2,000 to 4,000 meters

### B Quintuco/Vaca Muerta Formation

- World class unconventional formation in production since 2010
- TOC ranges from 2 to 10%
- Thickness ranges from 25 to over 500 meters
- Source rock of Neuquina Basin

### C Tordillo/Sierras Blancas/Punta Rosada Formation

- Conventional formations with over 40 years of production history
- Light oil with API above 32°
- Most of the these formations under secondary recovery



# Neuquina Basin – Conventional

Profitable conventional assets with potential for further upside

## Asset Overview

- Six operated and one non-operated concessions, with concession terms through 2025/2026/2040 (with 10 year extensions available under Federal Hydrocarbon Law under predefined bonus formula)
- Oil and gas production from well understood reservoirs with primary and secondary production
- Contiguous acreage position across three concessions in the Río Negro and Neuquén provinces covering ~398k acres in the Neuquina Basin plus ~140k acres closely located (less than 50 km away)
- High quality oil production with upside potential through infill drilling and waterflood expansion

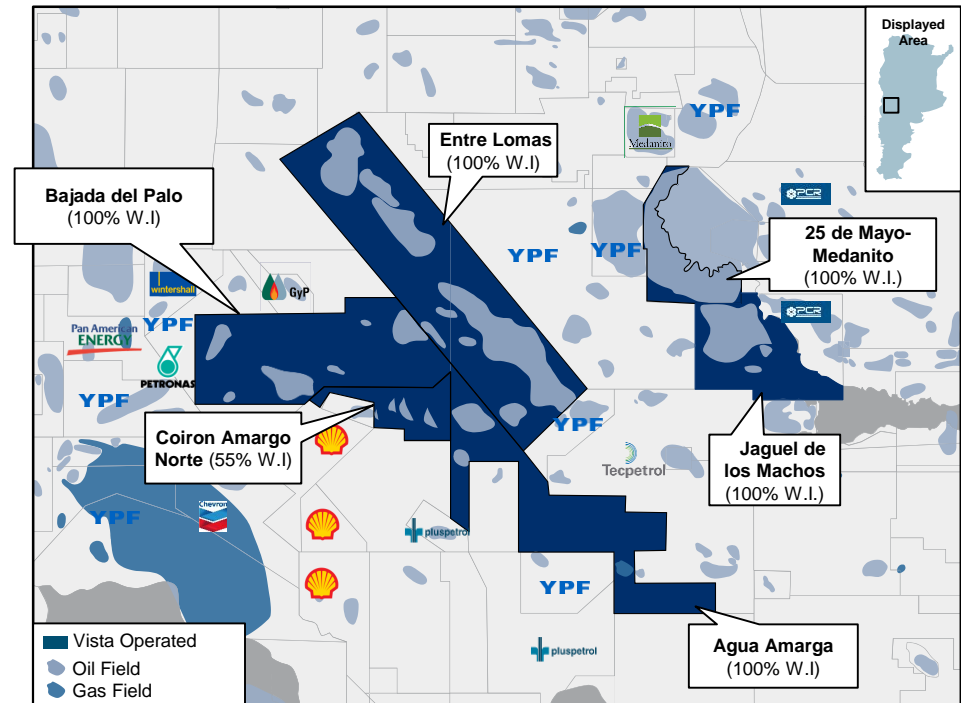
## Key Stats<sup>(1)</sup>

- 1P reserves of 54.7 MMboe and 2P reserves of 74.7 MMboe<sup>(2)</sup>
- 2017E production of 27.3 kboe/d (61% oil)
- Reserve life of 7.5 years
- Land holdings of ~538,000 acres

## Vista Value-Add

- ✓ Extensive operational experience in the basin
- ✓ Established relationships with key stakeholders
- ✓ Potential ability to increase secondary recovery

## Conventional Operations Map<sup>(1)</sup>



(1) Based on Company information and *Ministerio de Energía y Minería (Presidencia de la Nación)*.

(2) Reserves as of December 31, 2016.

**Important Note:** projections, estimates, targets and goals are forward-looking statements and not guarantees of future performance. See "Important Note Regarding Projections and Other Forward-Looking Statements."

# Neuquina Basin – Unconventional

## Large potential of core Vaca Muerta play

### Asset Overview<sup>(1)</sup>

- One operated (48,000 acres) and one non-operated concession (6,000 net acres) in the core of Vaca Muerta
- Full-scale, development-ready, Vaca Muerta core acreage
- Bajada del Palo and Coirón Amargo Sur Oeste are in the same prospectivity window as La Amarga Chicha (YPF-Petronas), Loma Campana (YPF-Chevron), Sierras Blancas and Cruz de Lorena (Shell) and Aguada Federal (Wintershall), which have completed pilots and/or are in development phase
- Significant progress in cost reduction has improved economics of development over the past few years

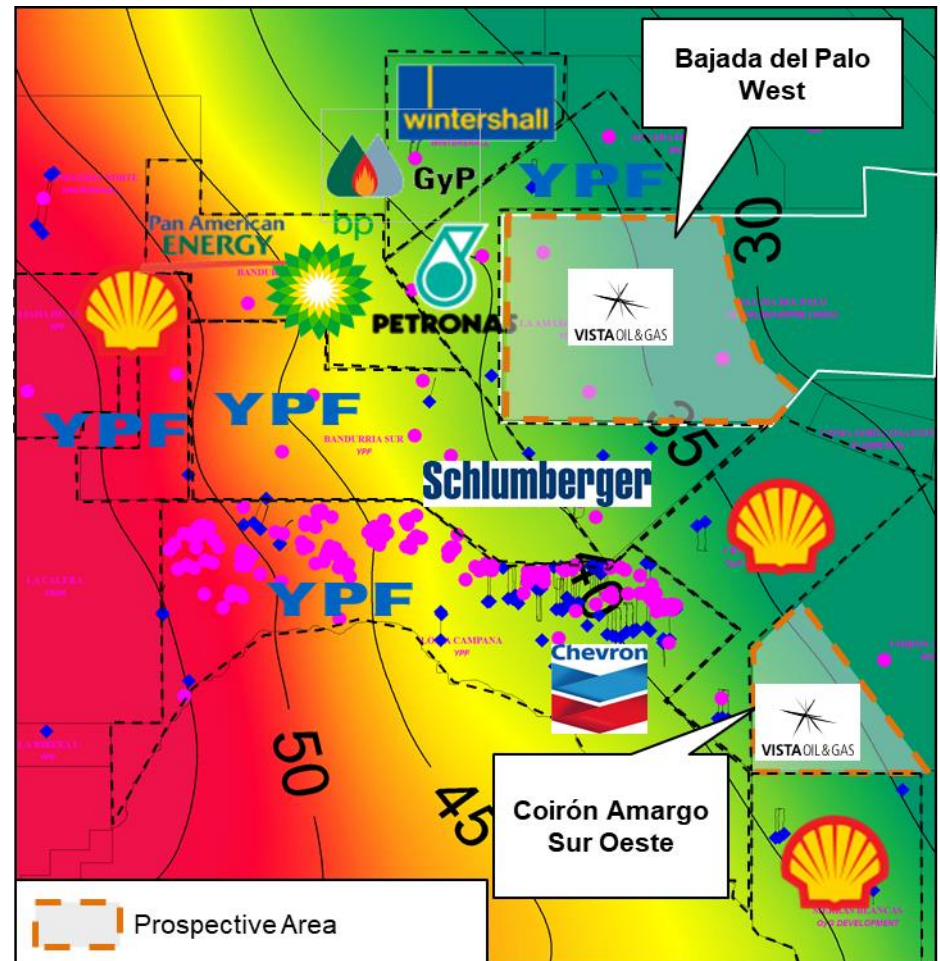
### Key Stats<sup>(1)</sup>

- Land holdings of 137,000 acres with 54,000 net core shale oil acres
- EUR (P50): 311 MMBoe
- Drilling inventory: 413 in base case plan (out of >1,100 potential locations)

### Vista Value-Add

- ✓ Management team with top experience in Vaca Muerta
- ✓ Support from Riverstone, leading PE investor in North American shale (technology, network, etc.)

### Unconventional Operations Map<sup>(1)</sup>



(1) Based on Company information and estimates.

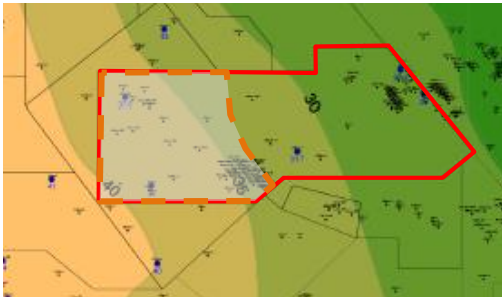
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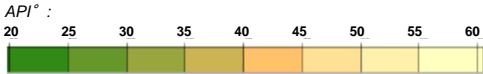
# Bajada del Palo Location and Potential Landing Zones

Multiple landing zones generate extensive drilling inventory

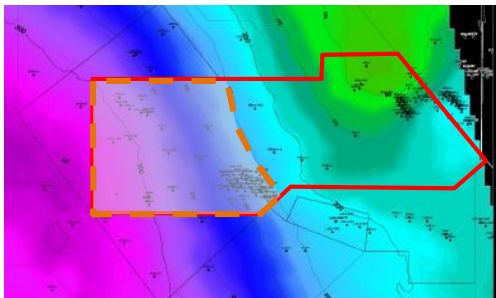
**Bajada del Palo Core Location Map**



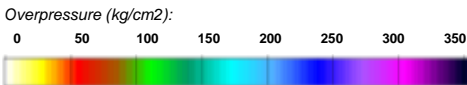
West side of the block between 40 and 32 API°



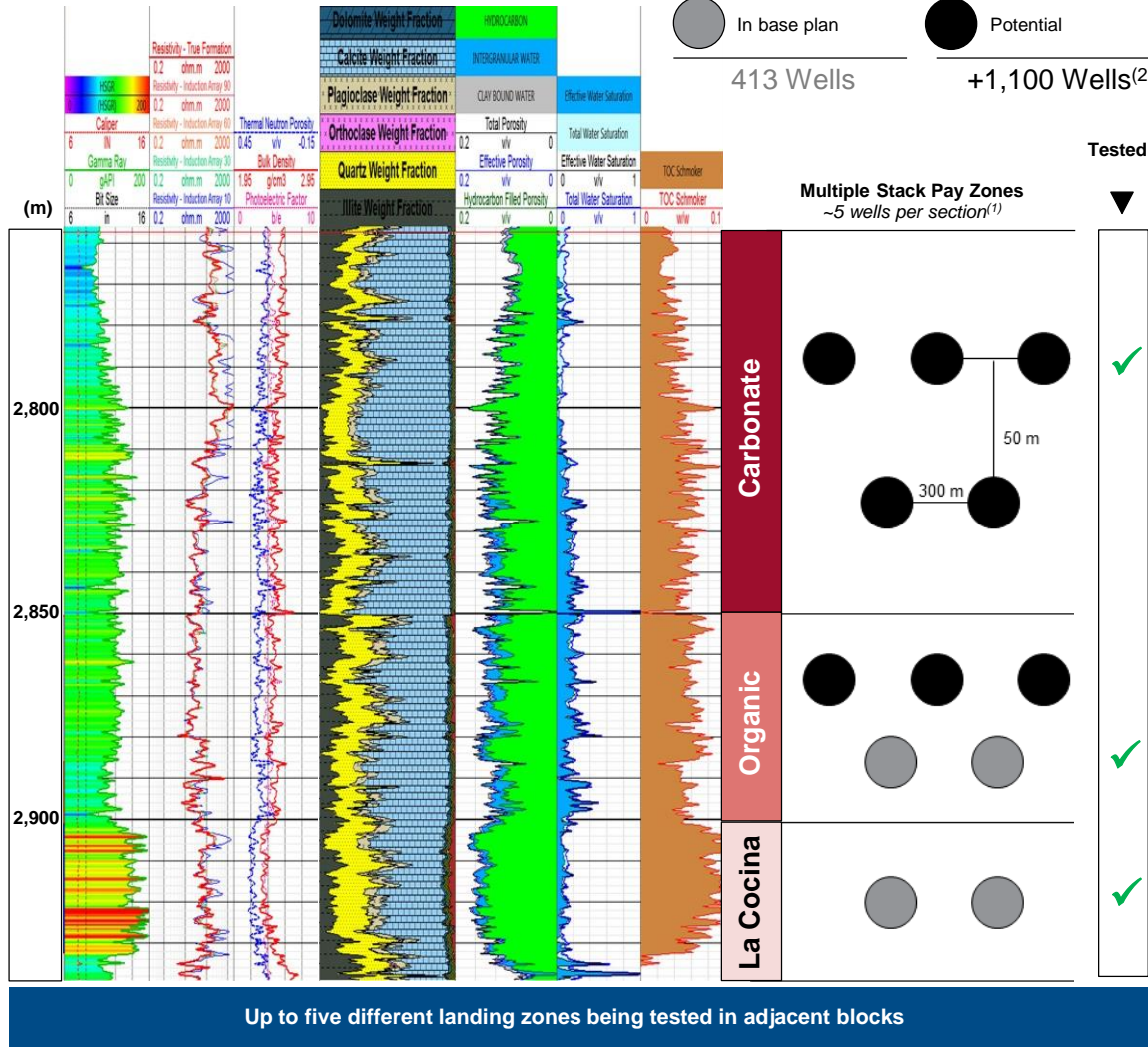
**Bajada del Palo Overpressure Map**



West side of the block above 250 kg/cm<sup>2</sup> (4,600 psi)



Prospective Area



Up to five different landing zones being tested in adjacent blocks

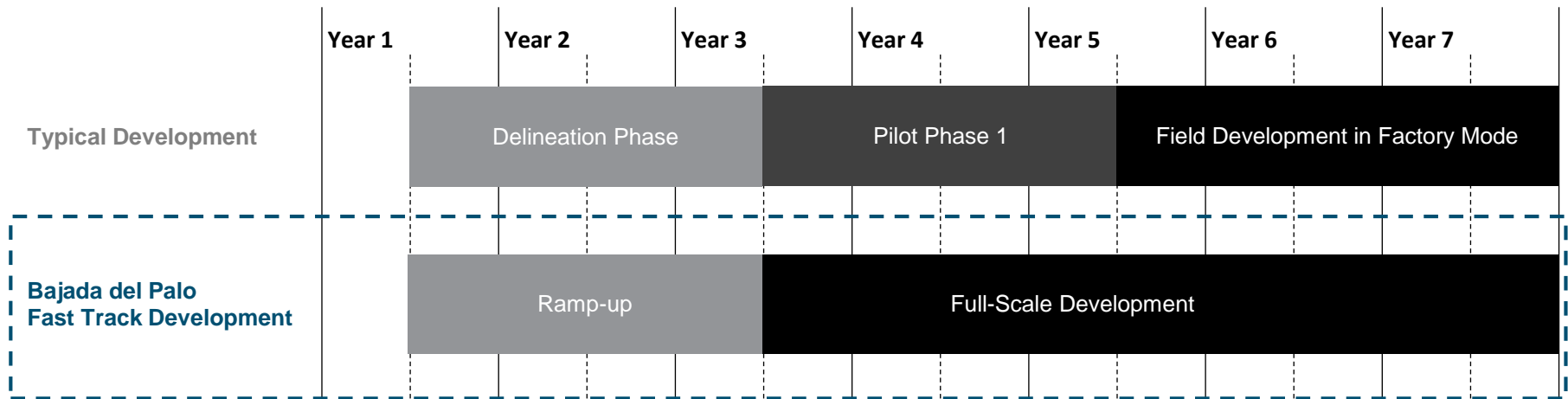
Source: WDVG – Petroleum Engineering Laboratories.

(1) A section equals to 1.6 km (1.0 mile).

(2) Includes 413 wells in base plan.

# Fast Track to Full-Scale Development (1/2)

Bajada del Palo development versus typical schedule



## Delineation Phase

### 3D seismic acquisition and interpretation ✓

- Prospective drillable area definition ✓

### Data gathering in vertical wells: ✓

- Core acquisition for the whole VM interval ✓
- Full set of logs (sonic and image) ✓
- Thermal maturity confirmation ✓

### Petrophysical analysis to determine landing zones ✓

### Horizontal wells to confirm landing zone productivity ✓

- ✓ Already completed for Bajada del Palo Block
- ✓ Advanced understanding for Bajada del Palo Block

## Pilot Phase 1

### Inputs for field development plan

- Pad configuration definition ✓
- Number of wells per pad ✓
- Batch drilling and optimization ✓
- Completion design optimization ✓

### Field development plan elaboration ✓

### Facilities construction ✓

### Sand & water logistics optimization ✓

### Scale contracts negotiation ✓

## Full-Scale Development

### Ramp up in activity

### Operations standardization

### Production optimization

- Choke management policy
- Artificial lift optimization
- Flow assurance
- Telemetry and Automation (Control Room monitoring)
- Preventive shut-in policy to prevent interference

### Well construction continuous improvement

- Real time optimization (Remote Operations Center)
- Procedure for new technology testing

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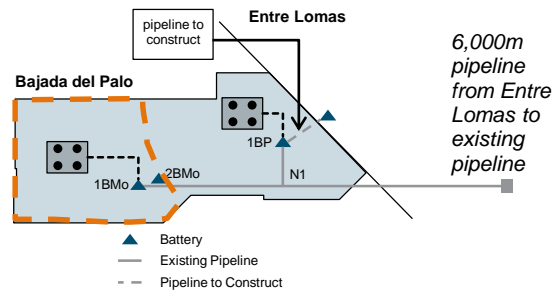


# Fast Track to Full-Scale Development (2/2)

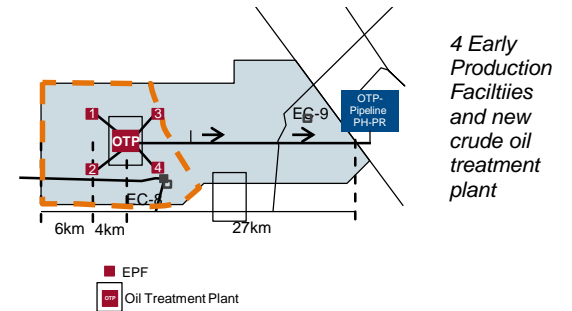
Facilities capacity in place allow for initial development phase startup

## Bajada del Palo Oil Treatment & Evacuation

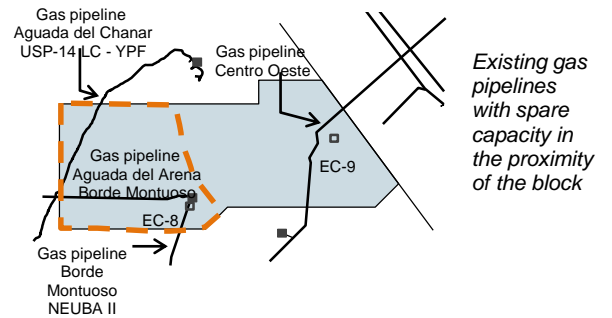
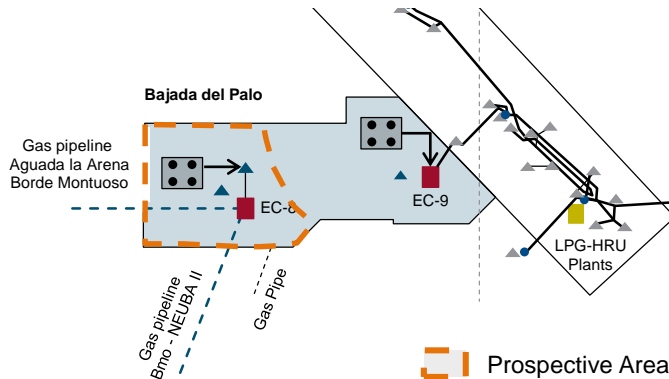
### Facilities for Initial Development Phase



### Facilities for Full-Scale Development



## Bajada del Palo Gas Treatment & Evacuation



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**2 ▶ Transaction Summary**

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# Transaction Summary

## Transaction Summary

- In January 2018, Vista agreed to acquire a portfolio of assets in Argentina's most prolific hydrocarbon basin from two sellers
  - 99.68% equity stake in Petrolera Entre Lomas ("PELSA")
  - 100% equity stake in APCO O&G Int'l and APCO Argentina
  - 100% W.I. in 25 de Mayo-Medanito and Jagüel de los Machos
  - 3.85% W.I. in Entre Lomas, Bajada del Palo and Agua Amarga block
- Vista secured commitments for \$100MM in additional equity and secured a commitment from certain banks to provide a backstop credit facility of up to \$300MM to complete the acquisitions

## Implied Total Enterprise Value

Shares Outstanding (MM)	96.3
Share Price (\$/sh.)	\$10.00
<b>Equity Value (\$MM)</b>	<b>963</b>
(+) Net Debt	(100)
<b>Total Enterprise Value (\$MM)</b>	<b>863</b>

## Pro Forma Capitalization

### Pro Forma Capitalization at Closing

	At \$10/sh.		At \$18/sh. <sup>(2)</sup>	
Current Public Equity Investors	67.5%	65.0	67.3%	72.8
New Public Equity Investors	10.4%	10.0	9.2%	10.0
Riverstone Vista Capital Partners (FPA)	5.2%	5.0	5.2%	5.6
Riverstone / Management Team <sup>(1)</sup>	16.9%	16.3	18.3%	19.8
<b>Total Shares Outstanding (MM)</b>	<b>100%</b>	<b>96.3</b>	<b>100%</b>	<b>108.2</b>

(1) Includes shares held by independent directors

(2) Assumes cashless exercise of warrants

## Transaction Sources and Uses

Sources	\$MM	%
IPO Proceeds	650	81.3%
Riverstone Vista Capital Partners (FPA)	50	6.3%
Capital Raise	100	12.5%
<b>Total</b>	<b>800</b>	<b>100.0%</b>

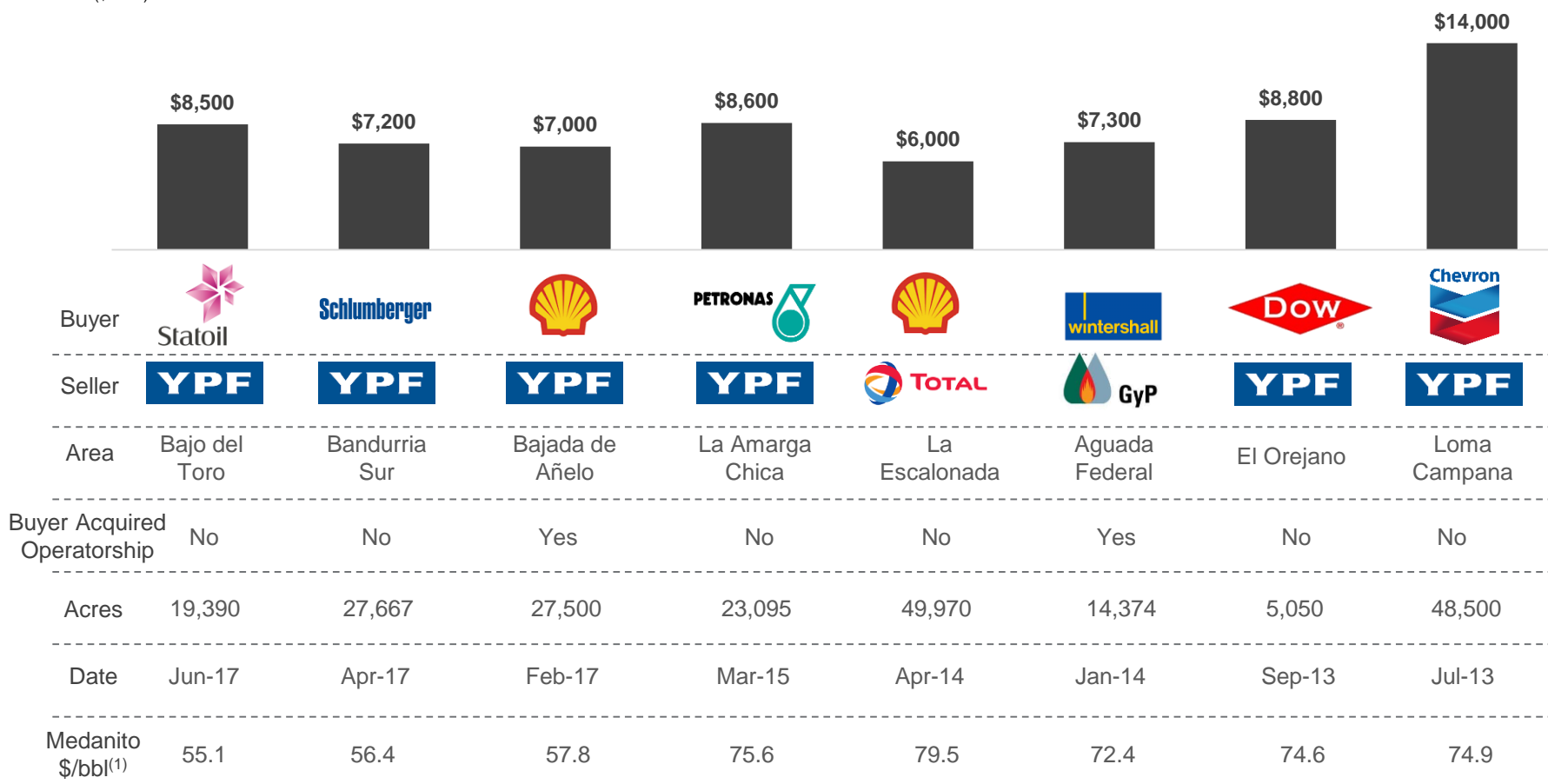
Uses	\$MM	%
Purchase Price	675	84.4%
Transaction Expenses	25	3.1%
Estimated Balance Sheet Cash at Close	100	12.5%
<b>Total</b>	<b>800</b>	<b>100.0%</b>

# Selected Precedent Acquisition Multiples

## Precedent transactions in Vaca Muerta

### Precedent Acquisition Multiples

(\$/acre)



Source: Press releases and media coverage.

(1) Based on *Ministerio de Energía y Minería (Presidencia de la Nación)*.

# Appendix Agenda

---

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# Pro Forma Balance Sheet

(\$ MM)	As of September 30, 2017 <sup>(1)</sup>	As of December 31, 2016 <sup>(1)</sup>	Variance %
Cash and cash equivalents	\$97	\$81	20%
Accounts receivables	\$46	\$44	5%
Other current assets	\$40	\$50	-20%
<b>Total current assets</b>	<b>\$183</b>	<b>\$175</b>	<b>5%</b>
Property, plant and equipment, net	\$553	\$614	-10%
Other non-current assets	\$334	\$311	7%
<b>Total non-current assets</b>	<b>\$887</b>	<b>\$925</b>	<b>-4%</b>
<b>Total assets</b>	<b>\$1,070</b>	<b>\$1,100</b>	<b>-3%</b>
Accounts payable	\$43	\$52	-17%
Other current liabilities	\$40	\$60	-33%
<b>Total current liabilities</b>	<b>\$83</b>	<b>\$112</b>	<b>-26%</b>
Deferred income tax liability	\$126	\$136	-7%
Other non-current liabilities	\$79	\$77	3%
<b>Total non-current liabilities</b>	<b>\$205</b>	<b>\$213</b>	<b>-4%</b>
<b>Total Liabilities</b>	<b>\$288</b>	<b>\$325</b>	<b>-11%</b>
<b>Total shareholders equity</b>	<b>\$782</b>	<b>\$775</b>	<b>1%</b>

(1) These statements have been prepared based on the historical financial information compiled from each of the potential acquisitions as of December 31, 2016 and as of September 30, 2017, and assuming the creation of the Company on that date. For the preparation of the historical financial information, (i) the financial information regarding PELSA and APCO was compiled in U.S. dollar as of December 31, 2016 and as of September 30, 2017 and (ii) the information relating to the Direct Interests was compiled in Argentine Pesos and converted to U.S. dollar, for comparison purposes. The unaudited condensed combined pro forma financial statements have been prepared to comply with regulatory ruling issued by Mexican National Banking and Securities Commission in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

# Pro Forma Income Statement

(\$ MM)	For the nine months ended September 30 <sup>(1)</sup>			For the twelve months ended December 31 <sup>(1)</sup>		
	2017	2016	Var %	2017 <sup>(2)</sup>	2016	Var %
Net sales	\$334	\$431	-23%	\$445	\$575	-23%
Cost of sales	(\$269)	(\$299)	-10%	(\$359)	(\$398)	-10%
<b>Gross Profit</b>	\$65	\$132	-51%	\$86	\$177	-51%
Administrative expenses	(\$10)	(\$11)	-9%	(\$13)	(\$14)	-7%
Selling expenses	(\$11)	(\$12)	-8%	(\$15)	(\$16)	-6%
Exploration expenses	(\$1)	(\$3)	-67%	(\$1)	(\$4)	-75%
Other expenses, net	(\$4)	(\$38)	-89%	(\$5)	(\$51)	-90%
Financial expenses	(\$7)	(\$11)	-36%	(\$9)	(\$15)	-40%
Financial income	\$2	\$2	0%	\$3	\$2	50%
<b>Profit Before Taxes</b>	\$34	\$59	-42%	\$46	\$79	-42%
Income taxes	(\$20)	(\$36)	-44%	(\$27)	(\$48)	-44%
<b>Net Income</b>	<b>\$14</b>	<b>\$23</b>	<b>-39%</b>	<b>\$19</b>	<b>\$31</b>	<b>-39%</b>
<b>EBITDA</b>	<b>\$136</b>	<b>\$180</b>	<b>-24%</b>	<b>\$182</b>	<b>\$240</b>	<b>-25%</b>
<i>EBITDA Margin (%)</i>	41%	42%	-3%	41%	42%	-3%
<b>Depreciation</b>	<b>\$95</b>	<b>\$110</b>	<b>-13%</b>	<b>\$127</b>	<b>\$146</b>	<b>-13%</b>

(1) These statements have been prepared based on the historical financial information compiled from each of the potential acquisitions as of December 31, 2016 and as of September 30, 2017, and assuming the creation of the Company on that date. For the preparation of the historical financial information, (i) the financial information regarding PELSA and APCO was compiled in U.S. dollar as of December 31, 2016 and as of September 30, 2017 and (ii) the information relating to the Direct Interests was compiled in Argentine Pesos and converted to U.S. dollar, for comparison purposes. The unaudited condensed combined pro forma financial statements have been prepared to comply with regulatory ruling issued by Mexican National Banking and Securities Commission in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

(2) In order to carry out the comparative analysis of the consolidated results, the pro forma figures showing the results as of September 2017 were projected linearly (133%) so as to obtain the data shown in the December 31, 2017 column.

# Appendix Agenda

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1 ▶ Portfolio Overview

2 ▶ Transaction Summary

3 ▶ Pro Forma Historical Financials

**4 ▶ Management Team**

5 ▶ Argentina Macro



# Management Team

Experienced team with a solid track record working together



**Miguel Galuccio**

*Chairman and CEO*

- 25 years of energy experience across five continents (integrated oil and gas and oilfield services)
- Independent board member of Schlumberger
- Former Chairman and CEO of YPF and President of Schlumberger SPM/IPM<sup>(1)</sup>
- Previously Schlumberger Geomarket Manager for Mexico and Central America
- Prior experience with YPF International and Maxus Energy in Argentina and Southeast Asia
- Petroleum Engineering degree from Instituto Tecnológico de Buenos Aires



**Pablo Vera Pinto**

*Chief Financial Officer*

- More than 15 years of international business development, consulting and investment banking experience
- Previously Business Development Director at YPF in Argentina
- Former member of the board of fertilizing company Profertil (Agrium-YPF), power generation company Central Dock Sud S.A. (Enel-YPF) and gas distributor Metrogas S.A. (YPF, acquired from British Gas)
- Prior experience gained at private equity group in South America with finance and operations management responsibilities as Restructuring Manager, CFO and General Manager of portfolio companies, management consulting at McKinsey & Company in Europe and investment banking at Credit Suisse in New York
- MBA INSEAD; Economics degree from Universidad Torcuato Di Tella



**Juan Garoby**

*Chief Operating Officer*

- More than 20 years of E&P and oilfield services experience
- Previously, Interim VP E&P, Head of Drilling and Completions, Head Unconventionals at YPF
- Former President for YPF Servicios Petroleros S.A. (YPF owned drilling contractor)
- Prior experience with Baker Hughes Inc. (Brazil, Peru, Ecuador) and Schlumberger Ltd. (Europe and Africa)
- Petroleum Engineering degree from Instituto Tecnológico de Buenos Aires



**Alejandro Chernacov**

*Investor Relations Officer*

- More than 10 years of LatAm E&P strategy, portfolio management and investor relations experience
- Previously CFO of small-cap Canada-listed E&P company
- Prior experience as Investor Relations Officer and ran the Upstream Project Portfolio at YPF in Argentina
- Masters in Finance from Universidad Di Tella, Strategic Decision and Risk Management professional certificate from Stanford University; Economics degree from Universidad de Buenos Aires

(1) Schlumberger Production Management and Schlumberger Integrated Project Management, business segments of Schlumberger Ltd.

# Miguel Galuccio's Track Record at Schlumberger

Led high-growth “company-shaping” global businesses

## Strategic thought leader

- **More than 12 years in various senior leadership positions**, including President of Schlumberger IPM and SPM, current independent board member of Schlumberger and **Geomarket Manager for Mexico and Central America**
- Under his leadership, the company conceptualized and implemented novel strategic initiatives with lasting impact
  - **Led the creation of SPM**, which currently is a **focus growth segment for SLB** globally having reached 235 kboe/d
  - Led **Schlumberger's repositioning with PEMEX**, which became one of the top Schlumberger clients globally

## Execution focused and results driven

- Led IPM to become a benchmark among oil field service companies for operational excellence
  - Executed complex projects across five continents in extremely challenging conditions (e.g. Iraq re-entry, Russia, Algeria)
- Developed new business models integrating services with E&P risk-returns under SPM
  - **Burgos, Chicontepec, Alianza and Mesozoico projects with PEMEX** (more than 2,000 wells drilled over eight years)
  - **Casabe project with Ecopetrol**; SPM tripled production in five years
  - Shushufindi contract with Petroamazonas (Ecuador): operated by SPM, co-funded by E&P company Tecpetrol (Techint Group) and US private equity firm KKR; SPM doubled production in four years
  - Barnett shale gas project (Texas) and Bakken shale oil project (North Dakota)
  - Other projects in China, Romania and Malaysia

## Ability to attract talent and generate network

- **Managed fast-growing global organization with more than 6,300 employees** in 55 projects across six regions
  - Pushed out-of-the-box **solutions with strong bottom-line impact** by motivating teams and engraining a can-do attitude in the company's engineers and geoscientists
- Developed vast global network across oil and gas industry
  - **Strong relationships with CEOs of majors, independents and national oil companies**

# Experienced Management With Proven Track Record

Mr. Galuccio led a remarkable turnaround of YPF in a complex scenario

## Strategic leadership with visible impact

- **Contributed to shaping key market reforms** including gas pricing incentive scheme, domestic crude pricing support, amended federal hydrocarbons law and reversed decade-long decline in production and reserves
- Laid foundations for **economic development of Vaca Muerta**:
  - 500 wells drilled (**70% of Vaca Muerta activity to date**)
  - 47% well cost reduction down to \$8MM per horizontal well
  - Reached 50,000 boe/d (**largest economic shale development outside North America**)

## Strong financial and operational performance

- **Tripled share price** in first 24 months
- **Grew production by more than 100 kboe/d** to reach more than 580 kboe/d
- Achieved **45% EBITDA growth** to reach more than \$5Bn
- Ramped up activity from 25 to 74 drilling rigs at peak maintaining **best-in-class safety record**
- Achieved reserves growth of 25% to **reach more than 1.2 Bnboe**

## Successful BD, M&A and capital markets effort

- **Closed 20+ transactions with deal value in excess of \$4Bn**; including company-shaping Apache Argentina acquisition (\$800 MM) and landmark shale JVs with Chevron (\$1.4Bn), Petronas (\$550MM) and Dow (\$180MM)
- **Raised more than \$8Bn from international and local capital markets** with over 30 new issuances between 2012 and 2016 (with yields below Argentina's sovereign benchmark); representing **90%+ of all Argentine international issuances**
- Stock covered by more than 20 research analysts from top tier institutions; **YPF Management voted top 2 Investor Relations Team for LatAm oil and gas sector by Institutional Investor**

## Ability to attract talent and source transactions

- **Led complex integrated oil and gas** organization with more than 20,000 direct employees
- Promoted and recruited best-in-class managers for key positions; **implemented world-class talent management initiatives**
- **Mr. Galuccio voted Best CEO of Argentina** (PwC survey 2014) and LatAm CEO of the Year (BRAVO Latin Trade business awards 2014)

Decades of oil and gas experience in leadership roles consistently delivering remarkable results

# Board of Directors comprised by World Class Professionals

Strong corporate governance, with majority independent composition

<b>Miguel Galuccio</b> <i>Chairman of the Board</i>	<ul style="list-style-type: none"><li>▪ Please refer to page 36 for Mr. Galuccio's biographical information</li></ul>
<b>Kenneth Ryan</b> <i>Member of the Board by Riverstone</i>	<ul style="list-style-type: none"><li>▪ Partner at Riverstone based in the New York office and Partner and Head of Corporate Development, Capital Strategies, and Investor Relations</li><li>▪ Prior to joining Riverstone in 2011, Mr. Ryan worked for Gleacher &amp; Company and Gleacher Partners in London and New York, more recently as Managing Director and Co-Head of Investment Banking</li><li>▪ Currently he serves as member of the investment committee at Riverstone Credit Partners and as member of the board of Riverstone Energy Limited, HES International and Trailstone</li><li>▪ Mr. Ryan graduated from the University of Dublin Law School, Trinity College</li></ul>
<b>Susan L. Segal</b> <i>Independent member of the Board</i>	<ul style="list-style-type: none"><li>▪ Ms. Segal was appointed President and General Director of Americas Society / Council of the Americas in 2003, after working in the private sector in Latin America and other emerging markets throughout more than 30 years</li><li>▪ Prior to her current appointment, she was a Partner at Chase Capital Partners / JPMorgan Partners with a focus on private equity in Latin America and pioneering venture capital investments in the region</li><li>▪ Ms. Segal is a member of the Board of Americas Society / Council of the Americas, the Tinker Foundation, Scotiabank and Mercado Libre, as well as President of the Board of Scotiabank USA</li><li>▪ Ms. Segal graduated from Sarah Lawrence University and received an MBA from Columbia University in the United States</li></ul>
<b>Mauricio Doehner Cobián</b> <i>Independent member of the Board</i>	<ul style="list-style-type: none"><li>▪ Mr. Doehner has been Executive Vice President of Corporate Affairs and Enterprise Risk Management at Cemex since May 2014</li><li>▪ Mr. Doehner began work with Cemex in 1996 and has held various executive positions in areas such as Strategic Planning, Institutional Relationships and Communications and Business Risk Management for Europe, Asia, Middle East, South America and Mexico</li><li>▪ Further, he worked in Mexico's Presidential administration leading the relationship with the Mexican public, including diverse issues such as government reforms and the national budget</li><li>▪ Mr. Doehner holds a Bachelor's degree in Economics from Tecnológico de Monterrey, an MBA from IESE/IPADE, and a Professional Certificate in Competitive Intelligence by the FULD Academy of Competitive Intelligence in Boston, Massachusetts</li></ul>
<b>Anthony Lim</b> <i>Independent member of the Board</i>	<ul style="list-style-type: none"><li>▪ Mr. Lim is an advisor at GIC Private Limited, a leading global investment firm, where he previously held the position of Managing Director and President (Americas) and prior to his appointment to the United States in 2009, he was President of GIC in London for 11 years</li><li>▪ Prior to joining GIC, he was General Manager in Bankers Trust Company and held various positions of high level</li><li>▪ Mr. Lim currently serves as a member of the Global Advisory Board of Teach for All, an organization dedicated to global education, and is a Founding Member of the Global Advisory Board of the Woodrow Wilson Center</li><li>▪ Additionally, Mr. Lim serves in the Expert Advisory Board and the Surveillance of Asset Management of External Clients Committee of the World Bank Treasury and was a member of the Board for Hedge Fund Standards from 2007 to 2016</li><li>▪ Mr. Lim graduated from Singapore National University and completed the Management Program at Harvard Business School</li></ul>
<b>Mark Bly</b> <i>Independent member of the Board</i>	<ul style="list-style-type: none"><li>▪ Mr. Bly has more than 30 years of experience in the oil and gas industry, having occupied various executive positions at an international level at BP serving most recently as Executive Vice President of Safety and Operational Risk</li><li>▪ Mr. Bly was also a part of BP's E&amp;P Executive Group, responsible for monitoring an international portfolio with units in Angola, Trinidad, Egypt, Algeria, and the Gulf of Mexico</li><li>▪ Mr. Bly led the internal investigation of the Deepwater Horizon incident in 2010, and is the author of "Bly Report" that defined the understanding of such event by the industry and represented the founding of the new organization and global drilling practices program within BP</li><li>▪ Mr. Bly received a Master's degree in Structural Engineering from the University of California at Berkeley and a Bachelor's degree in Civil Engineering from the University of California at Davis</li></ul>

(1) Schlumberger Production Management and Schlumberger Integrated Project Management, business segments of Schlumberger Ltd.

# Appendix Agenda

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# Entry to Argentina at an Inflection Point

Argentina's market friendly reforms and initiatives are encouraging

## Structural reforms and initiatives since December 2015...

### Economic

- Removed capital controls and repatriation restrictions
- Resolved defaulted debt and regained access to financial markets
- Reduced export taxes and removed import restrictions
- Floated FX and recovered monetary reserves

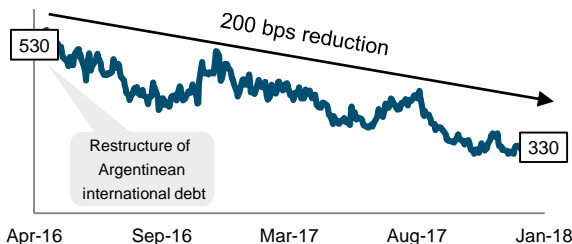
### Institutional

- Instituted inflation targeting policy to reach single-digit CPI by 2020
- Established four-year plan to eliminate primary fiscal deficit
- The economic emergency law was not renewed and ceased to be in force as of January 6, 2018.

## ... have already resulted in improvements...

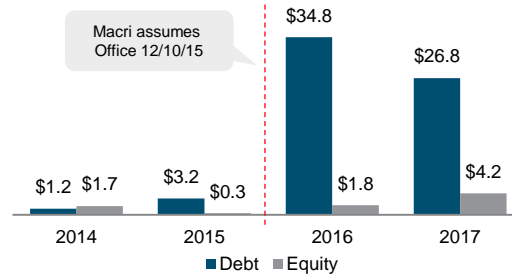
### Improving Country Risk

10-year Benchmark G/Spread Evolution – (bps)



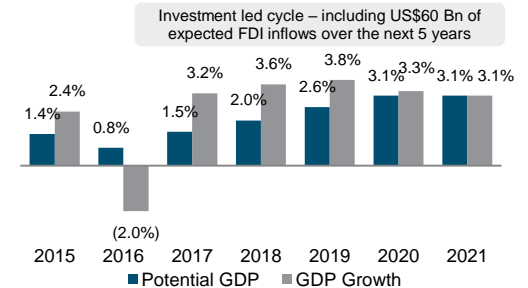
### With Capital Markets Activity on the Rise

Debt & equity issuances – (\$ Bn)



### Rising & Steady Growth Expectations

Forecasted GDP - (% change y-o-y)



## ... and forward outlook is encouraging

- Outlook for reforms has improved with strong popular support after mid-term elections. Recently, (i) tax reform passed, lowering tax burden and encouraging investment, (ii) integral reform of the capital markets underway and (iii) labor reform to be pushed later in 2018
- Government pursuing agreements between unions and private sector to increase productivity in specific sectors, including oil and gas
- Diverse and attractive investment opportunities of more than \$250bn in multiple sectors like infrastructure, energy, mining and agribusiness
- Foreign Direct Investment ("FDI") picking up, signaling favorable time to invest

Source: Bloomberg, Wall Street Research.

# Key Dynamics of Argentina's Oil & Gas Industry

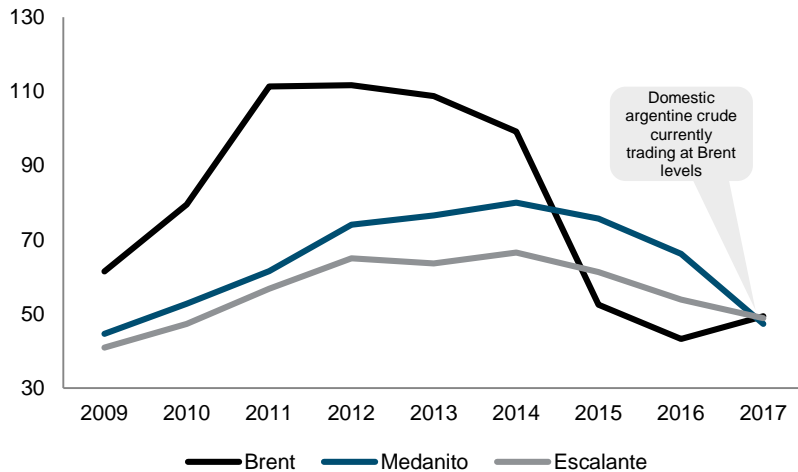
## Positive changes in regulation support sector dynamics

- Starting in 2012, the government started to implement changes to foster investments in the Oil & Gas sector, including introduction of a gas price subsidy scheme to gradually close between domestic market price and import parity, and enactment of amended federal hydrocarbons law to adapt regulatory framework to unconventional and off-shore exploration and development
- Since December 2015, with the current administration in office, the government has taken decisive steps to fully normalize the domestic Oil & Gas market and attract investment, including liberalization of domestic fuel pricing, elimination of export duties and export quotas, and normalization of tariffs for transport and distribution of gas and electricity

### Argentina Oil and Gas Pricing Dynamics

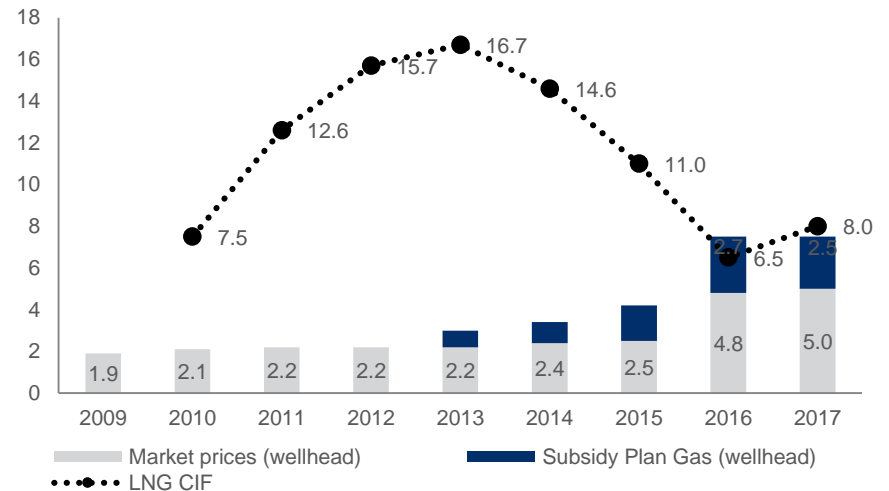
#### Oil Prices

Domestic Crude Prices vs. Brent (US\$/bbl)



#### Gas Prices

(US\$/mmbtu)



Source: Ministerio de Energía y Minería (Presidencia de la Nación).

## 4. RESERVES REPORT



**Remaining 1P Hydrocarbon Volumes Statement  
for the Coirón Amargo Sudeste  
and Acambuco Areas, Argentina  
as of December 31, 2016**

Prepared for

**Vista Oil & Gas S.A.**

January 2018

January 25 2018

Mr. Juan Garoby  
Chief Operating Officer  
**Vista Oil & Gas S.A.**  
Javier Barros Sierra 540, Tower 2, 2nd Floor  
Lomas de Santa Fe, Mexico City, Mexico  
[jgaroby@vistaoilandgas.com](mailto:jgaroby@vistaoilandgas.com)

Dear Mr. Juan Garobi,

**Remaining 1P Hydrocarbon Volumes Statement  
for Certain Argentine Properties  
as of December 31, 2016**

The remaining 1P hydrocarbon volumes that are included in this report were originally prepared by Gaffney, Cline & Associates (GCA) for Apco Oil & Gas International Inc. Sucursal Argentina (APCO) as of December 31, 2016 and issued in a report to APCO on January 23, 2017 entitled "Reserves Statement for Certain Properties in Argentina as of December 31, 2016".

Vista Oil & Gas S.A. (Vista or "the Client") intends to purchase the APCO interest of the following properties in Argentina:

Area	Province	Operator	Operator's Contract Deadline	Apco WI (%)
Coiron Amargo	Neuquen	APCO	12/01/2036	55.00
Acambuco	Salta	Pan American Energy	02/16/2040	1.50

GCA has received written authorization from APCO to use the results of its prior audit for this report for Vista. The operators of these areas provided GCA with their reserves estimates and all data and interpretations used as supporting documentation for GCA's prior audit. APCO has endorsed GCA's use of this data, and GCA references to this data as APCO's.

As of January 25, 2018 Vista has not had and does not have any interest in any of the assets included in this report.

The above-mentioned GCA report contains reserves statements corresponding to APCO's projects and associated investments. No part of these volumes can be ascribed to Vista as reserves because Vista held no interest in the assets at the effective date of the audits. Furthermore, if Vista purchases an interest in the assets, the remaining production volumes could suffer changes due to variations in development plans and Vista's economic conditions. Therefore GCA quotes in this report those reserves as "remaining hydrocarbon volumes".

This report relates specifically and solely to the subject matter as defined in the scope of work in the Proposal for Services and is conditional upon the assumptions described herein. The report must be considered in its entirety and must only be used for the purpose for which it was intended.

On the basis of technical and other information made available to GCA concerning these property units through December 31, 2016, GCA provides the remaining hydrocarbon volumes statement in the following tables by property. **It must be explicitly understood that GCA has not taken into account any information related to these assets that arose after December 31, 2016. Such changes, for instance actual production from the fields, results of drilling or workovers, or the revisions to the development plan, could have an impact of the reported volumes, some or all of which may be material.**

Please note that, while these volumes are not reserves for Vista, GCA has, for convenience, used reserves terminology in the following tables to indicate the level of confidence for each volume, consistent with the PRMS (as noted below).

**Statement of Remaining 1P Hydrocarbon Volumes  
Coiron Amargo Norte, Argentina  
as of December 31, 2016**

Category	Gross (100%) Field Volumes			Gross (WI) Company Volumes			Net (NRI) Company Volumes		
	Liquids (Mm <sup>3</sup> )	Gas (MMm <sup>3</sup> )	LPG (Mm <sup>3</sup> )	Liquids (Mm <sup>3</sup> )	Gas (MMm <sup>3</sup> )	LPG (Mm <sup>3</sup> )	Liquids (Mm <sup>3</sup> )	Gas (MMm <sup>3</sup> )	LPG (Mm <sup>3</sup> )
Proved									
Developed	174	50	-	96	27	-	84	24	-
Undeveloped	54	15	-	30	8	-	26	7	-
<b>Total Proved</b>	<b>228</b>	<b>65</b>	<b>-</b>	<b>125</b>	<b>36</b>	<b>-</b>	<b>110</b>	<b>32</b>	<b>-</b>

\* Numbers have been rounded.

**Acambuco, Argentina  
as of December 31, 2016**

Category	Gross (100%) Field Volumes			Gross (WI) Company Volumes			Net (NRI) Company Volumes		
	Liquids (Mm <sup>3</sup> )	Gas (MMm <sup>3</sup> )	LPG (Mm <sup>3</sup> )	Liquids (Mm <sup>3</sup> )	Gas (MMm <sup>3</sup> )	LPG (Mm <sup>3</sup> )	Liquids (Mm <sup>3</sup> )	Gas (MMm <sup>3</sup> )	LPG (Mm <sup>3</sup> )
Proved									
Developed	584	7,071		9	106		8	93	
Undeveloped	-	-		-	-		-	-	
<b>Total Proved</b>	<b>584</b>	<b>7,071</b>	<b>-</b>	<b>9</b>	<b>106</b>	<b>-</b>	<b>8</b>	<b>93</b>	<b>-</b>

\* Numbers have been rounded.

Hydrocarbon liquid volumes represent crude oil, condensate and gasoline estimated to be recovered during field separation and are reported in thousands of cubic meters (Mm<sup>3</sup>) at stock tank conditions. Natural gas volumes represent expected gas sales and are reported in million cubic meters (MMm<sup>3</sup>) at standard condition of 1 atmosphere and 15°C.

Royalties have been deducted from reported net interest volumes.

Gas reserves sales volumes are based on firm and existing gas contracts, or on the reasonable expectation of new gas sales contracts, or on the reasonable expectation that any such existing gas sales contracts will be renewed on similar terms in the future.

## **Remaining Hydrocarbon Volumes Assessment**

This audit examination was based on remaining hydrocarbon volumes estimates and other information provided by APCO to GCA through December 31, 2016 and included such tests, procedures and adjustments as were considered necessary. All questions that arose during the audit process were resolved to GCA's satisfaction.

The commerciality and economic tests for the December 31, 2016 remaining hydrocarbon volumes were based on APCO's future scenario of realized prices for oil, condensate, gasoline and gas, without indexation. GCA performed sensitivities to the oil price, concluding that the reserves as estimated under APCO's future oil price scenario are robust and relatively insensitive to oil price fluctuations.

APCO scenario of gas prices were based on the prices established by the Argentine government, and were provided by APCO.

Future capital costs were derived from development plans prepared by APCO for the field. Recent historical operating expense data were used as the basis for operating cost projections. GCA found that APCO projected sufficient capital investments and operating expenses to economically produce the projected volumes.

It is GCA's opinion that the estimates of total remaining recoverable hydrocarbon liquid and gas volumes, as of December 31, 2016, are, in the aggregate, reasonable and the reserves categorization is appropriate and consistent with the definitions for reserves in the Petroleum Resources Management System (PRMS), which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers in March 2007.

GCA concludes that the methodologies employed by APCO in the derivation of the remaining hydrocarbon volumes estimates are appropriate, and that the quality of the data relied upon and the depth and thoroughness of the remaining hydrocarbon volumes estimation process is adequate.

## **Basis of Opinion**

This document reflects GCA's informed professional judgment based on accepted standards of professional investigation and, as applicable, the data and information provided by the Client, the limited scope of engagement, and the time permitted to conduct the evaluation.

In line with those accepted standards, this document does not in any way constitute or make a guarantee or prediction of results, and no warranty is implied or expressed that actual outcome will conform to the outcomes presented herein. GCA has not independently verified any information provided by, or at the direction of, the Client, and has accepted the accuracy and completeness of this data. GCA has no reason to believe that any material facts have been withheld, but does not warrant that its inquiries have revealed all of the matters that a more extensive examination might otherwise disclose.

The opinions expressed herein are subject to and fully qualified by the generally accepted uncertainties associated with the interpretation of geoscience and engineering data and do not reflect the totality of circumstances, scenarios and information that could potentially affect decisions made by the report's recipients and/or actual results. The opinions and statements contained in this report are made in good faith and in the belief that such opinions and statements are representative of prevailing physical and economic circumstances.

There are numerous uncertainties inherent in estimating resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas resources assessments must be recognized as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Estimates of oil and gas resources prepared by other parties may differ, perhaps materially, from those contained within this report.

The accuracy of any resource estimate is a function of the quality of the available data and of engineering and geological interpretation. Results of drilling, testing and production that post-date the preparation of the estimates may justify revisions, some or all of which may be material. Accordingly, resource estimates are often different from the quantities of oil and gas that are ultimately recovered, and the timing and cost of those volumes that are recovered may vary from that assumed.

GCA's review and audit involved reviewing pertinent facts, interpretations and assumptions made by the Client or others in preparing estimates of resources. GCA performed procedures necessary to enable it to render an opinion on the appropriateness of the methodologies employed, adequacy and quality of the data relied on, depth and thoroughness of the reserves and resources estimation process, classification and categorization of reserves and resources appropriate to the relevant definitions used, and reasonableness of the estimates.

### **Definition of Reserves**

Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria, based on the development project(s) applied: discovered, recoverable, commercial and remaining (as of the evaluation date).

GCA is not aware of any potential changes in regulations applicable to these fields that could affect the ability of APCO to produce the estimated reserves.

Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of reserves volumes quoted herein have been derived within the context of an economic limit test (ELT) assessment (pre-tax and exclusive of accumulated depreciation amounts) prior to any Net Present Value (NPV) analysis.

GCA has not undertaken a site visit or inspection because it was not part of the scope of work. As such, GCA is not in a position to comment on the operations or facilities in place, their appropriateness and condition, or whether they are in compliance with the regulations pertaining to such operations. Further, GCA is not in a position to comment on any aspect of health, safety, or environment of such operation.

This report has been prepared based on GCA's understanding of the effects of petroleum legislation and other regulations that currently apply to these properties. However, GCA is not in a position to attest to property title or rights, conditions of these rights (including environmental and abandonment obligations), or any necessary licenses and consents (including planning permission, financial interest relationships, or encumbrances thereon for any part of the appraised properties).

### **Use of Net Present Values**

It should be clearly understood that the NPVs contained herein do not represent a GCA opinion as to the market value of the subject property, nor any interest in it.

In assessing a likely market value, it would be necessary to take into account a number of additional factors including reserves risk (i.e., that Proved and/or Probable and/or Possible reserves may not be realized within the anticipated timeframe for their exploitation); perceptions of economic and sovereign risk, including potential change in regulations; potential upside; other benefits, encumbrances or charges that may pertain to a particular interest; and, the competitive state of the market at the time. GCA has explicitly not taken such factors into account in deriving the NPVs presented herein.

### **Qualifications**

In performing this study, GCA is not aware that any conflict of interest has existed. As an independent consultancy, GCA is providing impartial technical, commercial, and strategic advice within the energy sector. GCA's remuneration was not in any way contingent on the contents of this report.

In the preparation of this document, GCA has maintained, and continues to maintain, a strict independent consultant-client relationship with the Client. Furthermore, the management and employees of GCA have no interest in any of the assets evaluated or related with the analysis performed, as part of this report.

Staff members who prepared this report hold appropriate professional and educational qualifications and have the necessary levels of experience and expertise to perform the work.

## Notice

This document has been prepared for the use of the Client or parties named herein and is intended to be publicly disclosed in relation with the transaction between Vista and APCO mentioned above. It may not be distributed or made available, in whole or in part, to any other company or person without the prior knowledge and written consent of Gaffney, Cline & Associates (GCA). No person or company other than those for whom it is intended may directly or indirectly rely upon its contents. GCA is acting in an advisory capacity only and, to the fullest extent permitted by law, disclaims all liability for actions or losses derived from any actual or purported reliance on this document (or any other statements or opinions of GCA) by the Client or by any other person or entity.

Yours sincerely,

**Gaffney, Cline & Associates**



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Project Manager  
Carlos Alvarez, Senior Advisor



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Reviewed by  
Roberto Wainhaus, Principal Advisor





**Remaining 1P Hydrocarbon Volumes Statement  
for Certain Argentine Properties  
as of December 31, 2016**

Prepared for

**Vista Oil & Gas S.A.**

January 2018

January 26th, 2018

Mr. Juan Garoby  
Chief Operating Officer  
**Vista Oil and Gas**  
Javier Barros Sierra 540, Tower 2, 2nd Floor  
Lomas de Santa Fe, Mexico City. Mexico

[igaroby@vistaoilandgas.com](mailto:igaroby@vistaoilandgas.com)

Dear Mr. Garoby,

**Remaining 1P Hydrocarbon Volumes Statement  
for Certain Argentine Properties  
as of December 31, 2016**

The 1P hydrocarbon volumes that are included in this report were originally prepared by Gaffney, Cline & Associates (GCA) for Pampa Energia S.A. (PAMPA) as of December 31, 2016 and issued in a report to PAMPA on February 10th, 2017 entitled "PRMS Reserves and Resources Statement for certain fields in Argentina as of December 31st, 2016".

Vista Oil and Gas (Vista or "the Client") intends to purchase the PAMPA (and APCO) interest of the following properties in Argentina:

Area	Province	Operator	Operator's Contract Deadline	PAMPA WI (%)	APCO WI (%)
25 de Mayo - Medanito	Neuquén	PAMPA	10/27/2026	100.00	0.00
Jagüel de los Machos	Neuquén	PAMPA	9/13/2025	100.00	0.00
Agua Amarga	Neuquén	PELSA	28/20/2034 - ChP 06/08/2040 - JQ	46.9207*	52.8452**
Bajada del Palo	Neuquén	PELSA	9/5/2025	46.9207*	52.8452**
Entre Lomas (Neuquén)	Neuquén	PELSA	1/23/2026	46.9207*	52.8452**
Entre Lomas(Río Negro)	Río Negro	PELSA	1/23/2026	46.9207*	52.8452**

\*PAMPA total net WI results from 58.88% equity interest in Petrolera Entre Lomas (PELSA), which has a 73.15% WI in the concessions (total WI of 43.07%), plus a 3.85% of direct WI participation in the Agua Amarga, Bajada del Palo and Entre Lomas concessions.

\*\*APCO has a 40.80% interest in PELSA and a 23% direct WI participation in the Agua Amarga, Bajada del Palo and Entre Lomas concessions, PAMPA and APCO combined participation total 99.77% in those concessions. GCA quotes the 100% participation volumes in those areas at request of Vista.

GCA has received written authorization from PAMPA to use the results of its prior audit for this report for Vista. The operators of these areas provided GCA with their reserves estimates and all data and interpretations used as supporting documentation for GCA's prior audit. PAMPA has endorsed GCA's use of this data, and GCA references to this data as PAMPA's.

As of January 26th, 2018 Vista has not had and does not have any interest in any of the assets included in this report.

The above-mentioned GCA report contains reserves statements corresponding to PAMPA's projects and associated investments. No part of these volumes can be ascribed to Vista as reserves because Vista held no interest in the assets at the effective date of the audits. Furthermore, if Vista purchases an interest in the assets, the remaining production volumes could suffer changes due to variations in development plans and Vista's economic conditions. Therefore GCA quotes in this report those reserves as "remaining hydrocarbon volumes".

This report relates specifically and solely to the subject matter as defined in the scope of work in the Proposal for Services and is conditional upon the assumptions described herein. The report must be considered in its entirety and must only be used for the purpose for which it was intended.

On the basis of technical and other information made available to GCA concerning these property units through December 31, 2016, GCA provides the remaining hydrocarbon volumes statement in the following tables by property. **It must be explicitly understood that GCA has not taken into account any information related to these assets that arose after December 31, 2016. Such changes, for instance actual production from the fields, results of drilling or workovers, or the revisions to the development plan, could have an impact of the reported volumes, some or all of which may be material.**

Please note that, while these volumes are not reserves for Vista, GCA has, for convenience, used reserves terminology in the following tables to indicate the level of confidence for each volume, consistent with the PRMS (as noted below).

**Statement of Remaining Hydrocarbon Volumes (100% WI)  
of certain fields in Argentina as of December 31<sup>st</sup>, 2016**

GROSS 100% WI	PDP		1P	
	Oil and NGL (MMbbl)	Marketable Gas (Bcf)	Oil and NGL (MMbbl)	Marketable Gas (Bcf)
25 de Mayo - Medanito	7.45	3.98	8.36	4.38
Jagüel de los Machos	4.63	7.88	5.35	8.93
Agua Amarga	1.19	6.41	1.69	7.12
Bajada del Palo	5.55	20.19	7.59	29.74
Entre Lomas (Neuquen)	2.49	7.82	2.83	8.64
Entre Lomas (Rio Negro)	11.31	38.33	13.07	42.97
<b>Total</b>	<b>32.6</b>	<b>84.6</b>	<b>38.9</b>	<b>101.8</b>

Hydrocarbon liquid volumes represent crude oil and NGL estimated to be recovered during field separation and are reported in millions of stock tank barrels (MMstb). Natural gas volumes represent expected gas sales and field's fuel usage, and are reported in billion (10<sup>9</sup>) standard cubic feet at standard condition of 14.7 psia and 60°F. The gas volumes have not been reduced for fuel usage in the field. Royalties payable to Provinces have not been deducted from reported net interest volumes.

Gas quantities are expressed as marketable gas at a temperature of 60 degrees Fahrenheit and at 14.7 pounds per square inch of absolute pressure. Marketable gas results from field separation and processing, being reduced by injection, flare and shrinkage. Marketable gas volumes include the volume of gas consumed at the field for production operations.

The following tables are reported net of royalties and discriminating Sales and marketable gas:

**Statement of Remaining Hydrocarbon Volumes Net of Royalties  
100% WI of certain fields in Argentina as of December 31<sup>st</sup>, 2016**

Net of royalties 100% WI	PDP			1P		
	Oil + NGL (MMbbl)	Marketable Gas (Bcf)	Sales Gas (Bcf)	Oil + NGL (MMbbl)	Marketable Gas (Bcf)	Sales Gas (Bcf)
25 de Mayo - Medanito	6.33	5.35	4.68	7.11	5.94	5.20
Jagüel de los Machos	3.93	17.42	15.70	4.55	25.53	23.82
Agua Amarga	0.97	5.35	4.68	1.38	5.94	5.20
Bajada del Palo	4.72	17.42	15.70	6.45	25.53	23.82
Entre Lomas (Neuquen)	2.11	7.05	4.38	2.41	7.80	4.81
Entre Lomas (Rio Negro)	9.62	36.10	12.64	11.11	40.40	14.54
<b>Total</b>	<b>27.7</b>	<b>88.7</b>	<b>57.8</b>	<b>33.0</b>	<b>111.1</b>	<b>77.4</b>

Hydrocarbon liquid volumes represent crude oil and NGL estimated to be recovered during field separation and are reported in millions of stock tank barrels (MMstb). The gas volumes are reported including the fuel usage in the field (Marketable Gas) and without it (Sales Gas) and are reported in billion (10<sup>9</sup>) standard cubic feet at standard condition of 14.7 psia and 60°F. Royalties payable to Provinces have been deducted from reported net interest volumes.

Gas sales volumes are based on firm and existing gas contracts, or on the reasonable expectation of a contract or on the reasonable expectation that any such existing gas sales contracts will be renewed on similar terms in the future.

Price, cost and future price and costs assumptions were provided or specified by PAMPA, they were not escalated for inflation. All prices and costs are expressed in US dollars.

Operating expenses include field operating expenses, transportation, compression and allocation of overhead directly related to production or development of the field.

## **Remaining Hydrocarbon Volumes Assessment**

This audit examination was based on reserves estimates and other information provided by PAMPA to GCA through September 2016, and included such tests, procedures and adjustments as were considered necessary. All questions that arose during the audit process were resolved to GCA's satisfaction.

The economic tests for the December 31<sup>st</sup> 2016 reserves volumes were done according to SPE-PRMS rules, for gas prices, existing gas sale contracts and/or price incentives, and the expiration date for them were taking into account for the economic test.

Future capital costs were derived from development plans prepared by PAMPA for the field. Recent historical operating expense data were used as the basis for operating cost projections. No inflation was considered in these costs. GCA has found that PAMPA has projected sufficient capital investments and operating expenses to economically produce the projected volumes.

It is GCA's opinion that the estimates of total remaining recoverable hydrocarbon liquid and gas volumes, as of December 31<sup>st</sup> 2016, are, in the aggregate, reasonable and the categorization is appropriate and consistent with the definition of resources in the Petroleum Resources Management System (PRMS), which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers in March 2007.

GCA concludes that the methodologies employed by PAMPA in the derivation of the remaining hydrocarbon volumes estimates are appropriate, and that the quality of the data relied upon and the depth and thoroughness of the reserves estimation process is adequate.

### **Basis of Opinion**

This document reflects GCA's informed professional judgment based on accepted standards of professional investigation and, as applicable, the data and information provided by the Client and/or obtained from other sources (e.g., public domain), the limited scope of engagement, and the time permitted to conduct the evaluation.

In line with those accepted standards, this document does not in any way constitute or make a guarantee or prediction of results, and no warranty is implied or expressed that actual outcome will conform to the outcomes presented herein. GCA has not independently verified any information provided by, or at the direction of, the Client, and has accepted the accuracy and completeness of this data. GCA has no reason to believe that any material facts have been withheld, but does not warrant that its inquiries have revealed all of the matters that a more extensive examination might otherwise disclose.

The opinions expressed herein are subject to and fully qualified by the generally accepted uncertainties associated with the interpretation of geological and engineering data and do not reflect the totality of circumstances, scenarios and information that could potentially affect decisions made by the report's recipients and/or actual results. The opinions and statements contained in this report are made in good faith and in the belief that such opinions and statements are representative of prevailing physical and economic circumstances.

There are numerous uncertainties inherent in estimating reserves, and in projecting future production, development expenditures, operating expenses and cash flows.

GCA's review and audit involved reviewing pertinent facts, interpretations and assumptions made by PAMPA or others in preparing estimates of reserves. GCA performed procedures necessary to enable it to render an opinion on the appropriateness of the methodologies employed, adequacy and quality of the data relied on, depth and thoroughness of the reserves estimation process, classification and categorization of reserves appropriate to the relevant definitions used, and reasonableness of the estimates.

### **Definition of Reserves**

Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria, based on the development project(s) applied: discovered, recoverable, commercial and remaining (as of the evaluation date).

GCA is not aware of any potential changes in regulations applicable to these fields that could affect the ability of PAMPA to produce the estimated reserves.

Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of reserves volumes quoted herein have been derived within the context of an economic limit test (ELT) assessment (pre-tax and exclusive of accumulated depreciation amounts) prior to any Net Present Value (NPV) analysis.

GCA has not undertaken a site visit and inspection because was not considered necessary and therefore outside of the scope of work of this audit. As such, GCA is not in a position to comment on the operations or facilities in place, their appropriateness and condition, or whether they are in compliance with the regulations pertaining to such operations. Further, GCA is not in a position to comment on any aspect of health, safety, or environment of such operation.

This report has been prepared based on GCA's understanding of the effects of petroleum legislation and other regulations that currently apply to these properties. However, GCA is not in a position to attest to property title or rights, conditions of these rights (including environmental and abandonment obligations), or any necessary licenses and consents (including planning permission, financial interest relationships, or encumbrances thereon for any part of the appraised properties).

### **Use of Net Present Values**

It should be clearly understood that the NPVs contained herein do not represent a GCA opinion as to the market value of the subject property, nor any interest in it.

In assessing a likely market value, it would be necessary to take into account a number of additional factors including reserves risk (i.e., that Proved and/or Probable and/or Possible reserves may not be realized within the anticipated timeframe for their exploitation); perceptions of economic and sovereign risk, including potential change in regulations; potential upside; other benefits, encumbrances or charges that may pertain to a particular interest; and, the competitive state of the market at the time. GCA has explicitly not taken such factors into account in deriving the NPVs presented herein.

## Qualifications

In performing this study, GCA is not aware that any conflict of interest has existed. As an independent consultancy, GCA is providing impartial technical, commercial, and strategic advice within the energy sector. GCA's remuneration was not in any way contingent on the contents of this report.

In the preparation of this document, GCA has maintained, and continues to maintain, a strict independent consultant-client relationship with PELSA and PAMPA. Furthermore, the management and employees of GCA have no interest in any of the assets evaluated or related with the analysis performed, as part of this report.

Staff members who prepared this report hold appropriate professional and educational qualifications and have the necessary levels of experience and expertise to perform the work.

## Notice

This document has been prepared for the exclusive use of the Client or parties named herein and is intended to be publicly disclosed in relation with the transaction between Vista, Pampa and APCO mentioned above. It may not be distributed or made available, in whole or in part, to any other company or person without the prior knowledge and written consent of Gaffney, Cline & Associates (GCA). No person or company other than those for whom it is intended may directly or indirectly rely upon its contents. GCA is acting in an advisory capacity only and, to the fullest extent permitted by law, disclaims all liability for actions or losses derived from any actual or purported reliance on this document (or any other statements or opinions of GCA) by the Client or by any other person or entity.

Yours sincerely,

**Gaffney, Cline & Associates**



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Project Manager

Sergio O. Paredes, Technical Director



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Reviewed by

Roberto Wainhaus, Technical Director