



Second quarter 2020 Earnings webcast

July 29, 2020



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Q2 2020 key metrics and highlights

Consolidated figures of Vista Oil & Gas S.A.B. de C.V.



Structural opex and capex cost reductions prepared our organization to thrive in a lower oil price environment

23.8 Mboe/d
Production ⁽¹⁾

10 \$MM
Adj. EBITDA ⁽²⁾

51 \$MM
Revenues

221 \$MM
Cash at end of period

8.6 \$/boe
Lifting cost

282 \$MM
Net debt ⁽³⁾

- Successfully implemented COVID-19 business continuity plan, ensuring employee health & safety
- International demand and price recovery, with Brent average above 40 \$/bbl in June
- Sold entire Q2 production, including floating storage, with 70% of sales to export markets at competitive discount to Brent
- Re-opened Vaca Muerta wells at end of May, consolidating best-in-basin productivity of pad 3
- Successful renegotiation of 20+ oilfield operations contracts to re-base cost structure
- Cash flow positive, driven by revenues from oil exports and cost savings, even in a quarter with low realization prices

(1) Includes natural gas liquids (NGL) and excludes flared gas, injected gas and gas consumed in operations

(2) Adj. EBITDA = Net (loss) / profit for the period + Income tax (expense) / benefit + Financial results, net + Depreciation + Restructuring expenses + Other adjustments

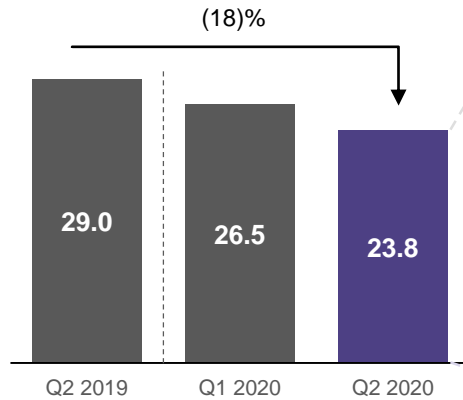
(3) Net Debt: Current borrowings (121.0 \$MM) + Non-current borrowings (381.3 \$MM) – Cash and cash equivalents (220.7 \$MM) = 281.6 \$MM

Production

Contained drop by re-opening Vaca Muerta wells earlier than expected

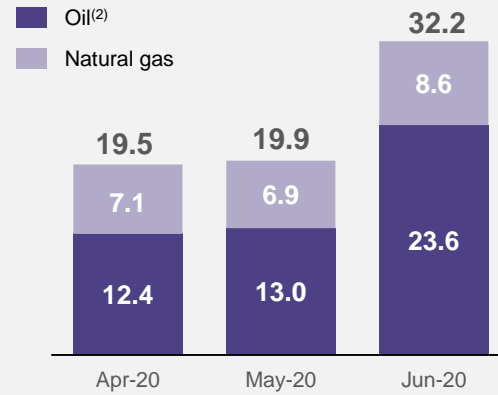
Total production⁽¹⁾

Mboe/d



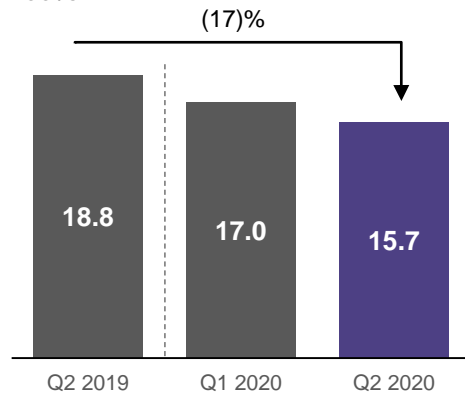
Monthly breakdown

Mboe/d



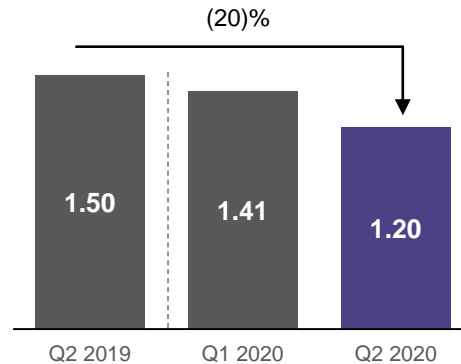
Oil production

Mbbl/d



Natural gas production

MMm3/d



Q2 production highlights

- Shale oil wells in Bajada del Palo Oeste reopened progressively between May 26 and May 31, as demand from international markets improved
- June production reached 32.2 Mboe/d, with outstanding productivity of pad 3 and shale wells in Bajada del Palo Oeste averaging a monthly production of 13.9 Mboe/d
- Proved Vaca Muerta short-term storage concept, with flush production in line with reservoir modelling

(1) LPG production in Q2 2020 totaled 606 boe/d, compared to 645 boe/d in Q1 2020 and 741 boe/d in Q2 2019

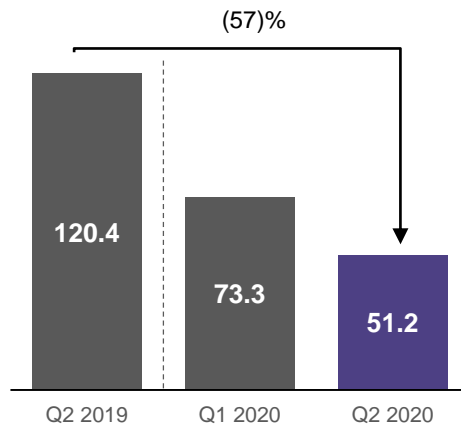
(2) Includes LPG

Revenues and pricing

Shifted sales to export markets

Revenues

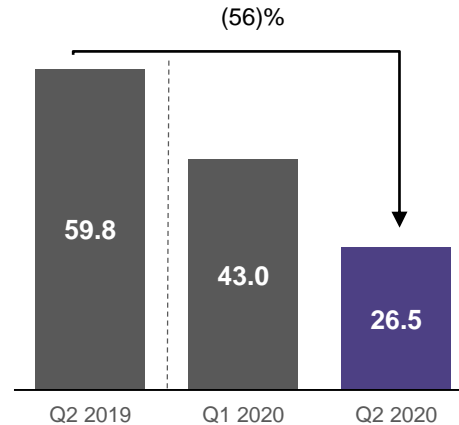
\$MM



- Shifted oil sales to export market (70% of Q2) as international demand recovered
- Successfully offloaded 100% of Q2 production and storage, capturing higher realization prices in May & June
- Re-opened 100% of shut-in production

Crude oil average price

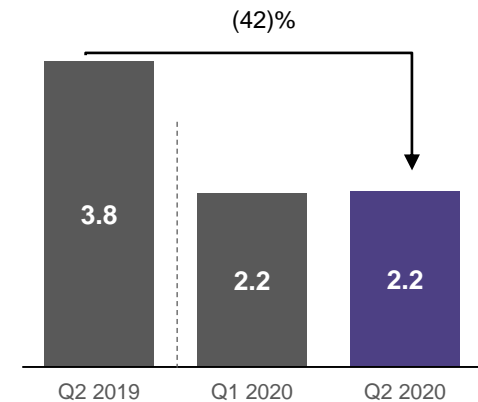
\$/bbl



- Realized prices were hit by lower international Brent Price, which averaged 33.5 \$/bbl for the quarter
- Average sales price was 19.7 \$/bbl for April, 24.4 \$/bbl for May and 31.1 \$/bbl for June, with discounts to Brent improving as demand recovered

Natural gas average price

\$/MMBtu



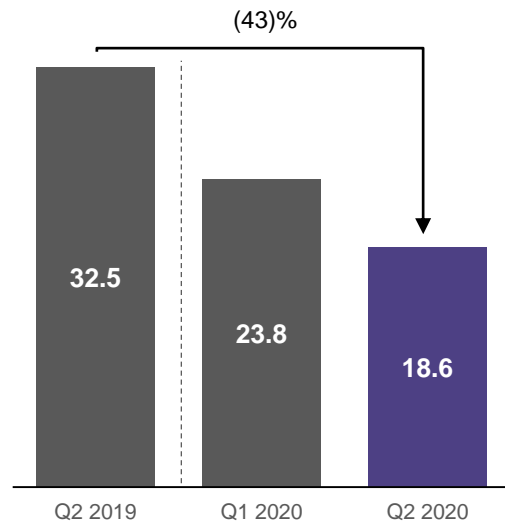
- Lower realized prices, mainly in the industrial segment, driven by (a) gas over-supply from Vaca Muerta projects and (b) softer demand due to lower industrial activity amid Covid-19 lock-down restrictions

Opex

Cost-cutting initiatives offset lower production

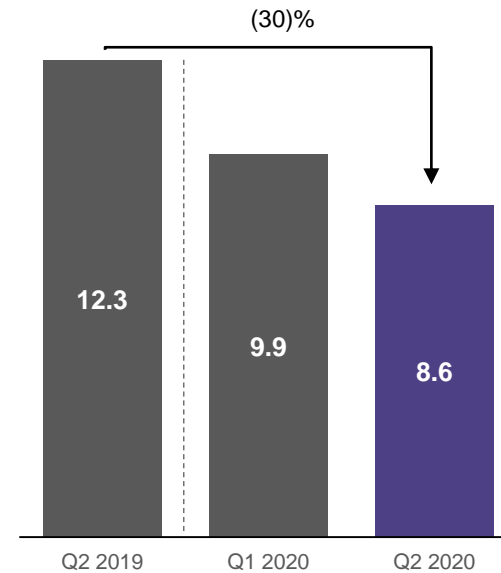
Total Opex

\$MM



Opex per boe

\$/boe



- Successful renegotiation of gas compression, production treatment, field maintenance and logistics contracts to adjust to current scenario
- Reduced activity to minimum necessary levels

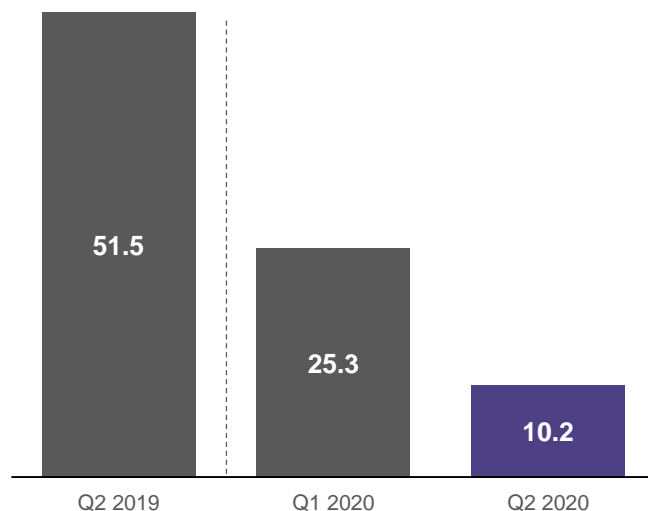
Adjusted EBITDA

Focus on cost cutting key to delivering positive Adjusted EBITDA



Adj. EBITDA⁽¹⁾

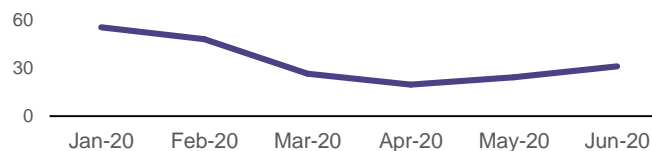
\$MM



- Adjusted EBITDA margin was 20% for the quarter
- Key business drivers already start to show recovery in June

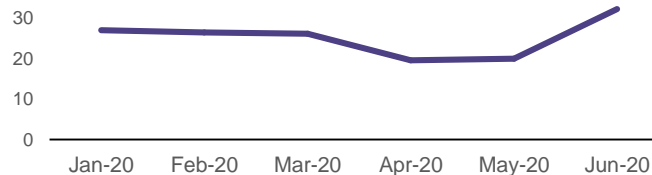
Realized price YTD

\$/bbl



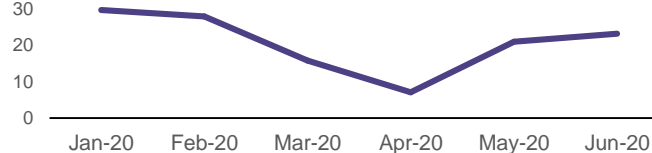
Production YTD

Mboe/d



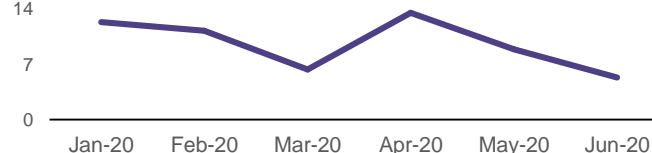
Revenues YTD

\$MM



Lifting cost YTD

\$/boe



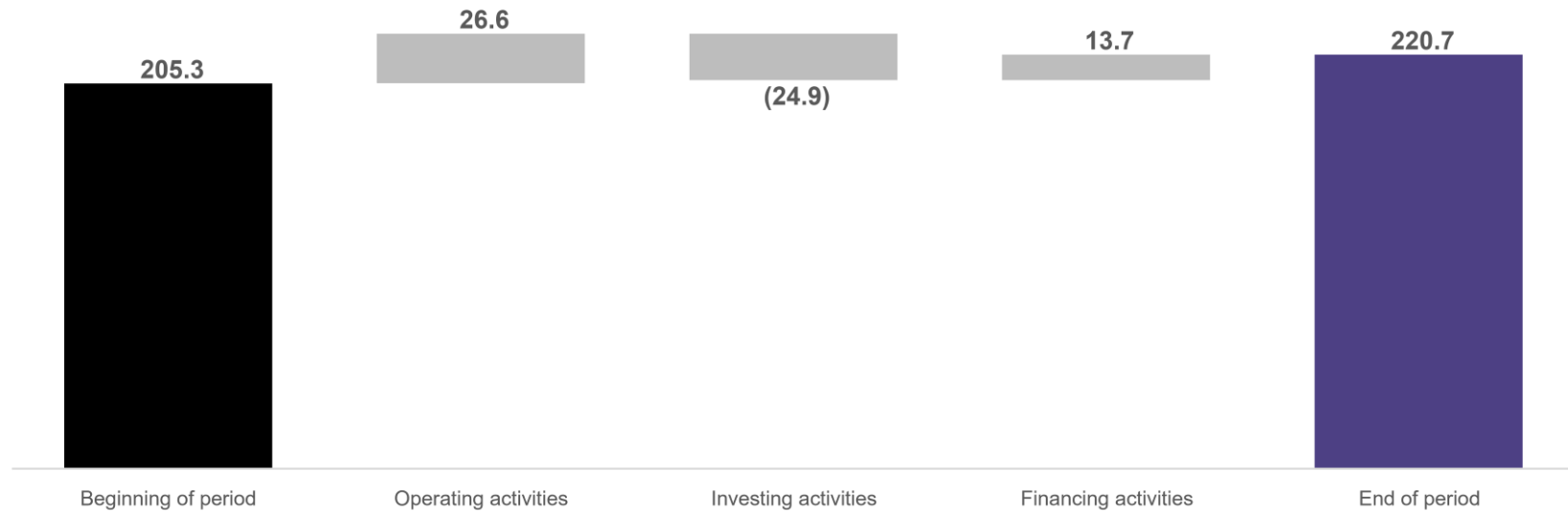
(1) Adj. EBITDA = Net (loss) / profit for the period + Income tax (expense) / benefit + Financial results, net + Depreciation + Restructuring expenses + Other adjustments

Financial overview

Cash flow positive in a very challenging quarter

Q2 2020 cash flow

\$MM

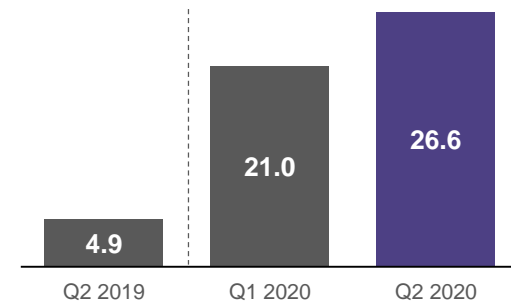


Highlights

- Positive cash flow from operations in a low price and production environment
- Investing activities reflect payments of Q1 2020 capex activity, prior to stopping drilling and completion
- In July, refinanced 75 \$MM of 2020 and 2021 upcoming maturities
 - ✓ 45 \$MM of term loan maturities extended for 18 months
 - ✓ 30 \$MM in short term bank debt extended for 12-18 months

Quarterly cash flow from operations

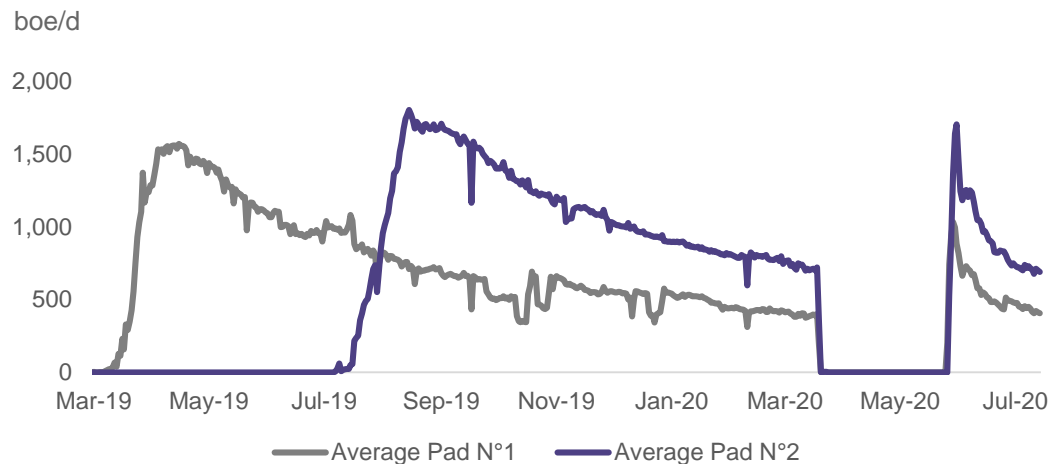
\$MM



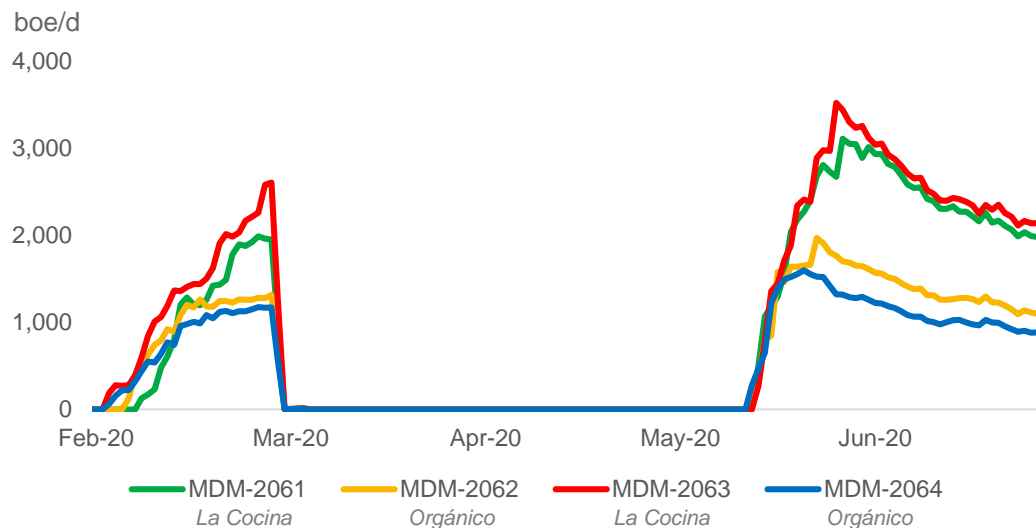
Vaca Muerta development

Reopened all shale oil wells in light of crude oil demand recovery

Pad 1 & Pad 2 production

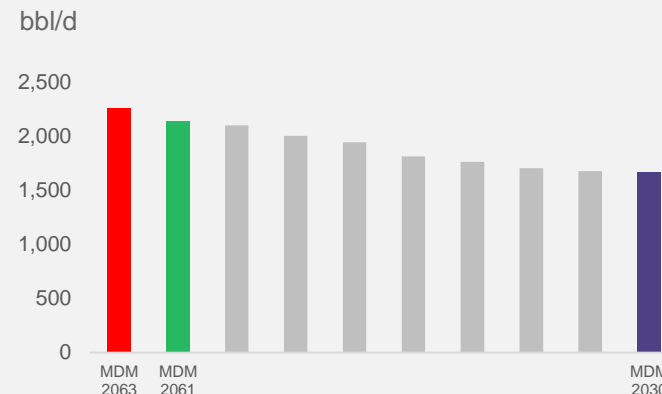


Pad 3 production



- Shale oil wells were shut-in on March 20, ahead of global demand reduction, in order to protect conventional assets
- All wells reopened from May 26 to May 30, with flush production in line with reservoir modelling forecasts, proving Vaca Muerta as an efficient short-term storage solution
- Both wells in pad 3 targeting La Cocina currently ranked #1 and #2 in basin history measured by average daily oil production in the peak calendar month

Top 10 Vaca Muerta Oil Wells⁽¹⁾



(1) Chapter IV - Argentine Secretariat of Energy; Production measured as oil daily production per calendar month; Out of 386 oil lateral wells

Vaca Muerta development

Vista type curve for new well design



Bajada del Palo Oeste updated type curve⁽¹⁾

Mboe

300

250

200

150

100

50

0

Days

0 30 60 90 120 150 180

Second pad
+24%

First pad
+9%

New
well design

Previous
well design

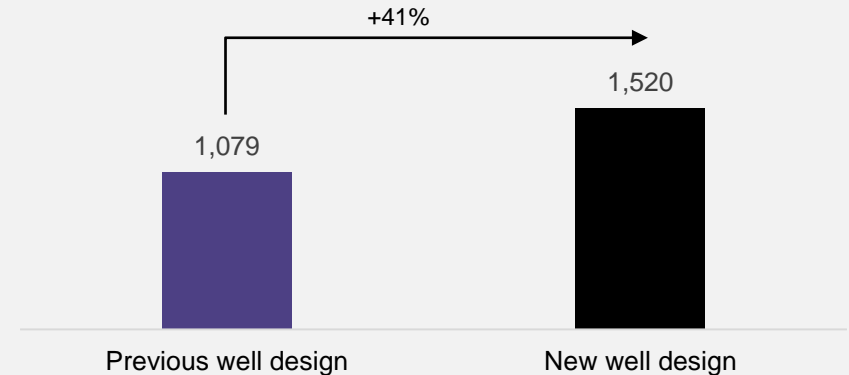
Third pad
+29%

New well design

- 2,800 meters lateral length
- 60 meter frac spacing, resulting in 47 stages

Type curve EUR

Mboe



Type curve	Oil	Gas	Total
EUR (Mboe)	1,345	175	1,520
Peak IP-30 (boe/d)	1,556	195	1,751
180-day cumulative (Mbbl)	198	25	223

(1) Average cumulative production of the pad normalized to 47 frac stages; Showing only effective days. Percentages show performance against updated well design

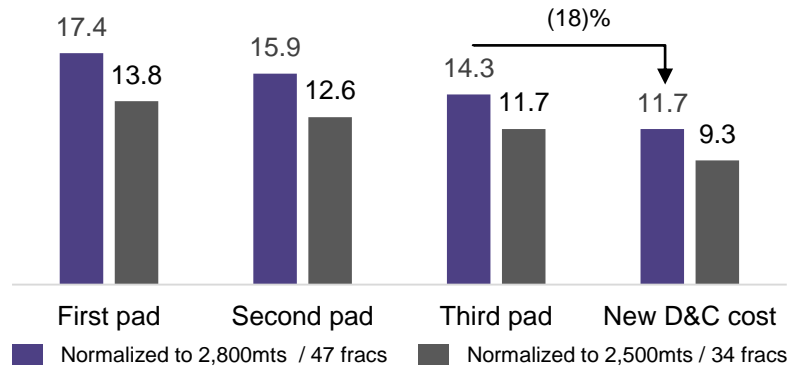
Vaca Muerta development

Vista type curve for new well design



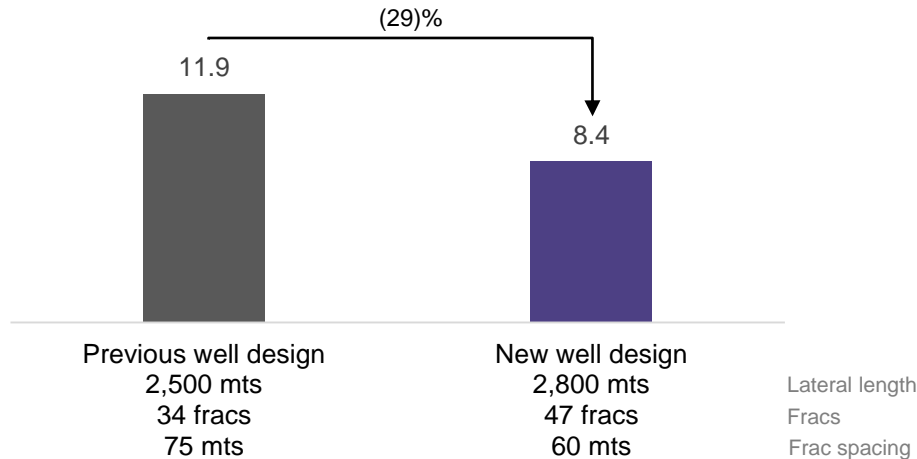
Expected D&C cost per well

\$MM



Expected Development cost⁽¹⁾

\$/boe



New well design

- 2,800 meters lateral length
- 60 meters frac spacing, resulting in 47 stages

Cost savings drivers

- Reduction of drilling rates
- Tubulars cost reduction
- Optimization of frac fluid design leveraging lessons learned from previous pads
- Reduction of completion rates
- Lower proppant cost due to excess supply in domestic sand market

New well design is expected to achieve solid rates of return in current price environment

(1) Includes cost of facilities (~10%)

Closing remarks



Demand and price recovered earlier than expected, allowing Vista to sell entire Q2 production and re-open Vaca Muerta wells

Implemented cost efficiency measures, driving lifting cost down to 8.6 \$/boe, even at lower production levels

Cash flow positive in a very tough quarter

Successfully refinanced 2020 maturities, leaving us with a solid cash position to re-start growth

New well design for Vaca Muerta wells, capturing productivity upside and cost efficiency, expected to lead to a 8.4 \$/boe development cost and solid returns even at lower prices



Re-based cost structure and increased productivity in Vaca Muerta make us fitter for the future

If the current conditions remain in place, we intend to resume drilling and completion activity in August

THANKS!

Q&A

