



2018

Full year results

City of Mexico, February 21st, 2019.
BMV: VISTA

Vista Oil & Gas, S.A.B. de C.V. ("Vista" or the "Company") (BMV: VISTA), the first oil and gas exploration and production company listed on the Mexican Stock Exchange.

Vista Oil & Gas Results of the year 2018

February 21st, 2019. México City, México.

Vista Oil & Gas, S.A.B. de C.V. (“Vista” or the “Company”) (BMV: VISTA in the Mexican Stock Exchange), reported today financial and operational results for the full year 2018 and fourth quarter of 2018.

In this document, full year 2018 information reflects Q1 2018 pro-forma volumes and summary financial figures of the acquired entities and assets, and Q2, Q3 and Q4 2018 Results from Vista Oil & Gas S.A.B. de C.V.

Actual results are compared with the “guidance”, which reflects the figures for the year 2018 presented in the Company’s investor presentation for the Shareholder’s Meeting of March 22, 2018 for the full year, and apportionated linearly by the number of days of Q4 2018 for the quarter.

Full year 2018 and Q4 2018 highlights:

- Average Daily Production of 2018 was 24,500 barrels of oil equivalent per day (boed), composed by 14,700 barrels of oil per day (bbl/d), 1.44 million cubic meters per day (MMm3d) of natural gas, and 747 boed of natural gas liquids (NGL), exceeding the total production guidance of 24,100 boed by 1.7%.
- Average Daily Production of Q4 2018 was 24,700 boed, composed by 14,500 bbl/d, 1.52 MMm3d of natural gas, and 716 boed of NGL, exceeding the total production guidance of 24,100 boed by 2.5%. In Q4 2018 Vista continued to increase its total operated production to 24,400 boed, a 2.5% above the previous quarter of 23,800 boed. Operated production represented 99% of total production.
- Vista boosted total proved reserves in 2018 to 57.6 million barrels of oil equivalent (MMBOE). Total proved reserves increased by 10.3% with a total reserves replacement ratio of 161%.
- Consolidated adjusted EBITDA for the full year 2018 reached 195.0 million US dollars (\$MM), reflecting an adjusted EBITDA margin of 45%, two percentage points above guidance of 43%. Q4 2018 adjusted EBITDA reached 40.4\$MM, reflecting an adjusted EBITDA margin of 39%, four percentage points below guidance.
- Average 2018 lifting cost was 13.9 US dollars per barrel of oil equivalent (\$/boe), which represents a reduction of 19.7% vis-à-vis the guidance of 17.3 \$/boe. Average lifting cost for Q4 2018 was 12.6 \$/boe, 27.2% below the guidance.
- In Q4 2018, crude oil average realized price was 65.5 \$/bbl, 2.2% below the guidance, and natural gas average realized price was 3.9 \$/MMBTU, below the guidance by 17.0%, which is explained by seasonal effects on natural gas prices.
- During 2018, the total number of conventional wells tied-in was 18 and performed 14 workovers. From the 18 wells drilled, 15 targeted oil prone formations, and 3 targeted natural gas.
- The Company is on track with the development of its Vaca Muerta Shale Oil project in Bajada del Palo Oeste, having already finished drilling and completed the first 4-well pad, with an average lateral length of 2,550 meters each, and an average of 34 frac stages per well.
- Cash balance at the end of the year 2018 was 80.9\$MM, with cash generated from operating activities during Q4 2018 of 54.7\$MM, 24.3% growth vis-à-vis Q3 2018.

Vista Oil & Gas full year 2018 and Q4 2018 results

Amounts are expressed in US dollars, unless otherwise stated, and in accordance with International Financial Reporting Standards (IFRS). All the amounts are unaudited. Amounts may not match with totals, due to rounding up.

Production

Total average net daily production

	Q4 2018	Q3 2018	Q2 2018	Q1 2018 pro-forma	Year 2018	Guidance	Q4 2018 / Guidance Var. %
Total (boed)	24,700	24,200	24,400	24,600	24,500	24,100	2.5%
Oil (bbld)	14,500	14,800	14,700	14,900	14,700	14,600	(0.7%)
Natural Gas (MMm ³ d)	1.52	1.38	1.42	1.42	1.44	1.38	10.1%
NGL (bbld)	716	730	744	789	746	744	3.8%

Average daily production during Q4 2018 was 24,700 boed, composed by 14,500 bbld, 1.52 MMm³d of natural gas, and 716 boed of natural gas liquids, exceeding the guidance total production of 24,100 boed by 2.5%. Average daily production during the full year 2018 was 24,500 boed, exceeding the guidance total production of 24,100 boed by 1.7%.

Total net operated production during Q4 2018 was 24,400 boed, above Q3 2018 total operated production of 23,800 boed by 2.5%. Operated production in Q4 2018 represented 99% of our total production.

2018 Average net daily production by asset

	Operated Blocks		Non-operated Blocks		Total
	Entre Lomas - Agua Amarga	Bajada del Palo Oeste – Bajada del Palo Este - Coirón Amargo Norte	Medanito - Jagüel de los Machos	Acambuco - Coirón Amargo Sur Oeste	
Total (boed)	9,100	6,700	8,700	200	24,700
Oil (bbld)	5,200	2,100	7,200	80	14,500
Natural Gas (MMm ³ d)	0.5	0.7	0.2	0.1	1.52
NGL (bbld)	659	57	-	-	716

(1) Vista WI in Coirón Amargo Sur Oeste (CASO) decreased from 45% to 10% in September 2018 after an asset swap.

During 2018, the fields Entre Lomas and Agua Amarga represented 37% of total production, while Medanito and Jagüel de los Machos represented 35% and Bajada del Palo Oeste, Bajada del Palo Este and Coirón Amargo Norte represented 27% of total production. All of these blocks are operated by Vista. The remaining 1% is represented by non-operated production from the Acambuco, Sur Río Deseado Este and Coirón Amargo Sur Oeste blocks.

Reserves

Proved Reserves

Total Proved Reserves MMBOE	2017 pro-forma ⁽¹⁾	Additions	Production	2018	Increase y.o.y.	RRR
Total	52.2	14.3	(8.9)	57.6	10.3%	161%
Oil	32.6	7.2	(5.6)	34.2	5.2%	129%
Natural Gas	19.6	7.1	(3.3)	23.4	18.9%	215%

(1) The information for 2017 pro-forma included are estimated quantities of proved reserves derived from statements prepared by independent reserves engineers (Gaffney, Cline & Associates) based on information provided by the previous owners of the blocks acquired by us and presents an appraisal, these volumes were not Vista's reserves, but for convenience, reserves terminology is used.

Vista boosted 2018 proved reserves to 57.6 MMBOE, 10.3% above pro-forma 2017 proved technical volumes (reserves), and with a Reserves Replacement Ratio of 161%. Main additions came from unconventional reserves in Bajada del Palo Oeste, Lotena formation in Bajada del Palo Oeste as well, and from the effect of the improvement to base production decline ratios.

Proved Reserves Breakdown

Proved reserves breakdown MMBOE	Oil	Natural Gas
Total proved	34.2	23.4
Proved developed	27.1	18.4
Proved undeveloped	7.1	5.0

Revenues

Revenues per Product in \$MM	Q4 2018	Q3 2018	Q2 ⁽²⁾ 2018	Q1 2018 pro-forma	Total 2018	Guidance	Var. %
Total	104.1	116.9	110.3	104.3	435.4	445.0	(2.2%)
Oil	82.9	91.8	85.3	83.6	343.6	357.0	(3.8%)
Natural Gas	19.2	23.3	22.7	19.1	84.3	87.0	(3.1%)
NGL and others	2.0	1.8	2.3	1.6	7.7	1.0	NA

(1) Q2 2018 revenues do not include sales corresponding to the production of the first week of the quarter of the Medanito and Jagüel de los Machos blocks. Such production was sold by Pampa Energía S.A. and is included as a credit in other current assets.

Total consolidated revenues for the full year 2018 were 435.4\$MM, below the guidance of 445\$MM in 2.2%. Q4 2018 revenues were below the other quarters of the year, despite of the increase in production, this being explained by price effect.

Average realized prices

Product	Q4 2018	Q3 2018	Q2 2018	Avg. 2018	Guidance	Q4 2018 vs Guidance
Oil (\$/bbl)	65.5	67.5	68.0	67.0	67.0	(2.2%)
Natural Gas (\$/MMBTU)	4.0	5.1	4.8	4.5	4.7	(14.9%)
NGL (\$/tn)	314	408	402	348	-	NA

During Q4 2018, total sales were 104.1\$MM, 8.1\$MM below the guidance of 112.2\$MM, explained by (a) 7.0\$MM lower crude oil sales (4.0\$MM due to volumes sold and 3.0\$MM due to prices), (b) 2.8\$MM lower natural gas sales (4.5\$MM negative price effect, partially offset by 1.7\$MM positive volume effect), and (c) 1.8\$MM higher revenues from NGL and other services.

Crude oil sales reached 82.9\$MM in Q4 2018, representing 79.6% of the total sales of the Company. Crude oil was sold to domestic refineries, primarily to Shell and Trafigura. All Vista's crude oil production is Medanito type light crude oil, highly demanded by Argentine refineries.

Total average realized price of crude oil in Q4 2018 was 65.5 \$/bbl. Average realized prices were 3.0% below the previous quarter average, while international crude oil reference prices dropped by 9.3% in the same period.

During Q4 2018, natural gas sales were 19.2\$MM, representing 18.4% of total sales, and 17.6% below previous quarter sales of 23.3\$MM. In Q3 2018 winter season demand pushed prices higher, and the opposite effect is shown for Q4 2018 prices (summer season).

Sales were made to a diversified portfolio of industrial clients, representing 67% of total natural gas sales, 25% to distribution companies, and the remaining sales were made to the power generation segment through CAMMESA (the administrator of the wholesale electricity market in Argentina) and other gas traders. Average realized price of sales was 3.9\$/MMBTU (industrial segment average price 4.03 \$/MMBTU, power generation 3.32 \$/MMBTU and distribution segment 3.97 \$/MMBTU).

Natural gas liquids and other services sales were 2.0\$MM during Q4 2018, representing 1.9% of total sales. NGL volumes were allocated to the Argentine market at an average price of 314 US dollars per ton (\$/tn) in Q4 2018, and 346 \$/tn average year.

Operating Expenses

Year 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018 pro-forma	2018 Total	Guidance	Var. Avg / Guidance (%)
Operating Expenses (\$MM)	28.6	26.3	31.3	38.1	124.3	152.0	(18.2%)
<i>Lifting cost (\$/boe)</i>	<i>12.6</i>	<i>11.8</i>	<i>14.1</i>	<i>17.3</i>	<i>13.9</i>	<i>17.3</i>	<i>(19.7%)</i>

During the fourth quarter of 2018, operational expenses were 28.6\$MM, 27.2% below the guidance of 39.3\$MM. The efficiency gains in operational costs were maintained from what we obtained in previous quarters, with control over peso denominated costs, in a quarter with inflation and a stable exchange rate.

Compared to the previous quarter, Q4 2018 operating expenses were higher by 2.3\$MM, of which 1.5\$MM are explained by higher pulling intervention costs. During the quarter, the ONE TEAM pulling contract model already started showing results, during Q4 2018 the unitary pulling cost, dropped 13.7% vis-à-vis Q3 2018.

Adjusted EBITDA

Adjusted EBITDA Reconciliation (\$MM)	Q4 2018	Q3 2018	Q2 2018	Q1 2018 pro-forma	FY 2018 pro-forma
Operating profit	27.6	13.9	12.8	18.6	72.8
Depreciation	11.5	35.5	27.8	32.0	106.7
Restructuring expenses	1.3	6.3	6.8	(2.3)	12.0
Other adjustments ⁽²⁾	-	0.9	2.1	0.4	3.5
Adjusted EBITDA ⁽¹⁾	40.4	56.5	49.5	48.6	195.0
<i>Adjusted EBITDA Margin (%)</i>	39%	48%	45%	47%	45%

(1) Adj. EBITDA = Gross profit + Fix assets depreciation + Other assets depreciation + Extraordinary expenses (Income).

(2) Main adjustments: Q2 initial business combination related adjustments.

Note: amounts may not sum due to rounding

Adjusted EBITDA for 2018 was 195.0\$MM, 2.6% above guidance of 190.0\$MM. Adjusted EBITDA Margin was 45%, two percentage points above guidance of 43%.

Adjusted EBITDA for Q4 2018 was 40.4\$MM, 15.7% below guidance of 47.9\$MM. Adjusted EBITDA Margin was 39%, four percentage points below of guidance of 43%.

Net Income

Vista recorded a net income of 42.4\$MM during Q4 2018. During this quarter, a recovery of non-cash charges of deferred income taxes of 18.2\$MM was recorded. Total net loss for the year 2018 was 29.9\$MM, mainly driven by income tax effect on Q2 and Q3 2018: current income tax was 35.4\$MM and deferred income tax was 12.0\$MM.

Capital Expenditures

Vista's total capital expenditure (Capex) was 123.7\$MM during Q2, Q3 and Q4 2018 (full year 2018 Capex was 130.0\$MM). Vista's Capex included 43.2\$MM in conventional activity for the drilling and completion of 18 new wells in Jagüel de los Machos, Medanito and Lotena formation in Bajada del Palo Oeste. All of the conventional wells tied-in by the Company are currently on production. Conventional activity also included 14 well workovers.

Capital Expenditure in unconventional activity reached 48.2\$MM, of which 44.3\$MM correspond to the Vaca Muerta development in Bajada del Palo Oeste (operated by Vista), and 3.9\$MM correspond to the development in Coirón Amargo Sur Oeste (operated by Shell).

Capital expenditure in facilities was 16.3\$MM in the year, mainly corresponding to the revamping of existing oil and gas treatment facilities and pipelines. Other capital expenditures for 16.1\$MM correspond to the bonus paid for unconventional concessions of Bajada del Palo Oeste and Bajada del Palo Este for 9.0\$MM, and technology, communications and infrastructure projects.

On October 30, 2018, we completed the acquisition of a 50% interest in three blocks held by Jaguar exploración y producción S.A.P.I. de C.V (Jaguar). As the result of this transaction, we disbursed 30.6\$MM (including refundable VAT for 4.7\$MM) for a 50% working interest in the blocks: CS-01 and A-10, both to be operated by Vista (upon the approval of transfer of operatorship by the CNH to Vista), and TM-01 to be operated by Jaguar.

Financial overview

As of December 31, 2018, the Company's cash and cash equivalents balance was 80.9\$MM and the financial debt was 300\$MM, corresponding to the 5-year term loan executed on July 20th. The implied gross leverage ratio was 1.5x and the net leverage ratio was 1.1x.

During Q4 2018, cash flow from operations was 54.7\$MM, 24.4% above the 44.0\$MM of Q3 2018 and 73.1% above the 31.6\$MM of Q2 2018, mainly driven by working capital management and a decrease in income tax effectively paid.

Vista S.A.B. de C.V.
Consolidated Balance Sheet

(Amounts expressed in thousand U.S. dollars)

	As of December 31, 2018	As of December 31, 2017
Cash and cash equivalents	80,908	2,666
Trade and other receivables, net	86,050	-
Inventories	18,187	-
Total current assets	185,145	2,666
Property, plant and equipment	820,722	-
Goodwill	28,484	-
Cash held in escrow account	-	652,566
Other intangible assets	31,600	-
Trade and other receivables	20,191	128
Total non-current assets	900,997	652,694
Total assets	1,086,142	655,360
Provisions	4,140	-
Borrowings	10,352	-
Salaries and other contributions	6,348	-
Income tax payable	22,429	-
Other taxes and royalties payable	6,515	9
Trade and other payables	84,334	277
Total current liabilities	134,118	286
Deferred income tax liabilities	133,757	38
Provisions	16,186	-
Borrowings	294,415	644,630
Warrants	23,700	14,840
Defines employees' benefit plans	3,302	86
Trade and other payables	1,007	550
Total non-current liabilities	472,367	660,144
Total liabilities	606,485	660,430
Total equity	479,657	(5,070)
Total liabilities and equity	1,086,142	655,360



Vista S.A.B. de C.V.
Consolidated Income Statement

(Amounts expressed in thousand U.S. dollars)

	For the period ended December 31 2018	October 1, 2018 to December 31 2018
Revenues	331,336	104,103
Revenues from crude oil sales	260,079	82,910
Revenues from natural gas sales	65,165	19,176
Revenues from gas liquid gas liquids sales	6,092	2,016
Cost of sales	212,581	57,623
Operating expenses	86,245	28,556
Stock fluctuation	1,241	1,241
Depreciation	74,772	11,473
Royalties	50,323	16,353
Gross profit	118,755	46,480
Selling expenses	21,341	8,133
Administrative expenses	27,122	7,492
Exploration expenses	637	457
Other operating income	(2,641)	238
Other operating expenses, net	18,097	2,615
Operating profit (loss)	54,199	27,545
Interest income	2,532	2,151
Interest expense	(15,746)	(4,622)
Other financial results	(23,416)	5,107
Comprehensive financial result	(36,630)	2,636
Profit (Loss) before income taxes	17,569	30,181
Income taxes deferred and current (expense)/benefit	(47,419)	12,198
Net (loss) profit for the year/ period	(29,850)	42,379
Other comprehensive loss	(2,674)	(5)
Total comprehensive income (loss) for the period	(32,524)	42,374

Vista S.A.B. de C.V.
Consolidated Statement of Cash Flows

(Amounts expressed in thousand U.S. dollars)

	For the period ended December 31, 2018	For the period October 1 through December 31, 2018
(Loss)/Profit before income taxes	(29,850)	42,379
Adjustments to reconcile net cash flow provided by operating activities:		
Increase in allowances, net	1,664	1,154
Net exchange differences	(3,005)	(15,630)
Unwinding of discount on asset retirement obligation provision	897	394
Increase of provisions, net	1,408	990
Discount of assets and liabilities at net present value	2,743	66
Share-based payment expense	4,021	1,471
Accrued income tax	47,419	(15,613)
Accrued defined employees' benefits plan	368	-
Non-cash items related with investing activities		
Depreciation	73,975	10,676
Amortization of intangible assets	797	399
Change in fair value of financial instruments	(1,415)	(22)
Interest expense	15,546	4,622
Warrants	8,860	5,787
Interest income	2,532	-
Costs of early settlements of borrowings and other financial costs	14,898	2,725
Changes in working capital	(1,440)	21,874
Income tax paid	(16,642)	(6,573)
Net cash flow generated by operating activities	122,776	54,699
Business acquisitions, net of cash acquired	(708,136)	-
Payments for acquisition of property, plants and equipment	(117,837)	(64,476)
Payments for acquisition of other intangible assets	(31,486)	(31,546)
Proceeds from sales of other financial assets	16,680	-
Proceeds from interest received	2,532	-
Net cash flows used in investing activities	(838,247)	(96,038)
Acquisition of non-controlling interests	(1,307)	-
Capital contribution	-	-
Warrants	-	-
Payment of redemption of Series A shares (Note 30.4)	(204,590)	-
Proceeds from private investment in public equity	95,000	-
Payment of issue costs from capitalization of shares	(24,261)	-
Proceeds from borrowings	560,000	-
Payment of issue costs from borrowings	(18,250)	(688)
Payments of borrowings	(260,000)	-
Payments of borrowings' interests	(5,018)	-
Other cash inflows (outflows)	-	-
Net cash flows generated by financing activities	141,574	(688)



	For the period ended December 31, 2018	For the period October 1 through December 31, 2018
Net (decrease) increase in cash and cash equivalents	(573,897)	(42,027)
Effects of exchange rate changes on cash and cash equivalents	(15,288)	2,551
Net increase in cash and cash equivalents	(573,897)	(43,911)
Total cash and equivalents at the end of the period	66,047	66,047
Government notes and bonds at the end of the period	14,861	14,861
Total cash and cash equivalents including bonds and notes at the end of the period	80,908	80,908



Summary Unaudited Pro-forma Condensed Consolidated Income Statement for the period from January 1, 2018 to April 3, 2018

Entities and assets acquired by Vista on April 4th, 2018.
(Amounts expressed in thousand U.S. dollars)

	For the period from January 1, 2018 through April 3, 2018
Revenue from contracts with customers	104,320
Operating expenses	38,123
Other operating expenses	4,766
Depreciation, depletion and amortization	31,452
Royalties and canons	10,062
Cost of sales	84,403
Gross profit / (loss)	19,917
Selling expenses	4,001
General and administrative expenses	5,782
Exploration expenses	167
Other operating income	6,849
Other operating expenses	174
Impairment (loss) / Recovery PPE	435
Operating profit / (loss)	16,207
Finance income	367
Finance costs	5,921
Other financial results	1,011
Financial results, net	6,565
Net profit / (loss) before income tax	9,642
Current income tax	385
Deferred income tax	4,815
Income tax expense	5,200
Profit / (loss) for the period	4,442

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